



Building on
Stronger Foundations.
Responsibly.

Building on stronger foundations. Responsibly.

With resilience at our core and guided by responsible action, we are constantly seeking innovative solutions, adopting sustainable practices and creating value for our shareholders and the communities we operate in. Resting on a strong foundation built on decades of trust, operational excellence and a commitment to deliver superior-quality cement, we are ramping up our capacity and expanding our presence to drive profitable growth.



Community development across our plants



As we march ahead, growing stronger and versatile, we are incorporating sustainability goals into our business model to reiterate our unwavering focus on embracing environmental stewardship, empowering communities and creating a clear roadmap for a sustainable future.



Preheater at Dachepalli Plant

Today, equipped with cutting-edge technology and R&D process, we have set new benchmarks in the cement industry by consistently limiting our carbon footprint. We are undertaking a host of initiatives across various ESG parameters to ensure long term benefits for our stakeholders and gradually bringing our ESG Vision 2030 to life – responsibly paving the way for a sustainable tomorrow.

CONTENTS

- 02 About the Report
- 03 FY 2025 performance highlights
- 04 ESG highlights

Corporate overview

- 05 About Sagar Cements Limited
- 06 Our presence
- 08 Product portfolio
- 10 Board of Directors
- 13 Leadership team

Performance review

- 15 Chairman's message
- 16 MD and JMD's message
- 18 Value creation model
- 19 Key performance indicators
- 21 ESG Roadmap 2030

Strategic review

- 24 Operating context
- 26 Business strategy
- 29 Investment case

Sustainable progress

- 32 ESG vision 2030
- 34 Stakeholder engagement
- 36 Materiality

The environment around us

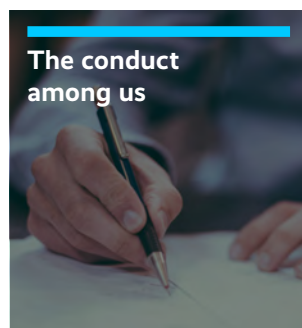
- 38 Climate change and emissions
- 43 Energy
- 46 Resource
- 48 Water
- 50 Waste
- 51 Biodiversity



The environment
around us



The people amidst us



The conduct
among us

The people amidst us

- 53 Employee well-being
- 56 Health and safety
- 60 Suppliers and partners
- 61 Customers
- 62 Communities

The conduct among us

- 65 Corporate governance practices
- 66 Ethics and compliance
- 68 Risk management

Annexures

- 76 Awards and recognitions
- 77 Independent Assurance Statement
- 79 GRI Content Index
- 81 GCCA Index
- 82 SASB Construction Materials Index

Statutory reports

- 83 Directors' Report
- 107 Management Discussion and Analysis
- 110 Corporate Governance Report
- 132 Business Responsibility & Sustainability Report (BRSR)

Financial statements

- 160 Standalone
- 225 Consolidated
- 295 Notice
- 312 Abbreviations

CASE STUDIES

How we are building on stronger foundations responsibly.

Empowering customers
with green alternatives

+ PAGE 09

Smart preheater built with
100% PPC

+ PAGE 28

GreenCo certification for
multiple plants

+ PAGE 33

Advancing clean energy with
Gudipadu's 6 MW solar plant

+ PAGE 41

Emission reduction through
EV adoption

+ PAGE 42

Upgradation of fly
ash unloading system
at Dachepalli

+ PAGE 42

Portable solar lighting towers
at Dachepalli

+ PAGE 44

VFD Systems to promote
energy conservation
at Dachepalli

+ PAGE 45

Use of paddy husk as
sustainable blasting additive
at Dachepalli

+ PAGE 47

Drip irrigation system for
green belt development
at Jeerabad

+ PAGE 49

Blue Drop STP at Dachepalli

+ PAGE 49

Integrated work permit
system at Dachepalli Plant

+ PAGE 57

Driver Management System
to strengthen safety culture

+ PAGE 59

HOW TO NAVIGATE THE REPORT

There is a navigation bar at the Top. You can use it to switch to different chapters of the Report. A green colour will highlight the chapter that you are currently in. You can also directly access the chapters from this Contents page. More information in some cases is provided by way of hyperlinks within the text. Alternatively, a Read more symbol will guide you to the specific links.



ABOUT THE REPORT

Our Integrated Report provides a holistic overview of our financial and non-financial performance during FY 2025. It offers a thorough analysis of our strategy, governance and potential risks and opportunities.

Reporting boundary and scope

This report presents information on Sagar Cements Limited (SGC), its subsidiaries and its integrated and grinding plants located in various parts of India. It also covers information on the multiple resources and external services that the Company is dependent on to create value and impact. In the ESG Roadmap 2030 Base year for Water Consumption is FY 2022-23.

Reporting period

1st April 2024 to 31st March 2025 (unless mentioned otherwise).

Standards and frameworks

This Report is aligned with the Integrated Reporting (IR) Framework by the IFRS Foundation, reflecting the value we create over time through transparent and comprehensive disclosures. As a member of the Global Cement and Concrete Association (GCCA), we ensure that our Key Performance Indicators (KPIs) and disclosures are aligned with the GCCA Sustainability Charter, demonstrating our commitment to sustainable practices in the cement and concrete industry.

Further, the disclosures in this Report are aligned with the Global Reporting Initiative (GRI) Standards, as well as the Sustainability Accounting Standards Board (SASB) Standards for Construction Materials, and Metals and Mining.

Statutory disclosures

The report complies with the following requirements:

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

Management responsibility

The members of the Board along with the senior management at Sagar Cements Limited, have reviewed the information presented in this Report for consistency, clarity and fairness of the messaging. This Report is approved for public release on 6th June 2025.

Assurance

The standalone and consolidated financial statements provided in this report for FY 2025 have been audited by Deloitte Haskins & Sells, the statutory auditor's of Sagar Cements Limited.

The ESG and Sustainability Data (non-financial data) included in this report has been assured by TUV India Private Limited.

Contributing to UN SDGs



Our capitals

Financial capital

Financial Capital includes the equity, debt and financial resources that enable Sagar Cements to fund operations, invest in growth, manage risks and deliver consistent value to shareholders, supporting long term business sustainability.

Human capital

Human capital is essential for operational success, encompassing skilled workers, leadership and R&D teams. We invest in training, safety, and professional development to foster a high-performing workforce that drives productivity and innovation.

Manufactured capital

Manufactured Capital covers our cement and clinker production plants, grinding mills, packaging units and logistics infrastructure. These assets support efficient production, innovation and distribution, ensuring the continued delivery of quality products to markets.

Social and Relationship capital

Social and relationship capital includes our long term partnerships with construction firms, real estate developers, suppliers, distributors, and governments. These relationships foster trust, enhance market positioning, and support our CSR initiatives for community impact.

Natural capital

Natural capital presents an essential part of our value chain covering our key raw materials - limestone, fuels and water. Sagar Cements focuses on sustainable management of these resources, minimising environmental impact and integrating renewable energy for future growth.

Intellectual capital

Intellectual Capital encompasses our proprietary cement formulations, R&D, automation, and quality control systems. It also includes our strong brand reputation and market strategies which drive innovation, efficiency and competitive advantage in the industry.



Feedback

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



PERFORMANCE HIGHLIGHTS

FY 2025 at a glance

Financial

Revenue

₹ 2,25,764 Lakhs

↓ 10%

EBITDA

₹ 14,109 Lakhs

↓ 43%

PAT

₹ (21,668) Lakhs



Operational

Production

55,09,572 MT

↑ 0.67%

Sales volume

55,09,147 MT

↓ 0.07%

Contract Manufacturing (GGBS)

1,78,422 Tonnes

Capacity utilisation

54%

↑ 1.88%

ESG HIGHLIGHTS

Environment

2.7%

Reduction in Scope (1+2)
GHG emission Intensity
(includes biomass emissions)

5.4%

Thermal Substitution Rate
(TSR)

1,23,330 KL

Water recycled

172 L/t

Cementitious production
Specific water consumption

93%

Waste diverted from
disposal

CDP B Rating

Achieved for climate and
water security in our first
year of reporting

SBTi

Validated our near-term
and long term carbon
footprint reduction
targets

48%

Green cement produced

**GreenCo
certified plants**

Mattampally, Gudipadu
and Bayyavaram

6

Electric Vehicles
introduced in 3 cement
manufacturing plants



Social

44,532

Total training hours

Zero

Fatalities across the Group,
including own workforce
and contract workmen

83.1%

Local procurement

4,00,000+

CSR beneficiaries in
past five years

0.31

LTIFR

**Community
Health Centre**

at Gudipadu and
Mattampally

**Vocational
Training
Programmes**

Providing training for
the underprivileged
at Gudipadu and
Mattampally Skill
Development Centres



Governance

3

Independent
Directors on Board

3

Female Directors
on Board

Risk assessment

and analysis by independent
third-party every year





ABOUT SAGAR CEMENTS LIMITED

Company portrait

Sagar Cements Limited (SGC) is a leading cement manufacturer in India. Since our inception in 1981, responsibility has been embedded in our journey, as we steadily expanded capacity and presence across key consumption centres – from Southern India to the central and eastern parts of the country.

Our strategically located manufacturing plants and expansive distribution network enable us to meet the nation's growing demand for building materials while our ESG vision guides our commitment to sustainable value creation.

Our mission

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



Our vision

To provide foundations for the society's future



Our Strategy for Growth

- S1** Boosting growth momentum
- S2** Building a resilient model
- S3** Integrating ESG into our core operations

Key figures

10.50 MTPA
Total production capacity



6.60 MTPA
Clinker capacity



941.40 MnT
Limestone reserve



102.98 MW
Total captive power capacity



3,173 Dealers
BBB+
Rating by India Ratings & Research Private Limited

84
Warehouses



12
Offices



ABOUT SAGAR CEMENTS LIMITED

Our presence

Markets served by the entity

1 Andhra Pradesh	7 Maharashtra
2 Telangana	8 Odisha
3 Tamil Nadu	9 Bihar
4 Madhya Pradesh	10 Jharkhand
5 Karnataka	11 West Bengal
6 Gujarat	12 Kerala
	13 Rajasthan

**Jeerabad,
Madhya Pradesh**

1.0 MTPA

**Mattampally,
Telangana**

3.0 MTPA

**Dachepalli,
Andhra Pradesh**

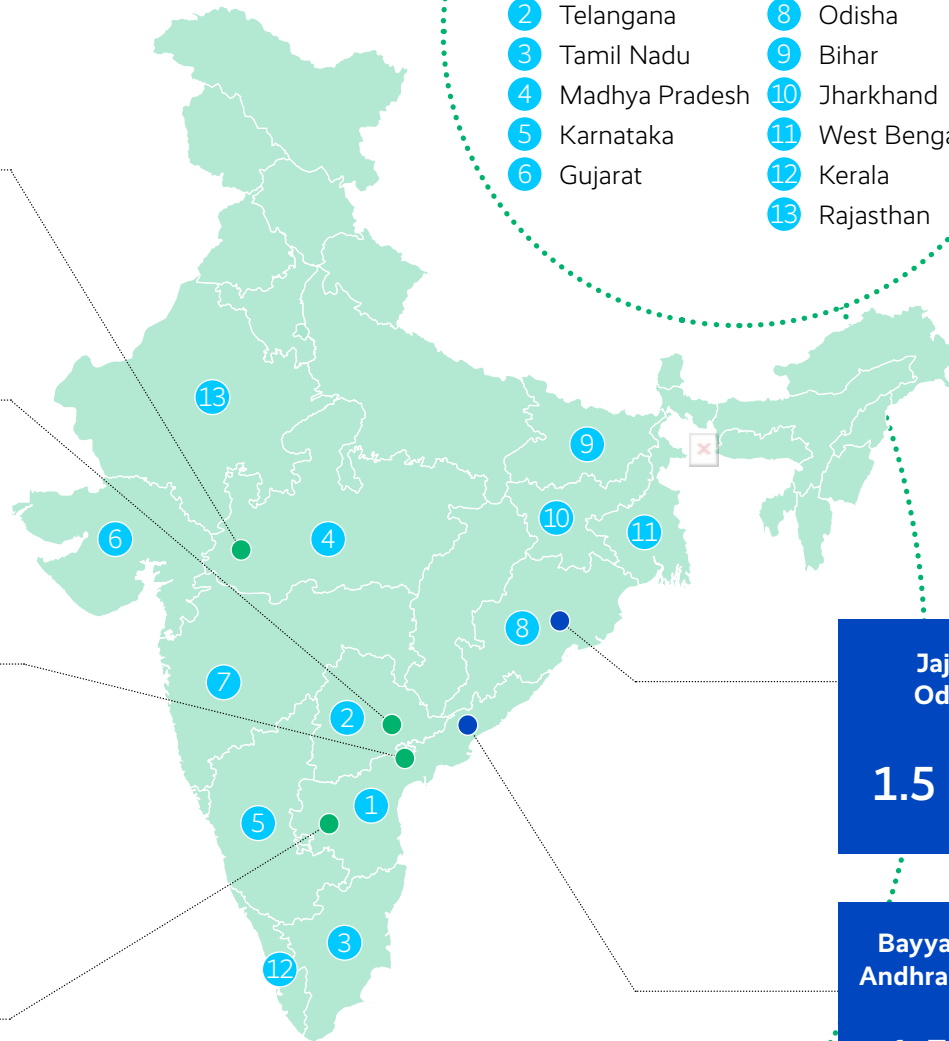
2.25 MTPA



**Gudipadu,
Andhra Pradesh**

1.25 MTPA



● Integrated Plant ● Grinding Unit

 WHRS  Solar Power Plant  Hydro Power Plant

**Jajpur,
Odisha**

1.5 MTPA

**Bayyavaram,
Andhra Pradesh**

1.5 MTPA

Note: Map not to scale.

 Robo Lab at Jajpur Grinding Plant, Odisha





ABOUT SAGAR CEMENTS LIMITED

Mattampally, Telangana



Capacity: **3.00 MTPA**
Captive Power: **28.15 MW**
Thermal Power: **18.00 MW**
WHRS: **8.80 MW**
Solar Power: **1.35 MW**
Limestone resources: **392.30 MnT**
Markets: **AP, TG, TN, OD, MH**
Certifications: **Green Co Gold, Green Pro for PPC, NABL accredited Laboratory, 5-star rating for Mines by IBM**

Gudipadu, Andhra Pradesh



Capacity: **1.25 MTPA**
Captive power: **31.00 MW**
Solar Power: **6.00 MW**
Thermal Power: **25.00 MW**
Limestone resources: **163.50 MnT**
Markets: **AP, KA, TN, TG, KE**
Certifications: **Green Co Gold, Green Pro for PPC and PSC**



Jeerabad, Madhya Pradesh



Capacity: **1.00 MTPA**
Captive power: **5.40 MW**
WHRS: **5.3 MW**
Solar Power: **0.1 MW**
Limestone resources: **70.70 MnT**
Markets: **Western MP, GJ, RJ, MH**
Certifications: **Green Pro for PPC**

Dachepalli, Andhra Pradesh



Capacity: **2.25 MTPA**
Captive power: **30.00 MW**
Thermal Power: **30.00 MW**
Limestone resources: **314.90 MnT**
Markets: **TG, AP, TN & KA**
Certifications: **Green Pro for PPC**

Bayyavaram, Andhra Pradesh



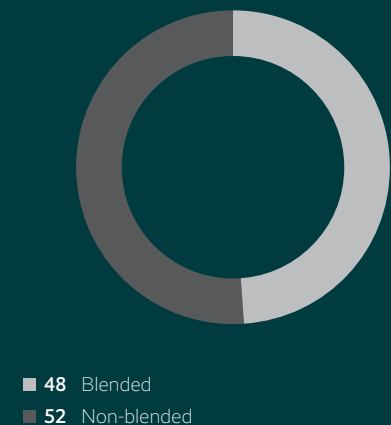
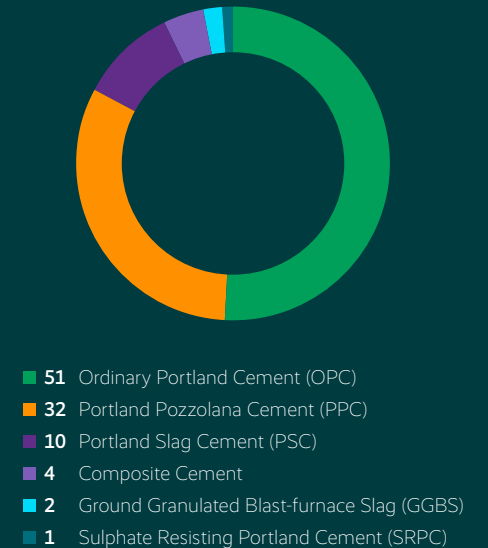
Capacity: **1.50 MTPA**
Captive power: **8.43 MW**
Solar Power: **0.130 MW**
Hydro Power Plant 1 – **4 MW**
Hydro Power Plant 2 – **4.3 MW**
Markets: **AP and South OD**
Certifications: **Green Co Platinum, Green Pro for PPC, CC, and GGBS, NABL Accredited Laboratory**

Jajpur, Odisha



Capacity: **1.50 MTPA**
Markets: **OD, WB, JH**
Certifications: **Green Pro for PPC, CC, and PSC**

Product mix (%)



Note:

- 1) A 4.35 MW WHRS plant is under development at Gudipadu, and a 6.00 MW solar power plant is under construction at Dachepalli.
- 2) Solar panels with a capacity of 80 kW are installed at the Head office, Hyderabad.
- 3) The Hydro Power Plants in Andhra Pradesh are offsite and wheeling power to Bayyavaram Plant.



PRODUCT PORTFOLIO

Addressing evolving needs

Our product portfolio comprises a wide range of cement categories, developed to cater to the evolving needs of the construction sector. With a strong focus on sustainability and innovation, we continue to explore green offerings for our customers while adhering to sustainable practices.



Ordinary Portland Cement (OPC)

Ordinary Portland Cement (OPC), commonly known as grey cement, consists of 96% clinker and 4% gypsum. It is the most widely used type of cement. We offer both 53 Grade and 43 Grade OPC. Our OPC is produced in line with sustainable practices, meeting the necessary environmental standards.

Applications

- ◆ Construction of buildings, roads, pavements and bridges
- ◆ Precast concrete products, including blocks, tiles and pipes
- ◆ Foundations and structural works that require quick strength development



Portland Pozzolana Cement (PPC)

Portland Pozzolana Cement (PPC) is a blended cement made up of 15-35% pozzolanic material with 61-81% clinker and 4% gypsum. Known for its improved durability, especially in aggressive environments, PPC also offers sustainable advantages by incorporating industrial by-products such as fly-ash.



GreenPro certified by Confederation of Indian Industry (CII)

Applications

- ◆ Mass concrete works such as for dams, foundations and water-retaining structures
- ◆ RCC structures and high-strength concrete applications
- ◆ Pavement and bridge construction where durability against sulphates is needed



Portland Slag Cement (PSC)

Portland Slag Cement (PSC) is produced by blending 25-75% granulated blast furnace slag with 22-72% of clinker and 3% gypsum. It offers improved resistance to chemical attacks, particularly sulphates and enhances the durability of concrete.

PSC supports sustainable construction practices while offering superior strength and longevity.



GreenPro certified by Confederation of Indian Industry (CII)

Applications

- ◆ Marine and coastal structures, such as jetties, harbours and seawalls
- ◆ Used in sewage systems and wastewater treatment plants due to its resistance to aggressive substances
- ◆ Industrial flooring and heavy-duty concrete applications requiring superior durability

Note: Clinker is an intermediate product formed by heating a mixture of limestone, clay, and other materials at high temperatures in the kiln.



PRODUCT PORTFOLIO



Composite Cement

Composite cement is a blended cement made up of 15-35% pozzolanic material, 20-50% granulated slag, 3% gypsum and remaining clinker. It combines the benefits of both pozzolanic materials and slag, offering a well-rounded balance of strength and durability.



GreenPro certified by Confederation of Indian Industry (CII)

Applications

- ◆ Mass concrete works such as dams, foundations and water-retaining structures
- ◆ RCC structures and high-strength concrete applications
- ◆ Construction of pavements and bridges where sulphate-resistance is necessary



Ground Granulated Blast-furnace Slag (GGBS)

Ground Granulated Blast-furnace Slag (GGBS) is a cementitious material and a by-product of steel manufacturing, used as a partial replacement for cement. It enhances concrete's durability and workability while reducing its environmental footprint.



GreenPro certified by Confederation of Indian Industry (CII)

Applications

- ◆ High-durability concrete, including mass concrete works for large-scale structures
- ◆ Ready-mix concrete and precast concrete structures
- ◆ Sulfate-resistant concrete, ideal for foundations and water-retaining structures



Sulphate Resisting Cement (SRC)

It is a type of Portland cement with Tricalcium Aluminate (C3A) < 5% and C3A and calcium aluminoferrite (C4AF) combined <25% specifically designed to withstand sulphate attacks. It is specifically formulated for use in areas where sulphate exposure is high, such as coastal and sewage systems.



Applications

- ◆ Sewage treatment plants and wastewater systems exposed to sulphate-rich conditions
- ◆ Marine structures, such as piers, jetties and coastal foundations
- ◆ Underground construction and foundations in sulphate-prone areas

CASE STUDY



Empowering customers with green alternatives

SGC is committed to improve its environmental footprint across the product lifecycle. Periodically we undertake the GreenPro-certification for our products issued by the CII-Green Business Council (CII GBC). To achieve certification, we conduct a comprehensive lifecycle assessment (LCA) for our major cement categories covering greenhouse gas emissions, resource consumption, overall environmental impact, raw material sourcing, energy water efficiency and waste management.

In 2024, our Sustainable Product Portfolio included PPC, CC, PSC and GGBS.

4

Products received GreenPro certification



BOARD OF DIRECTORS

Excellence
and expertise
at the core

Upholding the highest standards of corporate governance, our Board provides necessary oversight and guidance to thrive in a dynamic business environment. The diverse experience and expertise of our Board members ensure effective decision making and empowers us to create holistic value for all stakeholders.



Seated (L to R): Smt. O. Rekha, Independent Director; Smt. N. Sudha Rani, Nominee Director; Smt. S. Rachana, Non-executive Director

Standing (L to R): Shri. Ravichandran Rajagopal, Independent Director; Shri. K. V. Vishnu Raju, Chairman and Independent Director; Dr. S. Anand Reddy, Managing Director; Shri. S. Sreekanth Reddy, Joint Managing Director; Shri. Jens Van Nieuwenborgh, Nominee Director; Shri. Madhavan Ganesan, Nominee Director



BOARD OF DIRECTORS

Board committees

- Investment Committee
- Securities Allotment Committee
- Corporate Social Responsibility Committee
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management and ESG Committee
- Chairman
- Member



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



Qualification

Graduate Degree in Chemical Engineering from National Institute of Technology, Tiruchirappalli, and a Master's degree in Chemical Engineering from Michigan Technological University, Houghton, MI, USA.

Skills and experience

He had been associated with Raasi Cements Limited as Executive Director from 1992 to 1995 and as Managing Director from 1995 to 1998. He was on the Board of Anjani Portland Cement Limited as its Chairman and Managing Director from 1999 to 2014. Currently, he is on the Board of Anjani Vishnu Allied Services Limited as its whole-time director.



Shri. Ravichandran Rajagopal
Independent Director



Qualification

Graduate Degree in Mechanical Engineering from Regional Engineering College, Tiruchirappalli, and a Master's degree in Management from Indian Institute of Management, Calcutta.

Skills and experience

He had been associated with Vijay Cements Limited as Director from 1992 to 1997 and with Elico Healthcare Limited from 1997 to 2009.



Smt. O. Rekha
Independent Director



Qualification

B. Com degree from Osmania University and an MBA from Samford University, USA, and is an Associate Member of the Institute of Chartered Accountants of India.

Skills and experience

She has worked in a directorial capacity in Fur Chemical Private Limited and Swan Vacuum Systems Private Limited and serves as a Director on the Board of VA Champ Industries Private Limited and Sagar Cements (M) Private Limited.



Smt. N. Sudha Rani
Nominee Director



Qualification

Postgraduate in Commerce

Skills and experience

She is currently positioned as Manager (EPM & Accounts) in TSIDC, a demerged Company of APIDC.



BOARD OF DIRECTORS



Shri. Madhavan Ganesan
Nominee Director



Qualification

B.E. (Hons) from BITS Pilani and MBA from IIM Calcutta.

Skills and experience

He has 36+ years of experience in different fields as a Business Leader and Strategy Consultant in establishing and incubating new ventures, driving strategic growth and profitability of large business units, group strategic growth planning, managing international partner relationships and financing of ventures.



Shri. Jens Van Nieuwenborgh
Nominee Director

Qualification

Holds a Master's degree in Civil Engineering from the University of Ghent and an MBA from Harvard Business School.

Skills and experience

He has been an investment Director at Ackermans & Van Haaren (AvH) since September 2014. He previously worked with McKinsey & Company as Associate Partner. He serves as a Director with AvH Resources India Pvt. Ltd. and Boston Ivy Healthcare Solutions Pvt. Ltd.



Smt. S. Rachana
Non-executive Director



Qualification

Hold a Bachelor's degree in Science

Skills and experience

She is a Promoter Director of R V Consulting Services Pvt. Ltd.



Dr. S. Anand Reddy
Managing Director



Qualification

MBBS

Skills and experience

He has more than 34 years of experience. Under his guidance, SGC has emerged as one of the most economical cement plants in Telangana. In 2008, he was appointed as the Joint Managing Director and later as Managing Director in 2018.



Shri. S. Sreekanth Reddy
Joint Managing Director



Qualification

B.E.(I &P), PG Diploma in Cement Technology.

Skills and experience

He has more than 29 years of experience. In 2008, he was appointed as an Executive Director and in 2018, as Joint Managing Director. During his tenure, SGC grew its capacity from 1.32 Lakhs TPA to 105 Lakhs TPA and witnessed the adoption of modern technology in all areas of its operations.

● Investment Committee

● Securities Allotment Committee

● Corporate Social Responsibility Committee

● Audit Committee

● Nomination and Remuneration Committee

● Stakeholders' Relationship Committee

● Risk Management and ESG Committee

© Chairman M Member



LEADERSHIP TEAM

Leading with responsibility

**Dr. S. Anand Reddy**

Managing Director

Dr. S. Anand Reddy brings with him a vast experience of more than 34 years. He has an MBBS degree from Nagarjuna University. He joined SGC as Director (Marketing and Projects) in 1992 and has risen to the current position of Managing Director.

**Shri. S. Sreekanth Reddy**

Joint Managing Director

Shri. S. Sreekanth Reddy brings with him more than 29 years of industry experience. He has a Bachelor's degree in Industrial and Production Engineering and a Diploma in Cement Technology.

He joined SGC in 2002 as a Technical Consultant and was later appointed as its Director. Under his guidance, SGC has emerged as one of the most sustainable cement plants in Telangana.

**Shri. K. Ganesh**

Group President

Shri. K. Ganesh comes with a rich experience of more than 39 years in project execution and operations of cement plants. He holds a Diploma in Mechanical Engineering. He has been associated with SGC since 1992 and has been a crucial part of the Company's growth story.

**Shri. K. Prasad**

Chief Financial Officer

Shri. K. Prasad heads the Finance and Accounts function of the Group.

Has more than 31 years of experience. He is a qualified Chartered Accountant and also holds an M.Com. degree. He has been associated with us since 2003. Before joining SGC, he served as the Senior Manager at Sagarsoft (India) Limited.



LEADERSHIP TEAM

**Shri. Rajesh Singh**

Chief Marketing Officer

Shri. Rajesh Singh has 32 years of experience in Marketing. He holds a PG Diploma in Business Management from Osmania University. He has been associated with us since 2008. He has worked with Suzlon Energy Limited, Orient Cement Limited, Chambal Fertilisers & Chemicals Limited in his 34 years of professional journey.

**Shri. O. Anji Reddy**

Chief Sustainability Officer

Shri. O. Anji Reddy has a postgraduate degree in Engineering from Andhra University and has been working for the cement industry since 1985. During his 40 years of service, he has worked in a wide range of functions for the cement and power sectors. He is also a certified expert in climate change and environmental sustainability by the Confederation of the Indian Industry (CII).

**Shri. J. Raja Reddy**Company Secretary and
Compliance Officer

Shri. J. Raja Reddy is an Associate Member of the Institute of Company Secretaries of India and holds a Graduate Degree in Science and Law from Osmania University, Hyderabad. He heads the secretarial and compliance functions of SGC, before joining SGC he served as the Company Secretary at Sagarsoft (India) Limited.

**Shri. Sanjay Singh**Senior General Manager (F&A)
and Chief Risk Officer

Shri. Sanjay Singh has an experience of around 30 years. He is a Fellow Member of the Institute of Chartered Accountants of India and also holds a Graduate Degree in Commerce from Osmania University, Hyderabad. He is part of the Finance and Accounts function at SGC.



CHAIRMAN'S MESSAGE

Nurturing responsible growth



In FY 2025, we reached a significant milestone by becoming the first Indian cement company GHG Emission reduction targets validated by the SBTi, in line with the Net Zero Standard for 2050.

Dear Shareholders,

It gives me great pleasure to present our performance and outlook for the year gone by.

The past year has been marked by challenges and opportunities for the cement industry. Despite headwinds in the form of inflationary pressures, volatile input costs and global uncertainties, Sagar Cements has demonstrated resilience and adaptability. Our focus on operational excellence, strategic expansion and sustainable growth has enabled us to strengthen our position across key markets.

The long term fundamentals of the Indian economy, particularly the government's continued emphasis on infrastructure development and housing, bode well for the cement sector.

With our strengthened capacities, diversified geographic footprint and a sharper focus on sustainable practices, Sagar Cements is well positioned to capitalise on these opportunities while strengthening its foundation and ensuring responsible growth.

Poised for responsible value creation

During the year, we consolidated our production capacities and deepened our presence in high-growth regions. Our commitment to cost optimisation, technological upgradation and customer-centricity continues to drive efficiencies across our operations. Strategic efforts to lower logistics costs, increase usage of green energy, and enhance supply chain management has consistently improved our operational performance.

Our financial performance, while impacted by broader macroeconomic factors, remains robust. We are confident that the groundwork laid during this period - from capacity additions to supply chain enhancements - will enable us to leverage the upcoming growth cycles more effectively.

Prioritising sustainability

We remain deeply committed to environmental stewardship, undertaking multiple initiatives to reduce our carbon footprint, optimise water usage and promote green energy solutions. The use of electric vehicles and targeted efforts to minimise power consumption at our plants have supported our ESG vision.

To foster sustainable operations, we are also adopting cutting-edge technology across our operations. It has facilitated innovation and resulted in the development of superior quality products for an evolving market.

Committed to value creation

As we move forward, we remain committed to our vision of being one of India's most responsible cement companies. Anchoring our growth in the values of integrity and accountability, we continue to lead the way with our innovative spirit and our pursuit of excellence.

I would like to express my heartfelt gratitude to all our stakeholders, including shareholders, customers, employees, partners and the community, for their trust and faith in our abilities. Your confidence inspires us to aim higher and work harder to create long term, sustainable value.

Best regards,

K. V. Vishnu Raju
Chairman





MD AND JMD'S MESSAGE

Building momentum for a sustainable future

Dear Shareholders,

It gives us immense pleasure to write to you at the end of yet another eventful year for Sagar Cements, as we review our performance and progress through the lens of responsibility and sustainability. In FY 2025, we remained steadfast in our approach, focused on strengthening our foundations to create sustained long term value for all our stakeholders. We have established a well-defined growth strategy aimed at boosting growth momentum, building a resilient model and integrating ESG into our core operations, as we continue to expand our manufacturing capacity.

Performance overview

While the overall industry faced margin pressures due to low demand post the general elections and extreme weather conditions, revival in demand gradually, during the second half helped us in protecting our market share on YoY basis and build momentum for the future. Our consolidated revenue stood at ₹ 2,258 Crores, Cement

sales volumes stood at 5.51 Million tonnes, EBITDA was ₹ 141 Crores, and PAT stood at ₹ (217) Crores.

Our capacity utilisation remained at 54% during FY 2025 which is at par with FY 2024 utilisation levels. 

We remain focused on reducing our GHG emissions leveraging latest technologies, investing in renewable and green energy, increasing use of alternate fuels and resources, optimising energy consumption and green transportation. We have process-expert system softwares and automation technology products to ensure real-time monitoring and predictive maintenance at our plants. We also have AI & Machine learning, operating as a pilot. All these efforts shall help us in our continued momentum for sustainable growth.

S. Sreekanth Reddy
(JMD)

Dr. S. Anand Reddy
(MD)





MD AND JMD'S MESSAGE



In FY 2025, we achieved significant milestones in our environmental initiatives. We reduced our Greenhouse gas emission intensity by 2.7% and Utilised approximately 15.1 lakh metric tonnes of waste, demonstrating our commitment to minimising our ecological footprint.

Ensuring responsible growth

Our journey towards responsible growth is anchored in our ESG Vision 2030, which emphasises a positive transformation of the environment around us, the people amidst us and the conduct among us. This vision guides our strategy and operations, ensuring that every decision we make contributes to a sustainable future.

We are consistently increasing the share of renewable energy in our total energy consumption mix. This shift reduces our carbon footprint and aligns with our longterm sustainability goals.

In January 2025, we have successfully commissioned a 6 MW Solar Power plant at the Gudipadu Unit. Another 6 MW Solar Power plant is under construction at our Dachepalli unit. Our water management practices are equally robust, and we are three times waterpositive organisation.

Concurrently, our efforts to nurture an engaged and motivated workforce are reflected through concerted efforts for employee well-being. We have also implemented an occupational health and safety management system to prioritise the health and safety of our people.

Meanwhile, we have engaged in several initiatives to create a lasting impact on society through our community development efforts in preventive healthcare and promotion for safe drinking water, training and education, training and promotion of sports, and rural development. The guidance and oversight of our Board Risk management and ESG Committee ensures effective implementation of various ESG principles governing sustainability practices at different levels of the organisation. Through monthly ESG reviews and tracking of ESG Roadmap performance, we are driving responsible operations.

Looking ahead

Moving forward, we remain committed to expanding our capacity responsibly, enhancing our operational efficiency and continuing our journey towards net-zero emissions. We believe, initiatives to lower freight costs through shortening of lead

distances, decreasing the clinker factor, upgrading our assets and optimising our energy mix will effectively generate long-term value for all our stakeholders. We are confident that by adhering to our ESG principles and embracing innovation, Sagar Cements will continue to lead the way in responsible growth, building on its rich legacy of value creation.

We would like to thank our employees, partners and stakeholders for their unwavering support and encouragement. Looking ahead, we are building a sustainable growth trajectory that keeps Sagar Cements perfectly poised to explore emerging opportunities while prioritising sustainability at every step of the way.

Best regards,

Dr. S. Anand Reddy
(MD)

S. Sreekanth Reddy
(JMD)



VALUE CREATION MODEL

Shaping a sustainable business

Inputs

Financial capital

Pool of funds allocated and utilised for all business activities

- ♦ Total Equity: ₹ 1,79,433 Lakhs
- ♦ Total Debt: ₹ 1,42,800 Lakhs
- ♦ Capital commitment as on March 31, 2025: ₹ 35,925 Lakhs

Manufactured capital

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

- ♦ Cement and grinding plants: 6
- ♦ Thermal power plants: 3
- ♦ Hydro power plants: 2
- ♦ Limestone reserves: 941.40 MnT

Intellectual Capital

Environment monitoring and protection measures:

- ♦ R&D investment: ₹ 92.04 Lakhs
- ♦ Capex investment: ₹ 13,815 Lakhs

Human capital

Talent acquired and nurtured to manage all business activities.

- ♦ Employee strength: 1,202
- ♦ Total employee expense: ₹ 13,308 Lakhs
- ♦ Total training hours: 44,532

Social and Relationship capital

Building trusted partnerships with key stakeholder groups:

- ♦ CSR spend: ₹ 244 Lakhs
- ♦ Distributors/Dealers: 3,173

Natural capital

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

- ♦ Total energy consumed: 14,785 TJ
- ♦ Limestone mined: 6.08 MnT

Industrial Waste Utilised

- ♦ Chrome Sludge: 0.023 MnT
- ♦ Bed Ash: 0.003 MnT
- ♦ Iron Sludge: 0.001 MnT
- ♦ Red mud: 0.025 MnT
- ♦ Copper Slag: 0.003 MnT
- ♦ Alternate Fuel: 0.079 MnT (Including biomass: 0.028 MnT)
- ♦ Slag consumed: 0.70 MnT
- ♦ Chemical Gypsum: 0.070 MnT
- ♦ Fly ash consumed: 0.64 MnT
- ♦ Fossil fuels consumed: 0.46 MnT
- ♦ Total Green Energy Consumption: 62,075 MWh

Outputs

Outcomes

Value created for stakeholders

Investors

Revenue growth: (10%)
RoCE: (3%)

Customers

OPC, PPC, PSC, GGBS, CC and SRC to meet customer demand
Strengthened long-standing relationship with marquee clients
Cement produced: 55,09,572 MT
Capacity utilisation: 54%
Dealers: 3,173
Sub-dealers: 7,127

People

LTIFR: 0.31
Safe man-hours: 95,26,828
Average training hours per employee: 12.11

Partners and suppliers

Total vendors: 3,090
New vendors onboarded: 805
Local Indian suppliers: 3,073
Material sourced from Indian vendors: 83.1%
Material sourced from foreign vendors: 16.8%
Material sourced from MSME vendors: 19.1%

Communities

CSR beneficiaries: 180,277+

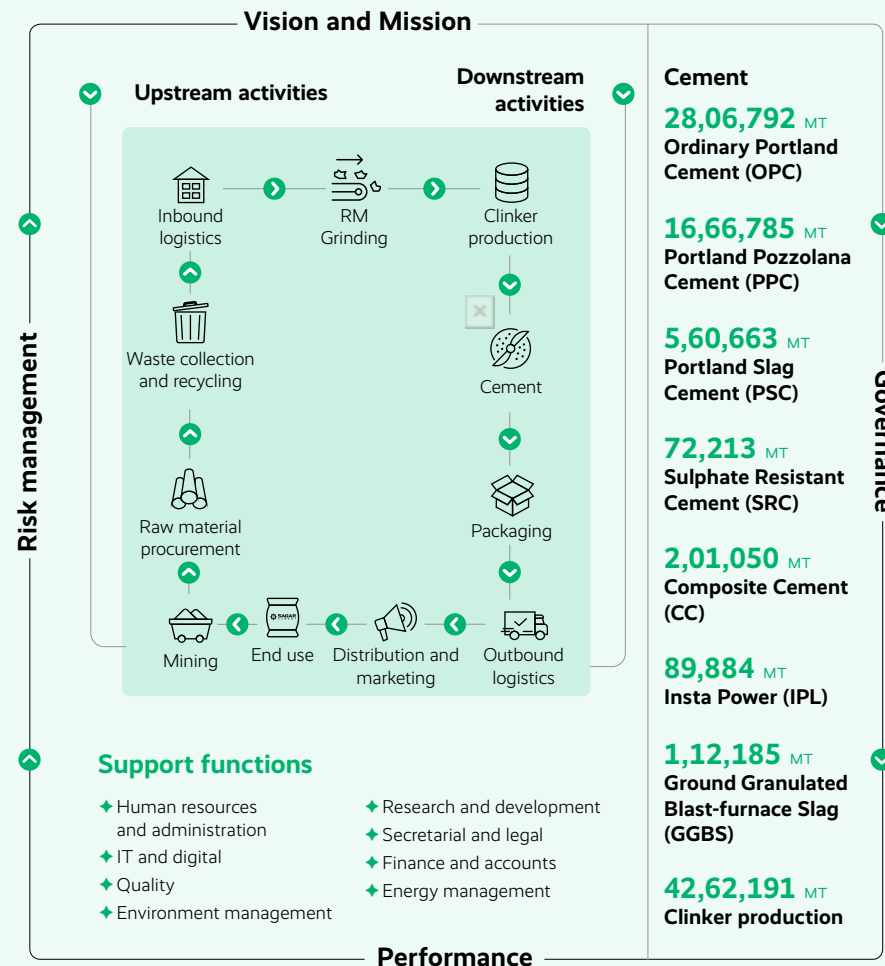
Environment

Reduction in GHG emissions: 2.7%
Total waste reused: 38,987 MT
Total water recycled: 1,23,330 KL
Water positive: 3 times

Government regulators

Contribution to the exchequer: ₹ 68,567 Lakhs

Note: The total cement production used for intensity calculations includes cement production and contract manufacturing of GGBS.





KEY PERFORMANCE INDICATORS

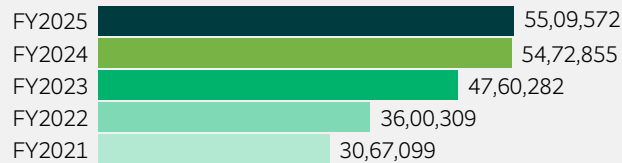
Resilient progress

Operational metrics

Cement production

(in MT)

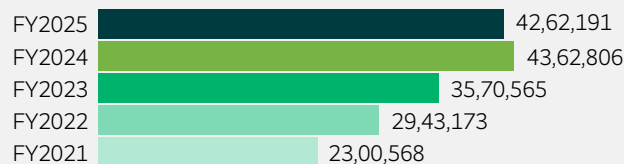
↑ 1% ↑ 12%



Clinker production

(in MT)

↓ 2% ↑ 13%



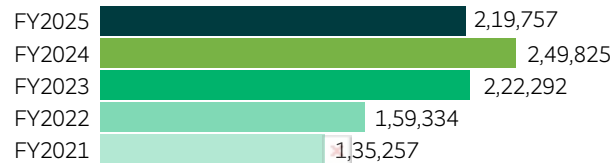
↑ YoY growth ↑ 5-Year CAGR

Financial metrics

Net sales

(₹ Lakhs)

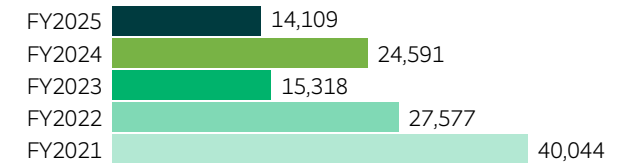
↓ 12% ↑ 10%



EBITDA

(₹ Lakhs)

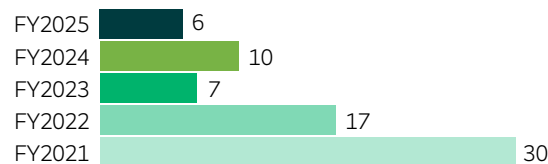
↓ 43% ↓ 19%



EBITDA margin

(%)

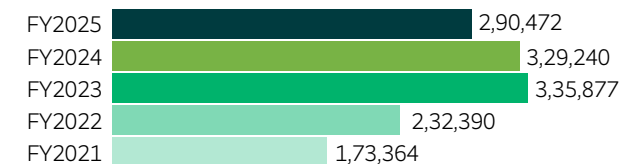
↓ 40% ↓ 28%



Average capital employed

(₹ Lakhs)

↓ 12% ↑ 11%



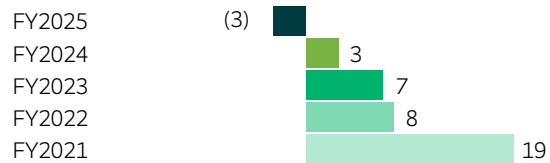


KEY PERFORMANCE INDICATORS

Financial metrics Contd..

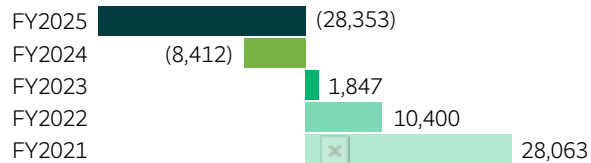
Average return on capital employed

(%)



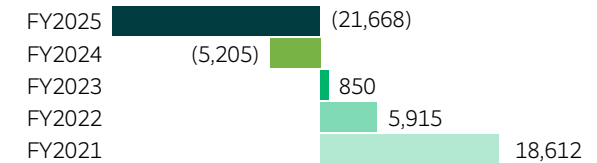
Profit before tax

(₹ Lakhs)



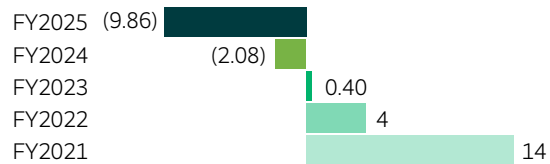
Profit after tax

(₹ Lakhs)



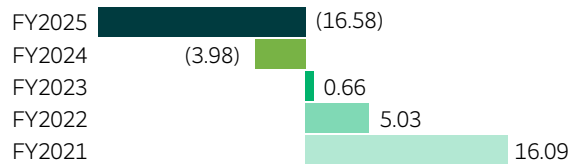
PAT margin

(%)



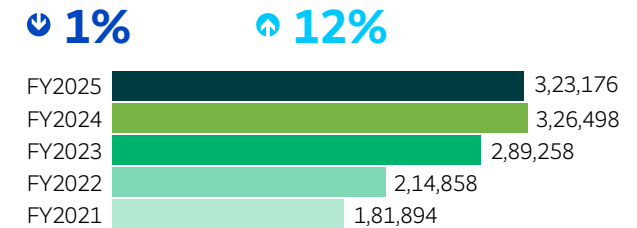
Earnings per share

(₹)



Net fixed assets

(₹ Lakhs)





ESG ROADMAP 2030

Our targets and performance

Sagar Cements follows a target-driven approach for integrating sustainability efforts. We made our ESG Roadmap in 2022 under the guidance of the Board and the Company's leadership team. Progress is reviewed on a monthly basis and improvement targets are set accordingly.

Environment

Emissions

Targets

- ◆ **Near-Term Targets:** Sagar Cements Limited commits to reduce gross scope 1 and 2 GHG emissions **18.8%** per tonne of cementitious product by **FY 2030** from a FY 2023 base year. The target boundary includes land-related emissions and removals from bioenergy feedstocks.
- ◆ **Long Term Targets:** Sagar Cements Limited commits to reduce gross scope 1 and 2 GHG emissions **95.1%** per tonne of cementitious product by **FY 2050** from a FY 2023 base year. Sagar Cements Limited also commits to reduce scope 3 GHG emissions **97%** per tonne of cement produced within the same timeframe.
- ◆ **Overall Net-Zero Target:** Sagar Cements Limited commits to reach netzero greenhouse gas emissions across the value chain **by FY 2050**.

Performance FY 2025

- ◆ **650 kg tCO₂e** cementitious product (Includes Biomass emissions)

Energy

Targets

- ◆ Increasing the **green electrical energy** ratio in operations to **50%** by **2030** and **100%** by **2050**
- ◆ Increasing the **TSR** to **25%** by **2030** and **50%** by **2050**
- ◆ **Specific electric energy consumption (SEC)** per ton of cement to be **70 kWh** by **2030** and **65 KWh** by **2050**
- ◆ **Specific thermal energy consumption (STC)** per ton of clinker to be **700 KCal** by **2030**, **685 KCal** by **2050**
- ◆ Deploying **zero emission transportation vehicles**; **30%** by **2030** and **100%** by **2050**
- ◆ Install **waste heat recovery systems**

Performance FY 2025

- ◆ Green electrical energy ratio: **14%**
- ◆ TSR: **5.4%**
- ◆ SEC per tonne of cement: **74.6 kWh**
- ◆ STC per tonne of clinker: **722 Kcal**
- ◆ **Zero-Emission Vehicles**: **6** electric vehicles (EVs) deployed
- ◆ Waste Heat Recovery Systems installed: **18.45 MW**

Resources

Targets

- ◆ Reduction in **clinker factor** - **64%** by **2030**, **50%** by **2050**
- ◆ Increased use of **decarbonated raw materials**, i.e., **2%** by **2030** and **5%** by **2050**

Performance FY 2025

- ◆ Clinker factor FY 2025: **73%**
- ◆ Decarbonated raw materials FY 2025: **0.84%**

Waste & circular economy

Targets

- ◆ Use cementitious waste materials and reduce clinker factor

Performance FY 2025

- ◆ Alternative cementitious material out of total resource consumed: **26.5%** (**1,507,626 tonnes**)

Biodiversity

Targets

- ◆ Developing a diversified and native plantation across five hectares per year, with **~10,000 saplings**

Performance FY 2025

- ◆ Planted **50,277** saplings in **26.3** hectares of area (**1,910** saplings per hectare)

Water

Targets

- ◆ Become **10x water positive** by **2030**
- ◆ Reduce freshwater withdrawal intensity for cement production **by 20%**, compared to base year FY2022-23

Performance FY 2025

- ◆ Water positivity: **3X**
- ◆ Specific freshwater consumption (cement process): **53** liters/tonne of cementitious materials



ESG ROADMAP 2030

Social

Health and safety

Targets

- ◆ Ensure **zero fatalities**
- ◆ Continually improve the safety management system by carrying out regular safety audits

Performance FY 2025

- ◆ **Zero** fatalities
- ◆ **6 Internal** Safety audits and 1 National Safety Council Audit conducted

Customers and partners

Targets

- ◆ Focus on building stronger bonds and relationships with its customers and partners

Performance FY 2025

- ◆ Focused efforts to strengthen bonds and build relationships with customers and partners, including plant visits and counter meets
- ◆ Meetings held with partners and stakeholders towards promotion of use of blended/low carbon cements

Community development

Targets

- ◆ Strengthen the community health centre by **2025**
- ◆ Start a skill development training centre by **2030**
- ◆ Offer vocational training programmes for the underprivileged by **2027**

Performance FY 2025

- ◆ **₹ 244 Lakhs** spent on CSR
- ◆ **1,80,277 Lives** benefited through our CSR Efforts
- ◆ Strengthened the Mattampally and Gudipadu primary healthcare centre for preventive healthcare
- ◆ Conducted vocational training programmes for the underprivileged people at Mattampally, Gudipadu and Dacheipalli

Employee wellness and experience

Targets

- ◆ Implement measures for enhancing employee wellness and experience at workplace.
- ◆ Undertake effective steps to raise the female employee ratio

Performance FY 2025

- ◆ **44,532** Total Training hours
- ◆ **12.11** Training hours per employee
- ◆ **1:98** Female employee ratio
- ◆ Efforts for employee development
- ◆ HR process digitalisation through Integrated HR Management System

Governance

Ethics and compliances

Targets

- ◆ Consistently working towards meeting regulatory and compliance obligations, while aligning with the best practices of transparency and accountability

Performance FY 2025

- ◆ Compliance with all applicable regulatory requirements
- ◆ Continuously raising the bar in corporate governance and corporate behaviour and strive to be a model corporate citizen in every sense of the term



☀️ Solar Power Plant at Mattampally



Strategic review

As a value-driven organisation, we continue to align our business strategy with a dynamic operating environment to attune our offerings with customer needs. It not only enables us to fulfil customer expectations but also empowers us to inculcate sustainable practices across our operations.



 Solar Power Plant, Gudipadu Plant





OPERATING CONTEXT

Aligned with evolving market dynamics

Cement consumption in India has historically shown a strong 1.2x correlation with GDP growth, creating a robust tailwind for the sector. As the world's second-largest cement producer, India's cement production capacity is expected to grow at a four-year CAGR of 4-5% by FY 2027. Despite softer growth in FY 2025, the industry remains poised for better days ahead, mostly fuelled by demographic factors, low per capita consumption and the government's focus on infrastructure development, smart cities and affordable housing.

Source

Key factors driving cement demand



Urbanisation and housing shortage

India, the world's most populous country, is experiencing rapid urbanisation, with the urban population expected to grow 36% to 40% by 2030. This growth drives demand for residential and commercial infrastructure, boosting cement consumption. The average household size has decreased from 5.3 in 2011 to 4.6 in 2019, increasing the need for more residential units. A recent CII-Knight Frank report estimates a ₹ 67 trillion market opportunity for affordable housing, which bodes well for sustained cement demand.

Source



Low per capita consumption

India's per capita cement consumption stands at just 240 kg significantly below the global average of 540 kg—indicating significant headroom for growth as India continues on its high economic growth trajectory.

Source

63 Crores
Urban population of India by 2030

Source

~260 kg
Per capita cement consumption against world average of 540 kg

Source

~71 Crores
The stable-income group population of India by 2030

Source



Government's focus on infrastructure

The Indian government prioritises infrastructure development as a key driver of economic growth and social progress. The ₹ 11.21 Lakhs Crores infrastructure push in Budget 2025-26, with allocations for housing, roads, and industrial projects, will boost cement demand. Key schemes like PM Awas Yojana, middle-income housing, and industrial housing, along with investments in highways, tourism, and regional development, will fuel construction activity, supporting both short-term growth and long term expansion under Viksit Bharat 2047.

Source

₹11.21 Lakh Crores
Budgetary support for infrastructure in FY 2026

Source

31.2 Million units
Shortage of housing units by 2030

Source



OPERATING CONTEXT

Our response

The Indian cement industry will play a key role in building a New India, and we are positioned to capitalise on this opportunity by expanding production capacity, broadening geographic reach and enhancing operational efficiency, all while prioritising sustainability. Our organic growth strategy includes debottlenecking and upgrading facilities, alongside expanding into Eastern and Central markets.

Increase in capacity

Enhancing operational efficiency

Operational efficiency is being improved in fuel and freight management, supported by strong limestone resources and the implementation of advanced processes across plants. We have world-class cement manufacturing plants equipped with the latest technological systems, such as dry kilns with waste heat recovery systems, six-stage preheaters, and vertical roll mills. Additionally, we have 102.98 MW of captive power plant capacity to ensure our power security at competitive prices. Railway sidings are also utilised to optimise logistics.

Sustainability in every aspect

By adopting energy-efficient technologies, utilising alternative fuels, optimising production processes and incorporating GreenCo certified products, we are committed to sustainable construction practices, contributing to a more sustainable future for both the industry and the country.

10.50 MTPA
Installed capacity



BUSINESS STRATEGY

Responsible by design

At SGC, our commitment to growth is grounded in resilience and responsibility. In a dynamic and competitive industry, sustainable progress demands adaptability, innovation and accountability. To this end, we have defined three interlinked strategies that serve as the foundation of our growth agenda: Boosting Growth Momentum, Building a Resilient Model and Integrating ESG into our Core Operations. Each of these strategies address a key dimension of our business, ensuring growth not only in size but also in strength, sustainability and purpose.

These strategic pillars are designed to scale operations, adapt to market shifts, strengthen our internal ecosystem and lead with environmental and social responsibility. Together, it enables us to pursue long term value creation for all stakeholders while staying firmly aligned with our vision of doubling capacity every ten years.

Our strategy for growth

- S1** Boosting growth momentum
- S2** Building a resilient model
- S3** Integrating ESG into our core operations



Central Control Room Dachepalli plant



BUSINESS STRATEGY

S1

Boosting growth momentum

We are constantly expanding our footprint with a vision of doubling capacity every decade - a goal that reflects our confidence in a constantly evolving market.

This year, we advanced our capacity-building agenda by investing in critical infrastructure. Our Dachepalli plant is constructing a new preheater to increase our cement capacity from 2.25 MnT to 3.00 MnT, improve energy efficiency and optimise production. We are also establishing a new line at our Jeerabad plant in Madhya Pradesh to sustain operational growth.

We have optimised the performance of our existing facilities using cutting-edge technology. Our focus remains on scaling sustainably and aligning our growth efforts with market demand while fulfilling our environmental responsibility.

③ New Preheater Installed at Dachepalli Plant, Andhra Pradesh



Strategic expansion

Capturing the upcycle in southern markets

- ◆ The strategic acquisition of Sagar Cements (R) Limited (SCRL) has strengthened our footprint in South India, enhancing access to key markets and ensuring short lead distances.
- ◆ Similarly, the acquisition of Andhra Cements Limited (ACL) has facilitated deeper market penetration, enabling us to tap into new customer bases and expand market share.

Expanding market reach in eastern and central markets

- ◆ Bayyavaram Grinding Unit (1.5 MTPA): Strategically located with access to slag availability and clinker from the mother plant, enabling cost-effective production and distribution.
- ◆ Jajpur Grinding Unit in Odisha (1.5 MTPA): Strengthened our presence in the Eastern markets due to easy access to slag and clinker.
- ◆ Jeerabad Integrated Plant (1 MTPA) in Madhya Pradesh: Dedicated to serve the high-demand regions of Madhya Pradesh, Gujarat and Maharashtra, solidifying our presence in Central India.
- ◆ Debottlenecking and upgrading plants: We enhance plant efficiency and output through continuous process improvements.
- ◆ Pursuing organic and inorganic growth strategies: Strategic acquisitions and greenfield expansions are solidifying our leadership in the cement sector.

③ Accessing new markets in Central and Eastern India



Financial prudence

We execute our expansion initiatives without compromising our financial strength:

- ◆ We pursue expansion plans with minimal leverage, safeguarding the Company's financial stability.
- ◆ A strong focus on cost control enables us to keep capital expenditure within inflationary bounds, thereby preserving shareholder value and profitability.



BUSINESS STRATEGY

S2

Building a Resilient Model

We are building an agile, robust and responsive business model with a focus on operational excellence, financial foresight, digital transformation, innovation and human capital development.

Our people remain central to this journey. We are committed to their growth and well-being. This year, we deployed the Integrated HRMS platform across all locations to streamline HR processes such as payroll, onboarding, leave and communication. This digital shift enables more intelligent workflows and effective organisational decision-making.

With PXP software and automation across our plants, we embrace a future-oriented mindset that integrates economic and ecological sustainability. These efforts equip us to manage volatility, navigate disruption and consistently deliver value.

Zero

Fatalities, accidents and construction failures during construction

7.50 kWh per MT
Power saving

1,660 MT
CO₂ emission reduction during construction phase



CASE STUDY



Smart preheater built with 100% PPC

With an aim to lower thermal power consumption and thus reduce energy costs and carbon footprint, we installed a smart preheater with a height of 153 meters at our Dachepalli plant. The project began in February 2024 with the construction of a new preheater building, featuring a six-stage cyclone system with a pyroclone for better heat recovery.

Unique efforts

- ◆ Used Reinforcement rebar couplers over traditional Lapping & Welding methods.
- ◆ Installation of New energy efficiency burner.
- ◆ Installation of New Coriolis feeder in place of solid flow meter for coal.
- ◆ Modification of Cooler take off with suitable TAD for higher AFR usage.
- ◆ Installation of new 6 stage ILC preheater in place of existing 4 & 5 stage SLC preheater.

Construction Phase

The construction of pre-heater was completed 117 days in advance against the scheduled timeline with zero fatalities, accidents and construction failures during construction. The use of PPC in construction of the building, led to an estimated avoidance of 1,660 tCO₂e GHG emissions.

Benefits envisaged

Following implementation, kiln power use is projected to drop from 28.50 kWh to 21.00 kWh per tonne of clinker, saving around 7.50 kWh per tonne. Thermal energy consumption is estimated to fall from 770 kcal/kg to 710-720 kcal/kg of clinker, improving efficiency by 50-60 kcal/kg.

With real time monitoring and data-driven tracking, the preheater upgrade sets a new benchmark for intelligent manufacturing at Dachepalli.

S3

Integrating ESG into our core operations

We embed ESG principles deeply into our operations to embark on a journey of environmental stewardship and social responsibility. Guided by our ESG vision—'Positive transformation of the environment around us; the people amidst us; and the conduct among us'—we are committed to responsible growth.

We marked a major milestone this year by becoming first Indian cement company to have our long term CO₂ reduction targets validated by the SBTi, in line with the Net zero standard for 2050. We have also started reporting to CDP for Climate and Water Security and received a **B rating**. Green power capacity increased to 30 MW with the commissioning of a 6 MW plant at Gudipadu, and we introduced electric vehicles across three sites to support cleaner logistics.

Our ESG Roadmap performance is reviewed regularly across plant, management and board level ensuring continuous improvement and accountability. These steps, therefore, act as strategic enablers for shaping the future of our business. We have implemented measures to optimise fuel, freight and energy costs.

Captive power integration

Ensuring power security at reasonable rates through captive power plants across all units:

25 MW

Thermal Power plant at Gudipadu

8.8 MW

Waste heat recovery System at Mattampally

6 MW

Solar power plant commissioned at Gudipadu Plant

8.3 MW

Hydro power near Bayyavaram Plant

18 MW

Thermal power captive plant at Mattampally

5.3 MW

Waste heat recovery plant at Jeerabad

30 MW

Thermal power plant at Dachepalli



INVESTMENT CASE

Creating a distinct value proposition

From manufacturing to distribution, we adopt best-in-class practices to optimise resource allocation, improve process control and enhance production and distribution efficiency. At Sagar Cements, we integrate sustainability principles across our operations to ensure efficient resource usage and minimise environmental impact, fulfilling our commitment to responsible growth and value creation for all stakeholders.



PPC Super launched in FY 2025

Strong market presence

Our strategic presence in established and high-growth markets has fuelled our expansion plans and strengthened our market position. Our plants are strategically located near major consumption centres in South India, Maharashtra, Odisha and Madhya Pradesh. It has reduced logistics costs and enhanced market reach with an average lead distance of around 250 km. A robust sales network of 3,173 dealers and 7,127 sub-dealers ensures deep market penetration and strong customer connections. The Jeerabad plant has further expanded our reach into central and western India, while the Jajpur plant strengthens access to northern and central Odisha as well as parts of West Bengal. Our vast geographical footprint enables us to fulfil growing demand and effectively positions us to capitalise on emerging market opportunities.

3,173
Dealers

7,127
Sub-dealers

Strategic capacity expansion

We plan to expand cement production capacity at Gudipadu and Jeerabad plants by 0.25 MTPA and 0.50 MTPA. In addition, we have already initiated the process of enhancing the capacity of the Dachepalli plant clinker capacity from 1.85 MTPA to 2.31 MTPA and cement capacity from 2.25 MTPA to 3.00 MTPA by FY 2026. The capex for the expansion is ₹ 470 Crores.

1.50 MTPA
Planned cement
production capacity
expansion

0.46 MTPA
Clinker capacity
expansion in pipeline

Project execution capability

SGC has consistently demonstrated strong project execution and efficient asset integration capability. Key projects, including the 3 MTPA Mattampally plant, 1.25 MTPA Gudipadu plant, 1.5 MTPA Bayyavram plant, 1 MTPA Jeerabad plant and the 1.5 MTPA Jajpur grinding unit, were all commissioned on time and within budget. We further showcased our integration capabilities with the seamless acquisition of the 2.60 MTPA of Andhra Cements Limited in 2023, unlocking synergies in raw material access, logistics and captive power.

10.50 MTPA
Cement capacity integrated in 6 plants



INVESTMENT CASE

Operational efficiency

We operate fully automated, state-of-the-art facilities across key locations, including a 3 MTPA integrated plant at Mattampally, Telangana, a 1.25 MTPA plant at Gudipadu, Andhra Pradesh, a 1 MTPA plant at Jeerabad, Madhya Pradesh, and a 2.25 MTPA plant at Dachepalli, Andhra Pradesh. Complementing our integrated facilities, we run two 1.5 MTPA grinding units — at Bayyavaram, Andhra Pradesh and Jajpur, Odisha.

We are expanding our footprint across the country with a growing network of 3,173 dealers and 7,127 sub-dealers. Besides, we are improving operational efficiency through our captive power plants, totalling 102.96 MW, where a significant portion of power is generated from sustainable sources.

We also continue to reduce freight costs by shortening lead distances, optimising energy use and enhancing clinker factors.

Unlocking growth synergies through acquisitions

In 2023, we acquired 2.60 MTPA capacity, of Andhra Cements Limited, having plants in Andhra Pradesh. This acquisition enhanced the Company's

overall capacity and its strategic location provided logistical benefits, improving market access and reducing transportation costs.

The acquisition also included a Captive Power Plant, ensuring reliable and cost-effective power supply. It has not only improved operational efficiency and reduced dependence on external power sources. Additionally, it secured access to essential raw material sources, ensuring long term resource security and supply chain stability. These synergies will result in cost optimisation, improved margins and helped to retain our competitive edge, supporting our growth trajectory and fulfilling our commitment to enhance shareholder value.

102.98 MW
Captive power

29.98 MW
Green power

Proximity to critical resources

We have significant limestone reserves, with over 392.30 MnT at Mattampally, 163.50 MnT at Gudipadu, 70.70 MnT at Indore (SCMPL), and 314.90 MnT at Dachepalli, securing a steady supply of this key raw material.

Moreover, the strategic location of our plants near major coal mines (within 150 km) enables us to easily access fuel. We are also located approximately 400 km from ports, facilitating efficient logistics for both imports and exports. Additionally, packing materials are primarily sourced from a group entity, ensuring consistent, cost-effective and reliable supply.

941.40 MnT
Limestone reserve

Robust financials

Our net worth has grown more than fourfold over the past decade. Over the years, we have consistently demonstrated profitable growth and a reliable track record of dividend payouts, reflecting our commitment to maximise returns for shareholders. We also hold a long term debt rating of BBB+.

BBB+
Debt rating



Sustainable progress

SGC was one of the first cement companies in South India to have a well-defined and holistic ESG Vision, framework and targets. Keeping sustainability at the heart of our business, we focus on circularity initiatives to utilise industrial waste, increase the share of decarbonated raw materials, develop a portfolio of green products, implement fossil fuel substitution and initiate process optimisation efforts to maximise resource efficiency.

 New Preheater Installed at Dacheppalli Plant, Andhra Pradesh





ESG Vision 2030

Positive transformation of the environment around us;
the people amidst us; the conduct among us.

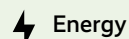
Aligning ESG focus areas to material topics



Environment

The environment around us

Conserving and preserving the natural environment across the length of the business value chain



Energy

- ◆ Energy efficiency
- ◆ Energy transformation



Emissions

- ◆ Advanced technologies
- ◆ Green factories & products
- ◆ Responsible partners



Resources

- ◆ Waste management and circular economy
- ◆ Responsible consumption
- ◆ Responsible sourcing and alternate raw materials



Water

- ◆ Water-less systems
- ◆ Water conservation
- ◆ Water harvesting



Waste management

- ◆ Waste management and circular economy



Biodiversity

- ◆ Biodiversity management
- ◆ Sustainable land use, relocation and rehabilitation



Social

The people amidst us

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



Employee well-being

- ◆ Benefits, fair compensation and social security
- ◆ Employees' work-life balance and human rights
- ◆ Employee relations and engagement
- ◆ Employee training and development



Health and safety

- ◆ Occupational health, well-being and safety



Customers and partners

- ◆ Transport and logistics
- ◆ Responsible sourcing and alternate raw materials
- ◆ Vendor engagement and training
- ◆ Quality and reliability of suppliers
- ◆ Supplier engagement



Communities

- ◆ Local economic value creation
- ◆ Social responsibility and engagement



Governance

The conduct among us

Continuously raise the bar in corporate governance and corporate behaviour and strive to be a model corporate citizen in every sense of the term



Corporate governance practices

- ◆ Economic performance and profitability
- ◆ Order fulfilment
- ◆ Fair business operations business ethics and good governance
- ◆ Interest payment
- ◆ Tax and economic contribution
- ◆ Return on investment
- ◆ Business growth
- ◆ Risk management



Transparency and stakeholder engagement

- ◆ Customer satisfaction
- ◆ Brand reputation
- ◆ Customer acquisition
- ◆ Public policy and advocacy



Ethics and compliances

- ◆ Compliance



ESG VISION 2030

ESG governance

Board's role

At SGC, Board Risk Management and ESG Committee drives the ESG priorities, including climate action activities. It consists of five Board members and is chaired by the Joint Managing Director. The Committee meets twice a year to integrate ESG practices into the Company's operations and is also responsible for developing and overseeing climate-related strategies. It helps align ESG policies with the Company's mission and vision, ensuring effective oversight of the ESG Vision roadmap and its implementation.

Leadership oversight

Sagar Cements follows a target-driven approach for integrating sustainability efforts. We made our ESG Roadmap in 2022 under the guidance of the Board and the Company's leadership team and are committed to achieve these. Leadership team reviews progress of material topics against ESG Roadmap targets every month, across all the plants and sets the direction for improvements. The corporate teams support the performance improvement plans with the support of other team members.

Plant-level implementation

A two-way approach is followed to implement ESG efforts and fulfill ESG Roadmap targets across our Cement manufacturing plants. The Plant Head-led ESG Committee identifies areas for improvement specific to the Plant for target implementation. ESG Committee comprises all Function Heads, including Production, Process, Thermal Power Plant, Mines, Health & Safety, Human Resources, Environment, Civil. The performance is evaluated and shared to the leadership team on a monthly basis. The Budget allocation is done from the central team.



Decarbonisation Roadmap for the Indian cement industry by GCCA and TERI

SGC is a member of GCCA India and contributed to the development of the 'Decarbonisation Roadmap for the Indian Cement Industry: Net Zero CO₂ by 2070' by GCCA India and TERI. We are currently monitoring and reporting CO₂ emissions and following GCCA India guidelines.

CASE STUDY



GreenCo certification for multiple plants



Reiterating our commitment to sustainable cement manufacturing, 3 out of 6 SGC plants have received GreenCo certification. **Mattampally and Bayyavaram** plants received 'Gold' and 'Platinum' ratings in 2023 and 2025, respectively. The **Gudipadu** plant, previously certified 'Gold', has also commenced the renewal process with a focus on expanding renewable energy installations including solar and waste heat recovery projects. We benchmarked our plants against national and international sustainability standards.

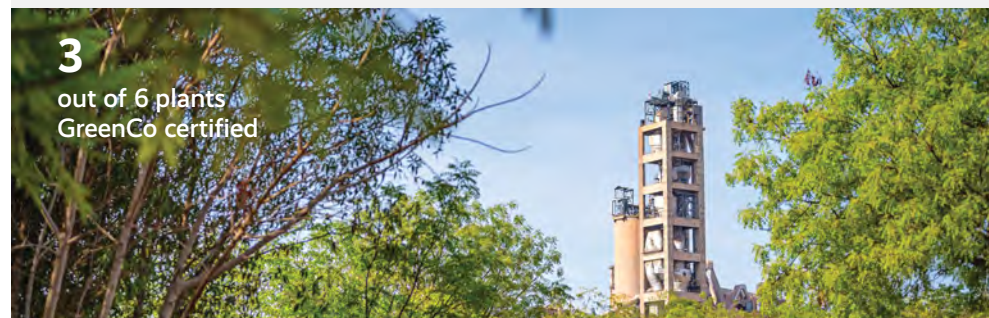
The teams at Mattampally and Bayyavaram implemented best practices for adoption of solar, hydel, and waste heat recovery systems to increase renewable energy usage, established zero water discharge systems and integrated

alternative fuels into the production process. These measures significantly improved energy efficiency, waste management and emission reduction. Independent audits were conducted by CII GreenCo-accredited assessors confirmed that both plants met the required scoring criteria, enabling them to secure Gold and Platinum certifications.

We are now going for the 3 remaining plants for the GreenCo Certification. Capacity-building efforts will play a crucial role in this journey. During the year we organised extensive training programmes and workshops to enhance employee awareness about energy efficiency, emissions control, material management and safety.

3

out of 6 plants
GreenCo certified



STAKEHOLDER ENGAGEMENT

Focused on shared value creation

We believe effective communication is key to building a sustainable organisation. At Sagar Cements, we regularly engage with stakeholders to gather valuable insights, understand and meet stakeholder expectations and ensure sustained value creation.



Employees

Importance of relationship

- ◆ Key to organisational success; a talented, dedicated and diverse workforce supports our sustainable growth ambitions.

Engagement platform

- ◆ Townhalls
- ◆ Newsletters
- ◆ Social events
- ◆ Surveys

Value Created

- ◆ Career growth
- ◆ Reward and incentive structure
- ◆ Training and development
- ◆ Healthy and safe work environment
- ◆ Work life balance
- ◆ Compensation
- ◆ Career development path
- ◆ Health and well-being



Customers

Importance of relationship

- ◆ Central to the existence of the organisation
- ◆ Organisation is driven by the desire to provide consistent supply of high-quality products to ensure customer satisfaction and repeat business

Engagement platform

- ◆ Exhibitions
- ◆ Sales calls
- ◆ Site visits

Value created

- ◆ Cost
- ◆ Good quality products
- ◆ Consistent supply
- ◆ Troubleshooting
- ◆ Competitive prices



Investors

Importance of relationship

- ◆ Providers of financial resources essential to fund growth

Engagement platform

- ◆ Annual General Meeting
- ◆ Investor/analysts meets
- ◆ Quarterly earnings call
- ◆ Integrated Report

Value created

- ◆ Company performance
- ◆ Financial health
- ◆ Return on Investment (RoI)
- ◆ Clear and concise communication of business strategy
- ◆ A progressive ESG programme
- ◆ Identification of key risks and mitigation plan
- ◆ Delivering above average RoI through dividends and creating shareholder value through business and ESG initiatives



STAKEHOLDER ENGAGEMENT



Suppliers and contractors

Importance of relationship

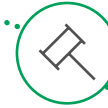
- ◆ Partners for resource supplies for long term success of the Company

Engagement platform

- ◆ Phones
- ◆ Suppliers meet
- ◆ Emails

Value created

- ◆ Vendor approval
- ◆ Engagement
- ◆ Transparent feedback
- ◆ Demand for products and services



Regulators

Importance of relationship

- ◆ Setting best standards in corporate governance
- ◆ Enables ease of doing business

Engagement platform

- ◆ Exhibitions
- ◆ Site visits
- ◆ Sales calls

Value created

- ◆ Compliance
- ◆ Reporting transparency
- ◆ ESG disclosure
- ◆ Contributing to the economy through direct and indirect taxes



Communities

Importance of relationship

- ◆ Provides social licence to operate

Engagement platform

- ◆ CSR events
- ◆ Volunteering

Value created

- ◆ Sustainable livelihood
- ◆ Health
- ◆ Education
- ◆ Community infrastructure
- ◆ Generating employment opportunities
- ◆ Helping to reduce migration from rural to urban areas



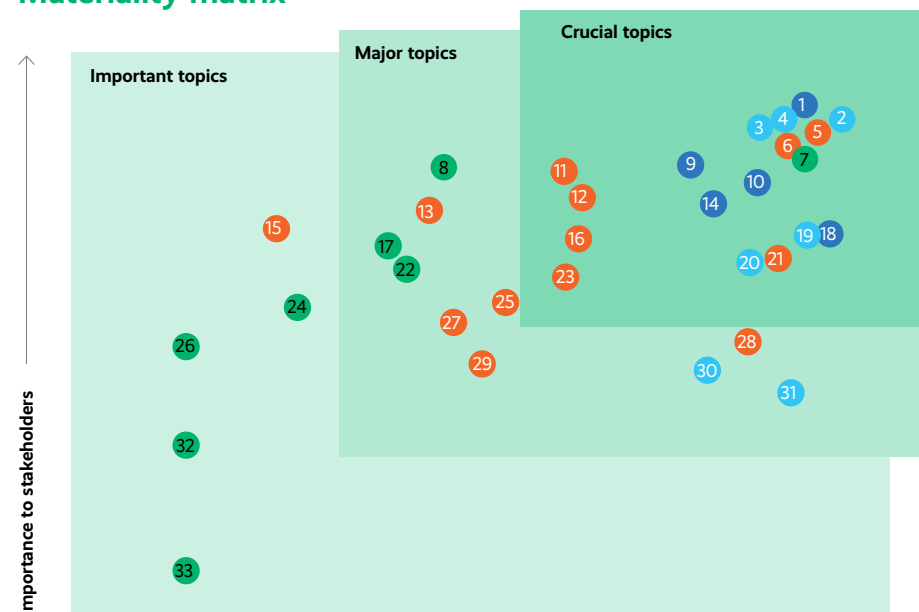
MATERIALITY

Defining critical issues

To ensure alignment with stakeholder expectations and address relevant issues, we periodically assess material topics. By identifying material issues, we manage risks effectively, seize opportunities and maintain transparent and responsible business operations that benefit both the organisation and its stakeholders. We review the performance of our material topics and focus on improvements.



Materiality matrix



Relevance to business

Material topics

Most critical

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

Critical

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

● Environmental ● Social ● Governance ● Economic



The environment around us

We recognise the importance of transitioning to a low-carbon future through sustainable practices. With an aim to become a Net Zero Company by 2050, we are undertaking targeted efforts focused on climate action, circularity, water, waste and natural resource management.



Climate change and emissions



At SGC, we are committed to addressing climate change through the adoption of advanced technologies and focused emission reduction strategies. Drawing on our operational expertise, we continue to enhance energy recovery by increasing the use of alternative fuels and co-processing materials from various industries. These efforts have reduced dependence on conventional resources, enhanced resource efficiency and helped us to align with sustainable manufacturing practices.

Key highlights

Scope 1

611 kg CO₂/tonne cementitious material (Excluding biomass emissions)

5

kg CO₂/tonne cementitious material (Biomass GHG emission intensity)

Scope 2

34 kg CO₂/tonne cementitious material

Scope 3

83 kg CO₂/tonne of cement produced

Paving the path to Net Zero

SGC took a bold step towards climate leadership by committing to the Science Based Targets initiative (SBTi) and pledged to be a Net-Zero Company by 2050. In 2022, we formally committed to the SBTi and mobilised a cross-functional team to oversee GHG accounting, target setting and engagement with SBTi. By June 2024, we submitted the official target validation form, undergoing rigorous technical reviews, scenario modelling and validation of our GHG inventory. A key milestone involved an in-depth assessment of ten Scope 3 categories, including purchased goods, capital goods, fuel- and energy-related activities, transportation and other cement industry-specific emission sources.



Mr. S. Sreekanth Reddy, Joint Managing Director (JMD), addressing the leadership team, Plant heads and ESG team on the ESG Roadmap and Decarbonisation plan for Sagar Cements.

CDP Disclosure

In the Financial Year 2024, Sagar Cements participated in the CDP Disclosure for the very first time, marking a significant milestone. We are pleased to share that we have secured a B rating in both Climate and Water security.

SBTi Validated Targets

After six months of evaluation, in December 2024, SBTi approved SGC's targets.

Net Zero Target: Sagar Cements Limited commits to reach net-zero greenhouse gas emissions across the value chain by FY 2050.

Near-Term Targets: Sagar Cements Limited commits to reduce gross Scope 1 and 2 GHG emissions 18.8% per tonne of cementitious product by FY 2030 from a FY 2023 base year.

Long Term Targets: Sagar Cements Limited commits to reduce gross Scope 1 and 2 GHG emissions 95.1% per tonne of cementitious product by FY 2050 from a FY 2023 base year.* Sagar Cements Limited also commits to reduce Scope 3 GHG emissions 97% per tonne of cement produced within the same timeframe.

We are the first Indian cement company to have long term CO₂ emission reduction targets, validated by SBTi, in line with the Corporate Net Zero Standard.



SCIENCE
BASED
TARGETS



*The target boundary includes land-related emissions and removals from bio-energy feedstocks.



CLIMATE CHANGE AND EMISSIONS



Air emissions

Dust - Absolute emissions

(tonnes)



NOx - Absolute emissions

(Tonne)



SOx - Absolute emissions

(Tonne)



Carbon emissions

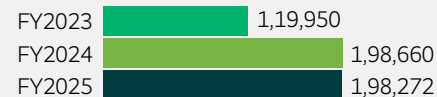
Scope 1

(tCO₂e)



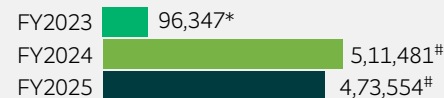
Scope 2

(tCO₂e)



Scope 3

(tCO₂e)



* for 4 Scope 3 categories
for 10 Scope 3 categories

Scope 3 Categories	FY25	FY24
1. Purchased goods and services	12,158	18,135
2. Capital goods	3,131	7,826
3. Fuel- and energy-related activities	3,15,725	3,35,836
4. Upstream transportation and distribution	9,042	22,972
5. Waste generated in operations	18	52
6. Business travel	2,378	2,143
7. Employee commuting	62	347
9. Downstream transportation and distribution	41,364	43,254
10. Processing of sold products	37,191	28,387
12. End of life treatment of sold products	52,486	52,529
Total	4,73,554	5,11,481

Scope 3 emission intensity (kg CO ₂ e/ tonnes cement produced)	FY 2025	FY 2024
Scope 3	83	94

Overall emission intensity (kg CO ₂ e/tonne cementitious material)	FY 2025	FY 2024
Scope 1	616	634
Scope 2	34	34
Total emission intensity (Gross)	650	668



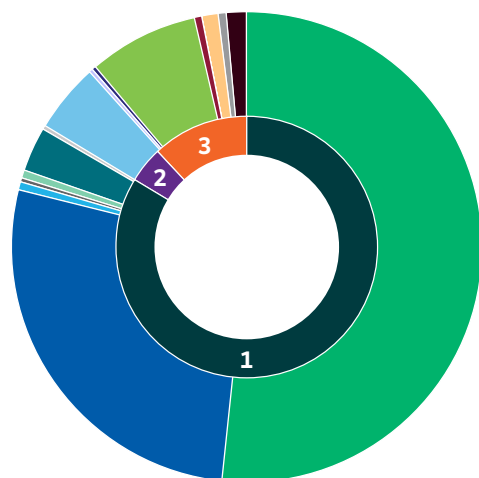
CLIMATE CHANGE AND EMISSIONS

Decarbonisation pathway

Our approach to climate change mitigation is grounded in a deep understanding of our emissions profile, backed by a meticulously crafted Decarbonisation pathway.

We started measuring Greenhouse Gas (GHG) footprint in FY 2018-19, across our assets, aligned with the GHG Protocol. We committed to SBTi in FY 2022-23, and by leveraging the latest science based methodology, we established near term targets (2030) and long term targets - Net Zero by 2050, validated by SBTi this year. We are clear about the levers contributing to our decarbonisation pathway, and have planned investments across levers in our business plan; ensuring our target is not only ambitious but also achievable.

SGC GHG Emissions Landscape



FY 2023-24

Scope 1	634 kg CO ₂ e/Tonne Cementitious
Scope 2	34 kg CO ₂ e/Tonne Cementitious
Scope 3	94 kg CO ₂ e/Tonne Cement

Key Decarbonization Imperatives

- 
1 Responsible Manufacturing
To reduce overall emissions from cement manufacturing process by adopting sustainable practices across day-to-day operations.
- 
2 Value chain partnerships
Encouraging emission reduction through better industry practices, partnerships and hand-holding stakeholders.
- 
3 Technology & innovation
Use of latest technology and digitalisation for reducing carbon footprint.

Levers of Change

- 1.1** Energy Efficiency & Operational efficiency
- 1.2** Alternate Fuel Substitution & TSR Increase
- 1.3** Use of decarbonated raw Materials
- 2.1** Clinker Factor Reduction
- 3.1** Increase Green & Renewable Energy
- 3.2** Innovative technology
- 3.3** Green transportation

Near Term Target

To reduce gross Scope 1 and 2 GHG emissions by 18.8% per tonne of cementitious product by FY 2030 from a FY 2023 base year

Long Term Target

Net Zero by 2050

SGC Business Plan 2030 is aligned with investments and contributions are estimated from each lever.

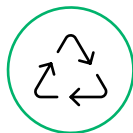
SGC Business Plan 2030 Major investments in plan include Operational efficiency projects, Waste Heat Recovery systems, Solar power plants and processing and feeding systems for TSR across our plants.



CLIMATE CHANGE AND EMISSIONS

Incorporating climate change strategy

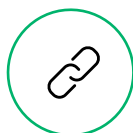
To tackle these challenges comprehensively, our decarbonisation strategy is built on three key pillars, each backed by targeted levers of change:



Responsible manufacturing

We are committed to embedding sustainability into our core manufacturing operations to reduce overall emissions. By focusing on responsible manufacturing practices, we aim to enhance energy efficiency, lower emission intensity, and maintain operational resilience and cost-effectiveness.

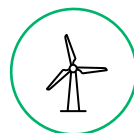
To optimise energy use we have undertaken initiatives for upgrading kilns and grinding units through digitisation, process control enhancements, and equipment modernisation. We are also replacing traditional fossil fuels with biomass, Refuse-Derived Fuel (RDF), and other low-carbon alternatives to directly cut Scope 1 emissions.



Value chain partnerships

We seek to drive decarbonisation efforts beyond our own operations through collaborations with our supply chain partners. Through these partnerships, we aim to foster innovation, advance circularity, and contribute meaningfully to reducing overall emissions.

Our focus areas include promoting the use of Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) to lower the clinker factor, one of the largest contributors to cement-related emissions. We are also working closely with suppliers and research teams to enable higher blending ratios without compromising performance. These initiatives contribute to scope 1, 2 and 3 emission reductions.



Technology & innovation

We are harnessing advanced technologies to reduce the carbon intensity of our operations. Technology plays a crucial role in our decarbonisation journey, helping us drive efficiencies and reduce our environmental footprint.

Along with investments in solar, wind, and hybrid renewable assets to decarbonise captive electricity use, we are partnering with renewable energy providers to further reduce Scope 2 emissions. We are also exploring the use of digital twins and AI-based solutions to enhance monitoring, predictive maintenance, and overall operational efficiency.

CASE STUDY



Advancing clean energy with Gudipadu's 6 MW solar plant



Gudipadu Plant, Andhra Pradesh

We have installed a 6 MW bifacial solar power plant at the Gudipadu unit to enhance green energy ratio, reduce carbon emissions and accelerate the Company's transition to renewable energy. Commissioned in January 2025, this project is equipped with 10,276 bifacial mono PERC modules and the plant generates an estimated 26-38 MWh energy per day, contributing around 10% of the unit's total energy consumption. The system is estimated to generate nearly 10 Million kWh of clean

energy. The use of bifacial modules, benefits from the ground albedo effect, observes 3-5% gain in energy generation compared to monofacial panels.

The project will reduce CO₂ emissions by approximately 7,160 metric tonnes annually, equivalent to planting 3.58 Lakhs trees annually.

7,160 tCO₂e
Emission reduction



CLIMATE CHANGE AND EMISSIONS

CASE STUDY



Emission reduction through EV adoption



A pilot programme with six EVs was launched to assess their real-world performance, in emission reduction. A high-capacity charging station was installed within three plants: Mattampally, Bayyavaram and Dachepalli to enable efficient charging during shifts. Drivers, mechanics, and operators were trained to ensure smooth integration. Data analytics tracked key metrics such as energy consumption and maintenance costs, confirming notable reductions in fuel dependency and operational expenses. EV loaders at Mattampally and Dachepalli, along with

EV trucks at Bayyavaram, demonstrated strong energy efficiency, with loaders consuming an average of 23.50 kW per hour and trucks operating at 1.36 kWh per kilometre.

The transition reduced 327 tCO₂e emissions while improving worker safety and health through reduced exposure to harmful emissions. Productivity levels were maintained, and the initiative strengthened the Company's environmental credentials, attracting interest from sustainability-focused investors. It has resulted in lower operational costs, enhanced regulatory compliance and reinforced our long term commitment to sustainable growth.

CASE STUDY



Upgradation of fly-ash unloading system limits power consumption

At the Dachepalli plant, the operational team faced a challenge - prolonged idle compressor hours during fly ash unloading. The single unloading point caused delays, increasing energy consumption. To address this, a second unloading point was strategically installed alongside the existing system. With two tankers unloading simultaneously,

unloading time per tanker dropped from 60 to 40 minutes. Although compressor power usage rose slightly from 58 kWh to 60 kWh, the reduction in idle hours resulted in a net power saving of 19 kWh.

19 kWh
Power saving



Mattampally Plant, Telangana





Energy



The cement industry is energy intensive. To substantially limit our energy consumption, we are reducing fossil fuel usage and gradually increasing the use of renewable energy and green energy. We are also implementing measures to generate electricity from waste heat. We are using Solar, Hydro and Waste Heat Recovery systems on-site to generate green energy.

Key highlights

14,785 TJ
Total energy consumption

13,217 TJ
Total fuel consumption
(including Alternate fuel)

489 TJ
Renewable energy consumption

14%
Green energy consumption

Overall energy consumption

	Units	2024-25	2023-24
Total electricity consumption	MWh	4,35,479	4,60,524
Total electricity consumption from renewables*	MWh	62,075	52,584
Total electricity consumption from non-renewables	MWh	3,73,404	4,07,940
Total fuel consumption	TJ	13,217	13,554
Total fuel consumption from non- renewables	TJ	12,951	13,484
Total fuel consumption from renewables	TJ	266	70
Total energy consumption	TJ	14,785	15,212

* WHRS power consumption is included in renewable sources



Key initiatives

- ◆ **Increasing share of green energy:** We are committed to expanding the use of green energy at our cement plants by optimising our power mix, which includes WHRS, hydro, and solar power. In January 2025, we commissioned a 6 MW solar power plant at Gudipadu, increasing our total green energy capacity to 30 MW.
- ◆ **Using electric vehicles across three plants:** We have incorporated Electric Vehicles (EVs) at three of our plants. At Mattampally and Dachepalli, two EV loaders are utilised at each plant for material handling. Meanwhile, at Bayyavaram, two EV trucks are deployed for transporting slag to the plant and dispatching cement.



ENERGY



Hydro Power Plant, Guntur Branch Canal, Andhra Pradesh wheeling power to Bayyavaram Plant

Renewable energy and Green energy

Sagar Cements is diversifying its energy usage by investing in renewable energy, such as solar and hydro-power plants along with installation of green energy like waste heat recovery systems across plants. We have installed renewable energy power plants on-site and off-site and have significantly increased our renewable energy consumption in the past four years.

30 MW

Renewable Energy and Green Energy Capacity

62,075 MWh

Total electricity consumption from renewables and green energy

52,556 MWh

Waste Heat Recovery Systems (WHRS) power plants

4,088 MWh

Solar power

5,431 MWh

Hydro power

CASE STUDY

Portable solar lighting towers to enhance energy efficiency

The Dachepalli plant adopted portable solar lighting towers to enhance energy efficiency and lower its carbon footprint. Conventional lighting systems were replaced with solar towers to cut power consumption, minimise CO₂ emissions, and offer a flexible lighting solution suited to changing operational needs. Installation began in January and a monitoring system was set up to track energy savings and performance.

Traditional lighting towers consumed 1.20 kW/hour; solar towers brought this down to zero, eliminating grid dependency. Each tower now saves energy cost worth ₹ 9 per hour, totalling ₹ 33,696 annually. The switch has also reduced CO₂ emissions by 24 tCO₂. It has also improved operational flexibility, enabling its positioning in different parts of the plant, depending on lighting requirements.

24 tCO₂e
Emissions reduction annually



Portable solar power used at Dachepalli Plant



ENERGY

CASE STUDY



VFD systems to promote energy conservation

The Dachepalli cement plant has installed a Variable Frequency Drive (VFD) for the cooling tower water pump of cement mills. It has led to a noticeable reduction in electricity consumption and reduced 255 of tCO₂ emissions annually.

The cooling tower water pump plays a vital role in maintaining the temperature of critical equipment and ensuring smooth operation of cement mills. Previously, the pump operated at a constant speed of 1440 RPM, consuming between 64-68 kW of power per hour, regardless of actual demand. This

fixed-speed operation led to excessive energy consumption, contributing to higher electricity costs and unnecessary carbon emissions.

The VFD was installed to regulate motor speed according to the actual cooling demand. This smart control system reduced the pump's average operating speed to 1000 RPM, resulting in a remarkable decrease in power consumption to just 23 kW per hour.

255 MT CO₂ emission
Reduction annually

40 kWh
Reduction in power consumption

Gudipadu Plant, Andhra Pradesh



Resources



We are mindful of our natural resource consumption and strive to reduce its usage through responsible procurement decisions. In line with our sustainability goals and commitment to reduce carbon emissions, we have been actively integrating alternative fuels and biomass into our operations. During the financial year 2024–25, SGC made significant progress in substituting conventional fossil fuels with a diverse range of alternative fuel (AF) sources and biomass to support its low-carbon growth pathway. We have also utilised alternative decarbonated material as raw material.

Key highlights

6,075,867 MT
Limestone mined

79,253 MT

↑ 66.5%
Alternative fuels utilised during FY25

122,902 MT
Gypsum consumed

14,045 MT
Iron ore utilised

819 MT
Iron sludge consumed

0.84%
Decarbonated raw materials used

YoY growth

Strategy for increasing alternate fuel and raw material in operations

Material sourcing and assessment

SGC identified viable alternative fuels and biomass material from nearby industries and renewable sources. Suitability was determined based on calorific value, moisture content, and environmental compliance.

The cement kilns were equipped and optimised to handle a mix of alternative fuels. Regular testing and blending strategies were established to ensure stable operations.



Monitoring and tracking

A material tracking system was employed to monitor fuel input by type, ensuring proper record-keeping, compliance and efficiency analysis.

The largest contributors included organic liquid solvents (29,022 tonnes) and wood, non impregnated saw dust (28,462 tonnes), which together accounted for more than 70% of total AF use. Other significant contributors included spent carbon, organic residue and shredded plastic. Materials like carbon black, dolochar and spent coffee were also utilised to support the substitution effort.

The diversified fuel mix helped to mitigate supply risks and supported uninterrupted kiln operation. Utilisation of by-products like shredded plastic, spent solvents and carbon residues contributed to responsible waste management and circularity. The strategy directly lowered fossil fuel dependence and aligned with SGC's long term decarbonisation goals.



Limestone mining at Gudipadu Mines, Andhra Pradesh



RESOURCES

Resource consumption

	Units	FY 2025	FY 2024
ARM upto clinkerisation	% of raw meal production	0.84	0.3
Natural RM used	Tonnes	4,09,274	3,69,482
Total AF consumed, including biomass	Tonnes	79,253	47,605
Alternative Cementitious material consumed	Tonnes	15,07,626	13,37,524
Limestone	Tonnes	60,75,867	73,14,201

Alternate fuel and waste materials consumed

Recycled input materials consumed (MT)	FY 2025	FY 2024	FY 2023
Chemical gypsum	70,395	93,687	1,72,347
Fly ash	6,38,765	7,08,079	4,63,877
Slag	7,03,788	5,35,758	3,34,492
Spent carbon	9,655	7,669	4,509
Carbon black	468	677	75
Iron sludge	819	442	1,557
Shredded plastic	3,908	2,126	557
Residue derived fuels	0	0	1
Organic residue	6,379	9,229	7,948
Organic liquid solvents	29,022	17,322	15,988
Rice husk	0	121.30	5,006
Organic waste	0	0	462
Chrome sludge	23,357	13,625	16,236
Wooden chips	21,974	7,838	188
Dolochar	985	903	1,265
Sawdust	6,488	1,719	-
Total – AFR	15,16,003	13,99,196	10,24,507

Contributing to a circular economy

We contribute to a circular economy by re-purposing waste from other industries as valuable resources. By incorporating industrial by-products such as fly-ash from thermal power plants, slag from steel production, and we ensure reduction of environmental impact. We are currently using 15,00,000+ tonnes waste as resource,

including chemical gypsum, fly-ash, slag, chrome sludge, red mud, iron sludge, spent carbon, carbon black, organic residue, organic liquid solvents, sourced from other industries. These materials replace conventional raw materials, and fossil fuels cuts down resource extraction and minimises landfill waste.

CASE STUDY



Use of paddy husk as a sustainable blasting additive

The Dachepalli plant introduced paddy husk, an agricultural by-product, into its blasting operations. Acting as a bulking agent, paddy husk helped reduce the density of explosives used in blast holes, leading to cost reductions and efficiency improvements in blasting operations without compromising safety or performance.



Water



We aim to use water judiciously across our operations and have made a conscious choice to rely on recycled or harvested water for all our manufacturing operations. Our water action plan aims to achieve zero liquid discharge and strives to implement rainwater harvesting at all our plants.

Key highlights

10,02,964 KL
Total water withdrawn

1,23,330 KL
Total water recycled/
reused

172 L/t
cementitious material
specific fresh water
consumption

3X
Water positive

Water management

Water is essential for us and for the communities around our plants. We have developed water harvesting structures and converted mined out pits into reservoirs. Water meters are installed across our plants and specific water consumption reports are generated. We have adopted the concept of Reduce, Recycle/Reuse and Recharge.

Water conservation is a key priority for us as we strive to address the pressing challenges of depleting groundwater levels, frequent droughts and erratic rainfall patterns. The spray nozzles in the Vertical Roller Mill have been modified to use less water. Installed air-cooled systems instead of water cooled systems.



At Mattampally, we are also using the reject water from CPP as process water for our cement plant and achieved absolute zero water discharge. The blowdown water from CPP Boiler is being used as makeup water for Auxiliary Cooling Tower. We only use recycled and treated water through drip and sprinklers for gardening/plantations. STP recycled water is also being used in the grinding process.

At our Gudipadu plant, we have constructed rainwater harvesting pits at the workshop and the mines office area. We have replaced the membrane in the R.O. (Reverse Osmosis) plant to reduce water rejects by 64.8%.

At the Dachepalli plant, we have constructed a Wetland STP at the plant and reduced fresh water consumption by 10 KLD. At our Jeerabad plant, we recycle WHR wastewater for use in green belt development and road dust suppression and it has resulted in 15 KLD freshwater savings. Crusher tunnel seepage water is used for plantation along with utilisation of RO reject water for cleaning of industrial canteen utensils and green belt development. This has led to approximately 12 KLD water savings. Treated rejected water from A 200 KLD STP Sewage Treatment Plant is also being used for gardening and plantation. We also constructed rainwater harvesting pits and 12 recharge borewells for rainwater harvesting at Jeerabad.

Rainwater harvesting structures have also been constructed at Jajpur and Mattampally.



Limestone Mining at Gudipadu Mines, Andhra Pradesh



WATER

Total water withdrawal

Parameters	Units	FY 2025	FY 2024	FY 2023
Ground Water	kilolitres	343,840	243,714	285,105
Surface Water	kilolitres	655,048	630,198	499,775
Water from Municipality	kilolitres	4,076	2,520	1,149
Total water withdrawal	kilolitres	1,002,964	876,432	786,029
Water recycled and reused	kilolitres	123,330	116,515	80,653

Rainwater harvesting

Rainwater harvesting structures are crucial for replenishing groundwater reserves and ensuring sustainable water supply for both plant operations and local communities. Currently, Bayyavaram has 3 existing RWHPs, while Dachepalli operates 11, Jajpur has 1 RWHP, and Mattampally has 3 RWHPs along with 52 recharge pits. Jeerabad maintains 14 RWHPs and Gudipadu has 19 existing pits. Through these efforts, we continue to prioritise water security and environmental responsibility across all our locations.



Dachepalli Plant, Andhra Pradesh

CASE STUDY



Drip irrigation system for green belt development at Jeerabad

At Jeerabad, where arid conditions and limited water resources pose constant challenges, we implemented a drip irrigation system around the limestone crusher plant to promote sustainable green belt development. This initiative aims to improve vegetation cover, enhance dust control and set a benchmark for efficient water management. Manual watering proved to be inconsistent and inefficient.

The team designed a sustainable drip irrigation network with pipes, emitters and automated timers. This system has reduced water consumption by approximately 40%, and manual labour requirements have been cut by more than half. It has also strengthened the plants' drought resilience, enabling them to withstand harsh climatic conditions.

40%
Reduction in irrigation
water consumption at Jeerabad

CASE STUDY



Blue Drop STP at Dachepalli

At our Dachepalli Plant a Blue Drop STP is installed which is an Integrated Constructed Wetland also known as Phytoremediation System. These engineered systems use the natural filter media and organisms

to purify the wastewater streams. Traditional STPs use chemicals and fossil energy for recycling of water. In order to limit the use of chemicals and find a sustainable solution, we have implemented a 'Blue Drop STP' at our Dachepalli Unit.



Waste



At Sagar Cements we ensure waste minimisation and management in accordance with the waste hierarchy. It is our endeavour to reduce waste generation at our plants. Over the years, we have effectively cut down waste generation and increased re-utilisation of waste.

Waste management

At SGC, we approach waste management with utmost diligence, making waste collection and segregation essential at our plants. We implement the core principles of reduce, reuse, and recycle to manage both hazardous and non-hazardous waste, minimising generation at the source. Our waste management practices include the safe collection, storage, transportation, and disposal of waste in accordance with regulatory requirements. Additionally, we ensure the proper disposal of e-waste, hazardous materials, and scrap through authorised agencies.

Guided by the principles of a circular economy, we focus on minimising waste and maximising resource utilisation. In FY 2025, we generated 32,149 tonnes of fly-ash and 6,816 tonnes of bed ash—our two largest waste categories—both of which were entirely consumed within our operations. For other waste types that cannot be reused or recycled on-site, we ensure responsible and compliant disposal.



Total waste generated

(MT)

41,930



Waste Generation

	Units	FY 2025	FY 2024
Total Non-Hazardous waste	Tonnes	41,883	52,516
Total Hazardous waste	Tonnes	47	41
Total waste generated	Tonnes	41,930	52,557

100%

Reuse of fly-ash and bedash generated at our plants

Biodiversity



We undertake targeted initiatives to preserve the natural flora and fauna near our operating areas. Preservation and protection of biodiversity and natural ecosystems remains a priority for us.

We are developing a plantation area, with a target of covering five hectares of land with ~10,000 native species every year.

Key efforts

We have a biodiversity policy. We exceeded our commitment by planting more than 50,000 saplings against the target of 10,000 saplings per year.

We embraced the concept of Miyawaki forestation to increase the green cover and nurture the biodiversity of our Gudipadu site. We are actively engaged in biodiversity conservation through collaborative partnerships with community members, farmers, local communities, self-help groups and non-governmental organisations. Planning to restore natural ecosystems.

Biodiversity

	Unit	FY 2025	FY 2024
Area of plantation	Hectares	26	45
Number of samplings	Number	50,277	36,580

Plantation efforts at Dachepalli

At our Dachepalli plant, we aimed to increase our green cover significantly this year. We identified Schedule I endangered species with the support of the Forest Department and developed a wild life conservation plan. We systematically planted fruit, flower and native trees every month and ensured their survival.

A total of 22,778 saplings were planted during FY 2024 with survival rate of above 90%. This included around 11,290 trees in the plant premises and more than 11,488 in the mines area. The saplings included Mango, Nemali nara, Bougainvillea, Tabebuia rosea, Jacaranda, Mahogany, Spathodea, Neem, Gulmohar, Syzygium cumini, Jackfruit, Theelamadi and others.





The people amidst us

We strive to build a better future for people as well as communities where we operate. Along with a well-defined strategy for ensuring employee well-being, we remain committed to generate value for suppliers and partners and participate in social initiatives that make a difference to lives.





Employee well-being



At SGC, we prioritise a safe, healthy and respectful workspace where every individual feels valued, respected and empowered to reach their full potential. We are committed to fostering an inclusive work environment that supports work-life balance and creates opportunities for career advancement. Our people strategy emphasises continuous learning and development, enabling employees to unlock their full potential.

Key highlights

180

New employees

44,532

Total training hours

14.27%

Employee turnover rate

2%

Female workforce

Diversity and Inclusion

At SGC, we are committed to fostering a diverse and inclusive workplace where all employees feel valued and respected, regardless of background, gender, ethnicity or abilities. The Company supports diverse hiring practices and promotes an inclusive culture through targeted policies. To reinforce this commitment, we provide training on unconscious bias and diversity awareness and established employee resource groups to cultivate a sense of belonging across the organisation.



Jeerabad Plant, Madhya Pradesh



We are committed to cultivating an inclusive and respectful workplace where diversity is embraced. Our approach includes:

- ◆ Cultivating a work culture that is free from discrimination and harassment.
- ◆ Ensuring equal access to opportunities and information for all employees.
- ◆ Valuing diverse perspectives, innovative thinking and open discussions to drive creativity and performance.
- ◆ Promoting professionalism and corporate etiquette while encouraging free expression and thought.

We are committed to providing a safe and respectful workplace. We have conducted POSH (Prevention of Sexual Harassment) awareness sessions twice this year, achieving 100% coverage of all employees. No POSH complaints were received across the Group during the year.

Our workforce

Employees	FY 2025	FY 2024
Male	1,179	1,172
Female	23	17
Total	1,202	1,189



EMPLOYEE WELL-BEING

Human capital development and employee engagement

At SGC, we lay emphasis on human capital development through focus on career growth, employee well-being, and recognition. We empower employee aspirations and potential.

To strengthen connections within the workforce, we regularly organise team-building events, social programmes and outdoor activities. These initiatives play an important role in boosting employee morale and fostering a culture of appreciation and belonging.

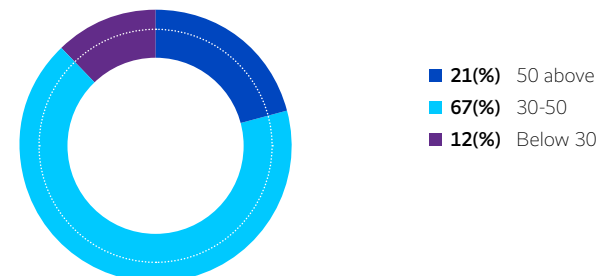
We also offer a comprehensive suite of employee benefits, including life insurance, health care, disability and invalidity coverage, parental leave, and maternity leave - ensuring holistic support for our workforce. 100% of our Workforce is covered in these benefits.



Employee engagement survey

We regularly monitor employee sentiment through structured surveys and direct engagement initiatives to build an engaged and motivated workforce. This positive trend reflects our continued efforts to enhance the employee experience, proactively address feedback, and strengthen our organisational culture. The insights gathered help us identify areas of success as well as opportunities for further improvement, supporting workplace satisfaction and long term employee retention.

Age profile of our workforce



Learning and development

We provide diverse learning opportunities, including online courses, workshops, and on-the-job training to our people. Regular skill assessments through skill matrix exercises help identify development needs, enabling the creation of personalised learning paths. Employees have access to resources for immediate role-specific knowledge and long-term career advancement. Additionally, cross-functional learning through job rotations and projects helps build a versatile and skilled workforce.

Key highlights

44,532

Total training hours

12.11

Average training hours per employee

Location	Head Count	Hours
Gudipadu	188	5,282
Dachepalli	173	1,393
Mattampally	254	13,875
Jeerabad	198	10,228
Jajpur	45	3,869
Bayyavaram	57	9,884.5
Total	915	44,532



EMPLOYEE WELL-BEING



Performance management

Our performance management system aligns employee goals with organisational objectives through clear expectations, continuous feedback and regular evaluations. Employees undergo annual performance reviews to assess achievements, strengths and development areas. The evaluation process includes self-assessments, HOD reviews and immediate supervisor assessments, emphasising both individual contributions and team collaboration. This holistic approach helps identify skill gaps and fosters professional growth.

Digital transformation of HR

We have embarked on a digital transformation initiative to modernise HR processes. Seeking a solution that could centralise employee data, automate routine tasks and improve communication, the HR team deployed HR Management System (HRMS) solution across all departments and divisions.

The transformation aimed to streamline HR operations by automating processes like payroll, leave management and employee onboarding. By implementing a unified platform, we ensured secure storage and easy access to employee information for HR, managers and employees alike. The digital system is scalable and adaptable to support new business units, locations and more employees.

The seamless integration with existing systems ensured smooth operations. Automated processes have eliminated manual tracking of employee records and approvals. Real-time notifications and reminders have transformed internal communication.

Although still in the early stages, we are already experiencing tangible benefits. The automation of essential HR functions, centralised data management and improved communication have created a solid foundation for future advancements, positioning us for continued growth and efficiency.

Talent retention and succession planning

We continue to strengthen our workforce with a diverse range of talent. This year, we successfully onboarded 180 new employees, with 4% being women. Our recruitment efforts have focused on both lateral movements and campus hires, ensuring that we bring in fresh perspectives and skills to drive the Company's growth.

We prioritise talent retention by fostering a supportive and inclusive work environment. Our low attrition rate reflects our commitment to employee satisfaction, while long service awards recognise the dedication of our team. These initiatives, combined with continuous professional development, ensure that SGC remains an employer of choice in the industry.

New employee hires during the reporting period, by age group, gender and region

Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Total employee by age group	180	172	96	8	4
21-30	42	40	95	2	5
30 - 50	126	120	95	6	5
50 and above	12	12	100	0	0
Total employee by region.	180	172	96	8	4
Telangana	62	56	90	6	10
Madhya Pradesh	50	50	100	0	0
Andhra Pradesh	53	51	96	2	4
Odisha	15	15	100	0	0

Employee turnover during the reporting period, by age group, gender and region

Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Total employee by age group	171	168	98	3	2
21-30	34	34	100	0	0
30 - 50	110	107	97	3	3
50 and above	27	27	100	0	0
Total employee by region	171	168	98	3	2
Telangana	75	72	96	3	4
Madhya Pradesh	47	47	100	0	0
Andhra Pradesh	39	39	100	0	0
Odisha	10	10	100	0	0

Health and safety



Occupational health and safety is deeply integrated into our day-to-day practices. We are committed to building a strong safety culture and deploy robust preventive measures to proactively mitigate risks and create a safe and healthy workplace for all our employees. Ensuring zero fatalities is our goal. We continuously improve the safety management system by carrying out regular safety audits.

Key highlights

ZERO
Fatalities

0.31 LTIFR
Lost Time Injury Fatality Rate

95,26,828
Safe manhours

Fostering a culture of safety among employees

At SGC, building a Safety Culture is an ongoing process. At all our plants, we give utmost importance to Safe Working by upholding the Safety Policy. An effective safety communication process exists from top to bottom and bottom to top, along with the communication of safety improvement views, targets and achievements.

 Safety Trainings at Dachepalli Plant, Andhra Pradesh



Safety Magazine

Bhadrata Sagar Magazine, our safety magazine, is published in regional languages and helps to communicate our safety position effectively within the organisation.

Safety Management System

We encourage regular interaction during Safety Committee meetings and counselling on Personal Protective Equipment (PPE). We select Safety Committee members from cross-functional teams. In addition Safety Audits are also conducted by external agencies. Management representatives and Top Management review Statutory Inspection Recommendations, and compliance is taken up through the Register of Applicable Legal Requirements. Safety performance indicators for each plant are reviewed through Dashboard Information every month, through the Safety Conclave. Employees play a crucial role in reporting unsafe conditions and near-miss situations for proactive rectification, promoting a culture of accountability. Special Emphasis Programmes like internal/external case studies are taken up and lessons learnt from these are shared with teams.

International Safety Standards

We have voluntarily implemented ISO 45001 for Occupational Health and Safety as part of our Integrated Management System, covering all units, including the latest addition, Andhra Cements Ltd, Dachepalli.



HEALTH AND SAFETY

HIRA

Internal Auditor Training ensures effective compliance, while Hazard Identification and Risk Assessments (HIRA) guide the development of Safe Operating Procedures (SOPs). Internal Audits and Proactive Reviews drive Corrective and Preventive Actions (CAPA), with external audit observations reviewed for priority actions. We thoroughly investigate near-miss incidents, accidents, and dangerous occurrences and share the lessons learnt across units.

Employee Health management

Factory Medical Officers are appointed across four units, ensuring that medical support is always at hand. In addition, fire tenders and enhanced fire protection systems have been deployed at Bayyavaram and Jeerabad, further enhancing our safety measures. Leading and Lagging Indicators are segregated and shared during Safety Conclave every month, to help achieve our target of Zero Fatality.



 Ambulance Van at Dachepalli Plant, Andhra Pradesh

CASE STUDY



Integrated work permit system at Dachepalli Plant

The Dachepalli Plant took a major step towards improving workplace safety and efficiency by implementing an integrated work permit system, guided by corporate safety advisor Shri. T.E.C. Vidyasagar and aligned with IS 17893:2023 standards. The previous system often led to multiple permits being issued during simultaneous tasks at critical locations such as cyclones, kilns, and silos. To address this, the team expanded the number of permits from four to twelve, incorporating detailed checklists that allowed a single permit to cover multiple activities. This reduced deviations, strengthened compliance, and streamlined the overall permit process.

Training sessions for employees and contractors ensured smooth adoption of the new system. The digitised and consolidated framework reduced paperwork, cutting printing costs and limiting physical movement of permits across work areas. As a result, the Dachepalli Plant significantly lowered permit deviations, improved workflow efficiency, and enhanced safety performance.





HEALTH AND SAFETY

Safety training

Sagar Cements Limited provides comprehensive safety training to all employees, including new hires, existing staff and contract workers. Training programmes include mandatory induction sessions, toolbox talks and specialised internal and external safety training.

Safety Parks have been established at our plants to enhance practical learning, offering hands-on safety demonstrations. Every month, employees participate in online training on Occupational Health and Safety (OHS) topics, focusing on cement plant operations, power generation, internal transportation, and defensive driving. The Bayyavaram unit introduced defensive driving training as part of the Road Safety Month initiatives.

We also conduct work-at-height safety training, scaffold erection and inspection, behaviour-based safety programmes and 5S workplace organisation initiatives. At Andhra Cements Dachepalli, safety teams performed a rescue-from-height demonstration, to showcase emergency preparedness. An Occupational Health Specialist also led a training programme on occupational health in cement industry.

Internal and external OHS training programmes are planned accordingly, with individual progress tracked and recorded. This year, SGC conducted certified first-aid training programmes at the Bayyavaram unit, equipping employees with life-saving skills.



Maintaining Employee Health and Safety across Plants



Gudipadu, Andhra Pradesh

Behaviour Based Safety (BBS)

At SGC, ensuring employee safety remains a top priority, leading to the launch of a structured Occupational Health and Safety Training Programme aimed at fostering a safety-first culture across all departments. We recognised the importance of reducing workplace risks, enhancing regulatory compliance, and boosting productivity through sustained employee engagement in safety education and skill development. The initiative began with a company-wide survey to assess specific training needs, followed by the development of a comprehensive annual training calendar. Specialist external trainers were engaged to deliver sessions on critical topics such as fire safety and lock-out/tag-out (LOTO) procedures.

Training activities are a regular part of our operations, including weekly gate meetings for updates, toolbox talks on hazard identification, and classroom and hands-on sessions on safe machinery operations, fire safety, and emergency response. Employees involved in cement bag packing and truck operations received tailored guidance on manual handling, road safety, vehicle maintenance, and emergency protocols.

The impact has been substantial. Employee awareness of safety protocols improved significantly, leading to a reduction in workplace accidents and higher compliance with safety standards.



HEALTH AND SAFETY

Safety awards and recognitions



Industry Award 2024 – American Society of Safety Professionals (ASSP), India Chapter

SGC received the Industry Award 2024 at the 12th Professional Development Conference (PDC) of the ASSP India Chapter held at IIT Chennai in June 2024. This award was conferred for innovative safety measures in Alternative Fuel and Raw Materials (AFR) management in the Cement Industry Category, recognising our efforts in enhancing workplace safety through sustainable and advanced safety practices.

Industrial Safety Leadership Award 2024 – Confederation of Indian Industry (CII), Andhra Pradesh

The Bayyavaram Unit was honoured with the 'Silver' award in the Industrial Safety Leadership Award (Category-2) in March 2025 for its outstanding safety initiatives during the year 2024. This recognition from CII Andhra Pradesh highlights our proactive approach to risk management, employee safety training and implementing best safety practices in industrial operations.

National Safety Awards 2024 – Certificate of Appreciation

The Gudipadu Unit received a Certificate of Appreciation in the National Safety Awards 2024. It underscores our commitment to maintaining a safe and hazard-free work environment, ensuring compliance with national safety standards and continuously improving our safety culture.

CASE STUDY



Driver Management System to strengthen safety culture

To strengthen the safety culture and operational discipline, we have introduced a comprehensive Driver Management System. It aims to improve the safety of personnel, vehicles and infrastructure, ensure compliance with plant policies and legal requirements.

The system involves multiple layers of checks and clear operational instructions. At the main gate, all vehicles undergo document verification, alcohol testing and PPE checks. Fire extinguishers and first-aid kits are inspected before

entry. Drivers are briefed on rules for adhering to speed limits, avoiding mobile phone use and wearing safety gear while handling tanker doors. Violations, including wrong route entry or sleeping on-site, result in penalties. Regular road and fire safety training sessions are held. Health check-ups and resting areas are also offered to drivers.



Gudipadu, Andhra Pradesh



Suppliers and partners



We aim to build stronger bonds with value chain partners to ensure sustainable procurement and enhance supply chain resilience.

Key highlights

3,090
Suppliers

805
New suppliers onboarded

3,073
Local Indian suppliers

83.1%
Materials sourced from Indian suppliers

19.1%
Materials sourced from MSMEs suppliers

Responsible Supply Chain

We are committed to raising the standards in our industry by working with our suppliers to improve environmental and social performance. We choose suppliers who share our values, building long term partnerships. Our work is focused on our production supply chain, where we have the biggest impact.

We work with suppliers who maintain compliance to legal requirements, and care for people and society.

Our suppliers selection process observes and gives preference to suppliers around our operations, MSMEs, rail over road logistics, biofuels over fossil fuels, and proximity to usage points. We also focus on developing alternative vendors, mitigating the risk by reducing the concentration of vendors at one location.



ESG Evaluation of our suppliers

With a view to drive the sustainability efforts within our supply chain, we have developed a responsible supply chain framework for our suppliers. The framework specifies our responsible supply chain objectives, the steps to evaluate suppliers and process for providing action plan for improvement. The framework will be implemented in the next year.

We have also developed a supplier self-assessment questionnaire for scoring the suppliers ESG efforts. We will evaluate our critical suppliers based on the environmental, social criteria starting next year.

Scaling up alternative fuel usage

We are integrating biomass, RDF, and waste-derived fuels in clinker production, focusing on overcoming operational challenges for efficient and sustainable fuel use.

Utilising waste as resource

We have embedded circular economy principles in our procurement practices. We are constantly evaluating utilising waste as resource options. This year, we have evaluated and used materials like calcined lime, copper slag, ETP Sludge and FGD Gypsum are by products of other industries.

Sustainable packaging innovations

We are evaluating Low Permeability Polyethylene (LPP) bags as a sustainable alternative to Biaxially Oriented Polypropylene (BOPP) bags to reduce plastic usage and environmental impact.





Customers



We are committed to building enduring relationships with our customers to ensure mutual growth and satisfaction. By prioritising quality, innovation, and customer-focused solutions, we strive to exceed expectations and deliver value at every opportunity. Our dedication to sustainability, coupled with a focus on continuous improvement, allows us to provide products that meet our customers' evolving needs, helping them create stronger, more resilient futures.

Key highlights

381

New dealers

3,173

Dealers

7,127

Sub-dealers

Our goal is to continue strengthening Customer connections, making Sagar Cements a trusted partner for every project, large or small.



Customer First Approach

We strive to enhance our customers' experience with consistent quality of our products, a portfolio of green products, and support for application assistance. By developing close partnerships with individual house builders, contractors, and large-scale infrastructure projects, we aim to provide tailored solutions that contribute to the success of each project.

Through regular feedback and engagement, we ensure our products and services evolve with customer requirements, empowering them to build stronger, more sustainable structures.

Customer service van

We have customer service vans across various locations like Hyderabad, Vijayawada, Odisha. It helps in creating customer awareness of product application along with showcasing our product strength and features to masons, dealers, sub-dealers. The van has cement testing facilities, branding and awareness, along with on-site customer complaint resolution.

SCL Technical Services Van



www.valueresearchonline.com, w

Customer health and safety

Safe product composition

Our cement variants such as OPC, PPC, PPC Super, PSC, CC, and SRC are designed to meet stringent industry standards and do not cause any harmful effects under normal usage conditions.

Customer support for safe application

The Company provides customers with guidance on proper cement application techniques, helping minimise the risk of improper use and related safety concerns.

Research & Development to ensure safety

Our continuous R&D efforts ensure the cement formulations align with safety and performance expectations, minimising potential risks in handling and application. Considerable research and development effort has been put in to ensure the product meets the exacting requirements of the construction industry.

Training and Awareness

We provide structured training to masons and contractors on the safe handling and correct usage of cement to promote high-quality construction and workplace safety. Training on product usage is part of the Company's customer service and ensures appropriate application across all projects.

Engineers Day 2024 Celebration with Architects, Consultants, Builders and Contractors



Communities



To ensure upliftment of communities and make a meaningful contribution to the well-being of people, we engage in diverse activities encompassing health, education, livelihood generation and rural development. We are facilitating change through continuous collaboration with communities, and NGO partners.

Key highlights

4,00,000+

Lives impacted in past five years

₹ 244 Lakhs
CSR spent in FY 2025

180,277 +
Beneficiaries in FY 2025



Corporate Social Responsibility

With an aim to give back to the communities near our manufacturing plants we invest in crucial sectors such as preventive healthcare and promotion for safe drinking water, training and education, promotion of sports, and rural development through collaborative social projects with our NGO partners.

We have formulated a CSR Policy and CSR Committee of the Board of Directors' is responsible for its implementation. Our human resource teams at plants are responsible for CSR efforts along with support from our NGO partners.

Key initiatives and impact

Preventive healthcare and provision for safe drinking water

We consider good health and clean drinking water as basic rights for every individual. To this end, we carried out initiatives near our plants aimed at improving community health outcomes and securing access to safe water.

Improving access to healthcare

In Ghursal, Dhanora Badiya, and Jeerabad, near our Jeerabad plant, we organised 20 general and 2 eye health camps. A total of 541 individuals received consultations, medicines, and follow-up care. This effort improved healthcare access in remote areas with limited medical facilities.



Water for all

At Tangarsahi village near our Jajpur plant, extreme summer heat caused a severe water shortage. We arranged water tankers and repaired borewells to ensure a steady supply for drinking and farming. This brought immediate relief and long term support to the village.



COMMUNITIES

Rural development

Our rural development initiatives aim to build resilient and self-sufficient communities. We focus on critical infrastructure, agriculture, sanitation, and disaster response—each tailored to the unique needs of the regions where we operate.

Reviving community spaces in Gudipadu

In Gudipadu village, we improved local infrastructure by constructing a boundary wall for the burial ground, clearing rainwater drains, and repairing roads. These efforts boosted sanitation, reduced health risks, and improved connectivity for nearby communities.

Empowering farmers in Karondiya through improved irrigation

Karondiya village, near our Jeerabad plant, faced irrigation challenges due to water scarcity. We provided PVC and RCC pipes to 179 farmers, making water access easier and helping them sustain agricultural activity and income.

Promoting road safety and enhancing infrastructure

To improve road safety near our Bayyavaram plant, we supplied stop and caution boards to the Kasimkota Police Station. Additionally, we donated 100 bags of cement for a motor shed at the Police Commissioner's Office in Visakhapatnam, supporting law enforcement infrastructure.

Disaster relief in Vijayawada and Mattampally

In response to flood damage, we distributed essential groceries to affected households in Mattampally and Vijayawada.

Training and education

We remain committed to fostering educational opportunities for children and youth in rural areas—bridging gaps in access and providing the resources they need to thrive.

Bridging the distance

To help children in Kundankota and Gudipadu access education, we introduced school bus services from these villages to Yadiki and Tadipatri. This reliable transport removed travel barriers and improved school attendance.

Infrastructure support for government schools in Andhra Pradesh

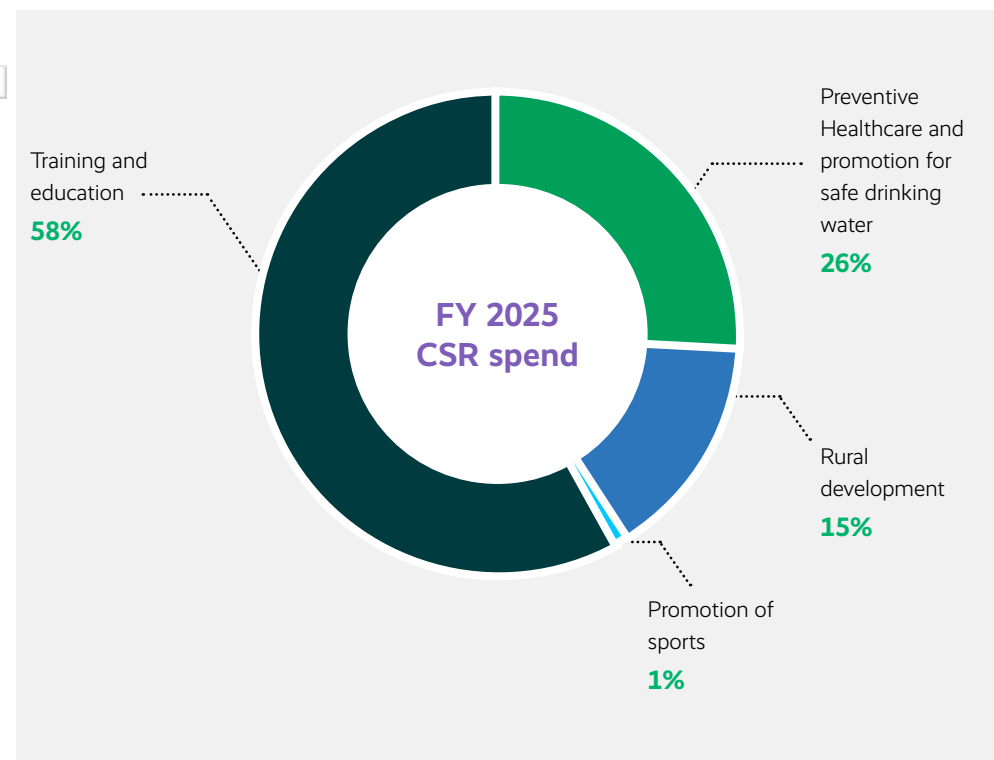
We have installed an RO-based water cooler and made provision for supplying notebooks to Durga Public School. In Gamalapadu, another government school has also benefitted from the supply of furniture, computers and printers.

Empowering future leaders

On 26th October 2024, we honoured meritorious students near all our plants with scholarships, commemorating the 89th birth anniversary of Late Sri Sammidi Veera Reddy Garu for supporting youth in pursuing higher education and building brighter futures.

Promotion of sports

As part of our commitment to community development, Sagar Cements actively organises sports events and sponsors talented sports personnel from local areas in Nalgonda District, Telangana, and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh. Through these initiatives, we aim to promote physical fitness, foster local talent, and create opportunities for individuals to excel in various sports. Our efforts not only support the personal growth of athletes but also encourage a spirit of teamwork and healthy competition in the communities we serve.





The conduct among us

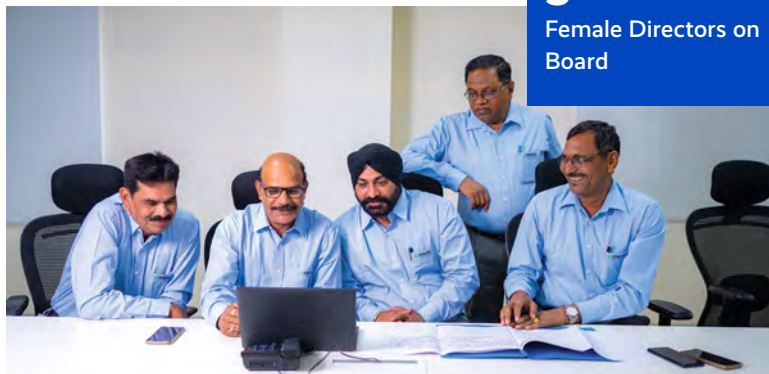
At SGC, we believe in establishing a robust corporate governance framework to operate with integrity and accountability. It empowers us to earn the trust of stakeholders while factoring in ESG priorities into our business operations.

Corporate governance practices



We have established clear policies to protect human rights and promote ethical behaviour. Maintaining the trust and reputation of our brand is a top priority, and we are dedicated to upholding transparency and accountability in all our actions. To reinforce these commitments, our Board regularly reviews the policies and charters we have put in place.

We are consistently working towards meeting regulatory and compliance obligations, while aligning with the best practices of transparency and accountability.



Key highlights

60 years
Median age of Directors

5 years
Average tenure of Independent Directors

94.23%
Average attendance rate in board meeting

3
Independent Directors on Board

3
Female Directors on Board

Governance policies

We are committed to upholding the highest standards of corporate governance by adhering to applicable laws, regulations and statutory guidelines. The Company emphasises transparency, fairness and ethical business practices in all its operations. Employees including leadership and Directors' are expected to conduct themselves with honesty and integrity, reflecting the organisation's dedication to ethical conduct. The Company ensures robust governance across business operations through its policies such as:

- ◆ Whistle-Blower policy
- ◆ Business responsibility policy
- ◆ Code of Conduct
- ◆ Anti-corruption policy
- ◆ Fair competition policy
- ◆ Human rights policy
- ◆ Public policy and political engagement statement
- ◆ Stakeholder engagement policy
- ◆ Innovation policy
- ◆ Tax management policy
- ◆ Treasury management policy

All our policies are applied to the maximum extent and are shared on the Company website and is accessible to all stakeholders.

Transparency and stakeholder engagement



We apply principles of fairness, accuracy and equity in our daily operations to drive long term value creation for our stakeholders. Our efforts to build lasting relationships with employees, customers, partners, and community members have ensured sustainable growth. It has enabled us to maintain transparent communication with all stakeholders.





Ethics and compliance



We conduct our business with integrity, avoid any misleading actions, and focus on sustainable growth that creates long term value for all our stakeholders.

We are always alert and committed to preventing and addressing any form of corruption, such as bribery, fraud, embezzlement, concealment, or misuse of influence. We follow a strict zero-tolerance policy—no one is allowed to take part in or support corrupt activities in any way.

This applies to everyone we work with, including our business partners. Anyone involved in actions that could be seen as bribery or corruption will be held accountable under our rules.

To support this, we have a Whistleblower Policy that allows people to safely report any wrongdoing. It protects those who speak up and helps us maintain a fair and ethical environment.

Board's role

Strategic direction and oversight

Determines the Company's strategic direction, exercises prudent control over corporate affairs.

Strategy review and approval

Reviews, assesses and approves strategic direction and initiatives; evaluates issues, forces and risks affecting long term performance.

Supervisory role

Monitors corporate performance and executive conduct, ensures ethical functioning and adherence to a well-defined course of action.

ESG and compliance

Supervises strategy development, design and implementation; actively discusses ESG initiatives; encourages senior management to go beyond regulatory requirements.

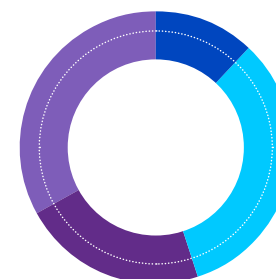
Board expertise

SGC's Board comprises a diverse blend of expertise, perspectives and professionalism. Our Board members possess in-depth knowledge of governance as well as technical, financial and non-financial matters.

	Business and strategy	Financial expertise	Governance and compliance
Shri. K. V. Vishnu Raju	✓	✓	✓
Shri. Ravichandran Rajagopal	✓	✓	✓
Smt. O. Rekha		✓	✓
Smt. N. Sudha Rani		✓	
Shri. Madhavan Ganesan	✓	✓	✓
Dr. S. Anand Reddy	✓	✓	✓
Shri. S. Sreekanth Reddy	✓	✓	✓
Smt. S. Rachana	✓		
Shri. Jens Van Nieuwenborgh	✓	✓	✓

Board balance chart

(%)



- 12% Non-executive Directors
- 33% Independent Directors
- 22% Executive Directors
- 33% Nominee Directors

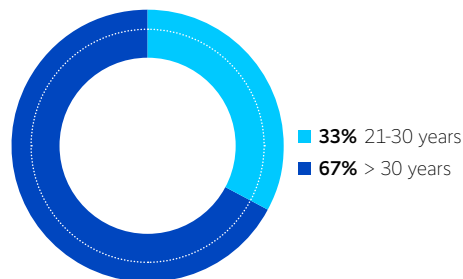




Board demographics

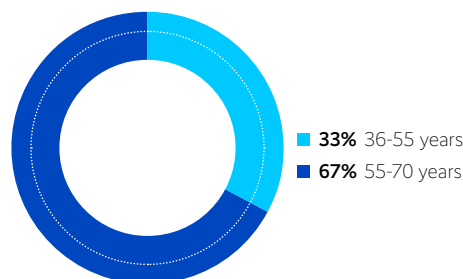
Board experience

(%)



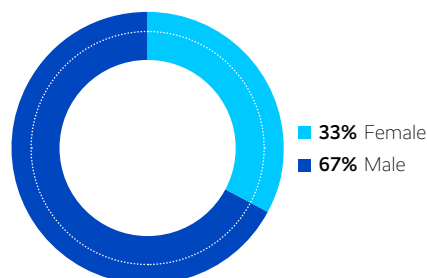
Board age profile

(%)



Board diversity

(%)



Board committees

Board committees focus on specific areas, making informed decisions within their delegated authority and recommending relevant matters to the Board.

● Investment Committee

The Investment Committee evaluates major capital expenditure proposals and investment opportunities, ensuring alignment with the Company's strategic goals. This committee helps optimise capital allocation and assesses long term financial returns.

● Securities Allotment Committee

This committee is responsible for allotting securities as approved by the Board or shareholders. It ensures compliance with regulations during the process of issuing new shares and other securities.

● Corporate Social Responsibility Committee

The CSR Committee guides the Company's social initiatives in line with Section 135 of the Companies Act. It focuses on reducing environmental impacts, enhancing community welfare and creating sustainable growth through responsible operations and partnerships.

● Audit Committee

The Audit Committee oversees financial reporting, compliance with statutory and regulatory requirements, and internal controls. It ensures the accuracy of financial statements, the independence of Auditor's and helps to take corrective actions.

● Nomination and Remuneration Committee

This committee is tasked with setting remuneration policies, selecting qualified candidates for the Board and senior management, and ensuring that the company adheres to the highest governance standards. It focuses on rewarding performance while fostering talent retention.

● Stakeholders' Relationship Committee

The committee addresses and resolves grievances of security holders, overseeing issues such as non-receipt of dividends or share certificates. It ensures smooth communication with investors and stakeholders, maintaining trust in the Company's operations.

● Risk Management and ESG Committee

The Risk Management and ESG Committee integrates environmental, social and governance (ESG) practices into the Company's operations. It reviews and approves ESG strategies, tracks performance and ensures alignment with the Company's mission. The committee also monitors and evaluates risks through regular reviews and maintains a roadmap for ESG progress, reporting to the Board twice a year.





RISK MANAGEMENT

Managing risks judiciously

Guiding principles

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

Shareholder value based

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

Embedded

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

Supported and assured

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

Reviewed

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

Risk management framework



Jeerabad Plant, Madhya Pradesh

We operate in a dynamic environment that presents various risks, each potentially affecting our ability to achieve strategic objectives. To address these challenges, we have established a comprehensive risk management system. The Board of Directors, along with the Risk Committee, provides essential guidance in developing and refining the processes that help us manage risks effectively and protect the long term success of the organisation.



RISK MANAGEMENT

Approach to risk management

We adopt a top-down approach to risk management, beginning with the identification of the primary challenges that could hinder the achievement of our organisational objectives. Our risk register encompasses key strategic and operational risks that are most relevant to SGC. Initially, we develop mitigation plans for the Risks That Matter (RTM), focusing on those that have the highest potential impact. Over time, we extend these mitigation efforts to cover all identified risks across the business.

The Risk Team, led by the Joint Managing Director (JMD) and Chief Financial Officer (CFO), and involving heads of all key processes and the Company Secretary, oversees the day-to-day management of

risks. The team meets quarterly to review the effectiveness of existing risk mitigation strategies. During these reviews, new risks are identified and additional strategies are formulated to address them. A detailed report outlining the status of the mitigation plans and the current RTM is presented to the Audit Committee each quarter, while an annual update on risk management is provided to the Board of Directors.

- ◆ **Identification:** We begin by identifying risks that may affect our goals, using a top-down method to pinpoint the most significant threats.
- ◆ **Assessment:** Risks are evaluated through qualitative and quantitative methods, assessing their potential impact and likelihood within a set timeframe.

- ◆ **Mitigation:** Mitigation plans are developed for Risks That Matter (RTM), with these plans expanding over time to address all identified risks.
- ◆ **Reporting:** Major risks are integrated into our enterprise risk management framework and regularly discussed by senior management, ensuring that any changes are communicated to key decision-makers.
- ◆ **Monitoring:** We continuously monitor the business environment to identify emerging risks and opportunities, ensuring that decision-makers are informed in a timely manner.



Risk management process

Our risk management process is built on continuous assessment, mitigation, monitoring and reporting across the entire organisation. To ensure alignment with our business goals, we integrate risk management directly into the process of setting corporate objectives and developing strategies. This integration is further reinforced by our annual budgeting cycle, where each business function is required to incorporate the findings from the risk management exercise into their respective budget presentations. This approach ensures that risk management is embedded within the organisation's day-to-day decision-making and long term planning, making it an essential component of our strategic management process.



Jeerabad Plant, Madhya Pradesh

Types of risk





RISK MANAGEMENT

Strategic risk



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



Risk	Description	Mitigation	Rating
Consolidation and intense competition 	- Intense competition may not increase cement prices in line with inflationary trends and may result in lower margins for cement companies - Continuous expansion and consolidation in the industry might impact market share of SGC - Failure to effectively compete could have a material adverse impact on the business performance of SGC - Failure to meet sales targets to achieve desired growth in sales	- Aligned marketing strategy to maintain current market share and strive for expansion in new markets - Continuous adoption of new ways to engage with customers and maximise brand visibility - Monitor market trends and competitors	 High
Region dependency	Market slowdown in the Southern region may significantly impact the Company's performance.	- New plants at Jeerabad and Jajpur allow us to increase market presence at serving geographies - To maintain our current market share, we are engaging in promotional and branding efforts in regions where we are already established	 High

RISK MANAGEMENT

Financial risk



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



Risk	Description	Mitigation	Rating
Market volatility	- Adverse impact over organisation brand position due to market volatility - Challenges in raising capital for funding growth opportunities	- Regular monitoring of market conditions to remain aware of macroeconomic factors and capital market conditions - Conduct valuations from time to time for assessing favourable outcomes	High
Treasury management	- Insufficient return on surplus funds or safety of investment leading to minimisation of return to shareholders - Higher cost of capital due to suboptimal utilisation of funds and mix of capital source structure	- Robust monitoring of fund needs over short/medium and long term periods - Maintaining the debt-equity ratio and interest coverage ratio	High



RISK MANAGEMENT

Operational risk



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

Risk	Description	Mitigation	Rating
Health and safety	- Occurrence of accidents, incidents and occupational hazards leading to loss of life, machines and impact on local communities - Fire, explosion, contamination or release of dangerous gases from use of hazardous materials - Penalty, fines, closure, strike, agitation due to these incidents	- Formation of plant level safety committee to specifically focus on occupational health and safety aspects - Continuous review and strengthening of occupational health and safety practices - Keep hazardous materials in well-maintained storage areas with good ventilation and drainage. Making appropriate emergency equipment easily available - Ensuring good housekeeping practices routinely and thoroughly checking the state of containers for any holes, leaks, signs of rust or rot, missing labels and always keep things as neat and clean as possible - Check both container labels and Materials Safety Data Sheets (MSDS) before starting any job involving hazardous materials	High
Fuel procurement	Failure to sustain operations due to unavailability of fuel or its availability at exorbitant prices	- We are increasing the use of alternate fuel by 25% by 2030 and 50% by 2050. We are building feeders for alternative fuel consumption across all the plants which allow choice of fuel basis its availability and cost. This helps to maintain cost-efficiency in terms of fuel usage - Maximum utilisation of Fuel Supply Agreement (FSA) for coal usage. It is expected to prepare us for timely renewals for securing the availability of coal	High



RISK MANAGEMENT

Operational risk Contd..

Risk	Description	Mitigation	Rating
Brand positioning	- Failure to align consumer perception in line with Company's vision and business plan may lead to a negative impact on net cement realisation - Inability to create a trusted brand may lower price realisation in comparison to peers	- We intend to increase our spend on brand equity to improve and consolidate SGC's brand positioning - Continuous adoption of new methods to maximise brand visibility is expected to improve brand recall	Medium
Succession planning	- Loss of knowledge and experience from sudden exit/retirement of skilled or specialised employees - Impact on business due to non-identification or selection of a suitable candidate for succession	- Developing a roadmap and framework for the identification of critical positions, possible successors, their development plans and gap analysis - Regular efforts are being made to train employees and make them future-ready	Medium
Supply chain logistics cost	- Ineffective supply chain leading to higher logistics cost and hampering profitability - Failure to meet delivery commitments leading to loss of sale and customers	- We will map our logistics into Rail and Road categories to compare costs and arrive at optimal cost levels - We will continue to keep the average lead distance below 300 km to ensure optimum logistics cost	Medium
Asset management	- Failure to perform regular maintenance for assets leading to frequent breakdowns and decrease in life of assets - Lack of cost competitiveness due to the use of old equipment (increased variable cost of power, fuel, etc. - Failure to provide physical protection for its long-lived assets	- We perform periodic equipment Risk assessment analysis to identify potential equipment failures as a part of maintenance activities (in-House) - Detailed performance monitoring mechanism to be put in place for all spares and consumables, equipment-wise, in all facilities, including tracking of mean time to repair, mean time between failures, occupancy rates, etc.	Medium



RISK MANAGEMENT

Compliance risk



The organisation operates within a legal and regulatory framework that imposes specific obligations and safeguards its rights. This category of risks encompasses those that arise when the organisation fails to meet its legal obligations or protect its rights.

Risk	Description	Mitigation	Rating
Climate change	- Company's failure to meet carbon reduction targets imposed by government - Government may bring in regulations impacting operations continuance with the current level of carbon emissions - Enhanced scrutiny by investor community, proxy firms including shareholders over climate change action which may impact market capitalisation	- Reduce energy intensity by use of energy efficient processes and equipment and their continuous upgradation - Establish systems for monitoring and conducting periodic reviews of receipts, generation and consumption of all forms of energy - Benchmark our performance with the best standards, set targets, document and communicate at all levels and provide resources to achieve targets - To reduce CO₂ intensity by adopting the best technologies and practices across all functions—from manufacturing to distribution - To reduce energy intensity while continuously increasing the ratio of green energy and alternate raw materials and fuels - Minimising transport emissions by gradually migrating to environment-friendly modes such as Green transport vehicles - Measurement and monitoring of water sourcing and consumption - Implement ISO 20400 sustainable procurement in the near term	High



RISK MANAGEMENT

Compliance risks Contd..

Risk	Description	Mitigation	Rating
Sustainability	◆ Risk of non-compliance with regulatory, societal and investor expectations of corporate and environmental sustainability ◆ Risk of governance, sustainability or societal factors affecting financial condition or operating performance of the business ◆ Poor/average ESG rating standards may cause lack of interest/exit of marquee investors in the Company	Environment ◆ Conserving and preserving the natural environment across the length of the business value chain ◆ Preserving endemic, threatened or endangered species and protecting the natural habitat around the plant premises Social ◆ Ensure zero fatalities ◆ Continually improve the safety management system by carrying out regular safety audits ◆ Start a skill development training centre by 2030 ◆ Focus on building stronger bonds and relationships with its customers and partners Governance ◆ Consistently working towards meeting regulatory and compliance obligations, while aligning with the best practices of transparency and accountability ◆ Timeliness of response for whistle-blower incidents	⬆ High



AWARDS AND RECOGNITIONS

We have received several prestigious awards and accolades this year, honouring our ongoing efforts to implement innovative environment, health and safety practices and uphold the highest governance standards across our operations.

The Bayyavaram Plant has received National Award for Excellence in Energy Management 2024 and Most Innovative project award by CII and was awarded with "National Energy Conservation Award, Cement Sector-2024 by Government of India, Ministry of Power.



Gudipadu unit was felicitated by Bureau of Indian standards (BIS), Andhra Pradesh for the products: OPC, PPC and PSC for Zero failures during the consecutive last three years. This was given on World Standards Day-2024.

The Gudipadu unit also received an Appreciation Award from the District Fire Officer, Anantapur, for its contribution in extinguishing the fire at Tadipatri Lalita Mega Mall on September 9, 2024 with our fire tender vehicle and fire staff.



The Gudipadu Unit received a Certificate of Appreciation in the National Safety Awards 2024. It underscores our commitment to maintaining a safe and hazard-free work environment, ensuring compliance with national safety standards and continuously improving our safety culture.



At the 39th Mines Safety Week Observance 2024, organised by the Mines Safety and Productivity Association, Hyderabad Region, under DGMS, the DCW Limestone Mine, Andhra Cements Limited, Dachepalli Plant, earned the 1st Prize for Overall Performance in Group C. Additionally, several other accolades were secured at the Mines level in Group C.



The Gudipadu Plant received 1st prize on 16th November 2024 in various categories, including Drilling and Blasting, Safe Mine Workings, Crusher and Conveyor Belts, Safety Management System, and Overall Performance in Zone-3 (B2 Group) during the Mines Safety Week 2024, organised by the Mines Safety and Productivity Association, Hyderabad Region.



The Bayyavaram Unit was honoured with the 'Silver' award in the Industrial Safety Leadership Award (Category-2) in March 2025 for its outstanding safety initiatives during the year 2024. This recognition from CII Andhra Pradesh highlights our proactive approach to risk management, employee safety training and implementing best safety practices in industrial operations.





INDEPENDENT ASSURANCE STATEMENT

To
The Directors and Management,
Sagar Cements Limited
Plot No. 111, Road No. 10, Jubilee Hills,
Hyderabad, Telangana-500033, India.

'Sagar Cements Limited' (hereafter SGC) engaged TUV India Private Limited (TUVI) to conduct the independent external assurance of non-financial disclosures reported in SGC' Sustainability Report (hereinafter the 'Report') based on the principles of GRI Standards 2021 (hereafter 'GRI') and, IIRC Integrated Reporting (<IR>). This assurance engagement was conducted in accordance with ISAE 3000 (revised) standards, which includes "limited" level of assurance of SGC sustainability disclosures for the applied period from 01/04/2024 to 31/03/2025. Report with reference to the GRI Standards considered for assurance process.

Management's Responsibility

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

Scope and Boundary

The scope of work includes limited assurance of the following non-financial performance / KPI disclosures as disclosed in the Report. In particular, the assurance engagement included the following:

- Verification of the application of the Report content according to material topics identified based on the materiality, and principles as mentioned in the Global Reporting Initiative (GRI) Standards, the principles of IIRC Integrated Reporting (<IR>), and the quality of information presented in the Report over the reporting period;
- Review of the policies, initiatives, practices and performance as per the GRI standards;
- Review of the non-financial disclosures against the requirements of the GRI Standards and <IR> framework;
- Verification of the reliability of the GRI Standards Disclosure on environmental and social topics;
- Specified information was selected based on the materiality determination and needs to be meaningful to the intended users;
- Confirmation of the fulfilment of the GRI Standards.

TUVI has verified the below-mentioned disclosures given in the Report:

Topic	GRI Disclosure
GRI 301: Materials	301-1, 301-2, 301-3
GRI 302: Energy	302-1, 302-2, 302-3, 302-4, 302-5
GRI 303: Water and Effluents	303-1, 303-2, 303-3, 303-4, 303-5
GRI 304: Biodiversity	304-1, 304-2, 304-3, 304-4
GRI 305: Emissions	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
GRI 306: Waste	306-1, 306-2, 306-3, 306-4, 306-5
GRI 308: Supplier Environmental Assessment	308-1, 308-2
GRI 401: Employment	401-1, 401-2, 401-3
GRI 402: Labor/Management Relations	402-1
GRI 403: Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
GRI 404: Training and Education	404-1, 404-2, 404-3
GRI 405: Diversity and Equal Opportunity	405-1, 405-2
GRI 406: Non-discrimination	406-1
GRI 407: Freedom of Association and Collective Bargaining	407-1
GRI 408: Child Labor	408-1
GRI 409: Forced or Compulsory Labor	409-1
GRI 410: Security Practices	410-1
GRI 411: Rights of Indigenous Peoples	411-1
GRI 413: Local Communities	413-1, 413-2
GRI 414: Supplier Social Assessment	414-1, 414-2
GRI 416: Customer Health and Safety	416-1, 416-2
GRI 417: Marketing and Labeling	417-1, 417-2, 417-3
GRI 418: Customer Privacy	418-1

The reporting boundaries for the above topics include 04 manufacturing units and 02 grinding units across India. The onsite visits were conducted in the months of March 2025 and April 2025 for the below location:

Onsite Verification

The onsite verification was conducted at below mentioned locations:

- Sagar Cements Limited, Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad, Telangana-500033, India, Corporate Office - 20/03/2025 and 21/03/2025)
- Sagar Cements Limited, Village Mattampally, Telangana-03/04/2025 and 04/04/2025)

The assurance activities were carried out together with a desk review of other cement manufacturing units located at Mattampally, Jeerabad, Gudipadu, Dachepally and the grinding units at Jajpur, Bayyavaram as per reporting boundary i.e. SGC India operations as stated above.

Our Responsibility

TUVI's responsibility as per the assurance engagement is to perform independent assurance and to express a conclusion based on the work performed. We conducted our engagement in reference to the ISAE 3000 (revised) standards for identified non-financial ESG indicators. Our engagement did not include an assessment of the adequacy or effectiveness of SGCs' strategy or management of sustainability-related issues or the sufficiency of the Report against the principles of GRI Standards, IIRC Integrated Reporting (<IR>), and ISAE 3000 (revised) standard, other than those mentioned in the scope of the assurance. The data is verified on a sample basis, the responsibility for the authenticity of data lies with the reporting organisation. The reporting organisation is responsible for archiving the related data for a reasonable period of time. TUVI does not take any liability or co-responsibility 1) for any damages in the case of erroneous data reported. 2) for any decision a person or entity would make based on this assurance statement. This assurance engagement is based on the assumption that the data and information provided to TUVI by SGC are complete and true. This assurance statement does not endorse any environmental and social claims (related to the product, manufacturing process, packaging, disposal of product etc.) as well as advertisements by the reporting organization. TUVI does not permit use of this statement for Greenwashing or misleading claims. The reporting Organization is responsible for ensuring adherence to relevant laws.

Verification Methodology

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

- TUVI reviewed the approach adopted by SGC for the stakeholder engagement and materiality determination process (based on the principle of double materiality and the requirements of the GRI Standards).
- TUVI verified the disclosures and claims made in the Report and assessed the robustness of the data management system, information flow, and controls;
- TUVI examined and reviewed the documents, data, and other information made available by SGC for the reported disclosures, including the disclosure on management approach and performance disclosures;
- TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of the SGC, during the remote assessments;
- TUVI performed sample-based reviews of the mechanisms for implementing the ESG related policies, as described in the SGC Report;
- TUVI verified sample-based checks of the processes for generating, gathering, and managing the quantitative data and qualitative information included in the Report for the reporting period.

The Report was evaluated against the following criteria: adherence to the principles of stakeholder inclusiveness, materiality, responsiveness, completeness, neutrality, relevance, sustainability context, accuracy, reliability, comparability, clarity, and timeliness, as prescribed in the GRI Standards, IIRC Integrated Reporting (<IR>), and ISAE 3000 (revised) standard.



INDEPENDENT ASSURANCE STATEMENT

Opportunities for Improvement

The following are the opportunities for improvement reported to SGC. However, they are generally consistent with SGC management's objectives and programs. SGC already identified below topics and Assurance team endorse the same to achieve the Sustainable Goals of organization.

- SGC can adopt the best practices and guidelines outlined in ISO 20400 to formulate a robust and comprehensive sustainable procurement policy.
- To further demonstrate its commitment to sustainability, SGC may pursue certifications such as Zero Liquid Discharge (ZLD) or Zero Waste to Landfill (ZWL) within its operational boundaries,
- SGC has implemented multilingual policy displays in Telugu and English. To enhance communication and inclusivity, SGC may also place the Hindi version of policies near the security gate,
- All waste data was verified during the audit, and the handler declarations included concise details on waste disposal methods. Waste data records may be updated periodically, and site visits to waste handler facilities can be conducted to verify and monitor disposal practices.
- SGC should consider broadening the scope of its reporting to include supplier assessments based on Environmental, Social, and Governance (ESG) criteria across facilities in various regions.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the ESG disclosures and reference information provide a fair representation of the material topics and meet the general content and quality requirements of the applied standards.

SGC appropriately discloses the KPIs and actions that focus on the creation of value over the short, medium, and long term. The selected KPIs disclosed by SGC are fairly represented. TUVI did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion from the prospective information. This assurance statement has been prepared in reference to the terms of our engagement.

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

Universal Standard: SGC followed GRI 1 Foundation 2021: Requirements and Principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organization. General Disclosures were followed when reporting information about an organisation's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process, and GRI 3: Material Topics 2021: Disclosures and guidance about the organization's material topics. GRI 3 was selected for management's approach to reporting information about how an organisation manages a material topic. TUVI is of the opinion that this report has been prepared in reference to the GRI Standards and <IR> framework.

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

Limited Assurance Conclusion: Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the sustainability information to be reliable in all respects, with regards to the reporting criteria of the GRI Standards and <IR> framework. TUVI confirms that SGC has transparently reported major material information pertaining to all its six capitals in line with the <IR> framework, as below:

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

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

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

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

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

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

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

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

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

In the context of Assurance, the following contemporary principles has been observed:

Evaluation of the adherence to other contemporary Principles

Stakeholder Inclusiveness: Stakeholder identification and engagement is carried out by SGC on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Sustainability Context: SGC established the relationship between ESG and organizational strategy within the Report, as well as the context in which disclosures are made. In our view, the Report meets the requirements with regards to the sustainability Context.

Materiality: The materiality determination process has been conducted and reviewed based on the principle of double materiality and the requirements of the

GR/ Standards, considering involvement of internal and external stakeholders in upstream and downstream value chain in identifying the material issues to the SGC range of businesses. The Report fairly brings out the aspects, topics, and their respective boundaries of the diverse operations of SGC. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects (identified through the Double Materiality Test) are fairly articulated in the report, i. e. , disclosures on SGC policies and management systems, including governance. In our view, the Report meets the requirements.

Impact: SGC communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, IIRC Integrated Reporting (<IR>), TCFD and CDP as part of its policy framework encompassing environmental, social, ethical, and other policies. SGC reports on sustainability performance to the Board of Directors, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

Completeness: The Report has fairly disclosed the selected non-financial KPIs, as per GR/ Standards. In our view, the Report meets the requirements.

Reporting Principles for defining report quality: The majority of the data and information were verified by TUVI's assurance team during the hybrid assessment (which was combination of onsite visit, web based meetings and desk reviews) and found to be fairly accurate. The disclosures related to ESG issues and performances are reported in a balanced manner and are clear in terms of content and presentation. In our view, the Report meets the requirements.

Reliability: The majority of the data and information were verified by TUVI's assurance team and found to be fairly accurate. Some inaccuracies in the data identified during the verification process were found to be attributable to transcription, interpretation, and aggregation errors, and these errors have been corrected. Therefore, in reference to the GRI Standards and <IR> framework, TUVI concludes that the ESG data and information presented in the Report are fairly reliable and acceptable. In our view, the Report meets the requirements.

Neutrality: The disclosures related to ESG issues and performance are reported in a neutral tone, in terms of content and presentation. In our view, the Report meets the requirements.

Our Assurance Team and Independence

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

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head - Sustainability Assurance Service,
India Project Reference No: 8123614452

Date: 26-05-2025
Place: Mumbai
Project Reference No: 8123614452
www.tuv-nord.com/in
Revision:00



GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	5 - 7
	2-2 Entities included in the organisation's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2
	2-4 Restatements of information	2
	2-5 External assurance	77, 78
	2-6 Activities, value chain and other business relationships	6, 7, 8, 9, 18, 60, 61
	2-7 Employees	53 - 55, 133, 134
	2-8 Workers who are not employees	133
	2-9 Governance structure and composition	10-12, 66-67, 110-112
	2-10 Nomination and selection of the highest governance body	114
	2-11 Chair of the highest governance body	11
	2-12 Role of the highest governance body in overseeing the management of impacts	33
	2-13 Delegation of responsibility for managing impacts	33
	2-14 Role of the highest governance body in sustainability reporting	33, 67
	2-15 Conflicts of interest	140
	2-16 Communication of critical concerns	88
	2-17 Collective knowledge of the highest governance body	11-12, 66, 112
	2-18 Evaluation of the performance of the highest governance body	114
	2-19 Remuneration policies	114
	2-20 Process to determine remuneration	114-115
	2-21 Annual total compensation ratio	Omission: Confidential information.
GRI 3: Material Topics 2021	2-22 Statement on sustainable development strategy	15
	2-23 Policy commitments	65, 137-138
	2-24 Embedding policy commitments	65, 137
	2-25 Processes to remediate negative impacts	32, 33
	2-26 Mechanisms for seeking advice and raising concerns	88
	2-27 Compliance with laws and regulations	66
	2-28 Membership associations	157
	2-29 Approach to stakeholder engagement	34-35
	2-30 Collective bargaining agreements	145
	3-1 Process to determine material topics	36
	3-2 List of material topics	36
	3-3 Management of material topics	36
Economic performance		
GRI 201: Economic Performance 2016	3-3 Management of material topics	36
	201-1 Direct economic value generated and distributed	19-20.
	201-2 Financial implications and other risks and opportunities due to climate change	19-20.
	201-3 Defined benefit plan obligations and other retirement plans	167, 179, 180
	201-4 Financial assistance received from government	₹ 4,605 Lakhs
Market presence		
GRI 202: Market Presence 2016	3-3 Management of material topics	36
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	149
	202-2 Proportion of senior management hired from the local community	100%
Indirect economic impacts		
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	36
	203-1 Infrastructure investments and services supported	62-63
	203-2 Significant indirect economic impacts	62-63

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Procurement practices		
GRI 204: Procurement Practices 2016	3-3 Management of material topics	36
	204-1 Proportion of spending on local suppliers	4
Anti-corruption		
GRI 205: Anti-corruption 2016	3-3 Management of material topics	36
	205-1 Operations assessed for risks related to corruption	139
	205-2 Communication and training about anti-corruption policies and procedures	139
	205-3 Confirmed incidents of corruption and actions taken	None
Materials		
GRI 301: Materials 2016	3-3 Management of material topics	46
	301-1 Materials used by weight or volume	47
	301-2 Recycled input materials used	47
	301-3 Reclaimed products and their packaging materials	142
Energy		
GRI 302: Energy 2016	3-3 Management of material topics	43
	302-1 Energy consumption within the organization	152
	302-2 Energy consumption outside of the organisation	The applicable energy consumption outside the organization pertains to third-party operated warehouses, which are 84 for SGC. Their energy consumption is minimal and limited to lighting and ventilation. This is negligible in the context of our total energy footprint.
	302-3 Energy intensity	152
	302-4 Reduction of energy consumption	152
	302-5 Reductions in energy requirements of products and services	All our products are GreenPro certified by CII for their life cycle of energy requirements.
Water and effluents		
GRI 303: Water and Effluents 2018	3-3 Management of material topics	48
	303-1 Interactions with water as a shared resource	153
	303-2 Management of water discharge-related impacts	153
	303-3 Water withdrawal	153
	303-4 Water discharge	153
	303-5 Water consumption	153
GRI 304: Biodiversity 2016	3-3 Management of material topics	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	155
	304-2 Significant impacts of activities, products and services on biodiversity	51, 156
	304-3 Habitats protected or restored	51
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable



GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Emissions		
GRI 305: Emissions 2016	3-3 Management of material topics	38
	305-1 Direct (Scope 1) GHG emissions	154
	305-2 Energy indirect (Scope 2) GHG emissions	154
	305-3 Other indirect (Scope 3) GHG emissions	156
	305-4 GHG emissions intensity	38, 154
	305-5 Reduction of GHG emissions	154
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	154
Waste		
GRI 306: Waste 2020	3-3 Management of material topics	50
	306-1 Waste generation and significant waste-related impacts	50, 154 - 155
	306-2 Management of significant waste-related impacts	50, 154 - 155
	306-3 Waste generated	50, 154 - 155
	306-4 Waste diverted from disposal	50, 155
	306-5 Waste directed to disposal	50, 155
Supplier environmental assessment		
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	60
	308-1 New suppliers that were screened using environmental criteria	60
	308-2 Negative environmental impacts in the supply chain and actions taken	60
Employment		
GRI 401: Employment 2016	3-3 Management of material topics	55
	401-1 New employee hires and employee turnover	55
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	52, 144
	401-3 Parental leave	144
Labor/management relations		
GRI 402: Labor/Management Relations 2016	3-3 Management of material topics	145
	402-1 Minimum notice periods regarding operational changes	145
Occupational health and safety		
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	56
	403-1 Occupational health and safety management system	56-59
	403-2 Hazard identification, risk assessment, and incident investigation	56-57
	403-3 Occupational health services	56
	403-4 Worker participation, consultation, and communication on occupational health and safety	56
	403-5 Worker training on occupational health and safety	145
	403-6 Promotion of worker health	59
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	146
	403-8 Workers covered by an occupational health and safety management system	100%
	403-9 Work-related injuries	146
	403-10 Work-related ill health	146
Training and education		
GRI 404: Training and Education 2016	3-3 Management of material topics	36
	404-1 Average hours of training per year per employee	54
	404-2 Programmes for upgrading employee skills and transition assistance programs	54

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
	404-3 Percentage of employees receiving regular performance and career development reviews	100%
Diversity and equal opportunity		
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	53
	405-1 Diversity of governance bodies and employees	67
	405-2 Ratio of basic salary and remuneration of women to men	150
Non-discrimination		
GRI 406: Non-discrimination 2016	3-3 Management of material topics	36
	406-1 Incidents of discrimination and corrective actions taken	151
Freedom of association and collective bargaining		
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	145
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	145
Child labour		
GRI 408: Child Labor 2016	3-3 Management of material topics	36
	408-1 Operations and suppliers at significant risk for incidents of child labor	150-151
Forced or compulsory labor		
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	36
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	150-151
Local communities		
GRI 413: Local Communities 2016	3-3 Management of material topics	62-63
	413-1 Operations with local community engagement, impact assessments, and development programs	
	413-2 Operations with significant actual and potential negative impacts on local communities	
Supplier social assessment		
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	36
	414-1 New suppliers that were screened using social criteria	60
	414-2 Negative social impacts in the supply chain and actions taken	60
Customer health and safety		
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	36
	416-1 Assessment of the health and safety impacts of product and service categories	61
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	61
Marketing and labeling		
GRI 417: Marketing and Labeling 2016	3-3 Management of material topics	159
	417-1 Requirements for product and service information and labeling	61, 159
	417-2 Incidents of non-compliance concerning product and service information and labeling	61, 159
	417-3 Incidents of non-compliance concerning marketing communications	61, 159
Customer privacy		
GRI 418: Customer Privacy 2016	3-3 Management of material topics	36
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	159



GCCA INDEX

Basic Parameter	PERFORMANCE FY24-25
CO₂ Emission	
Total direct CO ₂ emissions - gross	35,86,385 tonnes
Total direct CO ₂ emissions - net	35,57,140 tonnes
Specific CO ₂ emissions - gross	616 kgCO ₂ /tonne of cementitious
Specific CO ₂ emissions - net	611 kgCO ₂ /tonne of cementitious
Emissions	
SOx	123 tonnes
NOx	8,952 tonnes
Dust	260 tonnes
Fuels and Raw Material	
Alternative fuel rate	3.35%
Biomass fuel rate	2.01%
Alternative Raw Materials rate (% ARM)	19.42%
Specific heat consumption for clinker production	722 kCal/kg of Clinker
Safety	
Number of fatalities, directly employed	0
Number of fatalities, contractors and sub-contractors	0
Number of fatalities, third parties	0
Number of lost time injuries (LTI), directly employed	3
Number of lost time injuries (LTI), contractors and sub-contractors	0
Water	
Water Consumption (Total Water withdrawal-Water Discharge)	10,02,964 Kilolitre
Specific Water Consumption	172 Litre/Tonnes of cementitious
Biodiversity and Rehabilitation	
Percentage % of quarries with high biodiversity value where biodiversity management plan is implemented	Not applicable*
Percentage % of active quarries where rehabilitation plan is implemented	Not applicable*

* None of our quarries are currently under closure



SASB CONSTRUCTION MATERIALS SECTOR

TOPIC	METRIC	CODE	PERFORMANCE FY24-25
Greenhouse Gas Emissions			
	1) Gross global Scope 1 emissions, 2) Percentage covered under emissions- limiting regulations	EM-CM-110a.1	1) Gross Scope 1 emission : 35,86,385 tCO ₂ e 2) 0% (Emissions limiting regulation is under preparation and shall be released in India from FY 25-26.)
	3) Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-CM-110a.2	3) Page 41
Air Quality			
	Air emissions of the following pollutants: (1) NOx (excluding N ₂ O), (2) SOx, (3) particulate matter (PM ₁₀), (4) dioxins/ furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals	EM-CM-120a.1	1) NOx: 8952 tonnes 2) SOx: 123 tonnes 3) PM ₁₀ : 4.45 tonnes 4) Dioxins/Furans: 0 5) VOCs: 0 6) Polycyclic aromatic hydrocarbons (PAHs): 0 7) Heavy Metal: 0
Energy Management			
	1) Total energy consumed, 2) percentage grid electricity, 3) percentage alternative and 4) percentage renewable	EM-CM-130a.1	1) Total energy consumed: 14,785 TJ 2) percentage grid electricity: 6.7% 3) percentage alternative and: 4.8% 4) percentage renewable: 1.5%
Water Management			
	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	EM-CM-140a.1	1) Total water withdrawn: 10,02,964 KL 2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress: 0%
Waste Management			
	Amount of waste generated, percentage hazardous and percentage recycled	EM-CM-150a.1	1) Waste Generated: 41930 tonnes 2) percentage hazardous: 0.11% 3) percentage recycled: 92.98% (reused)
Biodiversity Impacts			
	Description of environmental management policies and practices for active sites	EM-CM-160a.1	Page 51
	Terrestrial land area disturbed, percentage of impacted area restored	EM-CM-160a.2	
Workforce Health & Safety			
	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	EM-CM-320a.1	1) TRIR: 2.46 2) Near Miss Frequency Rate a) direct employees: 0 b) Contract employees: 0
	Number of reported cases of silicosis 1	EM-CM-320a.2	0
Product Innovation			
	Percentage of products that qualify for credits in sustainable building design and construction certifications	EM-CM-410a.1	50%
	Total addressable market and share of market for products that reduce energy, water or material impacts during usage or production	EM-CM-410a.2	50%
Pricing Integrity & Transparency			
	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and antitrust activities 2	EM-CM-520a.1	0



DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present their Forty Fourth Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended March 31, 2025.

Financial Results

This discussion on the financial performance and results of operations of your Company for the year ended March 31, 2025, which are summarised below, should be read in conjunction with its audited stand-alone and the consolidated financial statements containing financials and notes thereto of Sagar Cements Limited and its subsidiaries, namely Sagar Cements (M) Private Limited and Andhra Cements Limited.

(₹ in Lakhs)

Description	Stand-alone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	1,56,664	1,90,755	2,25,764	2,50,461
Other Income	2,663	5,391	2,143	5,412
Total income	1,59,327	1,96,146	2,27,907	255,873
Total expenses	1,50,970	1,72,485	2,11,655	2,25,870
Profit before Interest, Depreciation and Tax	8,357	23,661	16,252	30,003
Less: Finance Cost	8,149	7,509	18,813	18,483
Depreciation	11,942	11,651	23,075	21,411
Profit before exceptional items and tax	(11,734)	4,501	(25,636)	(9,891)
Exceptional items	2,091	-	2,717	(1,479)
Profit before tax	(13,825)	4,501	(28,353)	(8,412)
Total Tax	(5,277)	1,384	(6,685)	(3,207)
Profit after Tax	(8,548)	3,117	(21,668)	(5,205)
Other Comprehensive Income	72	(93)	47	(86)
Total Comprehensive Income	(8,476)	3,024	(21,621)	(5,291)
Basic & Diluted Earnings per share of ₹2 each	(6.54)	2.38	(16.58)	(3.98)

Performance

During the year the Consolidated Revenue from Operations stood at ₹2,25,764 Lakhs, registering a decline by 10% as compared to previous year and Profit before Interest, Depreciation and Tax stood at ₹16,252 Lakhs, registering a decline by 46% as compared to previous year. To avoid repetition in the Directors' Report, further details about other aspects of the performance of the Company during the year 2024-25 have been furnished in the Management Discussion and Analysis Report as annexure to this report.

Dividend

Dividend is recommended by your Board taking into consideration the factors like overall profitability, cash flow, capital requirements and other business consideration as well as the applicable regulatory requirements read with the dividend distribution policy adopted by your company, which is available on your company's website and can be accessed at: https://sagarcements.in/wp-content/uploads/2020/08/Scl_Dividend-Distribution-Policy.pdf

Considering the losses incurred by the company, no dividend is proposed for the year.

Transfer to reserves

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



DIRECTORS' REPORT

Share Capital

Authorised Share Capital:

The authorised share capital of the company is ₹292,50,00,000/- comprising of 124,75,00,000 Equity Shares of ₹2/- each and 4,30,00,000 Preference Shares of ₹10/- each as on March 31, 2025.

Paid-up Share Capital:

As on March 31, 2025, the paid-up share capital of the company was ₹26,14,15,096/- divided into 13,07,07,548 equity shares of ₹2/- each and there were no changes in the share capital of your company during the year under report.

Utilisation of funds raised through issue of Equity Shares

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

During the FY 2025, no funds were raised through Rights Issue, Preferential issue etc. and hence there is no requirement to provide any explanation as required under Regulation 32(4) of the SEBI (LODR) Regulations, 2015.

Subsidiaries, Joint Ventures and Associate Companies

The performance of your subsidiaries viz., M/s.Sagar Cements (M) Private Limited and M/s.Andhra Cements Limited, both of which were acquired by your company, is satisfactory and on the expected lines.

Salient features of the financials of the above mentioned two subsidiaries have been given in form AOC-1 as **Annexure-1** to this report. Your Company does not have any Joint Ventures or Associate Companies.

Performance of your Company's Plants

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

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

Details relating to future outlook, risk management system and internal control and its adequacy have been given in detail in the Management Discussion and Analysis Report, which is part of the Directors' Report. The Company has an adequate Internal Financial Control System, commensurate with the size, scale and complexity of its operations.

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

Human resource development and Industrial Relations

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

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

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

Sexual Harassment

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

Awards and Recognitions

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

Further your company has achieved following awards:

Bayyavaram unit:

- ◆ was awarded Excellent Energy Efficient unit & Most Innovative Project award for the year 2024 from CII.
- ◆ has received 24th CCQC Gold award from QCFC Visakhapatnam chapter on September 19, & 20, 2024.
- ◆ has received Bureau of Indian Standards Certificate of Appreciation on September 24, 2024.



DIRECTORS' REPORT

- ◆ has received Appreciation certificate from district collector, Anakapalle.
- ◆ have won the GreenCo Platinum award (Environmental and Safety Parameters) By CII in March 2025.
- ◆ have won the "SILVER" for the Industrial Safety Leadership Award (Category-2). By CII.

Gudipadu unit:

- ◆ was awarded best Presentation award from Society for Occupational Health & Safety (SOHS), A.P.
- ◆ has received Excellence in Innovation Silver Award from American Society of Safety Professionals at IIT Madras.
- ◆ has received Letter of Appreciation from District Fire Officer, Anantapur, Certificate of appreciation from BIS-Tirupathi and National Safety Council of India at Safety Awards-2024.
- ◆ has received 1st prize in Group-B2 Mines Safety week-2024, Hyderabad and different prizes on 30th Mines Environment & Mineral Conservation Week-2024-25 under Aegis of Indian bureau of Mines.
- ◆ have achieved 15 Million safe man hours after acquisition of Gudipadu Unit by Sagar Cements Limited.

Directors' Responsibility Statement

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis;
- v. the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors and Key Managerial Personnel

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

Shri. John Eric Fernand Pascal Bertrand has tendered his resignation as Non-Executive Director of the company with effect from October 21, 2024.

Pursuant to the shareholders agreement executed between the company and AvH Resources India Private Limited and on the recommendation made by the Nomination and Remuneration committee. Shri. Jens Van Nieuwenborgh has been appointed as nominee director of AvH Resources India Private Limited on the Board of the company with effect from September 18, 2024 which was later approved by the shareholders through postal Ballot on November 28, 2024.

Your Board, pursuant to the recommendation made by its Nomination and Remuneration Committee, and taken in to account her vast experience in the area of finance, skills, knowledge and the substantial contribution made during her tenure has recommended the appointment of Smt. Onteddu Rekha as an Independent Director to hold office for a second term of five years with effect from June 30, 2025. The resolution seeking the approval of the members for the above said re-appointment have been incorporated in the notice of the annual general meeting of the company.

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

Independent Directors' Declaration

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

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

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



DIRECTORS' REPORT

Number of meetings of the board

During the year 2024-25, six meetings of the board were held and the details of these meetings of the Board as well as its Committees have been given in the corporate governance report, which forms part of the Integrated Report.

Credit Rating

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

Policy on directors' appointment and remuneration and other details

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

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

Board evaluation

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

Change in the Nature of Business

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

Auditor's

The term of the present Auditor's, Deloitte Haskins & Sells will be concluding at the ensuing Annual General Meeting. Pursuant to the recommendations made by the audit committee, the board has recommended the appointment of M/s. B S R and Co, Chartered Accountants (Firm Registration No. 128510W), as statutory Auditor's for a term of five years for the conclusion of the 44th Annual General Meeting till the conclusion of the 49th Annual General Meeting to be held in the year 2030. The resolution seeking the approval of the members for the above said appointment have been incorporated in the notice of the annual general meeting of the company.

Auditor's Report and Secretarial Auditor's Report

Auditor's Report



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

Secretarial Auditor's

M/s. B S S & Associates, practicing Company Secretaries (Firm Registration No. 3744) have been recommended as Secretarial Auditor of the Company from the conclusion of the 44th Annual General Meeting of the Company till the conclusion of the 49th Annual General Meeting to be held in the year 2030. A resolution seeking shareholders' approval has been included in the notice of the AGM.

Secretarial Auditor's Report

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditor's, who carried out the secretarial audit of the company under the said Section is given in the **Annexure-2**, which forms part of this report. The Secretarial Audit Report of Sagar Cements (M) Private Limited, a material subsidiary of the company is also given in the said Annexure.

The Secretarial Audit Report does not contain any qualification, reservation, or adverse remarks.

Secretarial Standards

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

Maintenance of Cost Records

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

Cost Auditor's

M/s. Narasimha Murthy & Co., Cost Accountants (FR No.000042) have been appointed as Cost Auditor's of the company for the year ending 31st March 2026. A resolution seeking shareholders' approval for ratification of the remuneration payable to the said Cost Auditor's has been included in the notice of the AGM.

The reports submitted by the Cost Auditor's are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

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

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

Particulars of loans, guarantees and investments

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



DIRECTORS' REPORT

Disclosure of Accounting Treatment

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

Transactions with related parties

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

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

During the year 2024-25 your Company had not entered into transactions with any person or entity belonging to its promoter/promoter group, which holds 10% or more shareholding in the Company.

Policy on transaction with related parties:

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

Corporate Social Responsibility

A brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiatives taken by your company are set out in **Annexure-4** to this report in

the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy is also available on the website of the company, https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf.

Cybersecurity Commitment and Initiatives

Your Company recognises the critical importance of safeguarding our information assets and systems from ever-evolving cyber threats. As a responsible corporate entity, we are committed to protecting the confidentiality, integrity, and availability of the data entrusted to us by our customers, partners, employees, and other stakeholders. To this end, we have voluntarily embarked on a comprehensive Cybersecurity programme aimed at identifying, assessing, and mitigating potential risks across our IT infrastructure and processes.

We have engaged experts in the field of Cybersecurity and an entity empaneled with the Indian Computer Emergency Response Team (CERT-In), to conduct an in-depth cybersecurity assessment of our organisation. This exercise, involved a thorough evaluation of our servers (including application, database, and report servers), endpoints, firewalls, network devices, and security practices against industry standards and best practices.

We have developed a time-bound plan to elevate our cybersecurity maturity to align with global standards and best practices. Implementation of high-priority initiatives, such as database activity monitoring and cybersecurity policy roll out, is already underway, with substantial completion of the remediation road-map.

As we progress on this multi-year journey, we will continue to assess and refine our cybersecurity strategies to stay ahead of emerging threats. Annual technical assessments, including VAPT exercises, will help validate our controls and identify new areas for improvement. We are also investing in the skills and resources needed to embed security as a core value and discipline across the organisation.

We firmly believe that a proactive and diligent approach to cybersecurity is essential to preserving the trust of our stakeholders and the resilience of our business in the digital era. Our voluntary engagement of external experts and adoption of industry best practices reaffirms SGC's commitment to upholding the highest standards of corporate governance and risk management.

We will keep our stakeholders updated on the progress of our cybersecurity initiatives through regular disclosures. As always, we remain committed to fostering

A secure and resilient operating environment and welcome any feedback or suggestions in this regard.

Annual Return

Annual Return in Form MGT-7 is available on the company's web site and the link for the same is https://sagarcements.in/wp-content/uploads/2020/08/SCL-Form_MGT_7-31.03.2025-1.pdf

Particulars of Employees

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

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

Particulars	Ratio to Median Remuneration
Non-Executive Directors	Non-Executive Directors are not paid any remuneration, other than sitting fee
Executive Directors:-	
Dr. S. Anand Reddy	70.18
Shri. S. Sreekanth Reddy	63.16



DIRECTORS' REPORT

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Shri. K. V. Vishnu Raju, Independent Director	These non-executive directors, were not paid any remuneration, other than the sitting fee.
Shri. Ravichandran Rajagopal, Independent Director	
Mrs. O. Rekha, Non-Executive Director	
Mrs. Sudha Rani Naga (APIDC Nominee Director)	
Shri. John-Eric Bertrand, Non-Executive Director (up to October 21, 2024)	
Shri. Jens Van Nieuwenborgh, Nominee Director (w.e.f. September 18, 2024)	
Mrs. S. Rachana, Non-Executive Director	
Shri. Madhavan Ganesan, Nominee Director	
Dr. S. Anand Reddy, Managing Director	
Shri. S. Sreekanth Reddy, Joint Managing Director	
Shri. J. Raja Reddy, Company Secretary	14.94
Shri. K. Prasad, Chief Financial Officer	13.03
	8
	8

- c. The percentage increase in the median remuneration of employees in the financial year: 7.44
- d. The number of permanent employees on the rolls of Company: 798
- e. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is around 8%. The managerial remuneration is as per the approval accorded by the Nomination and Remuneration Committee of the Board and Shareholders.
- f. Percentage increase or decrease in the market quotations of the shares of the company, compared to its price at which the company came out with its last public offer:

Particulars	On March 31, 2025 (₹) *	On June 22, 1992 (₹) **	% Change
Market Price in NSE	179.86	Not listed	-
Market Price in BSE	179.55	45.00	1895%

* Face value of ₹2/- each

** Face value of ₹10/- each

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

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

Whistle Blower Policy

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

Deposits from public

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

Disclosure on Donations to Political Party

The company had not donated any amount to political party during the FY 2025.

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

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

Insurance

All the properties of the Company have been adequately insured.

Pollution Control

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



DIRECTORS' REPORT

Sub Committees of the Board

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

Compliance Certificate

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

Material changes and Commitments since the end of the Financial Year

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

Significant and material orders passed by the Regulators

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

Cautionary Statement

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

Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred the unclaimed and unpaid dividend of ₹11,62,860/-. Further 97,080 corresponding equity shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of shares already transferred to the IEPF, year-wise amounts of unclaimed/unpaid dividends lying in the unpaid dividend account up to the year, and the corresponding equity shares, which are liable to be transferred, are provided in the Shareholder information section of the corporate governance report and are also available on our website, at <https://sagarcements.in/investors/dividend>.

Details of difference in valuation

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

Business Responsibility and Sustainability Report (BRSR)

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, a Business Responsibility and Sustainability Report is given in **Annexure-I**.

Other Disclosures

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

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

- There was no issue of shares (including sweat equity shares) to the employees of the Company under any Scheme.
- No application has been admitted against the Company under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one time settlement with any bank or financial institution.
- Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of the subsidiary companies.

Acknowledgement

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

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

ANNEXURE – 1

Form AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

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

S. No.	Particulars	Details	Details
1.	Name of the subsidiary	SAGAR CEMENTS (M) PRIVATE LIMITED (SCMPL)	ANDHRA CEMENTS LIMITED (ACL)
2.	The date since when subsidiary was acquired	May 09, 2019	March 07, 2023
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Indian Rupees (₹)	Indian Rupees (₹)
5.	Share Capital	504	9,217
6.	Reserves & surplus	10,499	5,238
7.	Total Assets	57,875	1,14,441
8.	Total Equity and Liabilities	57,875	1,14,441
9.	Investments	0	0
10.	Turnover	45,378	27,405
11.	Profit/(Loss) before tax	3,209	(17,451)
12.	Provision for tax	832	(2,240)
13.	Profit/(Loss) after tax	2,377	(15,211)
14.	Proposed Dividend	0	0
15.	% of shareholding	65%	90%

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

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



DIRECTORS' REPORT

Part “B”: Associates and Joint Ventures

The company does not have any Associates or Joint Ventures

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

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

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025

K. Prasad
Chief Financial Officer

J. Raja Reddy
Company Secretary
M.No.A31113



DIRECTORS' REPORT

ANNEXURE – 2

Form No. MR-3 Secretarial Audit Report

For the Financial Year ended on March 31, 2025

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

To
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the audit period;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable to the Company during the audit period;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company during the audit period;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable to the Company during the audit period;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the audit period; and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 - Not applicable to the Company during the audit period.
 - (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - (vii) Employees State Insurance Act, 1948;
 - (viii) Employers Liability Act, 1938;
 - (ix) Equal Remuneration Act, 1976;
 - (x) Factories Act, 1948;
 - (xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
 - (xii) Maternity Benefits Act, 1961;



DIRECTORS' REPORT

- (xiii) Minimum Wages Act, 1948;
- (xiv) Negotiable Instruments Act, 1881;
- (xv) Payment of Bonus Act, 1965;
- (xvi) Payment of Gratuity Act, 1972;
- (xvii) Payment of Wages Act, 1936 and other applicable labour laws;
- (xviii) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
 - a. Cement Cess Rules, 1993;
 - b. Cement (Quality Control) Order, 2003;
 - c. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
 - d. The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
 - e. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
 - f. Water (Prevention & Control of Pollution) Cess Act, 1977;
 - g. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
 - h. The Noise Pollution (Regulation And Control) Rules, 2000;
 - i. Mines Act, 1952 and Rules issued thereunder;
 - j. Mines and Mineral (Regulation and Development) Act, 1957;
 - k. The Electricity Act, 2003;

- l. National Tariff Policy;
- m. Essential Commodities Act, 1955;
- n. Explosives Act, 1884; and
- o. Indian Boilers Act, 1923.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

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

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

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

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the Company has not incurred any specific event/action that can have major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

For **B S S & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999

Place: Hyderabad
Date: May 12, 2025

UDIN: A022119G000373492
Peer Review No: 6513/2025

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



DIRECTORS' REPORT

ANNEXURE – A

To
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

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

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

For **B S S & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119G000373492

Peer Review No: 6513/2025

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

Form No. MR-3 Secretarial Audit Report

For the Financial Year ended on March 31, 2025

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

To
The Members,

Sagar Cements (M) Private Limited,

(Formerly known as 'Satguru Cement Private Limited')
A-517, 5th Floor Gold Plaza, Apollo DB City, Indore G.P.O.,
Indore, Madhya Pradesh, India – 452010.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder; (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):	(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not applicable to the Company during the audit period; (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - Not applicable to the Company during the audit period; (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the audit period; (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)	- Regulations, 2021 - Not applicable to the Company during the audit period; (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company during the audit period; (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable to the Company during the audit period; (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the audit period; and (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 - Not applicable to the Company during the audit period; (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952; (vii) Employees State Insurance Act, 1948; (viii) Employers Liability Act, 1938; (ix) Equal Remuneration Act, 1976; (x) Factories Act, 1948; (xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;



DIRECTORS' REPORT

- (xii) Maternity Benefits Act, 1961;
- (xiii) Minimum Wages Act, 1948;
- (xiv) Negotiable Instruments Act, 1881;
- (xv) Payment of Bonus Act, 1965;
- (xvi) Payment of Gratuity Act, 1972;
- (xvii) Payment of Wages Act, 1936 and other applicable labour laws;
- (xviii) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
 - i. Cement Cess Rules, 1993;
 - ii. Cement (Quality Control) Order, 1995;
 - iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
 - iv. The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
 - v. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
 - vi. Water (Prevention & Control of Pollution) Cess Act, 1977;
 - vii. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
 - viii. The Noise Pollution (Regulation And Control) Rules, 2000;
 - ix. Mines Act, 1952 and Rules issued thereunder;
 - x. Mines and Mineral (Regulation and Development) Act, 1957;
 - xi. Essential Commodities Act, 1955;

- xii. Explosives Act, 1884; and
- xiii. Indian Boilers Act, 1923.

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

- (iii) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (iv) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not applicable to the Company during the audit period;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

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

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

We further report that the Board of Directors' of the Company has been duly constituted with proper balance of Executive Directors', Non-Executive Directors' and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

We further report that adequate notices were given to all Directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors/Committee Members. Meetings held at shorter notice are in compliance with the provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period there was no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **B S S & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

Place: Hyderabad

Date: May 12, 2025

UDIN: A022119G000394172

Peer Review No: 6513/2025

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



DIRECTORS' REPORT

ANNEXURE – A

To
The Members,
Sagar Cements (M) Private Limited,
(Formerly known as 'Satguru Cement Private Limited')
A-517, 5th Floor Gold Plaza, Apollo DB City, Indore G.P.O.,
Indore, Madhya Pradesh, India - 452010.

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

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

For **B S S & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119G000394172

Peer Review No: 6513/2025

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

Annual Secretarial Compliance Report of Sagar Cements Limited for the year ended March 31, 2025

To
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

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

- (a) all the documents and records made available to us and explanation provided by Sagar Cements Limited ("the listed entity"),
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2025 ("Review Period") in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the Review Period;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:



DIRECTORS' REPORT

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

S. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
Nil										

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

S. No.	Observations/Remarks of the Practicing Company Secretary (PCS) in the previous reports	Observations made in the Secretarial Compliance report for the year ended (The years are to be mentioned)	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Details of violation/Deviations and actions taken/penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
NA						

We hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
1.	Secretarial Standard: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	Nil
2.	Adoption and timely updation of the Policies: - All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities - All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI	Yes	Nil
3.	Maintenance and disclosures on Website: - The Listed entity is maintaining a functional website - Timely dissemination of the documents/information under a separate section on the website - Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website	Yes	Nil
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	Nil
5.	To examine details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	Nil
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	Nil
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	Nil
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.	Yes NA	Nil There were no such transactions during the review period.



DIRECTORS' REPORT

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder	Yes	Nil
12.	Resignation of statutory auditor's from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/or its material subsidiary(ies) has/have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	There were no such transactions during the review period.
13.	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	No additional non-compliance observed for all SEBI regulation/circular/guidance note etc.

We further, report that the listed entity is in compliance/not in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations. – NA



Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **B S S & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119G000373558

Peer Review No: 6513/2025

Place: Hyderabad

Date: May 12, 2025



DIRECTORS' REPORT

ANNEXURE – 3

Form No. AOC-2

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

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

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

Sagar Cements Limited has not entered into any contract or arrangement or transaction with its related parties which is not in its ordinary course of business or at arm's length during financial year 2024-25.

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

There were no material contracts or arrangements or transactions with related parties during the financial year 2024-25.

On behalf of the Board of Directors'



Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

ANNEXURE – 4

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

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

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

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

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



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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri. K. V. Vishnu Raju	Chairman	1	1
2.	Dr. S. Anand Reddy	Member	1	1
3.	Shri. S. Sreekanth Reddy	Member	1	1
4.	Smt. S. Rachana	Member	1	1

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

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

CSR Policy and CSR Projects: https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf



DIRECTORS' REPORT

4. Provide executive summary along with weblink(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. (a) Average net profit of the company as per Section 135(5): ₹4,804.77 Lakhs
 (b) Two percent of average net profit of the company as per Section 135(5): ₹96.10 Lakhs
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set off for the financial year, if any: ₹22.33 Lakhs
 (d) Total CSR obligation for the financial year (5b+5c-5d): ₹73.77 Lakhs

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State District			Name CSR registration number
1.	Preventive health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available safe drinking water	Yes	Local Areas of Suryapet District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh	63,41,883	Yes	Not Applicable
2.	Training and education	Promotion of Education and infrastructure for it	Yes	Local Areas of Suryapet District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh	1,41,09,519	Yes	
3.	Training and promotion of sports	Organising sports events and sponsor of sports personnel	Yes	Local Areas of Suryapet District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh	10,000	Yes	
4.	Rural Development	Laying of Roads and related works	Yes	Local Areas of Suryapet District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh	39,51,071	Yes	
Total					2,44,12,473		

- (b) Amount spent in Administrative Overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: Nil
 (d) Total amount spent for the Financial Year (6a+6b+6c): ₹2,44,12,473/-



DIRECTORS' REPORT

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

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
244.12	0	Not applicable	Not applicable	0	Not applicable

(f) Excess amount for set off, if any

		(₹ in Lakhs)
Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per Section 135(5)	96.10
(ii)	(a) Total amount spent for the Financial Year	244.12
	(b) Excess amount spent for the Previous Financial Year	22.33
(iii)	Excess amount spent for the financial year [(ii)-(i)]	170.35
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	170.35

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance amount in unspent CSR account under Sub-section (6) of Section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer		
- Nil -									

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

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

Place: Hyderabad
Date: May 12, 2025

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

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



DIRECTORS' REPORT

ANNEXURE – 5

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

Name of the Employee	Dr. S. Anand Reddy*	Shri. S. Sreekanth Reddy*	Shri. K. Ganesh
Designation	Managing Director	Joint Managing Director	Group President
Age	60 years	53 years	62 years
Remuneration received (₹)	4,26,98,822	3,84,28,939	1,45,57,572
Commission received (₹)	-	-	-
Nature of employment	Contractual	Contractual	Contractual
Nature of duties	General Management	General Management	General management
Qualification	M.B.B.S.	B.E. (I & P) P.G. Dip. in Cement Technology	Diploma in Mechanical Engineering
Overall Experience (Years)	34	29	39
Date of Commencement of Employment	November 23, 1991	June 26, 2008	February 24, 1992
Percentage of Equity Shares held	5.59% (73,04,745 shares)	5.35% (69,92,681 shares)	0.001% (2,000 shares)
Last Employment held	Nil	Nil	Nil

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

On behalf of the Board of Directors'

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

ANNEXURE – 6

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Conservation of Energy and Technology Absorption

To improve material handling efficiency and ensure protection from weather-related disruptions, a dedicated shed is being constructed to cover the limestone stacker & reclaimer system, as well as coal and additive storage areas.

This infrastructure enhancement aims to:

- ◆ Minimise material loss and contamination due to wind and rain
- ◆ Enhance environmental compliance by controlling fugitive dust emissions
- ◆ Improve operational reliability and reduce maintenance requirements
- ◆ Ensure uninterrupted feeding of raw materials to the plant

Optimisation of Plant Capacity

As part of our sustainability and cost optimisation initiatives, a mechanical feeding system for Alternative Fuels and Raw materials (AFR) has been installed including AFR shed. This system is designed to increase AFR usage from the existing 10% to 15% of total thermal substitution.

Key Benefits of the AFR Mechanical Feeding System:

- ◆ Enhanced feeding accuracy and consistency
- ◆ Improved thermal substitution rate (TSR) leading to reduced fossil fuel consumption
- ◆ Support for environmental compliance and waste co-processing targets
- ◆ Increased operational flexibility in handling a wider variety of AFR materials

Research and Development

Pre-heater modification from 12.95 m level to 53.65 m level was successfully carried out during the planned shutdown period. This significant upgrade was accomplished within the designated timeframe. Here are the notable observations following this crucial modification:

Key Modifications Executed:

- ◆ Kiln Length Increased: Enhanced heat exchange and improved process stability.
- ◆ Kiln Inlet Housing Modified: Optimised flow dynamics and improved durability.
- ◆ Kiln Riser Duct Modified: Facilitated smoother gas flow and reduced pressure drop.

- ◆ Pre calciner Modified: Improved combustion efficiency and enhanced fuel flexibility.

Post-Modification Observations:

- ◆ Reduction in preheater pressure drop by approximately 100 mmWg
- ◆ Specific fuel consumption reduced from 730 kcal/kg to 705 kcal/kg of clinker
- ◆ Production throughput improved, indicating better thermal efficiency
- ◆ Water spray system at cooler exit no longer required, due to optimised gas temperature control

Foreign Exchange earnings and Outgo

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

(₹ in Lakhs)			
S. No.	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1.	Outgo	15,061.90	10,785.19
2.	Inflow	Nil	Nil

On behalf of the Board of Directors'

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025



MANAGEMENT DISCUSSION AND ANALYSIS

Sagar Cements Limited, with an installed production capacity of 10.50 MTPA, is strongly serving the South Indian market and steadily expanding its reach across central and eastern India. Backed by over four decades of experience in delivering superior quality cement, SGC has earned a reputation as a reliable partner for the construction sector.

Our strategically located manufacturing units across the southern, central, and eastern regions enable us to efficiently serve diverse markets. We have adopted sustainable manufacturing practices and innovative processes to minimise our carbon footprint in a hard-to-abate industry.

Global economy

Global economic growth remained stable but subdued at 3.20% in 2024. While the US showed resilience, Europe and developing regions faced downgrades due to intense geopolitical tensions, commodity market disruptions, and the potential for a full-blown trade war, especially after the change in political leadership in the US, somewhat reversing the prospects of a soft landing. Emerging Asia was a bright spot in an otherwise volatile macro environment. Meanwhile, inflation showed signs of easing, prompting several countries, including the US, to pivot their monetary policy stance. Many developed economies even initiated rate cuts to support growth amid a challenging economic outlook.

Outlook

The International Monetary Fund (IMF) expects the global economy to grow at 3.30% in both 2025 and 2026. The growth outlook remains weak relative to historical standards. The geopolitical tensions and risk of trade wars could have significant repercussions on the global economy. Moreover, factors like trade fragmentation and higher interest rates for prolonged periods in some economies, along with erratic weather events could dampen the fragile recovery.

Indian economy

India remains the fastest-growing major economy in the world, though growth is expected to taper in FY2025, albeit from a higher base in previous year. According to the National Statistical Office (NSO), based on its First Advance Estimates, India's real GDP grew by 6.40%, down from 9.20% in the year-earlier period, primarily due to slower government spending in an election year, subdued consumption and constrained investments.

The Government of India continues to undertake steps to accelerate growth, invigorate private sector investments, uplift household sentiments and enhance the spending power of India's rising middle class. Along with this, improvement in corporate and banking balance sheets, rural economy and policy momentum will be key factors to watch going forward.

The cumulative impact of the Budget 2025-26 allocations is expected to significantly accelerate the growth of the cement sector. The substantial investment of ₹11.21 Lakhs Crores in infrastructure, along with focused spending on housing and road development, will directly drive demand for cement across the country. Key schemes such as the Pradhan Mantri Awas Yojana (Grameen), affordable housing for the middle-income group, and the Scheme for Industrial Housing will stimulate residential and industrial construction activities. Additionally, investments in road transport, highways, tourism infrastructure, and industrial upgradation, coupled with initiatives like the Vibrant Villages Programme and North East Special Infrastructure Development Scheme, will further augment cement consumption. Collectively, these measures will not only bolster cement demand in the near term but also position the sector for sustained long-term growth in alignment with the government's vision of Viksit Bharat @2047.

India's GDP growth trend (%)

FY2022	FY2023	FY2024	FY2025	FY2026E
9.10%	7.0%	8.20%	6.40%	6.70%

Outlook

According to the January 2025 edition of the World Bank's Global Economic Prospects (GEP) report, India's economy is expected to grow steadily at 6.7% in both FY2026 and FY2027, surpassing the global and regional averages.

Industry overview and outlook

India is the second-largest cement manufacturer in the world. The industry is gradually embracing change to bolster decarbonisation efforts and using technological advancements to implement sustainable practices. Indian cement manufacturers are set to invest ~\$ 14.30 Billion over the next few years to increase capacity by 25%. This will add 70-75 MT over the next two years and 160-170 MT to the annual cement production by 2030. The expansion will be led by the government's massive infrastructure push, with plans to invest \$ 1.70 trillion in infrastructure projects by 2030.

The cement industry faced multiple challenges during FY2025, including slower growth and lower sales. Growth slowed to 4-5%, down from double-digit growth in previous years. This was partly due to elections and a long monsoon season, as well as labour shortages. However, the medium-to long-term outlook remains positive, with various industry reports pegging the sector growth at 7-8% per annum, at par with the GDP growth.

The infrastructure segment continues to see strong demand, driven by increased government spending across various infrastructure segments. Housing, which accounts for 55% of cement demand, is expected to grow steadily, supported by rural housing expansion, due to favourable monsoons, moderating inflation and ongoing urban real estate projects. The government's emphasis on affordable housing and investments in mega projects such as highways, railways and industrial development is expected to further sustain cement demand.



MANAGEMENT DISCUSSION AND ANALYSIS

Most brokerage reports indicate that pent-up demand, a renewed capex push, and sustained momentum in the housing sector are going to drive up demand. While a brief slowdown is anticipated in FY2025, the sector is poised for robust growth, driven by favourable demand fundamentals and structural industry shifts.

In February 2025, the Reserve Bank of India (RBI) reduced the repo rate, making borrowing more affordable for both individuals and businesses. The lower interest rates are expected to encourage higher spending and investment, stimulating economic activity and supporting overall economic growth. Further, the new tax structure will substantially reduce taxes for the middle class and leave more money in their hands, boosting household consumption, savings and investment, which is expected to work in favour of the cement sector.

Key trends

Consolidation: The Indian cement industry has already witnessed significant consolidation over the past few years, with several large firms acquiring smaller players to enhance their market share. The trend is expected to continue, driven by the need to optimise operations, cut costs and gain better pricing power.

Infrastructure development and urbanisation: Infrastructure development and urbanisation continue to be significant drivers of the cement industry. Due to urbanisation, the demand for housing, transportation and urban amenities continues to grow, thereby increasing cement consumption.

Sustainability takes centre stage: Indian cement companies are effectively leveraging three key levers: (a) energy efficiency, (b) clinker substitution and (c) grid decarbonisation to drive sustainable development. Scaling up these efforts would further promote the adoption of innovative products and process enhancements. A holistic approach, supported by a well-defined policy framework that addresses economic

viability challenges, will be crucial for facilitating future transitions. Cement is the only sector to have voluntarily devised a Low Carbon Technology Roadmap aimed at reducing its direct CO₂ emission intensity by 45% by 2050 from a 2010 baseline.

<https://www.cmaindia.org/the-indian-cement-industry-green-growth-initiatives>

Circular economy practices: The industry is rapidly adopting circular economy practices witnessed in the increasing commitment to reducing waste, reusing materials and recycling by-products such as fly ash, blast furnace slag, silica fume etc. By 2024, a rise in the use of alternative raw materials, particularly industrial by-products, is expected to decrease the industry's reliance on conventional resources.

Digital transformation and Industry 4.0: The cement industry is undergoing a significant digital transformation, driven by Industry 4.0 principles. Manufacturers are increasingly adopting advanced technologies such as the Internet of Things (IoT), artificial intelligence (AI), and big data analytics to optimise operations, enhance productivity, and reduce costs. These digital tools enable real-time equipment monitoring, predictive maintenance, and improved process efficiency. Additionally, automation and digitalisation are streamlining material tracking, waste management and overall operational performance, paving the way for a more sustainable and efficient industry.

Performance review on a consolidated basis

Operational performance

Our cement production/purchases in FY25 increased marginally by 0.18% to 55,25,086 metric tonnes, we are confident about the continued growth potential, supported by our expanded capacity and ongoing improvements in operational efficiency. Capacity utilisation stood at 54% during FY2025.

Operating margins declined by 400 bps to 6%, due to decrease in sales realisations. Improved profitability was driven by increased operating leverage and steady realisations.

(in MT)		
Particulars	FY2025	FY2024
Cement production/purchases	55,25,086	55,15,285
Cement sales volume	55,09,147	55,13,118

Region-wise sales

(in MT)		
Particulars	FY2025	FY2024
Andhra Pradesh	16,23,296	15,82,531
Telangana	14,08,383	13,43,501
Karnataka	4,18,826	4,12,230
Maharashtra	3,71,102	3,13,109
Tamil Nadu	3,83,157	5,37,906
Odisha	6,34,007	6,45,631
Chhattisgarh	29,857	17,269
Madhya Pradesh	4,53,206	4,69,610
Gujarat	1,56,737	1,79,938
Others	30,576	11,393

Financial performance

(₹ in Lakhs)		
Particulars	FY2025	FY2024
Total Income	2,27,907	2,55,873
Total Expenses	2,53,543	2,65,764
EBITDA	14,109	24,591
Profit Before Tax	(28,353)	(8,412)
Profit After Tax	(21,668)	(5,205)
Basic & Diluted Earnings Per Share of ₹2 each (₹ Per Share)	(16.58)	(3.98)



MANAGEMENT DISCUSSION AND ANALYSIS

Financial ratios

Particulars	FY2025	FY2024	Reason for change
Debtor's Turnover Ratio* (Sales of Products and Services/Average Trade Receivable)	10.02	13.55	* Due to Increase in trade receivables.
Inventory Turnover Ratio (Sales of Products and Services/Average Inventory)	7.56	8.64	
Interest Coverage Ratio** [Cash profit after adjusting depreciation/Interest expense during the period] [Cash profit after adjusting depreciation: Profit After Tax + Interest + Depreciation]	1.22	1.88	** Due to decrease in selling price, there was an adverse impact on the profit. This resulted in deviation in the ratios.
Current Ratio** (Current Assets/Current Liabilities excl. Current Borrowings)	0.91	1.32	
Debt Equity Ratio** (Debt/Net Worth) [Debt: Long-term secured loans + Current maturities of long-term debt + Loan term unsecured loans+ Cash credit facilities]	0.80	0.71	
Operating Profit Margin (%)** [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income)/Sales of Products and Services]	6.00	10.00	
Net Profit Margin (%)** [Profit after Tax/Sales of Products and Services]	(9.91)	(2.08)	
Return on Net Worth (%)** [(Net Profits after taxes)/Average Shareholder's Equity]	(11.36)	(2.55)	

Sustainability

SCL developed an ESG vision and roadmap in FY2023. Its targets are aligned with SBTi, across key focus areas, over the medium and long term. It reiterates the Company's commitment to integrating sustainability objectives into its core business strategy and continues to prioritise the preservation of the natural ecosystem. We are on track to meet most of these targets.

[+ READ MORE ABOUT OUR ESG VISION ON PAGE 32](#)

Technology

We leverage cutting-edge technology to meet our goal of producing high-quality cement at affordable prices and create a compelling value proposition for our customers. Our dedication to innovation, along with ongoing investments in research and development, empowers us to develop unique

products and solutions that address the evolving needs of our customers. It also enables us to fulfil our pursuit of minimising carbon emissions.

Outlook

We continue to grow at a steady pace through capacity expansion, presence in new markets and implementation of innovative processes that help to inculcate sustainable practices across our operations. Our practices and policies minimise our environmental footprint while strengthening our relationship with all our stakeholders and empower us to carry on business with the highest standards of integrity, ethics and transparency.

Our strategically located plants across south, central and eastern India help to optimise costs and facilitate our expansion into new geographies. Besides, technological innovation has improved our operational efficiency.

Looking forward, the Indian cement industry holds substantial potential for sustainable development. Sagar Cements Limited is poised to capitalise on these opportunities and continue to be a preferred brand for customers.

Risk management

We face both internal and external uncertainties that influence the formulation of our Risk Management Policy. Stringent compliance systems are effective in handling internal risks, while external risks are contingent on several uncontrollable factors. A robust risk management approach helps in anticipation and proactive mitigation of emerging risks. Our Risk Management Committee continuously evaluates the day-to-day risks faced by the Company and ensures timely implementation of mitigation measures.

The Joint Managing Director (JMD) leads the Risk Management Committee. Regular risk review meetings are convened to analyse the effectiveness of implemented plans and to identify and address emerging areas of concern.

We remain receptive to new opportunities that can enhance shareholder value. However, thorough scrutiny is applied to every significant proposal, across all organisational levels, to identify and assess associated risks. Approval is granted only after a comprehensive risk assessment has been conducted. Financial risk management related to operations undergoes scrutiny through a combination of internal, statutory and cost audits which are periodically conducted by accredited Auditor's.

[+ READ MORE ABOUT OUR RISKS MANAGEMENT ON PAGE 71](#)

Internal controls and audit

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

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



CORPORATE GOVERNANCE REPORT

for the year 2024-25

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

1. Company's philosophy on code of governance:

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

2. Board of Directors':

Composition:

As on March 31, 2025, the Board of Directors' had an optimum combination of Executive and Non-Executive Directors' and its composition was in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). All the Directors' have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

(i) As on March 31, 2025 the Company had Nine Directors'.

(ii) The names and categories of the Directors' on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other public companies as on March 31, 2025 are given hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies registered under Section 8 of the Act. Chairmanships/Memberships of Audit Committee and Stakeholders' Relationship Committee are alone considered for the purpose.

Sl No.	Name of the Director	Category	Number of board meetings during the year 2024-25		Whether attended the last AGM held on June 26, 2024	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
			Held	Attended		Chairman	Member	Chairman	Member
1.	Shri. K. V. Vishnu Raju	Chairman, Independent and Non-Executive Director	6	6	Yes	0	5	0	0
2.	Shri. Ravichandran Rajagopal	Independent and Non-Executive Director	6	6	Yes	0	1	0	0
3.	Smt. O. Rekha	Independent and Non-Executive Director	6	6	Yes	0	1	1	0
4.	Shri. Madhavan Ganesan	Nominee Director from PI Opportunities Fund-I Scheme II (Equity Investor)	6	5	Yes	0	0	0	0
5.	Smt. Naga Sudha Rani	Nominee Director from APIDC (Equity Investor)	6	4	Yes	0	0	0	0
6.	Smt. S. Rachana	Non-Executive Director (Promoter Group)	6	6	Yes	0	0	0	0
7.	Shri. Jens Van Nieuwenborgh (Alternate Director up to September 12, 2024 and Nominee Director w.e.f. September 18, 2024)	Nominee Director from AvH Resources India Private Limited (Equity Investor)	4	4	-	0	0	0	0
8.	Dr. S. Anand Reddy	Executive Director (Promoter)	6	6	Yes	0	4	1	0
9.	Shri. S. Sreekanth Reddy	Executive Director (Promoter)	6	6	Yes	0	4	0	1



CORPORATE GOVERNANCE REPORT

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

Sl No.	Name of the Director	Category	Names of the other Listed Entities where the person is a director and the category of such directorship		Chairmanship/ Membership in Committees of other Listed Entities	
			Company	Category	Chairman	Member
1.	Shri. K. V. Vishnu Raju	Chairman, Independent and Non-Executive Director	Anjani Foods Limited	Chairman and Director	2	1
2.	Shri. Ravichandran Rajagopal	Independent and Non-Executive Director	Andhra Cements Limited	Chairman and Independent Director		
3.	Smt. O. Rekha	Independent and Non-Executive Director	Anjani Foods Limited	Whole-time Director	0	2
4.	Shri. Madhavan Ganesan	Independent and Non-Executive Director	Andhra Cements Limited	Independent Director	0	2
5.	Smt. Naga Sudha Rani	Nominee Director from PI Opportunities Fund-I Scheme II (Equity Investor)	Medplus Health Services Limited	Independent Director	1	2
6.	Smt. S. Rachana	Nominee Director from APIDC (Equity Investor)	Medi Assist Health Care Services Limited	Independent Director		
7.	Shri. Jens Van Nieuwenborgh (Alternate Director up to September 12, 2024 and Nominee Director w.e.f. September 18, 2024)	Nominee Director from APIDC (Equity Investor)	-	-	0	0
8.	Dr. S. Anand Reddy	Non-Executive Director (Promoter Group)	Andhra Cements Limited	Non-Executive Director	0	0
9.	Shri. S. Sreekanth Reddy	Nominee Director from AvH Resources India Private Limited (Equity Investor)	Camlin Fine Sciences Limited	Additional Director	0	1
		Executive Director (Promoter)	Andhra Cements Limited	Executive Director	0	1
		Executive Director (Promoter)	Sagarsoft (India) Limited	Chairman and Non-Executive Director	0	1
			Andhra Cements Limited	Non-Executive Director		

(iv) As on March 31, 2025, none of the Directors' on the Board held directorships in more than seven listed companies and Independent Directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she was a Director. Necessary disclosures regarding Committee positions held by the Directors' in other public companies as on March 31, 2025 have been made by them.

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

Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

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

May 14, 2024, July 18, 2024, September 28, 2024, October 23, 2024, January 24, 2025 and March 28, 2025

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

- (ix) The terms and conditions of appointment of the Independent Directors' are available on the website of the Company.
- (x) During the year, the Independent Directors' separately held a meeting among themselves on January 24, 2025.
- (xi) The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.
- (xii) The details of the familiarisation programme of the Independent Directors' are available on the website of the Company <https://sagarcements.in/wp-content/uploads/2020/08/Familiarization-Programme-2-1-1.pdf>
- (xiii) In the opinion of the Board, the Independent Directors' fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.
- (xiv) Skill, competence and expertise of the Board of Directors' identified by the Board for its effective functioning:

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

Board Skill Matrix:

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

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

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

- (xv) Details of equity shares and convertible securities of the Company held by the Non-Executive Directors' as on March 31, 2025 are given below:

Name	Category	Number of equity shares
Smt. S. Rachana	Non-Executive, Promoter Group	66,08,540
Smt. O. Rekha	Independent and Non-Executive Director	1,000

As on March 31, 2025, none of the Non-Executive Directors'/Independent Directors' other than those mentioned above was holding any shares or convertible securities in the company.

- (xvi) During the FY 2025, none of the Independent Directors' had resigned from his/her directorship.



CORPORATE GOVERNANCE REPORT

3. Audit Committee

- i. The composition of the audit committee of the Board is in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.
- ii. The terms of reference of the audit committee is as per Part C of the Schedule II of the SEBI Listing Regulations and include:
 - ◆ Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - ◆ Recommendation for appointment, remuneration and terms of appointment of Auditor's of the Company;
 - ◆ Approval of payment to statutory Auditor's for any other services rendered by them;
 - ◆ Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes, if any, in the accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.

- Disclosure of related party transactions
- Modified opinion(s), in the draft audit report.
- ◆ Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- ◆ Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- ◆ Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
- ◆ Approval or any subsequent modifications of transactions with related parties;
- ◆ Scrutiny of inter-corporate loans and investments;
- ◆ Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- ◆ Evaluation of internal financial controls and risk management systems;
- ◆ Reviewing, with the management, performance of statutory and internal auditor's, adequacy of the internal control systems;
- ◆ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department,

reporting structure coverage and frequency of internal audit;

- ◆ Discussion with internal auditor's of any significant findings and follow up there on;
- ◆ Reviewing the findings of any internal investigations by the internal auditor's into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- ◆ Discussion with statutory auditor's before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ◆ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ◆ To review the functioning of the whistle blower mechanism;
- ◆ Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- ◆ Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- ◆ Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- ◆ Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;



CORPORATE GOVERNANCE REPORT

- iii. The audit committee invites to its meetings such of the executives, as it considers appropriate particularly the head of the finance function and representatives of the statutory auditor's and internal auditor's. The Company Secretary acts as the Secretary to the Committee.
- iv. Shri. J. Raja Reddy, Company Secretary has been appointed as Compliance Officer by the Board to ensure compliance with and effective implementation of the Insider Trading Code.
- v. The previous Annual General Meeting ("AGM") of the Company was held on June 26, 2024 and the Chairman of the audit committee was present at the said meeting.
- vi. The composition of the Audit Committee as on March 31, 2025 and the details of attendance at its meetings held during the year 2024-25 are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2024-25	
		Held	Attended
Smt. O. Rekha, Chairperson	Independent Director	5	5
Shri. K. V. Vishnu Raju, Member	Independent Director	5	5
Shri. Ravichandran Rajagopal, Member	Independent Director	5	5
Shri. Madhavan Ganesan, Member	Nominee Director	5	4

- vii. The Audit committee met 5 times during the year 2024-25 and the dates of these meetings are as under:

May 14, 2024, July 18, 2024, September 28, 2024, October 23, 2024, January 24, 2025

4. Nomination and Remuneration Committee

- i. Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.
- ii. The terms of reference of the NRC are available on the company's website <https://sagarcements.in/> as part of the Nomination and Remuneration Policy adopted by the company.

Nomination and Remuneration policy:

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

- iii. The composition of the Nomination and Remuneration Committee as on March 31, 2025 and the details of the attendance at its meeting held during the year 2024-25, is as under:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2024-25	
		Held	Attended
Smt. O. Rekha, Chairperson	Independent Director	1	1
Shri. K. V. Vishnu Raju, Member	Independent Director	1	1
Shri. Ravichandran Rajagopal, Member	Independent Director	1	1
Shri. Madhavan Ganesan, Member	Nominee Director	1	1

During the year, one meeting of the Nomination and Remuneration Committee was held on May 14, 2024.

- iv. The Company presently does not have any Employee Stock Option Scheme.
- v. Performance Evaluation Criteria/Policy for Independent Directors':

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

5. Remuneration of Directors'

Remuneration to Non-Executive Directors':

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



CORPORATE GOVERNANCE REPORT

Details of sitting fee paid to the non-executive directors' during the year 2024-25 are given below:

(In ₹)

S. No.	Name of the Director	Sitting Fee
1.	Shri. K. V. Vishnu Raju	6,00,000
2.	Shri. Ravichandran Rajagopal	6,00,000
3.	Smt. O. Rekha	6,00,000
4.	Shri. Madhavan Ganesan, (Nominee Director from PI Opportunities Fund-I Scheme II)	4,80,000
5.	Smt. Naga Sudha Rani (Nominee Director from APIDC) Their sitting fees were directly paid to the Institution they represented.*	2,00,000
6.	Smt. S. Rachana	2,80,000
7.	Shri. John-Eric Bertrand (upto October 21, 2024)	80,000
8.	Shri. Jens Van Nieuwenborgh (Alternate Director upto September 12, 2024, Nominee Director AvH Resources India Private Limited w.e.f September 18, 2024	1,60,000
TOTAL		30,00,000

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

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

Remuneration to the Managing Director and Whole time Directors':

The Company pays remuneration to its Managing Director (MD) and Joint Managing Director (JMD) (Whole-time Directors') by way of salary and perquisites,

which are fixed components and by way of commission, a variable component. Remuneration to Whole-time Directors' is paid in accordance with the recommendation made by the Nomination and Remuneration Committee and the approval as accorded by the Board of Directors', which is subject to further approval of the shareholders.

The whole-time directors' were paid the following remuneration for the year 2024-25:

(₹ in Lakhs)

Description	Dr. S. Anand Reddy (MD)	Shri. S. Sreekanth Reddy (JMD)
Salary	2,54,48,822	2,29,03,939
Perks (75% of the salary)	1,72,50,000	1,55,25,000
Sub-Total	4,26,98,822	3,84,28,939
Commission	0	0
Total	4,26,98,822	3,84,28,939

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

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

6. Stakeholders' Relationship Committee

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

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

- ◆ Consider and resolve the grievances of security holders of the Company including related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ◆ Review of measures taken for effective exercise of voting rights by shareholders.
- ◆ Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- ◆ Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

- The composition of the Stakeholders Relationship Committee as on March 31, 2025 and the details of the attendance during the year 2024-25 is as under:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2024-25	
		Held	Attended
Smt. Naga Sudha Rani, Chairperson	Nominee/ Non-Executive Director	1	1
Dr. S. Anand Reddy, Member	Managing Director	1	1
Shri. K. V. Vishnu Raju, Member	Independent Director	1	1



CORPORATE GOVERNANCE REPORT

During the year, one meeting of the Stakeholders' Relationship Committee was held on January 24, 2025.

Shri. J. Raja Reddy, Company Secretary is the Compliance Officer for the above purpose.

Based on the information obtained from the Company's Registrars, the Company had received 122 complaints from the investors during the year 2024-25 as detailed below and all these complaints, being routine in nature, were redressed in the normal course by the Registrars themselves. There are zero complaints pending as on March 31, 2025 which were resolved subsequently.

Sl. No.	Particulars	Opening	Received	Resolved	Pending
1.	Non-receipt of shares after transfer/transmission	00	00	00	00
2.	Non-receipt of dividend warrants	02	84	86	00
3.	Non-receipt of Annual Report	00	09	09	00
4.	Non-receipt of Securities	00	25	25	00
5.	Non-receipt of duplicate/transmission/deletion of share certificates	00	00	00	00
6.	SEBI/BSE/NSE/CSE complaints	00	04	04	00
Total		02	122	124	00

iv. Name, designation and address of Compliance Officer:

Shri. J. Raja Reddy

Company Secretary

Sagar Cements Limited

Regd. Office: Plot No. 111, Road No. 10

Jubilee Hills, Hyderabad – 500 033

Telephone: 91 40 2335 1571

7. Risk Management and ESG Committee

- The Board of Directors' in their meeting held on July 18, 2024, renamed the committee as Risk Management & ESG Committee. The composition of the Risk Management & ESG Committee is in line with the provisions of Regulation 21 of the SEBI Listing Regulations.
- The terms of reference of the committee are available on the company's website https://sagarcements.in/wp-content/uploads/2020/08/ScI_Risk-Management-Policy-1.pdf as part of the Risk Management Policy.
- The details of the composition of the Risk Management & ESG Committee as on March 31, 2025 and the attendance at its meetings held during the year 2024-25, are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2024-25	
		Held	Attended
Shri. S. Sreekanth Reddy, Chairman	Joint Managing Director	2	2
Shri. Ravichandran Rajagopal, Member	Independent Director	2	2
Smt. O. Rekha, Member	Independent Director	2	2
Shri. Madhavan Ganesan, Member	Nominee Director	2	2
Shri. K. Prasad, Member	Chief Financial Officer	2	2
Shri. O. Anji Reddy, Member	Chief Sustainability Officer	1	1
Shri. Sanjay Singh, Member	Chief Risk Officer	1	1

The Risk Management Committee had met twice during the year 2024-25 on May 14, 2024 and October 23, 2024.



CORPORATE GOVERNANCE REPORT

Other Committees

Investment Committee

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

Name	Category
Shri. K. V. Vishnu Raju, Chairman	Independent Director
Shri. Ravichandran Rajagopal, Member	Independent Director
Smt. O. Rekha, Member	Independent Director
Dr. S. Anand Reddy, Member	Managing Director

Securities Allotment Committee

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

Name	Category
Shri. K. V. Vishnu Raju, Chairman	Independent Director
Shri. Ravichandran Rajagopal, Member	Independent Director
Smt. O. Rekha, Member	Independent Director

Corporate Social Responsibility Committee

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

The company is committed to operate and grow its business in a socially responsible way, by, inter-alia, reducing the environmental impact of its operations

and increasing its positive social impact. It aims to achieve growth in a responsible way by encouraging people to take small every day actions that will make a big difference. This CSR Policy of the company is guided by the following principles:

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

During the year, one meeting of the Committee was held on January 24, 2025.

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

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2024-25	
		Held	Attended
Shri. K. V. Vishnu Raju, Chairman	Independent Director	1	1
Dr. S. Anand Reddy, Managing Director	Member	1	1
Shri. S. Sreekanth Reddy, Joint Managing Director	Member	1	1
Smt. S. Rachana, Non-Executive Director	Member	1	1

Senior management:

Particulars of senior management including the changes therein since the close of the previous financial year:

(a) The details of Senior Management as on March 31, 2025 pursuant to SEBI Listing Regulations:

Sl. No.	Name	Designation
1.	Shri. K. Ganesh	Group President
2.	Shri. Rajesh Singh	Chief Marketing Officer
3.	Shri. K. Prasad	Chief Financial Officer
4.	Shri. J. Raja Reddy	Company Secretary
5.	Shri. Srikanth Bagade	Assistant Vice President (Procurement)
6.	Shri. Sanjay Singh	Sr. General Manager (Finance & Accounts)
7.	Shri. G. M. Mohan Reddy	Sr. General Manager (General Administration)
8.	Shri. O. Anji Reddy	Chief Sustainable Officer
9.	Shri. B. S. P. Raju	Vice President (Mines)
10.	Shri. M. V. Ramana Murthy	Senior Vice President (Works)
11.	Shri. E. P. Ranga Reddy	Vice President (Works)
12.	Shri. Indra Prakash Srivastava	General Manager (Works)
13.	Shri. N.V. Prasada Rao	General Manager (Works)



CORPORATE GOVERNANCE REPORT

(b) Changes in Senior Management since the close of the previous financial year:

During the financial year

- ◆ Shri. Rama Sarma Ganti, Senior General Manager retired from services with effect from November 30, 2024 and in his place, the management appointed Shri. Srikanth Bagade as Assistant Vice President (Procurement) with effect from October 07, 2024
- ◆ Mr. G. Prasad Babu, General Manager (Works) retired from services with effect from July 24, 2024 and in his place, the management appointed Shri. Indra Prakash Srivastava as General Manager (Works) with effect from July 15, 2024
- ◆ Mr. K. Srinivasa Rao, Senior General Manager (Works) retired from services with effect from November 20, 2024 and in his place, the management appointed Shri. N. V. Prasada Rao as General Manager (Works) with effect from October 28, 2024

8. General Body Meetings

i. General Meeting

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

AGM	Date	Time	Venue
43 rd AGM	June 26, 2024	3.00 p.m.	Through VC/OAVM
42 nd AGM	June 28, 2023	3.00 p.m.	Through VC/OAVM
41 st AGM	June 30, 2022	3.00 p.m.	Through VC/OAVM

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

At the 43rd AGM, two special resolutions were passed in respect of Re-appointment of Dr. S. Anand Reddy as Managing Director and Re-appointment of Shri. S. Sreekanth Reddy as Joint Managing Director.

No Special Resolutions were passed at the 41st and 42nd Annual General Meetings.

Resolutions passed through Postal Ballot on November 29, 2024:

One Special resolution was passed on November 28, 2024 through Postal Ballot regarding Appointment of Mr. Jens Van Nieuwenborgh (DIN: 07638244) as a Nominee Director of the Company. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

Resolution: Alteration in the Articles of Association of the Company

Particulars	Number of Votes
Number of valid votes received	11,29,45,064
Votes cast in favour of the resolution	11,23,74,528
Votes cast against the resolution	5,70,187
Number of invalid/abstained votes received	349

Resolutions passed through Postal Ballot on September 21, 2023:

One Special resolution was passed on September 21, 2023 through Postal Ballot regarding Alteration in the Articles of Association of the Company.

M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

Resolution: Alteration in the Articles of Association of the Company

Particulars	Number of Votes
Number of valid votes received	11,04,84,987
Votes cast in favour of the resolution	11,04,84,424
Votes cast against the resolution	563
Number of invalid/abstained votes received	912

Resolutions passed through Postal Ballot on May 03, 2023:

One Special resolution was passed on May 03, 2023 through Postal Ballot regarding appointment of Shri. Ravichandran Rajagopal (DIN: 00110930) as an Independent Director of the Company. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

Resolution: Appointment of Shri. Ravichandran Rajagopal (DIN: 00110930) as an Independent Director of the Company

Particulars	Number of Votes
Number of valid votes received	11,82,26,946
Votes cast in favour of the resolution	11,82,26,102
Votes cast against the resolution	844
Number of invalid/abstained votes received	500



CORPORATE GOVERNANCE REPORT

Resolutions passed at the Extra-ordinary General Meeting held on December 07, 2023

Two Special resolutions were passed at the Extra-ordinary General Meeting (EGM) held on December 07, 2023. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

Resolution-1: Execution of Shareholders Agreement for granting certain special rights to M/s.AvH India Resources Private Limited

Particulars	Number of Votes
Number of valid votes received	11,35,87,430
Votes cast in favour of the resolution	10,30,62,721
Votes cast against the resolution	1,05,24,709
Number of invalid/abstained votes received	25

Resolution 2: Alteration in the Articles of Association of the Company

Particulars	Number of Votes
Number of valid votes received	11,35,87,430
Votes cast in favour of the resolution	10,30,62,881
Votes cast against the resolution	1,05,24,549
Number of invalid/abstained votes received	25

Procedure for Postal Ballot – when conducted

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies

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

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

There is no proposal to pass any special resolution exclusively through postal ballot.

9. Means of communication

Quarterly results:

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

Newspapers in which the results were published

Details of newspapers in which quarterly results relating to the FY 2025 were published are given below:

Quarter ended	Date of Board Meeting	Date of Publication	Name of the newspapers carrying the publication
June, 2024	July 18, 2024	July 20, 2024	Financial Express and Andhra Prabha
September, 2024	October 23, 2024	October 25, 2024	
December, 2024	January 24, 2025	January 26, 2025	
March, 2025	May 12, 2025	May 14, 2025	

Website where displayed:

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website 'www.sagarcements.in' and also on the website of NSE and BSE as part of corporate filings made by the Company from time to time with the said stock exchanges.

Press Release

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



CORPORATE GOVERNANCE REPORT

Presentation made to Institutional Investors and Financial Analysts:

Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchanges, are simultaneously made available to the Stock Exchanges and the transcriptions of conference call held with the analysts/investors following the declaration of financial results are also put up on the company's website. Excepting on occasions when the Company had to respond in a general way to the queries now and then received from investors/analysts regarding the affairs of the company and the declaration of the quarterly, half-yearly and annual financial results, there were not many specific presentations made to any of them during the year 2024-25.

Management Discussion and Analysis Report

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

Subsidiary companies

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

10. General Shareholder information:

a. Annual General Meeting:

Date & Time	June 30, 2025 at 3:30 p.m.
Venue	Through Video Conference/Other Audio Visual Means

b. Financial Year: April 01, 2024 to March 31, 2025

c. Book Closure Dates: From June 24, 2025 to June 30, 2025 (both days inclusive),

d. Dividend: Considering the loss incurred by the company, no dividend is proposed during the year.

e. Listing on Stock Exchanges:

The paid-up share capital of the company as on March 30, 2025 was ₹26,14,15,096/- consisting of 13,07,07,548 equity shares of ₹2/- each. All these shares have been listed on the National Stock Exchange of India Ltd., Mumbai and BSE Ltd., Mumbai. The Non-Convertible Debentures issued by the company to International Finance Corporation are listed on the National Stock Exchange of India Ltd., Mumbai and there are no dues against listing fee payable to these stock exchanges.

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

Name of the Stock Exchange	Scrip Code
National Stock Exchange of India Limited, "Exchange Plaza", 5 th Floor, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	SAGCEM
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	502090
ISIN – Equity	INE229C01021
ISIN – Debt	INE433R07016



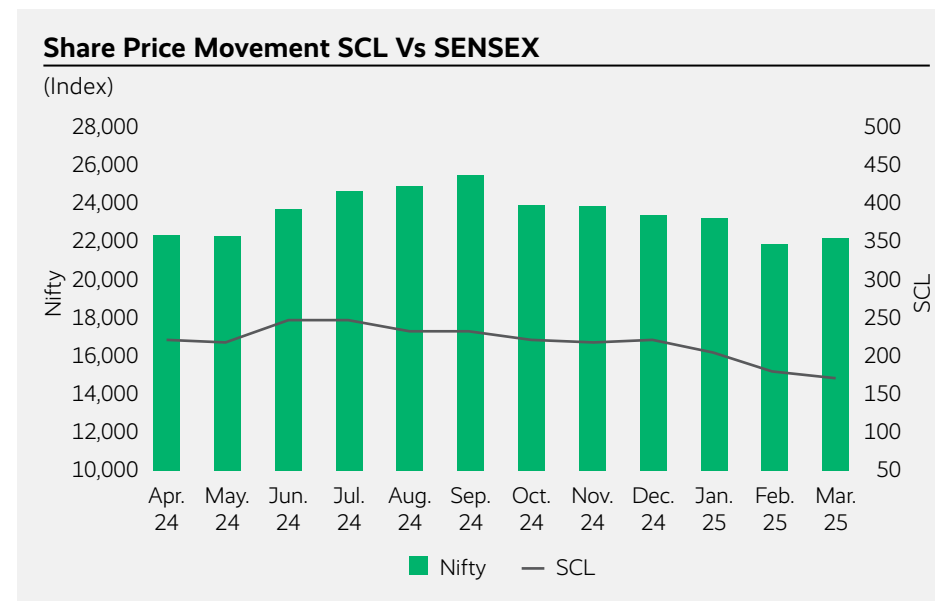
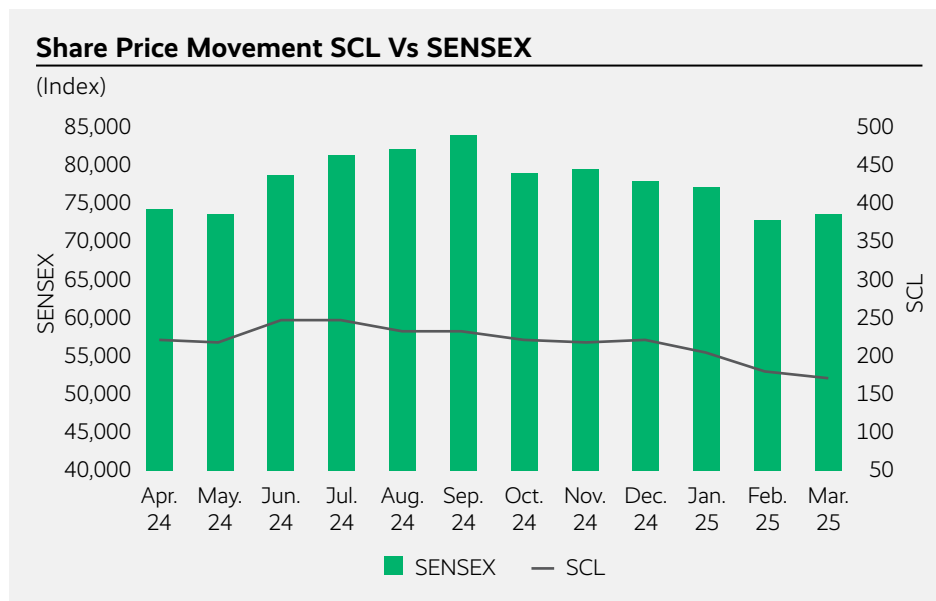
CORPORATE GOVERNANCE REPORT

g. Market price details:

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

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2024	231.00	206.15	223.25	231.25	207.05	222.80
May 2024	230.95	206.70	219.90	231.05	206.25	219.70
June 2024	277.60	194.75	250.35	276.80	194.00	250.68
July 2024	266.45	232.95	249.25	267.00	233.00	248.00
August 2024	252.50	219.95	233.10	252.99	219.52	231.27
September 2024	239.00	225.00	232.00	238.80	225.21	230.70
October 2024	236.90	200.00	223.80	237.99	199.00	224.25
November 2024	230.00	203.05	216.95	229.90	202.40	215.97
December 2024	245.00	213.70	223.40	245.26	213.00	222.96
January 2025	250.00	172.05	206.95	230.00	188.25	206.82
February 2025	219.65	175.30	179.30	216.68	175.02	179.30
March 2025	204.90	168.00	179.55	188.10	168.04	179.86

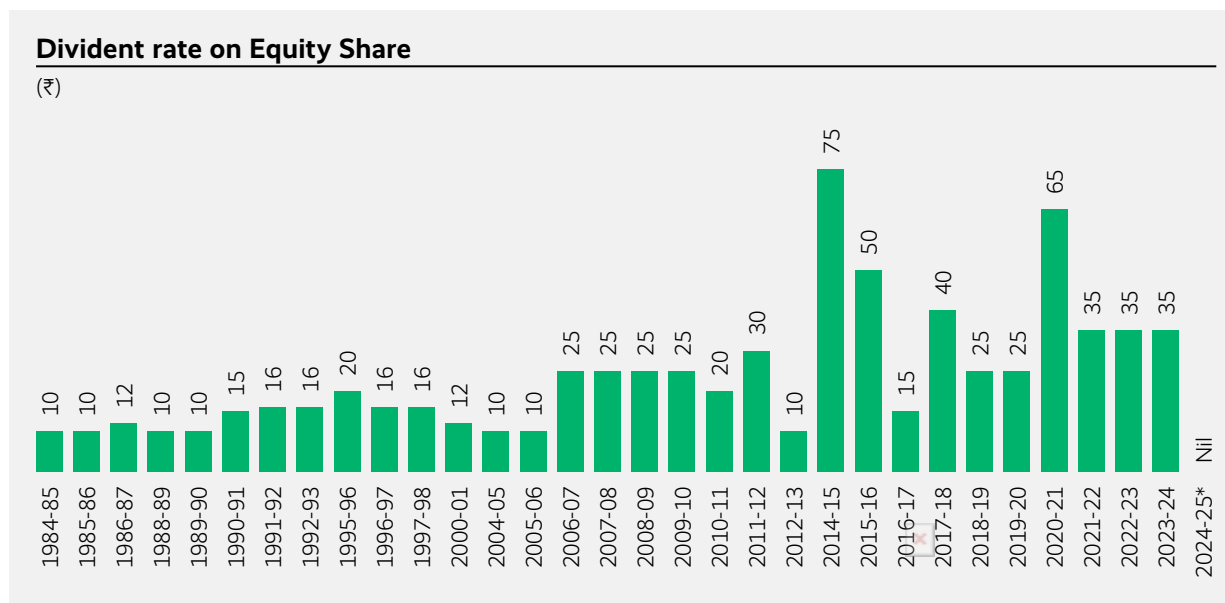
The Company's Share Price movements during the year 2024-25 as compared with SENSEX and NIFTY, are depicted below:





CORPORATE GOVERNANCE REPORT

h. Dividend History



* No Dividend proposed for the FY 2025

The voting rights on the unclaimed shares outstanding as on March 31, 2025 shall remain frozen till the rightful owners of such shares claim the shares concerned.

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

The un-claimed dividends up to the financial year ended March 31, 2017 and un-claimed interim dividend paid for the year ended up to March 31, 2018 were duly transferred to the Investor Education and Protection Fund set up by the Government of India in accordance with the Act as applicable at the time of such transfer. Details of the unclaimed dividends for the subsequent periods are available on the company's website, <https://sagarceiments.in/investors/dividend>.

j. Registrars and Share Transfer Agents:

KFin Technologies Limited
Selenium Building, Tower B, Plot No(s)
31-32, Gachibowli, Financial District,
Nanakramguda, Serilingampally Mandal
Hyderabad, Rangareddy, Telangana, India - 500 032.

Toll Free No: 1800-3094-001

Email ID: einward.ris@kfintech.com

Toll Free/Phone Number: 1800 309 4001

WhatsApp Number: (91) 910 009 4099

Investor Support Centre:
<https://kprism.kfintech.com/>

KFINTECH Corporate Website:
<https://www.kfintech.com>

RTA Website: <https://ris.kfintech.com>

KPRISM (Mobile Application):
<https://kprism.kfintech.com/signup>

k. None of the securities of the Company were suspended from trading.

l. Share Transfer System:

Around 99.60% of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

The shareholders may kindly note that in accordance with SEBI Notification dated June 08, 2018, with effect from April 01, 2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/Registrar (RTA), if the shares concerned are held in physical form.

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



CORPORATE GOVERNANCE REPORT

m. Shareholdings particulars as on March 31, 2025

(i) Distribution of shareholdings:

Sl. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1.	1 – 50	19,320	54.42	3,74,241	0.29
2.	51 – 100	4,978	14.02	4,25,890	0.33
3.	101 – 200	3,272	9.22	5,16,377	0.40
4.	201 – 300	1,684	4.74	4,35,942	0.33
5.	301 – 500	3,046	8.58	14,14,057	1.08
6.	501 – 1,000	1,383	3.90	11,31,510	0.87
7.	1,001 – 5,000	1,489	4.19	31,42,050	2.40
8.	5,001 – 10,000	157	0.44	11,84,455	0.91
9.	10,001 – 20,000	73	0.21	10,48,406	0.80
10.	20,001 – 50,000	53	0.15	16,60,514	1.27
11.	50,001 – 100,000	14	0.04	9,39,104	0.72
12.	100,001 and above	33	0.09	11,84,35,002	90.61
TOTAL		35,502	100.00	13,07,07,548	100.00

(ii) Shareholding pattern:

Description	No. of holders	Shares	% of Total Share Capital	No. of Shares held in Demat Form	% to total shares held
Promoters Group	14	6,31,68,186	48.33	6,31,68,186	48.52
Mutual Funds	6	85,54,539	6.54	85,48,539	6.57
Alternative Investment Fund	2	1,37,22,228	10.5	1,37,22,228	10.54
Indian Financial Institutions/Banks	4	19,750	0.01	500	0
Insurance Companies	1	12,21,825	0.93	12,21,825	0.94
Qualified Institutional Buyer	1	20,585	0.02	20,585	0.02
Foreign Portfolio Investors	31	33,73,687	2.58	33,73,687	2.59
Key Management Personnel	1	37,000	0.03	37,000	0.03
Relatives Of Promoters (Other than 'Immediate Relatives' of Promoters Disclosed Under 'Promoter and Promoter Group')	2	3,500	0	3,500	0.00
I E P F	1	10,95,573	0.84	10,95,573	0.84
Public Individuals	33,824	1,05,87,171	8.1	1,00,96,916	7.76
Non Resident Indians	976	7,91,055	0.6	7,91,055	0.61
Bodies Corporates	187	2,73,72,136	20.94	2,73,63,631	21.02
H U F	452	7,40,313	0.57	7,40,313	0.57
Total:	35,502	13,07,07,548	100	13,01,83,538	100.00



CORPORATE GOVERNANCE REPORT

Evolution of Share Capital

Date of allotment	Mode of issue	No. of shares	Issue Price per share	Distinctive Nos.	
				From	To
January 23, 1981	Subscribed in the Memorandum of Association	5,100	₹10/-	1	5,100
June 28, 1984	Private Placement (Pre-public issue)	8,44,900	₹10/-	5,101	8,50,000
September 04, 1984	As above	1,40,000	₹10/-	8,50,001	9,90,000
November 24, 1984	As above	3,30,000	₹10/-	9,90,001	13,20,000
November 24, 1984	Through Public Issue	15,30,000	₹10/-	13,20,001	28,50,000
December 19, 1990	400 shares were allotted to the shareholders of erstwhile Sagar Laticrete Systems Ltd., as per the Scheme of Amalgamation of the said Company with Sagar Cements Limited	400	₹10/-	28,50,001	28,50,400
March 01, 1993	The Company had issued FCDs, which were to be converted automatically into 53,01,900 equity shares on March 01, 1993.	53,01,900	₹20/-	28,50,401	81,52,300
July 09, 2001	Company allotted these shares on a preferential basis	30,00,000	₹10/-	81,52,301	1,11,52,300
March 09, 2007	Shares allotted against conversion of 5,50,000 warrants earlier allotted to the promoter group on a preferential basis	5,50,000	₹82/-	1,11,52,301	1,17,02,300
March 15, 2007	Shares allotted to India Fund Inc., U.S.A., an FI on a preferential basis	10,00,000	₹180/-	1,17,02,301	1,27,02,300
July 30, 2007	Shares allotted against conversion of 3,67,432 warrants earlier allotted to the promoter group on a preferential basis	3,67,432	₹82/-	1,27,02,301	1,30,69,732
October 25, 2007	Allotted against conversion of 2,67,568 warrants - to Amareswari Cements Limited	2,67,568	₹82/-	1,30,69,733	1,33,37,300
April 10, 2008	Allotted to the promoter Group against conversion of 6,65,000 warrants	6,65,000	₹82/-	1,33,37,301	1,40,02,300
August 06, 2008	Allotted to M/s.Parficom S.A.S., France - A preferential allotment made at a premium of ₹690/- per share	10,00,000	₹700/-	1,40,02,301	1,50,02,300
May 20, 2011	Extinguishment of 9,00,000 equity shares held by Amareswari Cements Limited in SCL, pursuant to the Scheme of merger of the ACL with Sagar Cements Limited	-2,67,568		1,14,34,733	1,17,02,300
		-2,67,568		1,30,69,733	1,33,37,300
		-3,64,864		1,36,37,437	1,40,02,300
July 12, 2011	Allotment of shares to the ACL Shareholders under the Scheme of its merger with SCL	32,85,714	₹10/-	1,50,02,301	1,82,88,014
December 07, 2016	Allotment of shares to the Promoter Group	3,05,993	₹800/-	1,82,88,015	1,85,94,007
December 07, 2016	Allotment of shares to Non-Promoter Group	3,05,993	₹800/-	1,85,94,008	1,89,00,000
February 14, 2017	Allotment of shares on QIP Basis	24,00,000	₹720/-	1,89,00,001	2,13,00,000
July 24, 2019	Allotment of shares to the Promoter Group against conversion of warrants	7,75,000	₹730/-	2,13,00,001	2,20,75,000
July 24, 2019	Allotment of shares to Non-Promoter Group against conversion of warrants	7,75,000	₹730/-	2,20,75,001	2,28,50,000
March 27, 2020	Allotment of shares to the Promoter Group against conversion of warrants	3,25,000	₹730/-	2,28,50,001	2,31,75,000
July 20, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	7,75,000	₹730/-	2,31,75,001	2,39,50,000
July 20, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	4,50,000	₹730/-	2,39,50,001	2,44,00,000
August 18, 2021	Cancellation of 2,35,00,000 equity shares of ₹10/- each pursuant to splitting in to equity shares of ₹2/- each	-2,35,00,000	-	-	-
August 18, 2021	Splitting of 2,35,00,000 equity shares of the face value of ₹10/- each into the face value of ₹2/- each	11,75,00,000	-	1	11,75,00,000
May 07, 2022	Allotment of shares to Non-Promoter Group	1,32,07,548	₹265/-per share	11,75,00,001	13,07,07,548
Total		13,07,07,548			



CORPORATE GOVERNANCE REPORT

n. Dematerialisation of Shares and liquidity:

Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with both NSDL and CDSL for the purpose. The ISIN number for the company's shares is – INE229C01021. Shares representing 99.60% of the share capital were in dematerialised form as on March 31, 2025 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
5,24,010	0.40	9,15,28,339	70.03	3,86,55,199	29.57	13,07,07,548	100.00

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

The company has not issued any GDR/ADR/or any other convertible instruments

p. Plants Location:

Integrated Plant	Mattampally Via: Huzurnagar Suryapet District, Telangana – 508204 Tel: 08683-247039	Gudipadu Village Yadiki Mandal Ananthapur District Andhra Pradesh – 515408 Tel: 08558-200272
Grinding Units	Bayyavaram Village Kasimkota Mandal Visakhapatnam District Andhra Pradesh – 531031 Tel: 08924-244098/244550	Kalinganagar, Industrial Complex Tahsil-Dangadi Dist-Jajpur, Odisha – 755026 Tel: 08340-882288

Captive Power Plants	Address	Capacity
Hydel Power Plants	Guntur Branch Canal Hydel Project Tsallagundla Adda Road, Nekarikallu Mandal Guntur District, Andhra Pradesh – 522 615	4.30 MV
	Lock-in-Sula Hydel Project Banumukkala Village, Banakacherla Regulator Pamulapadu Mandal, Kurnool District, Andhra Pradesh – 518 422	4.00 MV
Thermal Power Plants:	Mattampally, Via: Huzurnagar Suryapet District, Telangana – 508204 Tel: 08683-247039	18.00 MW
	Gudipadu Village Yadiki Mandal, Ananthapur District, Andhra Pradesh – 515408 Tel: 08558-20272	25.00 MV
Waste Heat Recovery Power Plant:	Mattampally, Via: Huzurnagar Suryapet District, Telangana – 508204 Tel: 08683 - 247039	8.80 MW
Solar Power Plants	Mattampally, Via: Huzurnagar Suryapet District, Telangana – 508204 Tel: 08683-247039	1.35 MW
	Bayyavaram Village, Kasimkota Mandal, Visakhapatnam District, Andhra Pradesh – 531031 Tel: 08924-244098/244550	0.13 MV

Plant location of the Subsidiaries

Sagar Cements (M) Private Limited	Karondiya (Vill.) Post – Jeerabad-454446 The Gandhwani Dist.Dhar (M.P.)
Andhra Cements Limited	Sri Durga Cement Works, Sri Durgapuram, Srinagar Post Dachepalli mandal, Palnadu District, Andhra Pradesh – 522 414

q. Address for investors related correspondence:

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

r. Credit Rating and Details of Revision:

Rating Agency	Type of Instrument	Rating as on March 31, 2025	Rating as on March 31, 2024
India Ratings and Research Private Limited	Fund-based Working Capital Limits	IND A/ Negative/	IND A/ Negative/
	Non-Fund based Working Capital Limits	IND A1	IND A1
	Term Loan	IND A/ Negative	IND A/ Negative
	Non-convertible Debentures (NCDs)	IND A/ Negative	IND A/ Negative



CORPORATE GOVERNANCE REPORT

11. Other disclosures

i. Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2024-25 as per the Ind AS 24 issued by Institute of Chartered Accountants of India ("the ICAI") have been given under Note 34 of the Notes to Standalone Financial Statements for the year ended March 31, 2025. These transactions were entered into by the company in its ordinary course of business and at an arm's length basis. During the year 2024-25, there were no materially significant transactions with Directors', their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which Directors' are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions wherever required.

ii. Statutory compliance, Penalties and Strictures:

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

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

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

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

- The Company had implemented all the mandatory requirements applicable to it under SEBI Listing Regulations. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations
- The audited financial statements of the Company are unqualified.
- The Internal Auditor's directly report to the Audit Committee, and make presentations on their reports.

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

vi. Commodity Price risks and hedging activities:

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

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

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

Further the price of other major raw materials like Coal and Pet Coke which are close to 38% of the cost of production, have a significant impact on the performance of the company since they are primarily driven by the external market forces. To meet the price fluctuations in the price of these commodities, company secures materials in advance to meet around six months of its operational requirement, by optimising the domestic and import sources through establishment of long term financial instruments.

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

Commodity Name	Exposure (₹ in Crores)	Exposure in Qty (in MT)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pet Coke/Coal (Imported)	235.95	194,714	100%	-	100%	-	100%
Pet Coke/Coal (Domestic)	112.87	119,113	0%	-	0%	-	0%



CORPORATE GOVERNANCE REPORT

vii. Utilisation of funds raised through preferential allotment or qualified institutions placement:

During the FY 2024-25, no funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of the SEBI Listing Regulations.

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

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

x. Fee paid to Statutory Auditor's:

A total fee of ₹145 Lakhs was paid to the Statutory Auditor's towards all services rendered by them to the company and to its subsidiaries viz., Sagar Cements (M) Private Limited and Andhra Cements Limited for the year 2024-25.

xi. Disclosure in relation to sexual harassment:

During the year 2024-25, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

xiii. Details of material subsidiary as on March 31, 2025

1.	Name	Sagar Cements (M) Private Limited
	Date and place of incorporation	Incorporated on March 21, 2001 in the State of Madhya Pradesh
	Registered Office	A-517, 5 th Floor Gold Plaza Apollo DB City, Indore, Madhya Pradesh – 452010, India
	Statutory Auditor's	M/s.Deloitte Haskins & Sells, Chartered Accountants were appointed in the AGM held on September 27, 2019
2.	Name	Andhra Cements Limited
	Date and place of incorporation	Incorporated on November 01, 1936 in the State of Andhra Pradesh
	Registered Office	Sri Durga Cement Works Sri Durgapuram, Palnadu, Andhra Pradesh – 522414, India
	Statutory Auditor's	M/s.Deloitte Haskins & Sells, Chartered Accountants were appointed in the AGM held on June 05, 2023

xiv. Reconciliation of Share Capital Audit:

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

xv. The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company www.sagarcements.in.

xvi. Code of Conduct

The members of the board and senior management personnel have affirmed their compliance during the year ended March 31, 2025 with the Code applicable to them. A certificate by the Managing Director to this effect has been given in the annexure to this report.

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

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

- The financial statements of the company are with un-modified opinion.
- The Internal Auditor's of the company are directly reporting to the Audit Committee.
- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director. The Chairman is not related to the Managing Director. The Company reimburses the expenses incurred in performance of the Chairman's duties.

14. As on March 31, 2025, the company was in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.



CORPORATE GOVERNANCE REPORT

15. The compliance certificate from the Company Secretary in practice regarding compliance with conditions of corporate governance has been annexed to the Directors' Report.
16. During the year under review the Company has not executed certain types of agreements binding listed entities as required to be disclosed under clause 5A of paragraph A of Part A of schedule III of the Listing Obligations and Regulations Act, 2015
17. The Disclosures with respect to demat suspense account/unclaimed suspense account (Unclaimed Shares)

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

Disclosure with respect to unclaimed shares:

S. No.	Description	No. of Shareholders	Shares
a.	Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year	2	3,000
b.	Number of shareholders who approached claiming shares against the above	0	0
c.	Number of shareholders to whom shares were transferred against (a) above	0	0
d.	Shares transferred to IEPF under Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	1	500
e.	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	1	2,500

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



CORPORATE GOVERNANCE REPORT

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No. 111, Road No. 10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sagar Cements Limited having CIN: L26942TG1981PLC002887 and having registered office at Plot No.111, Road No.10, Jubilee Hills, Hyderabad, Telangana - 500033 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2025 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Anand Reddy Sammidi	00123870	November 21, 2007
2.	Sreekanth Reddy Sammidi	00123889	June 26, 2008
3.	Rachana Sammidi	01590516	March 18, 2015
4.	Jens Van Nieuwenborgh	07638244	September 18, 2024
5.	Rekha Onteddu	07938776	June 30, 2020
6.	Sudha Rani Naga	09032212	January 20, 2021
7.	Madhavan Ganesan	01674529	May 11, 2022
8.	Kalidindi Venkata Vishnu Raju	00480361	July 20, 2022
9.	Rajagopal Ravichandran	00110930	March 27, 2023

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: May 12, 2025

For **B S S & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999
UDIN: A022119G000373536
Peer Review No: 6513/2025



CORPORATE GOVERNANCE REPORT

DECLARATION REGARDING COMPLAINEE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the company's website.

I confirm that the company has in respect of the year ended March 31, 2025, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Vice President and above cadre and the Company Secretary as on March 31, 2025.

Hyderabad
May 12, 2025

Dr. S. Anand Reddy
Managing Director





CORPORATE GOVERNANCE REPORT

Certificate on Corporate Governance

To,
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No. 111, Road No. 10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

1. We have examined the compliance of the conditions of Corporate Governance by Sagar Cements Limited (the "Company") for the financial year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's responsibility

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our responsibility

3. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company and express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 1 above.

Opinion

4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2025.

Other matters and restriction on use

5. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **B S S & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

Place: Hyderabad

Date: May 12, 2025

UDIN: A022119G000373514

Peer Review No: 6513/2025



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

Section A: General Disclosures

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L26942TG1981PLC002887
2. Name of the Listed Entity	Sagar Cements Limited
3. Year of incorporation	15.01.1981
4. Registered office address	Plot No. 111, Road No. 10 Jubilee Hills, Hyderabad - 500 033
5. Corporate address	Plot No. 111, Road No. 10 Jubilee Hills, Hyderabad - 500 033
6. E-mail	info@sagarcements.in
7. Telephone	040 - 23351571
8. Website	www.sagarcements.in
9. Financial year for which reporting is being done	2024-25
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11. Paid-up Capital	₹ 26,14,15,096

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

Name: Shri. O. Anji Reddy, Chief Sustainability Officer

Telephone: 040 23351571

E-mail: anjireddy@sagarcements.in

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

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



14. Name of assessment or assurance provider

TUV India Ltd.

15. Type of assessment or assurance obtained

"Limited" Assurance has been obtained from an Independent Third Party - TUV India Ltd. conducted in accordance with ISAE 3000(revised) standards.

II. Products/services

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

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

RESTATEMENT

BRSR GD 20 - The last year figure for Workers Permanent is 0 and Total Employees Permanent - 1189

BRSR P2-EI-1 - The last year figure for CAPEX is shown as NIL while the actual figure is ₹ 291.24 lakhs.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

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

S. No.	Product/Service	NIC Code	% of total Turnover contribute
1	Sale of Cement & Clinker	2,394	99
2	Sale of Power	2,710	1

*As per the National Industrial Classification – Ministry of Statistics and Programme implementation

III. Operations

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

Location	Number of plants	Number of offices	Total
National	6	12	17
International	0	0	0

*Including Subsidiary Plants

IV. Employees

20 Details as at the end of Financial Year 2025:

a. Employees and workers (including differently abled):

S. No.	Particulars	Employees and workers				
		Employees				
		Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1	Permanent (D)	1,202	1,179	98	23	2
2	Other than Permanent (E)	2,475	2,382	96	93	4
3	Total employees (D + E)	3,677	3,561	97	116	3
Workers						
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F + G)	0	0	0	0	0

Note: We have only two types of employment - Employees (on roll) and contract workers employed at our facilities.

19 Markets served by the entity:

a. Number of locations

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

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

Nil

c. A brief on types of customers

Dealers, Government departments, Institutional customers and retail customers/end users, Real Estate Developers; Infrastructure Companies; Institutional Buyers.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

b. Differently abled Employees and workers:

S. No.	Particulars	Differently Abled Employees				
		Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D + E)	0	0	0	0	0
	Differently Abled Worker					
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F + G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	3	33.3
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	Turnover of permanent employees			Turnover rate (%) in current FY2023-24			Turnover rate in current FY 2022-23		
	Male	Female	Total %	Male	Female	Total %	Male	Female	Total %
Permanent Employees	1,179	23	14.27	1,077	17		926	10	
Permanent Workers	2,382	93	28.45	95	0	15.84	104	0	16.53

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

23. Names of holding/subsidiary/associate companies/joint ventures

S.no	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	Andhra Cements Limited	Subsidiary	90	Yes
2	Sagar Cements (M) Private Limited	Subsidiary	65	Yes

RESTATEMENT

BRSR GD 20 - The last year figure for Workers Permanent is 0 and Total Employees Permanent - 1189

BRSR P2-EI-1 - The last year figure for CAPEX is shown as NIL while the actual figure is ₹ 291.24 lakhs.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

VI. CSR Details

24. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013:
Yes, on Standalone basis.
- (ii). Turnover (in ₹)
₹ 1,56,664 Lakhs (Standalone Turnover)
- (iii). Net worth (in ₹)
₹ 1,61,136 Lakhs (Standalone Net Worth)

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	Nil	0	0	0
Investors (other than shareholders)	Yes	0	0	Nil	0	0	0
Shareholders	Yes	122	0	Nil	189	2	2
Employees and workers	Yes	0	0	Nil	0	0	0
Customers	Yes	0	0	Nil	0	0	0
Value Chain Partners	Yes	0	0	Nil	0	0	0
Other (please specify)	NA	0	0	Nil	0	0	0

Weblink for grievance redressal policy : https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste Management and Circular Economy	Opportunity	Waste management is a critical issue and moving towards a circular economy can be an alternative, it is important to continue innovating processes to materialise its vision of scaling up the recycling of its materials and maximising circularity including across the value chain.	Sagar Cements Limited (SGC) is committed to adhering to environmentally friendly and sustainable operations by practicing circular economy. Circular economy offers great opportunity to lower the use of limestone, fossil fuel and clinker in cement production and reduces the emission of GHG. The Company is investing heavily in using waste from operations to convert into energy and reduce the emissions.	Positive
2	Health and Safety	Risk	Employee health and safety is a non-negotiable aspect to ensure that human capital is provided with a working environment that places utmost emphasis on their mental and physical well-being.	Safety and operational risk management framework continues to play a pivotal role. Company has devised ways to review and audit the facilities periodically through virtual and physical means.	Negative
3	Governance and ethics	Opportunity	Strong ethics and transparent governance system acts as guiding pillar for business and supports growth and development.	Increased transparency in disclosures and data and Strengthening relationship with Stakeholders.	Positive
4	Climate Change	Risk	With the increasing awareness around climate change, it is crucial for the company to address the challenges by taking conscious efforts to ensure that the Company continues to respond to the issue and develop a pathway to decarbonise its operations.	Addressing climate change through energy transition is a strategic focus of the company's business and continuity plans. Sagar Cements Limited aims to attain Net Carbon Zero target, going beyond compliance requirements and business imperatives.	Negative
5	Water and Effluent Management	Opportunity	Water shortage and availability can hamper operations and business continuity. Due to stringent norms related to water discharge, water treatment cost is bound to increase manifold.	Company has undertaken initiatives and steps or Company has undertaken initiatives towards rain water harvesting and monitoring water usage on regular basis. Also efforts are made by the company to convert the waste heat to usable waste and also recycling and reuse of waste water.	Negative
6	Global regulation on curbing Green House Gases Emission	Risk	Limestone is the main input for cement manufacturing and requires fossil fuel for burning the limestone. This process releases CO ₂ during calcination of limestone and combustion of fuel. This could contribute to global warming and impact business continuity or cause disruption.	To mitigate the risk, the Company has set voluntary targets to reduce emissions. The Company is taking initiatives such as energy transition to renewables, increasing the waste heat recovery systems, increase in green product portfolio and use of alternative fuels and raw materials. The Company is also exploring innovative technologies to reduce the emissions.	Negative



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

Section B: Management and Process Disclosures

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	c. Web Link of the Policies, if available	https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
4	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	◆ Earned an ISO 14001:2015 and ISO 50001:2018 certification ◆ Compliant with ISO 26000 standards ◆ Blended cements from all plants certified as Green Pro in 2019 ◆ Committed to SBTi to reduce emissions, aligned with the 1.5 °C goal ◆ Bayyavaram Plant received the GreenCo. Platinum Certificate award by CII for best practices ◆ Gudipadu and Mattampally Plants received Green Co Gold Certificate award by CII for best practices ◆ Certified for ISO 9001:2015 and ISO 45001:2018 management system standards. ◆ Mattampally and Bayyavaram unit Laboratories are accredited with NABL certifications								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.									
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
	Please refer to MD and JMD message on Page No.16									
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).									
	Shri. S Sreekanth Reddy, Joint Managing Director									
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details									
	Yes, Committee consists of Joint Managing Director as Chairman along with other functional heads									



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

10	Details of Review of NGRBCs by the Company:									
Subject for Review		Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		Committees of Board								
		Committees of Board								
Subject for Review		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances										
11	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. Yes or No (If Yes), Name of agency NO	Annually								
12	If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:									
Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No) The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) The entity does not have the financial or/human and technical resources available for the task (Yes/No) It is planned to be done in the next financial year (Yes/No) Any other reason (please specify)										



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- 1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	Nil	Nil	Nil
Key Managerial Personnel	Nil	Nil	Nil
Employees other than BoD and KMPs	1,049	Soft and Technical Skill Development and Safety	67
Workers			

We are in the process of developing and rolling out training and awareness programmes aligned with the Principles. The implementation is currently underway and the programmes are finalised and will be delivered.

- 2 Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	NA	No
Settlement	Nil	Nil	Nil	NA	No
Compounding fee	Nil	Nil	Nil	NA	No

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	No
Punishment	Nil	Nil	Nil	No

- 3 Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA

- 4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

SCL is committed to conducting business in an ethical and honest manner and is committed to formulating, implementing, and enforcing systems to prevent corruption at every level.

Web link to the policy mentioned below:

Weblink - https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf

- 5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2024-25	FY 2023-24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

6 Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	-

7 Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest

Not applicable

8 Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of account payables	104	76

9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	32.65%	26.26%
	b. Number of trading houses where purchases are made from	1,103	1,881
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	68.92%	32.74%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	48%	55%
	b. Number of dealers/distributors to whom sales are made	2,474	3,055
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	16%	16%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	5.75%	6.05%

Parameter	Metrics	FY 2024-25	FY 2023-24
	b. Sales (Sales to related parties/Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	19%	Nil
	d. Investments (Investments in related parties/Total Investments made)	Nil	Nil

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

2 Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

A conflict of interest situation would be deemed to have arisen, when an individual's interest is perceived to be inconsistent with or is in conflict with the business interest of the Company. One should avoid such conflict of interest with the Company. However, in case such a situation arises, he shall, on becoming aware of the same, make full and true disclosure of all facts and circumstances thereof to the Company. Some of the situations wherein a conflict of interest may be deemed to have arisen are elucidated below:

- Pecuniary benefit: Where one's conduct is likely to confer a pecuniary benefit to oneself or in favour of any relative(s) or in favour of any company, body corporate or firm where one or one's relative is an employee, member, director or partner.
- Related Party Transactions: Where one enters into transaction(s)/arrangement(s) (directly or indirectly through relatives) with companies, bodies corporate or firms, for personal gain, which may conflict with the business interest of the Company.
- Corporate Opportunities: Where one uses and/or exploits for personal gain, opportunities that rightly belong to the Company or are discovered through the use of one's position or through the Company's image, property or information.
- Outside directorships: It is a conflict of interest to serve as a director of any company that competes with the Company. Directors/Senior Management must first obtain approval from the Company's Board/Managing Director before accepting a directorship.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- 1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	₹ 92.04 Lakhs	₹ 90 Lakhs	
Capex	₹ 426.52 Lakhs	₹ 291.24 Lakhs	

2 Details on Sustainable Sourcing

- a. *Does the entity have procedures in place for sustainable sourcing?*

We are committed to raising the standards in our industry by working with our suppliers to improve their environmental and social performance. We choose suppliers who share our values, building long term partnerships. Our work is focused on our production supply chain, where we have the biggest impact. Suppliers who work within legal requirements, and care for people and society are our preferred partners.

With a view to drive the sustainability efforts within our supply chain, we have developed a responsible supply chain framework for our suppliers. The framework specifies our responsible supply chain objectives, the steps to evaluate suppliers and process for providing action plan for improvement. The framework guides us to ensure sustainable procurement practices.

We have also developed a supplier self-assessment questionnaire for scoring the suppliers ESG efforts. Every year, we will evaluate our critical suppliers based on the environmental, social criteria. We are providing corrective measures and action plan to the suppliers based on their assessment. We will start with the evaluation process in the coming year.

- b. *If yes, what percentage of inputs were sourced sustainably?*

Not assessed

- 3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

- (a) Plastics (including packaging)
- (b) E-waste
- (c) Hazardous waste
- (d) other waste.

The Company aims to follow circular economy model in the manufacturing and end use stage of the product lifecycle.

- 4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the waste collection plan is in line with the EPR plan submitted to Pollution control Board.

Leadership Indicators

- 1 Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
2394	Cement and Clinker	100	Mattampally Plant	Yes	Yes



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

- 2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product/Service	Description of the risk/concern	Action Taken
Cement and Clinker	Energy intensive process - Rising GHG emissions Acidification Terrestrial Ecotoxicity Fossil Fuel Scarcity	i) Increasing Share of Renewable Energy (Non-Fossil Fuel Energy) ii) Energy Efficiency iii) Increasing Manufacturing of PPC iv) Increasing RE share & Improving Energy Efficiency v) Thermal Energy Efficiency vi) Alternative Fuels & Raw Materials vii) Advance Technology utilisation for GHG reduction



- 3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
Fly Ash, Belts, Tyres,Waste Oil	19%	78%

- 4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	3,908	0	0	0

- 5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities		
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,179	1,179	100	1,179	100	0	0	0	0	0	0
Female	23	23	100	23	100	23	100	0	0	0	0
Total	1,202	1,202	100	1,202	100	23	100	0	0	0	0
Other than Permanent employees											
Male	Nil										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than Permanent Workers											
Male	2,382	0	0	2,382	100	0	0	0	0	0	0
Female	93	0	0	93	100	0	0	0	0	0	0
Total	2,475	0	0	2,475	100	0	0	0	0	0	0

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Category	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.26%	0.13%



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	0.07%	Yes
Others – please specify	Nil	Nil%	Nil	Nil	Nil%	Nil

3 Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not applicable	Not applicable	Not applicable	Not applicable
Female	Not applicable	Not applicable	Not applicable	Not applicable
Total	Not applicable	Not applicable	Not applicable	Not applicable

Note: Return to work and Retention rate for our employees is not applicable, since none of the employees have availed parental leave during past three years.

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes	Through one to one interaction and conducting group meetings
Other than Permanent Worker		
Permanent Employees		
Other than Permanent Employees		



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,202	0	0	1094	0	0
Male	1,179	0	0	1077	0	0
Female	23	0	0	17	0	0
Total Permanent Workers	0	0	0	95	86	90.5
Male	0	0	0	95	86	90.5
Female	0	0	0	0	0	0

At Sagar Cements none of our employees are represented by an independent trade union. We are focussed on employee welfare. The concerns of employees are periodically discussed and resolved with management in various committees constituted for their welfare (such as Safety Committee, Canteen Committee and Works committee).

8 Details of training given to employees and workers:

	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,179	1,179	100	900	76	1,077	1,235	114	1,032	95.82
Female	23	23	100	17	74	17	3	17.6	1.00	5.88
Total	1,202	1,202	100	917	76	1,094	1,238	131.6	1,033	101.7
Worker										
Male	0	0	0	0	0	95	49	51.5	108	113.6
Female	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	95	49	51.5	108	113.6

9 Details of performance and career development reviews of employees and worker:

	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,179	1,172	99.4	1,077	736	68.33
Female	23	17	73.9	17	8	47.05
Total	1,202	1,189	98.9	1,094	744	115.38
Worker						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	0	0	0	0	0	0



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

10 Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?
Yes. Total work force covered.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Regular safety drills are being conducted
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
Yes
- Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)
Yes

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.31	0
	Workers	0	1
Total recordable work-related injuries	Employees	117	5
	Workers	0	86
No. of fatalities	Employees	0	1
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	1
	Workers	0	10

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Ensuring the safety and health of the workforce has been and will continue to be of paramount importance for Sagar Cements Limited. The workforce undergoes an induction before starting work so that they are familiarised with the work processes, safety rules and also the hazards and the related controls in their respective tasks. Company has established a robust process for hazard identification and risk assessment for tasks that may pose a risk, and puts in place control measures to mitigate the identified risks. The workforce is continuously involved in analysis of workplace conditions in an effort to identify and eliminate potential or existing hazards, this ensures they are aware of the hazards for each job and process and the role that they have in controlling the hazard.

13 Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Nil



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
Yes, Group Insurance Cover
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
Verification of records done at regular intervals for all value chain partners
- Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as Data Needed in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	0	0	0	0

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?
No
- Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil
- Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.
Annual Health check-up is conducted for all the employees and workers and based on the outcome, necessary support is provided to address the same.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity.

At Sagar Cements Limited, we believe that our responsibility as a responsible cement manufacturer goes beyond delivering quality products to our customers. We understand the importance of creating a sustainable future for all and strive to build meaningful connections with our major stakeholders employees, suppliers, customers, regulators, investors, and the communities we operate in. We actively seek input and feedback from our stakeholders through various channels, allowing us to understand their perspectives and incorporate their valuable suggestions.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	Yes	Internal communication Platforms, Meetings, Notice Board, E-mail	Daily	Employee engagement is an on-going exercise conducted throughout the year.
Customers	Yes	Website, E-mails, Pamphlets, Advertisement, Surveys and Grievance Redressal	As and when required	Product Review, Customer satisfaction, feedback, understanding client, business and industry challenges and grievances
Investors and Shareholders	No	General Meetings, Investor Meetings, Annual reports and website	Annually and as and when required	To keep investors and shareholders updated about the organisations performance and other corporate developments and Understanding their expectations
Suppliers and contractors	No	Meetings, feedback and grievance systems	As and when required	Adaptation of procurement processes to environmental, economic and ethical requirements and Adherence to the Supplier code of conduct, and long-term business relationships.
Government and Regulators	No	Regulatory filings, Website, etc.	As and when required	Good governance practice; community engagement; regulatory compliance; environmental initiatives
Community	Yes	Website, Surveys and one on one meetings	Annually/Half yearly/Quarterly/ as and when required	To understand community needs, implementation of CSR, etc

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Board and relevant Committees are briefed about the interactions with the stakeholders and action implemented.

2 Yes, Our entity uses stakeholder consultation to identify and manage environmental and social topics. Inputs from stakeholders are gathered through surveys, followed by response analysis to identify key concerns. These insights are aligned with business goals via stakeholder mapping and used to create a materiality matrix We engage senior management for input on business risks and opportunities.

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

PRINCIPLE 5 Businesses should respect and promote human rights

The company's approach towards the principle or rationale is to be mentioned here.

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,202	0	0	1,094	0	0
Other than permanent	0	0	0	0	0	0
Total Employees	1,202	0	0	1,094	0	0
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	2,475	0	0	0	0	0
Total Workers	2,475	0	0	0	0	0

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,202	0	0	1,202	100	1,094	0	0	1,094	100
Male	1,179	0	0	1,179	100	1,077	0	0	1,077	100
Female	23	0	0	23	100	17	0	0	17	100
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	0	0	0	0	0	95	0	0	95	100
Male	0	0	0	0	0	95	0	0	95	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	2,475	0	0	2,475	100	2,202	0	0	2,202	100
Male	2,382	0	0	2,382	100	2,107	1,453	68.96	654	31.03
Female	93	0	0	93	100	95	95	100	0	0



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)		Non-Executive Directors are not paid any remuneration, other than sitting fee		
Key Managerial Personnel	3	₹ 47.33 Lakhs	Nil	Nil
Employees other than BoD and KMP	1,174	₹ 5.85 Lakhs	23	₹ 6.61 Lakhs
Workers				

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Category	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	1.85	1.00

4 Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Workmen Grievance Redressal Committee addresses the complaints, if any, on case to case basis.

6 Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints Data Needed under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Workmen Grievance Redressal Committee addresses the complaints, if any, on case to case basis.

Sagar Cements is an equal opportunity employer and promotes equality and diversity amongst employees. There were no reported incidents of discrimination in the reporting period.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11 Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.

NA

Leadership Indicators

1 Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	Nil
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

NA



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	62,075 MWh/223.47TJ	52,584 MWh/189.30 TJ
Total fuel consumption (B)	265.86 TJ	70.08 TJ
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	489.33 TJ	259.38 TJ
From non-renewable sources		
Total electricity consumption (D)	3,73,404 MWh/1344.25 TJ	4,07,940 MWh/1,468.58 TJ
Total fuel consumption (E)	12,951.23 TJ	13,483.55 TJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	14,295.48 TJ	14,952.13 TJ
Total energy consumed (A+B+C+D+E+F)	14,784.81 TJ	15,211.51 TJ
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.65 TJ/Million (₹)	0.61 TJ/Million (₹)
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	Nil	Nil
Energy intensity in terms of physical output	0.00254 TJ/ton cementitious	0.00262 TJ/ton cementitious
Energy intensity (optional) – the relevant metric may be selected by the entity	722 Kcal/kg of Clinker	726 Kcal/kg of Clinker
Source of emission factor		
PPP Conversion Factor used	Nil	Nil
Source of the PPP Conversion Factor		
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes. Assured by TUV India PVT. LTD. (External Agency).	Yes. Assured by TUV India PVT. LTD. (External Agency).

2 Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Designated consumers under PAT Scheme of Government of India:

- Mattampally Plant: Target well below 0.0914 TOE/ton of product, Achieved 0.0857 TOE/ton of product.
- Gudipadu Plant: Target well below 0.1241 TOE/ton of product, Achieved 0.0911 TOE/ton of product.
- Bayyavaram comes under PAT scheme, Target not yet set by PAT scheme of GOI



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	6,55,048	6,30,198
(ii) Groundwater	3,43,840	2,43,714
(iii) Third party water	4,076	2,520
(iv) Seawater/desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	10,02,964 KL	8,76,432
Total volume of water consumption (in kilolitres)	10,02,964 KL	8,76,432
Water intensity per rupee of turnover (Water consumed/Revenue from operations)	44.43 KL/Million (₹)	35 KL/Million (₹)
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output	172 L/ton cementitious	151 L/ton cementitious
Water intensity (optional) – the relevant metric may be selected by the entity		
Source of emission factor		
PPP Conversion Factor used		
Source of the PPP Conversion Factor		
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes. Assured by TUV India PVT. LTD. (External Agency).	Yes. Assured by TUV India PVT. LTD. (External Agency).

4 Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
No treatment	0	0
With Treatment – Please Specify Level of Treatment (Tertiary Treatment)	0	0
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes. Assured by TUV India PVT. LTD. (External Agency).	Yes. Assured by TUV India PVT. LTD. (External Agency).

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes

The coverage is 100 %

- Boiler blowdown water is being used as makeup water for cooling tower
- STP treated reject water is reused in process
- Water treatment plant rejects after neutralisation are being used in the process and also for gardening



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	Tonnes	8952	2,820
SOx	Tonnes	123	232
Particulate matter (PM)	Tonnes	260	198
Persistent organic pollutants (POP)	Units	Nil	Nil
Volatile organic compounds (VOC)	Units	Nil	Nil
Hazardous air pollutants (HAP)	Units	Nil	Nil
Others – please specify	Units	Nil	Nil
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes. Assured by TUV India PVT. LTD. (External Agency).	Yes. Assured by TUV India PVT. LTD. (External Agency).

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	35,57,140	36,71,703
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,98,272	1,98,660
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO ₂ e/INR crores	1,663	1,545
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tCO ₂ e/USD		
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e/MT	0.645	0.666

* The above details are excluding biomass emissions

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e/employee	3,124	3,255
Source of emission factor		IPCC, India GHG Programme, Defra	IPCC, India GHG Programme, Defra
PPP Conversion Factor used			
Source of the PPP Conversion Factor			
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes. Assured by TUV India PVT. LTD. (External Agency).	Yes. Assured by TUV India PVT. LTD. (External Agency).

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- 6 MW Solar power plant has been set up at Gudipadu
- 4.35 MW WHRS installation is started at Gudipadu
- 6 MW Solar power plant installation at ACL is under progress
- Bio-CBG project proposal is under deliberation
- New AF feeding system commissioned to enhance our TSR %.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	32.5	71
E-waste (B)	1.36	0.723
Bio-medical waste (C)	0.147	0.067
Construction and demolition waste (D)	0	0
Battery waste (E)	7.63	1.68
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	47.4	40.8
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	41,841	52,443
Total (A+B + C + D + E + F + G + H)	41,930	52,557
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	1.86 MT/Million (₹)	2.09 MT/Million (₹)



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

Parameter	FY 2024-25	FY 2023-24
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output	0.0072 MT/Ton Cementitious	0.009 MT/Ton Cementitious
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled*	2,921	3,635
(ii) Re-used	38,986	48,908
(iii) Other recovery operations	1.33	
Total	41,908	52,543[#]
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.096	8.07
(ii) Landfilling	0	0
(iii) Other disposal operations		0
Total	0.096	8.07
Source of emission factor		
PPP Conversion Factor used		
Source of the PPP Conversion Factor		
Note: Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Yes. Assured by TUV India PVT. LTD. (External Agency).	Yes. Assured by TUV India PVT. LTD. (External Agency).

* Recycled : Given to third party recyclers

[#] The incinerated waste amount for the previous year includes hazardous waste that was reused in the kiln.

- 10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
- Chemical effluents lubricants reused as alternative fuel
- Softener water reject being used as process water for cement process
- Power plant reject water neutralisation being used for gardening after blending with harvested water
- Power plant blow down water being used as make up water for cooling tower
- Fly ash/bed ash are used as kiln fuels

Refractory bricks are used for construction purpose

- 11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Mattampally, Telangana	Integrated Plant	Not Applicable, as the entity has no operations in/around ecologically sensitive areas.
2	Gudipadu, Andhra Pradesh	Integrated Plant	
3	Jeerabad, Madhya Pradesh	Integrated Plant	
4	Dachepalli, Andhra Pradesh	Integrated Plant	
5	Bayyavaram, Andhra Pradesh	Grinding Unit	
6	Jajpur, Odisha	Grinding Unit	

- 12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)
EXPANSION OF CEMENT PLANT CAPACITY JEERABAD SCMPL now proposes to increase clinker production capacity from 0.825 MTPA to 1.10 MTPA, Cement production from 0.95 MTPA to 1.5 MTPA by modernization and addition of Balancing Equipment & Strengthening of existing equipment.	EIA Notification 2006: 3 (b) Cement Plant	Yes (B.S. Envi -Tech (P) Ltd)	No
Expansion of Cement Plant Capacity for Increase of Production Clinker: 2.0 to 2.31 MTPA Cement: 2.31 to 3.00 MTPA (OPC/PPC/PSC) Along with Installation of 8.5 MW Waste Heat Recovery Power Plant Dachepalli ACL now plans to further increase clinker production capacity from 2.0 to 2.3L MTPA and cement production from 2.3L to 3.00 MTPA along with installation of 8.5 MW Waste Heat Recovery Based Power Plant (WHRB).	EIA Notification 2006: 3 (b) Cement Plant	Yes (B.S. Envi -Tech (P) Ltd)	No



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

- 13 Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Nil

Leadership Indicators

- 1 **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

None of our plants is in water stress area

- 2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4,73,554	5,11,841
Total Scope 3 emissions per rupee of turnover	tCO ₂ e/INR crores	210	204
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e/MT cement produced	0.083	0.093
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		Yes. Assured by TUV India PVT. LTD. (External Agency).	Yes. Assured by TUV India PVT. LTD. (External Agency).

- 3 With respect to the ecologically sensitive areas Data Needed at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA

- 4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Construction of 6 stage preheater at ACL	On going		Improving energy efficiency
Installation of 6 MW solar at Gudipadu	Completed		GHG emissions are reduced
AFR utilisation at Bayyavaram achieved 43%	Completed		GHG emissions are reduced
Lime power is utilised as alternative cementitious material at Jajpur	Completed		Clinker substitute
Copper slag is utilised as alternative raw material at Jeerabad	Completed		Increase in non- carbonated materials

- 5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

At Sagar Cements, we have a risk management and business continuity process built on continuous risk assessment, mitigation, monitoring and reporting across the entire organisation. We ensure each business function is incorporates the findings from the risk management exercise into their business plan. This approach ensures that risk management is embedded within the organisation's day-today decision-making and long-term planning, making it an essential component of our strategic management process.

- 6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Nil

- 7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

- 8 How many Green Credits have been generated or procured: Nil

- a. By the listed entity
- b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- 1 a. Number of affiliations with trade and industry chambers/associations:

5

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	National council of Cement and building materials (NCCBM)	National
2	Confederation of Indian Industries (CII)	National
3	Federation of Indian chambers of commerce and Industries (FICCI)	National
4	South India cement manufacturers Association (SICMA)	South Indian states
5	Global Cement and Concrete Association (GCCA)	International

- 2 Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Nil

Leadership Indicators

- 1 Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/Others – please specify)	Web Link, if available
			Nil		



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

- 1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current FY 2025.

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link	Relevant Web link
Nil						

- 2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Nil					

- 3 Describe the mechanisms to receive and redress grievances of the community.

At Sagar Cements, we believe that the community next to our operations is important. Our administrative officers ensure that the Communities grievances are noted and resolved well within time.

- 4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/small producers	18.11	6.4
Sourced directly from within the district and neighbouring districts	36.49	34

Note: 83.1% Input material is sourced from Local Indian Suppliers.

- 5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	147	230
Semi-urban	-	-
Urban	20	41
Metropolitan	13	50

(Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

- 1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	

- 2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Amount spent (In INR)
1	Telangana	Nalgonda	₹174.38 lakhs

- 3 a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)
No
b) From which marginalised/vulnerable groups do you procure?
NA
c) What percentage of total procurement (by value) does it constitute?
NA

- 4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Nil				

- 5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

- 6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised group
1	Preventive health care, Safe drinking water, Training and education, Promotion of rural development and sports	1,80,277	100



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- 1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Complaints, if any, are being routed through local sales officers/e-mails and it is being addressed promptly to customers satisfaction

- 2 Turnover of products and/services as a percentage of turnover from all products/service that carry information about: Nil

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	
Recycling and/or safe disposal	

- 3 Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

* According to the Essential Service Maintenance Act of 1968, the products and services we provide are not covered under the 'essential service' definition.

- 4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Na
Forced recalls	Nil	Na

- 5 Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Our Company recognises the critical importance of safeguarding our information assets and systems from ever-evolving cyber threats. As a responsible corporate entity, we are committed to protecting the confidentiality, integrity, and availability of the data entrusted to us by our customers, partners, employees, and other stakeholders. To this end, we have voluntarily embarked on a comprehensive Cybersecurity programme aimed at identifying, assessing, and mitigating potential risks across our IT infrastructure and processes.

- 6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

NA

- 7 Provide the following information relating to data breaches:

- a. Number of instances of data breaches: **NA**
b. Percentage of data breaches involving personally identifiable information of customer: **NA**
c. Impact, if any, of the data breaches: **NA**

Leadership Indicators

- 1 Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

www.sagarcements.in, In the cement manufacturing industry, no such confidential information is shared between the customer and the manufacturer as it's the same product which is supplied to all the customers without any change in its composition except the quantity as per the requirements of the customers.

- 2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

By Conducting technical sessions and mason meets at regular intervals

- 3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Through Emails and one to one meeting

- 4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company ensures ad accuracy per ASCI norms to provide correct information to customers.



INDEPENDENT AUDITOR'S REPORT

To The Members of Sagar Cements Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	Revenue from Operations – Sales made to trade customers/dealers from godown/warehouse: (Refer Note 20 to the standalone financial statements) Revenue from sale made to trade customers/dealers from godown/warehouse is recorded at the time of dispatch based on sales order raised which are backed by orders taken by the field sales officers. In addition, confirmation from such trade customers/dealers are obtained on dispatch of goods. Given the volume of such sales orders, which are in the form of oral/email requests received from the sales officers, basis which the sales orders are entered in the system, there is significant audit effort to ensure that revenue is recorded based on such sale orders and confirmed by customer's acknowledgement on dispatch. We have identified the occurrence of sales from godown / warehouse to trade customers / dealers as a Key Audit Matter.	Principle audit procedures performed included the following: – Evaluated the Company's accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). – Obtained an understanding of the management's process and evaluated the design and tested the implementation and operating effectiveness of the Company's internal financial controls over the revenue recognition process. – The Company recognises the revenue upon the dispatch of goods to the customer in the ERP. Accordingly, we have tested the General Information Technology Controls around the ERP. – Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verified the underlying documents pertaining to conditions related to acceptance of goods, transfer of control and receipt against the same. – Performed reconciliation of sales recorded with statutory records of the Company. – Compared the sales made to trade customers/dealers from godown/warehouse with the historical sales to identify any significant fluctuations at customer level and inquired with the management on appropriateness of revenue recorded.



INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

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

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

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



INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.



INDEPENDENT AUDITOR'S REPORT

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 46(v) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 46(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- The company has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- Additionally audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Hyderabad
Date: May 12, 2025



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

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

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

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

Opinion

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



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

C Manish Muralidhar
(Partner)

Place: Hyderabad
Date: May 12, 2025

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



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

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

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

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories (except for goods-in-transit), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has made investments in, provided guarantee or security and granted unsecured loans to companies during the year, in respect of which:
- (a) The Company has made investments in, provided loans, stood guarantee, or provided security during the year and details of which are given below:

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



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

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



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

(₹ Lakhs)

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

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

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

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

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

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

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

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



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2025 and the final internal audit reports were issued after the balance sheet date covering the period April 2024 to March 2025 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to ₹ 863 Lakhs in the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board

of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

C Manish Muralidhar
Partner

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

Place: Hyderabad
Date: May 12, 2025



STANDALONE BALANCE SHEET AS AT MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	140,090	147,362
(b) Right-of-use assets	3	2,357	584
(c) Capital work-in-progress	40	1,601	1,440
(d) Goodwill	4B	3,938	3,938
(e) Intangible assets			
(i) Mining rights	4A	1,682	1,850
(ii) Other Intangible assets	4A	29	38
(f) Financial assets			
(i) Investments	5	48,665	48,665
(ii) Loans	6	16,109	11,024
(iii) Other financial assets	7	2,823	2,774
(g) Income tax assets (net)	28	1,542	1,551
(h) Other non-current assets	8	527	924
Total Non-current assets		219,363	220,150
Current assets			
(a) Inventories	9	17,893	20,703
(b) Financial assets			
(i) Trade receivables	10	15,480	16,361
(ii) Cash and cash equivalents	11	6,658	15,583
(iii) Bank balances other than cash and cash equivalents	12	6,392	7,154
(iv) Loans	6	79	86
(v) Other financial assets	7	1,367	2,049
(c) Other current assets	8	4,901	5,612
Total Current assets		52,770	67,548
TOTAL ASSETS		272,133	287,698
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,614	2,614
(b) Other equity	14	158,522	167,913
Total Equity		161,136	170,527
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	14,843	23,175
(ia) Lease liabilities	35	1,232	79
(ii) Other financial liabilities	16	9,502	11,163
(b) Provisions	17	1,311	965
(c) Deferred tax liabilities (net)	28	5,560	10,799
(d) Other non-current liabilities	19	325	229
Total Non-current liabilities		32,773	46,410

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

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



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

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from operations	20	156,664	190,755
II Other income	21	2,663	5,391
III Total Income (I + II)		159,327	196,146
IV Expenses			
(a) Cost of materials consumed	22	34,134	41,238
(b) Purchases of stock-in-trade	23A	1,009	2,747
(c) Changes in inventories of finished goods and work-in-progress	23B	1,668	(4,357)
(d) Employee benefits expense	24	9,898	8,895
(e) Finance costs	25	8,149	7,509
(f) Depreciation and amortisation expenses	26	11,942	11,651
(g) Power and fuel expense		51,156	65,722
(h) Freight and forwarding expense		31,716	34,846
(i) Other expenses	27	21,389	23,394
Total Expenses		171,061	191,645
V (Loss)/profit before exceptional items and tax (III - IV)		(11,734)	4,501
VI Exceptional Items	27A	2,091	-
VII (Loss)/ profit before tax (V - VI)		(13,825)	4,501
VIII Tax expense			
(a) Current tax	28	-	890
(b) Deferred tax	28	(5,277)	494
Total Tax expense		(5,277)	1,384
IX (Loss)/ profit after tax (VII - VIII)		(8,548)	3,117

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

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



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

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

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

B. Other equity

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

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

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

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration No: 008072S

C Manish Muralidhar

Partner

Membership No: 213649

For and on behalf of the Board of Directors of

Sagar Cements Limited

Dr. S. Anand Reddy

Managing Director

DIN: 00123870

J. Raja Reddy

Company Secretary

M. No. A31113

S. Sreekanth Reddy

Joint Managing Director

DIN: 00123889

K. Prasad

Chief Financial Officer

Place: Hyderabad

Date: May 12, 2025

Place: Hyderabad

Date: May 12, 2025



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

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A Cash flow from operating activities		
(Loss)/profit before tax for the year	(13,825)	4,501
Adjustments for:		
Depreciation and amortisation expenses	11,942	11,651
Finance costs	8,149	7,509
Interest income	(2,642)	(2,092)
Liabilities no longer required written back	(1)	(9)
Advances written off	5	-
Gain on sale of investments (Refer note 5)	-	(3,189)
Expected credit loss allowance on trade receivables	(136)	-
Provision for incentives receivable from government	750	900
Allowance for credit losses on capital advances	46	-
Allowance for credit losses on supplier advances	132	50
Provision for inventory	111	-
Unrealised gain on foreign currency transactions and translation	(20)	(74)
Net loss on fair value change in financial instruments	56	10
Loss on sale of property, plant and equipment (net)	5	65
	<u>18,397</u>	<u>14,821</u>
Operating profit before working capital changes	4,572	19,322
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	1,017	(2,294)
Inventories	2,699	1,469
Other financial assets	(63)	(880)
Other assets	(50)	2,593
	<u>3,603</u>	<u>888</u>
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(2,715)	12,480
Other financial liabilities	(1,225)	2,138
Provisions	352	117
Other liabilities	1,000	164
	<u>(2,588)</u>	<u>14,899</u>
Cash generated from operating activities	5,587	35,109
Less: Income tax paid	(414)	(913)
Net cash generated from operating activities	5,173	34,196

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



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

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2024	Cash flow changes		Non-cash flow changes	As at March 31, 2025
		Proceeds	Repayment	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	33,334	88	(10,211)	-	23,211
Loan from related party and others	193	-	-	-	193
Current borrowings	14,461	10,658	-	-	25,119
Total liabilities from financing activities	47,988	10,746	(10,211)	-	48,523

Particulars	As at April 01, 2023	Cash flow changes		Non-cash flow changes	As at March 31, 2024
		Proceeds	Repayment	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	41,987	623	(9,276)	-	33,334
Loan from related party and others	193	-	-	-	193
Current borrowings	17,114	-	(2,653)	-	14,461
Total liabilities from financing activities	59,294	623	(11,929)	-	47,988

Reconciliations of lease liability:

Particulars	As at April 01, 2024	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2025
Lease liabilities	107	1,896	77	(399)	1,681

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

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

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



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

All amounts are in ₹ Lakhs unless otherwise stated

1. Corporate information and material accounting policies

a) Corporate Information:

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

b) Material accounting policies

i) Statement of compliance

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

ii) Basis of preparation and presentation

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

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

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

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

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

iii) Functional and Presentation currency

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

Rounding of amounts

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

iv) Use of estimates and Judgements

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

◆ Defined benefit plans

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

◆ Recognition of deferred tax assets and liabilities

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

◆ Fair value measurement of Financial instruments

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

◆ Provisions and contingencies

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

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

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

◆ Leases

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



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

All amounts are in ₹ Lakhs unless otherwise stated

◆ **Impairment of investments in subsidiaries**

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

◆ **Inventories**

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

◆ **Expected credit losses**

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

◆ **Mining rights**

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

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

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

v) **Business combination**

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

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

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

- ◆ deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- ◆ liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 at the acquisition date (see below); and
- ◆ assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 are measured in accordance with that Standard.

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

Goodwill

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Mining rights

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

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

A cash generating unit to which mining right has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any mining rights allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any

impairment loss for mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

vi) Goodwill

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

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

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

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

vii) Revenue recognition:

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

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

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

Generation of Power:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Dividend and interest income

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

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

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

viii) Borrowing costs

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

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

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

ix) Government grants

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

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

x) Employee benefits

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

Defined Contribution Plans:

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

Defined Benefit Plans:

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

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

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

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

Compensated Absences:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Short-term employee benefits

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

xi) Taxation

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

Current tax

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

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

Deferred tax

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

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

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

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

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

Minimum alternate tax

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



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

All amounts are in ₹ Lakhs unless otherwise stated

xii) Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

Land-Restoration:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

xiii) Intangible assets and amortisation

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a diminishing balance method over their estimated useful lives for software and mining rights is charged under straight line method over the period of the respective mining agreement. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

xiv) Inventories

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

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

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

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

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

Cash flows are reported using indirect method whereby profit/(loss) before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Company's cash management. Such overdrafts are presented as short-term borrowings in the balance sheet.

xvi) Foreign currency transactions and translations:

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

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

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

xvii) Financial Instruments:

(A) Initial recognition:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognized immediately in profit and loss

(B) Subsequent measurement:

Non-derivative Financial Instruments:

a. Financial assets carried at amortised cost:

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

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

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

- c. Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.
- d. Financial liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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

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

a. Financial assets:

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

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

b. Financial liabilities:

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

(D) Financial guarantee contract liabilities:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

xviii) Derivative Financial Instruments

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

xix) Investment in subsidiaries

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

xx) Impairment of assets

a. Financial assets:

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

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

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

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

instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

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

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

- ◆ an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- ◆ significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the



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

All amounts are in ₹ Lakhs unless otherwise stated

credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

- ◆ existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- ◆ an actual or expected significant deterioration in the operating results of the debtor;
- ◆ significant increases in credit risk on other financial instruments of the same debtor; and
- ◆ an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

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

- ◆ the financial instrument has a low risk of default;

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

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

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

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

(ii) *Definition of default*

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

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

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

(iii) *Credit-impaired financial assets*

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

- a. significant financial difficulty of the issuer or the borrower;
- b. a breach of contract, such as a default or past due event (see (ii) above);



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

All amounts are in ₹ Lakhs unless otherwise stated

- c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e. the disappearance of an active market for that financial asset because of financial difficulties.

(iv) *Write-off policy*

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

(v) *Measurement and recognition of expected credit losses*

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

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

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

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

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines

at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

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

b. *Non-financial assets:*

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an Impairment loss. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

c. *Impairment of investment in subsidiaries*

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

xxi) **Earnings per share**

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

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

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

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

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

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

from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

xxiii) **Segment reporting**

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

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

xxiv) **Leases**

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

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

xxv) Operating cycle

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

xxvi) New standards and interpretations

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



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

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2025	As at March 31, 2024
Land – freehold	9,784	9,703
Land – restoration	180	127
Buildings	29,587	32,123
Plant and machinery	86,353	89,661
Furniture and fittings	162	153
Office and other equipment	2,858	3,292
Electrical installations	6,083	6,782
Computers	77	97
Vehicles	656	851
Railway siding	4,350	4,573
Total	140,090	147,362

For the year 2024-25

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



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

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2023-24

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

1. Pledge on property, plant and equipment:

- Property, plant and equipment (other than vehicles, certain other equipment and land restoration) with a carrying amount of ₹ 1,39,175 (March 31, 2024: ₹ 1,46,384) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles, certain other equipment and land restoration) are subject to a pari-passu second charge on the Company's current borrowings. Refer note 15A and 15B.
- Vehicles and certain other equipment with carrying amount of ₹ 735 (March 31, 2024: ₹ 851) are hypothecated to respective banks against loans. Refer note 15A and 15B.

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



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

All amounts are in ₹ Lakhs unless otherwise stated

3. Right of use assets

Particulars	As at March 31, 2025	As at March 31, 2024
Buildings	259	35
Land	541	549
Plant and Machinery*	1,557	-
Total	2,357	584

For the year 2024-25

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

For the year 2023-24

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

Note: Refer note 35 on lease.

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

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

Particulars	Useful life (in years)
Buildings	2-10
Land	69



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

All amounts are in ₹ Lakhs unless otherwise stated

4A. Intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
Mining rights	1,682	1,850
Other intangible assets – Computer software	29	38
Total	1,711	1,888

For the year 2024-25

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

For the year 2023-24

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

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

Notes:

1. The Company has not revalued its intangible assets.
2. Computer software are amortised over the estimated useful lives of 6 years.
3. Mining rights are amortised over the period as stipulated in the mining agreement.

4B. Goodwill:

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

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

Particulars	As at March 31, 2025	As at March 31, 2024
Gudipadu Unit	3,873	3,873
Jajpur Unit	65	65
Total	3,938	3,938

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

5. Investments in subsidiaries (measured at cost)

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

Notes:

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

6. Loans (Unsecured, considered good)

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

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

7. Other financial assets (Unsecured, considered good)

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

Note:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

8. Other assets (Unsecured, considered good)

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

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

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

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

Note:

- Refer note 1(b)(xiv) for basis of valuation of inventory.
- ₹ 111 (As at March 31, 2024: ₹ Nil) has been recognised in the statement of profit and loss towards written down of inventories considered obsolete/slow moving.
- The cost of inventories recognised as an expense includes ₹ 22 (As at March 31, 2024: ₹ 63) in respect of write-downs of inventory to net realisable value.
- Inventories with a carrying amount of ₹ 17,893 (As at March 31, 2024: ₹ 20,703) have been pledged as security. Refer note 15A and 15B for the details of borrowings.

10. Trade receivables

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

FY 2024-25:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
– considered good	9,871	4,702	627	149	45	86	15,480
– which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
– credit impaired	56	69	101	16	273	603	1,118
– which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	131	131
Total	9,927	4,771	728	165	318	820	16,729

FY 2023-24:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

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

FY 2024-25:

Particulars	Not due	Trade Receivables – days past due					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Expected credit loss rate	1%	1%	14%	10%	86%	90%	7%
Estimated total gross carrying amount at default	9,927	4,771	728	165	318	820	16,729
Lifetime ECL	56	69	101	16	273	734	1,249

FY 2023-24:

Particulars	Not due	Trade Receivables – days past due					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Expected credit loss rate	0%	5%	49%	60%	29%	91%	8%
Estimated total gross carrying amount at default	12,392	3,797	172	381	98	906	17,746
Lifetime ECL	50	174	84	228	28	821	1,385

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

Movement in expected credit loss allowance

Particulars	Collectively assessed	Individually assessed	Total
Balance as at March 31, 2023	1,254	131	1,385
Net remeasurement of loss allowance	-	-	-
Amounts recovered	-	-	-
Balance as at March 31, 2024	1,254	131	1,385
Net remeasurement of loss allowance	-	-	-
Amounts recovered	136	-	136
Balance as at March 31, 2025	1,118	131	1,249



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

All amounts are in ₹ Lakhs unless otherwise stated

11. Cash and cash equivalents

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

12. Other bank balances

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

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

13. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹2 each (March 31, 2024: Equity Shares of ₹2 each)	1,247,500,000	24,950	1,247,500,000	24,950
Preference share capital				
Authorised:				
Preference shares of ₹10 each (March 31, 2024: Preference Shares of ₹10 each)	43,000,000	4,300	43,000,000	4,300
Issued, subscribed and fully paid:				
Equity shares of ₹2 each (March 31, 2024: Equity Shares of ₹2 each) (Refer note (a) below)	130,707,548	2,614	130,707,548	2,614

Notes:

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Opening balance	130,707,548	2,614	130,707,548	2,614
Changes in share capital during the year	-	-	-	-
Closing balance	130,707,548	2,614	130,707,548	2,614

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding
AvH Resources India Private Limited	25,668,790	19.64%	25,668,790	19.64%
PI Opportunities Fund I Scheme II	13,207,548	10.10%	13,207,548	10.10%
R V Consulting Services Private Limited	12,078,125	9.24%	12,078,125	9.24%
Aruna Sammidi	7,619,850	5.83%	7,619,850	5.83%
Rachana Sammidi	6,608,540	5.06%	6,608,540	5.06%
Anand Reddy Sammidi	7,304,745	5.59%	7,304,745	5.59%
Sreekanth Reddy Sammidi	6,992,681	5.35%	6,969,140	5.33%

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

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
R V Consulting Services Private Limited	12,078,125	9.24%	-	12,078,125	9.24%	3.11%
Aruna Sammidi	7,619,850	5.83%	-	7,619,850	5.83%	0.59%
Anand Reddy Sammidi	7,304,745	5.59%	-	7,304,745	5.59%	0.59%
Sreekanth Reddy Sammidi	6,992,681	5.35%	0.02%	6,969,140	5.33%	0.59%
Rachana Sammidi	6,608,540	5.06%	-	6,608,540	5.06%	0.59%
Vanajatha Sammidi	4,953,845	3.79%	-	4,953,845	3.79%	-
Sagar Priya Housing And Industrial Enterprises Limited	4,300,000	3.29%	-	4,300,000	3.29%	-
Siddarth Sammidi	4,109,490	3.14%	-	4,109,490	3.14%	-
Aneesh Reddy Sammidi	4,109,485	3.14%	-	4,109,485	3.14%	-
Malathi Reddy Wdaru	1,888,500	1.44%	-	1,888,500	1.44%	(1.45%)
Madhavi Nadikattu	1,469,000	1.12%	-	1,469,000	1.12%	(0.92%)
Andhra Pradesh Industrial Development Corporation Limited	1,566,425	1.20%	-	1,566,425	1.20%	-
Panchavati Polyfibres Limited	157,500	0.12%	-	157,500	0.12%	-
P V Narsimha Reddy	10,000	0.01%	-	10,000	0.01%	-

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



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

All amounts are in ₹ Lakhs unless otherwise stated

14. Other equity

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

Movement in other equity is as follows:

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

Nature of reserves

(a) Capital Reserve

This represents subsidies received from the government.

(b) Securities premium

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

(c) General reserve

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

(d) Retained earnings

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

(e) Other items of other comprehensive income

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

* Current maturities of non-current borrowings have been disclosed under the head 'Current borrowings'.

Note (i):

As at March 31, 2025:

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	966	14 monthly instalments	8.59%
Tata Capital Financial Services Limited (Refer note 1 below)	1,940	7 quarterly instalments	11.30%
Axis Bank Limited (Refer note 3 below)	604	4 quarterly instalments	10.00%
State Bank of India (Refer note 4 below)	598	4 quarterly instalments	11.15%
Axis Bank Limited (Refer note 5 below)	355	10 monthly instalments	8.75%
HDFC Bank Limited (Refer note 6 below)	750	12 monthly instalments	9.00%
The Federal Bank Limited (Refer note 7 below)	375	2 quarterly instalments	10.00%
The Federal Bank Limited (Refer note 8 below)	276	12 monthly instalments	9.00%
Axis Bank Limited (Refer note 9 below)	15,700	24 quarterly instalments	10.85%
Vehicle loans from various banks (Refer note 10 below)	494	23 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(7,215)		
Total	14,843		

As at March 31, 2024:

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

Notes:

- Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram, plant and machinery of Waste heat recovery power plant at Mattampally and vehicles purchased under hire purchase agreements, and by second charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
- Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
- Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
- Term loan is secured by exclusive charge on the assets of 6.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.



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

All amounts are in ₹ Lakhs unless otherwise stated

5. Term loan is secured by second pari-passu charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.
6. Term loan is secured by second pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram, plant and machinery of Waste heat recovery power plant at Mattampally and vehicles purchased under hire purchase agreements, and on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
7. Term loan is secured by pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
8. This term loan is secured by first pari-passu charge on asset to be created through proceeds of the loan and second pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by National credit guarantee trustee Ltd.
9. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future, hypothecation of all rights, title and interests of the Company under all plant documents, contracts, insurance policies, permits/approvals etc related to the plant, to which the Company is party and can be legally assigned and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
10. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.
11. The Company has used the borrowings for the purposes for which it was taken.

Note (ii):

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

15B Current borrowings (Secured, amortised at cost)

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

Notes:

1. The Company has availed cash credit facilities from State bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 9.40% p.a. to 10.45% p.a. (2023-24: 8.75% p.a. to 9.40% p.a.).
2. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit) and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 9.40% p.a. to 9.70% p.a. (2023-24: 8.90% p.a. to 9.50% p.a.).
3. The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit), and post dated cheques aggregating ₹1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.45% p.a. to 10.01% p.a. (2023-24: 8.20% p.a. to 9.75% p.a.).
4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.50% p.a. to 9.10% p.a. (2023-24: 8.50% p.a. to 9.10% p.a.).
5. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Managing Director. The loans are repayable on demand and carries interest @ 9.40% p.a. to 9.60% p.a. (2023-24: 8.35% p.a. to 9.40% p.a.).
6. The Company has used the borrowings for the purposes for which it was taken.
7. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.



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

All amounts are in ₹ Lakhs unless otherwise stated

16. Other financial liabilities

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

Notes:

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

17. Provisions

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

18. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 30)	2,104	4,593
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	31,652	31,899
Total trade payables	33,756	36,492

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

FY 2024-25:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	1,410	694	-	-	-	2,104
(ii) Others	26,809	4,218	107	41	477	31,652
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	28,219	4,912	107	41	477	33,756

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	4,511	82	-	-	-	4,593
(ii) Others	24,165	7,181	76	10	467	31,899
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	28,676	7,263	76	10	467	36,492

19. Other Liabilities

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

20. Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from		
– Sale of cement and clinker (Refer note 38)	153,388	188,482
– Sale of power (Refer note 38)	647	267
– Sale of Services – Contract manufacturing (Refer note 38)	1,057	-
Other operating income		
– Income from trademark and staffing charges to subsidiary	741	681
– Sale of scrap	288	232
– Sale of coal (Refer note 34)	417	966
– Insurance claims	64	45
– Others	62	82
Total revenue from operations	156,664	190,755



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

All amounts are in ₹ Lakhs unless otherwise stated

21. Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income on financial assets at amortised cost	2,642	2,092
Gain on sale of Investments	-	3,189
Liabilities no longer required written back	1	9
Net gain on foreign currency transactions and translation	-	81
Miscellaneous income	20	20
Total other income	2,663	5,391

22. Cost of materials consumed

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

23A Purchase of Stock-in-trade

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

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

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

24 Employee benefits expense

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



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

All amounts are in ₹ Lakhs unless otherwise stated

25. Finance cost

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

Notes:

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

26. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 2)	11,598	11,323
Depreciation on right of use assets (Refer note 3 and 35)	167	155
Amortisation of intangible assets (Refer note 4A)	177	173
Total depreciation and amortisation	11,942	11,651

27. Other expenses

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Selling expenses	2,287	3,542
Expected credit loss allowance	(136)	-
Provision for incentives receivable from government	750	900
Provision for impairment on capital advances	46	-
Provision for impairment on supplier advances	132	50
Provision for inventory	111	-
Advances written off	5	-
Rent	204	222
Insurance	369	349
Rates and taxes	256	264
Expenditure on corporate social responsibility (Refer note 37)	244	290
Payment to auditors (Refer note (i) below)	90	97
Travelling and conveyance	646	655
Security services	431	380
Donations and contributions (Refer note 45)	78	812
Legal and other professional charges	694	717
Administrative expenses	473	360
Printing and stationery	41	105
Communication	87	94
Net Loss on foreign currency transactions and translation	41	-
Net loss on fair value change in financial instruments	56	10
Directors sitting fees	30	30
Loss on sale of plant and equipments	5	65
Miscellaneous expenses	18	39
Total other expenses	21,389	23,394



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

All amounts are in ₹ Lakhs unless otherwise stated

Note:

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

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

27A Exceptional items

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

Note: During the year, the Andhra Pradesh Electricity Regulatory Commission issued orders dated October 25, 2024 & November 29, 2024 to recover the True up of the Fuel and Power Purchase Cost Adjustment (FPPCA) from the years 2022-23 onwards. The amounts for FY 2022-23 and FY 2023-24 have been recorded.

28. Income tax expense

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

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

(b) Reconciliation of effective tax rate:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	Opening balance	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	21,620	(192)	-	-	21,428
Provision for employee benefits	(437)	(123)	38	-	(522)
Expected credit loss allowance	(484)	48	-	-	(436)
MAT credit entitlement	(8,708)	-	-	-	(8,708)
Others (Refer note below)	(1,103)	(305)	-	-	(1,408)
Carry forward business unabsorbed depreciation and business losses	(89)	(4,705)	-	-	(4,794)
Total Deferred tax liability (Net)	10,799	(5,277)	38	-	5,560

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

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

Particulars	Opening balance	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	20,978	642	-	-	21,620
Provision for employee benefits	(346)	(41)	(50)	-	(437)
Expected credit loss allowance	(484)	-	-	-	(484)
MAT credit entitlement	(8,375)	(333)	-	-	(8,708)
Others (Refer note below)	(782)	(321)	-	-	(1,103)
Carry forward business unabsorbed depreciation and business losses	(636)	547	-	-	(89)
Total Deferred tax liability (Net)	10,355	494	(50)	-	10,799

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



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

All amounts are in ₹ Lakhs unless otherwise stated

(d) Income tax assets and liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax assets (Net of provision of ₹ 5,999 (2023-24: ₹ 6,554))	1,542	1,551
Income tax liabilities (Net of advance tax and TDS receivable of ₹ 345 (2023-24: ₹ 814))	(595)	(1,018)
Net Income tax liabilities	947	533

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

a) Contingent Liabilities:

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

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

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

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

The appeals were admitted by the Hon'ble High Court on June 13, 2024. As at March 31, 2025, they are pending for final disposal and will be heard in due course.

- iii) The Hon'ble Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications from the judiciary/ department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.
- iv) Out of the total direct tax matters aggregating to ₹ 5,605, an amount of ₹ 2,518 does not result in any additional tax outflow. While no immediate tax liability is incurred, the outcome of these matters could affect the eligibility for carrying forward and setting off of the Minimum Alternate Tax (MAT) credit and business losses in subsequent years.

b) Corporate Guarantees given to subsidiary companies:

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

c) Capital and other commitments:

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	2,660	2,843



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	2,104	4,593
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each financial year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-*
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

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

31. Financial Instruments:

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

A. Capital Management

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

Gearing ratio

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

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

B. Financial instruments:

a) Classification of financial assets and liabilities

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

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Financial assets			
Measured at amortised cost			
(i) Investments	5	48,665	48,665
(ii) Loans	6	16,188	11,110
(iii) Trade receivables	10	15,480	16,361
(iv) Cash and cash equivalents	11	6,658	15,583
(v) Other bank balances	12	6,392	7,154
(vi) Other financial assets	7	4,190	4,823
Total Financial assets		97,573	1,03,696

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Financial liabilities			
Measured at fair value through profit and loss (FVTPL)			
Derivative Liability	16	66	10
Measured at amortised cost			
(i) Borrowings	15A & 15B	48,330	47,795
(ii) Trade payables	18	33,756	36,492
(iii) Lease liabilities	35	1,681	107
(iv) Other financial liabilities	16	10,845	12,124
Total Financial liabilities		94,678	96,528

b) Fair value measurements

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

Level 1

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

Level 2

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

Level 3

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

c) Fair value hierarchy

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

Particulars	Notes	As at March 31, 2025	As at March 31, 2024	Level	Valuation techniques and key inputs
Financial liabilities					
Measured at fair value through profit and loss (FVTPL)					
Derivative Liability	16	66	10	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

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



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

All amounts are in ₹ Lakhs unless otherwise stated

C. Financial risk management objectives:

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

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

D. Market risk:

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

Interest rate risk management:

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

Interest rate sensitivity analysis

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

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

Foreign currency exchange rate risk

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

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

Particulars	USD	
	As at March 31, 2025	As at March 31, 2024
Financial Liabilities		
Trade payables	3,286	7,118
Payables on purchase of property, plant and equipment	135	113
Total	3,421	7,231
Less:		
Derivatives - Foreign Currency forward contracts	3,286	7,118
Net exposure in financial liabilities	135	113
Net exposure in respect of recognised assets/ (liabilities)	(135)	(113)

Sensitivity analysis:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

E. Credit risk management:

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

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

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

F. Liquidity risk management:

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

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

Financing facilities:

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

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

Particulars	< 1 Year	1-2 years	> 2 years
Trade Payables	33,756	-	-
Other financial liabilities	1,409	756	8,746
Borrowings (including current maturities of non-current borrowings)*	33,487	3,642	11,201

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

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

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	36,492	-	-
Other financial liabilities	971	782	10,381
Borrowings (including current maturities of non-current borrowings)*	24,620	8,295	14,880

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

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

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

33. Employee benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

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

Superannuation Fund

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

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

Employee State Insurance

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

(ii) Defined benefit plan:

Gratuity:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

Investment Risk

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

Interest Risk

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

Longevity risk

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

Salary risk

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

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

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	6.83%	7.22%
Expected rate of return on plan asset	7.68%	7.67%
Expected average remaining working lives of employees	16.08 years	16.37 years
Rate of escalation in salary	8.52%	10.76%
Attrition rate	10.92%	13.32%

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	296	162
Interest expense	116	105
Other adjustments	14	11
Expected return on plan assets	(65)	(69)
Defined benefit cost included in profit and loss	361	209
Amounts recognised in Other Comprehensive Income (OCI) are as follows:		
Remeasurements – Due to financial adjustments	(160)	150
Remeasurements – Due to demographic adjustments	15	(59)
Remeasurements – Due to experience adjustments	38	52
Return on plan assets (excluding interest income)	(3)	-
Components of defined benefit costs recognised in OCI	(110)	143



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of funded defined benefit obligations	1,987	1,882
Fair value of plan assets	(870)	(989)
Net liability arising from defined benefit obligation	1,117	893

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Defined benefit obligation at the beginning of the year	1,882	1,657
Current service cost	296	162
Interest cost	116	105
Remeasurements – Due to financial adjustments	(160)	150
Remeasurements – Due to demographic adjustments	15	(59)
Remeasurements – Due to experience adjustments	38	52
Benefits paid out of plan assets and by employer	(200)	(185)
Defined benefit obligation at the year end	1,987	1,882

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within 1 year	234	297
1 – 2 years	230	229
2 – 3 years	256	248
3 – 4 years	207	206
4 – 5 years	202	232
5 – 10 years	681	695

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

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

g) Sensitivity Analysis:

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation at the period end by one percentage, keeping all other actuarial assumptions constant.

Particulars	Defined Benefit Obligation			
	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,577	1,748	1,624	1,787
Effect of 1% change in assumed salary rate	1,745	1,575	1,779	1,626
Effect of 1% change in assumed attrition rate	1,651	1,666	1,690	1,713

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

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Insurer managed funds (Funded with LIC – No further break-up of funds is available)	870	989

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



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

All amounts are in ₹ Lakhs unless otherwise stated

Compensated absences:

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

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

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

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

34. Related Party Disclosures:

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

Name	Relationship
Sagar Cements (M) Private Limited	Subsidiary Company
Andhra Cements Limited	Subsidiary Company
Key managerial personnel (KMP):	
K. V. Vishnu Raju	Chairman
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Madhavan Ganesan	Nominee Director
Ravichandran Rajagopal	Independent Director
Rachana Sammidi	Director
John Eric Fernand Pascal Cesar Bertrand	Director (Upto October 21, 2024)
Jens Van Nieuwenborgh	Nominee Director
K. Prasad	Chief Financial Officer (CFO)
J. Raja Reddy	Company Secretary (CS)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
S. Siddarth Reddy	Son of Dr. S. Anand Reddy
S. Sahithi	Daughter of Dr. S. Anand Reddy
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagar Power Limited	Enterprise where KMP along with their relatives exercise significant influence
R V Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagarsoft (India) Limited	Enterprise where KMP along with their relatives exercise significant influence
AvH Resources India Private Limited	Enterprise where a director of Sagar Cements Limited is a director



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Nature of transaction	Party Name	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of packing materials	Panchavati Polyfibres Limited	4,805	6,316
Purchase of property, plant and equipment	Andhra Cements Limited	10	92
Purchase of spares	Andhra Cements Limited	-	9
	Sagar Cements (M) Private Limited	-	24
	Total	-	33
Rent expenses paid	Dr. S. Anand Reddy	45	43
	S. Sreekanth Reddy	45	43
	S. Vanajatha	45	43
	Total	135	129
Legal and professional expenses	Sagarsoft (India) Limited	78	57
Income from services	Sagar Cements (M) Private Limited	236	224
	Andhra Cements Limited	505	456
	Total	741	680
Sale of clinker	Andhra Cements Limited	-	579
Sale of Coal	Andhra Cements Limited	417	966
Sale of spares	Andhra Cements Limited	7	11
Purchase of clinker	Andhra Cements Limited	2,525	4,001
Purchase of coal	Andhra Cements Limited	-	4
Purchase of slag	Andhra Cements Limited	-	1
Purchase of gypsum	Andhra Cements Limited	-	2

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



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

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party Name	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend paid	S. Vanajatha	35	35
	R V Consulting Services Private Limited	85	85
	S. Siddarth	29	29
	Panchavati Polyfibres Limited	1	1
	AvH Resources India Private Limited	180	180
	Dr. S. Anand Reddy	51	46
	S. Sreekanth Reddy	49	43
	Rachana Sammidi	46	41
	Total	476	460

Compensation to key managerial personnel is as follows:

Nature of transaction	Party Name	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term benefits	MD, JMD, CS and CFO	939	830
Post-employment benefits	MD, JMD, CS and CFO	223	76
Sitting fee	Chairman and Directors	31	30

Outstanding balances:

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

Nature of the balance	Party Name	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due	Sagar Cements (M) Private Limited	~*	1,296
	Andhra Cements Limited	829	214
	Total	829	1,510
Rent Payable	Dr. S. Anand Reddy	4	-
	S. Sreekanth Reddy	4	-
	S. Vanajatha	4	-
	Total	12	-
Trade payables	Panchavati Polyfibres Limited	1,080	642
	Sagarsoft (India) Limited	7	-
	John Eric Fernand Pascal Cesar Bertrand	4	-
	Jens Van Nieuwenborgh	3	-
	Total	1,094	642
	Trade Receivable	-	102
Corporate guarantee (Refer Note 29)	Sagar Cements (M) Private Limited	26	156
	Total	26	258
	Sagar Cements (M) Private Limited	37,000	37,000
	Andhra Cements Limited	70,500	66,500
	Total	1,07,500	1,03,500

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



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

All amounts are in ₹ Lakhs unless otherwise stated

35. Lease

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

Lease commitments

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

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

The Company has elected not to apply the requirements of para 22-49 of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	584	723
Additions	1,940	16
Depreciation	(167)	(155)
Closing Balance	2,357	584

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

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	107	247
Additions	1,896	16
Finance cost accrued during the year	77	9
Payment of lease liabilities	(399)	(165)
Closing Balance	1,681	107

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Non-current lease liabilities	1,232	79
Current lease liabilities	449	28
Total	1,681	107



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within one year	449	28
After one year but not more than five years	915	48
More than five years	317	31

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within one year	469	28
After one year but not more than five years	1,416	59
More than 5 years	577	274

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amortisation of right of use assets	167	155
Interest on lease liability	77	9
Expense relating to short term lease	204	222

36. Earnings per share

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

37. Corporate Social Responsibility (CSR) activities

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	1,76,901	2,17,009
Less: Discounts and incentives	(21,809)	(28,260)
Total revenue from contracts with customers	1,55,092	1,88,749

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

(b) Disaggregation of Revenue:

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

Revenue by timing of recognition:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Goods transferred at a point in time	1,54,035	1,88,749
Services transferred at a point in time	1,057	-

- (c) The amount of revenue recognised during the year against the advance from customers outstanding at the beginning of the year is ₹ 2,659 (March 31, 2024: ₹ 4,046). There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

39. Dividend

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

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

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

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

40. Capital Work-in-Progress:

(a) Capital Work-in-Progress:

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

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

Ageing for capital work-in-progress as at March 31, 2025 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	682	183	638	98	1,601

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

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

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

(c) Capitalisation of expenditure:

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

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

41. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2025	Transactions during the year ended March 31, 2024	Balance outstanding as at March 31, 2025 *	Balance outstanding as at March 31, 2024 *
Marble Estate India Limited	Customer	Sale of cement	-	-	(0.13)	(0.13)
Keller Ground Engineering India Private Limited			-	-	(2.00)	(2.00)
Target Fabrication & Constructions Private Limited			-	-	(0.10)	(0.10)

* Negative amount indicates payable.

42. Key financial ratios:

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

- (1) Debt = Long term secured loans + Current maturities of long-term debt + Loan term unsecured loans + Cash credit facilities
- (2) Net Worth = Equity share capital + Other equity
- (3) Excluding refinanced debt for all the loan funds during the period
- (4) Average inventory = (Opening + Closing balance)/2
- (5) Average trade receivables = (Opening + Closing balance)/2
- (6) Average trade payables = (Opening + Closing balance)/2
- (7) Capital Employed = Tangible net worth + Total debt + Deferred tax liability

Notes:

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

45. Political contributions amounting to ₹ Nil (March 31, 2024: ₹ 250), which includes ₹ Nil (March 31, 2024: ₹ 250) contributed through electoral bonds made in accordance with Section 182 of the Companies Act, 2013. The Company has considered the Supreme Court judgement dated February 15, 2024, including the directions to the State Bank of India and the Election Commission of India on furnishing and public disclosure of information in respect of the electoral bonds. Political contributions via Electoral Bonds for the year ended March 31, 2024, were made by the Company prior to the Hon'ble Supreme Court judgement pronounced on February 15, 2024.

46. Other statutory information

- (i) The Company does not have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not revalued its Property, plant & equipment (including right-of-use assets) and Intangible assets during the period.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with registrar of companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other

person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

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

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

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2025

Place: Hyderabad
Date: May 12, 2025



INDEPENDENT AUDITOR’S REPORT

To The Members of **Sagar Cements Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

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

Basis for Opinion

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

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor’s Response
1	Revenue from Operations – Sales made to trade customers/dealers from godown/warehouse: (Refer Note 19 to the consolidated financial statements) Revenue from sale made to trade customers/dealers from godown/ warehouse is recorded at the time of dispatch based on sales order raised which are backed by orders taken by the field sales officers. In addition, confirmation from such trade customers/dealers are obtained on dispatch of goods.	Principle audit procedures performed included the following: - Evaluated the Group’s accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). - Obtained an understanding of the management’s process and evaluated the design and tested the implementation and operating effectiveness of the Group’s internal financial controls over the revenue recognition process. - The Group recognises the revenue upon the dispatch of goods to the customer in the ERP. Accordingly, we have tested the General Information Technology Controls around the ERP.



INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
	Given the volume of such sales orders, which are in the form of oral/ email requests received from the sales officers, basis which the sales orders are entered in the system, there is significant audit effort to ensure that revenue is recorded based on such sale orders and confirmed by customer's acknowledgement on dispatch. We have identified the occurrence of sales from godown / warehouse to trade customers / dealers as a Key Audit Matter.	◆ Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verified the underlying documents pertaining to conditions related to acceptance of goods, transfer of control and receipt against the same. ◆ Performed reconciliation of sales recorded with statutory records of the Group. ◆ Compared the sales made to trade customers/dealers from godown/warehouse with the historical sales to identify any significant fluctuations at customer level and inquired with the management on appropriateness of revenue recorded.

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

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

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

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

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

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

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

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

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

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



INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

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



INDEPENDENT AUDITOR'S REPORT

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

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

The Parent has not proposed final dividend for the year.

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

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

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

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



Place: Hyderabad
Date: May 12, 2025

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

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



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

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

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

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

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

Auditor’s Responsibility

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

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

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

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



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

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

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

Opinion

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

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

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

C Manish Muralidhar
(Partner)

(Membership No. 213649)
(UDIN: 25213649BMOENC4735)

Place: Hyderabad
Date: May 12, 2025



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

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

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

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



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

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

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

B. Other equity

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

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

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

In terms of our report attached

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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



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



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

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

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

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

Reconciliations of lease liability:

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

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

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



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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



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

All amounts are in ₹ Lakhs unless otherwise stated

1. Corporate information and material accounting policies

(a) Corporate Information:

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

(b) Material accounting policies

(i) Statement of compliance

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

(ii) Basis of preparation and presentation

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

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

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

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

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

(iii) Functional and Presentation currency

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

Rounding of amounts

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

(iv) Use of estimates and Judgements

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

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

◆ **Defined benefit plans**

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

◆ **Recognition of deferred tax assets and liabilities**

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

◆ **Fair value measurement of Financial instruments**

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

◆ **Provisions and contingencies**

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

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

◆ **Leases**

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

◆ **Impairment of investments**

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

◆ **Inventories**

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

◆ **Expected credit losses**

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

◆ **Mining rights**

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

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

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

(v) **Basis of consolidation**

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

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

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

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

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

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

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

Consolidation procedure:

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

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

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

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

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

(vi) Business combination

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

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

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

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

Goodwill

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

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

Mining rights

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

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings. Subsequent to initial recognition, mining rights are reported at cost less accumulated amortisation and accumulated impairment losses.

A cash generating unit to which mining right has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any mining rights allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

Measurement period adjustments

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted

through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(vii) Non-controlling interests ("NCI")

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests and entitling their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit and loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

(viii) Goodwill

Goodwill is measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation

is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(ix) Revenue recognition

The Group derives revenue from the sale of cement and recognises when it transfers control over the goods to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

Revenue from service contracts with customers is recognised when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Generation of Power

In case of power generation, revenue from sale of energy is recognised on accrual basis. Claims for delayed payment charges and any other claims, which the Group is entitled to, on grounds of prudence are accounted on admittance basis.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income/interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(xi) Government grants

Grants from the Government are recognised when there is reasonable assurance that:

- The Group will comply with the conditions attached to them; and
- The grant will be received.

(xii) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans

The Group's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of

the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in statement of profit and loss when the plan amendment or curtailment occurs. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- ◆ service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ◆ net interest expense or income; and
- ◆ re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense.'

Compensated Absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected

cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method. Compensated absences classified as non-current are those which are not expected to occur within twelve months after the end of the period in which the employee renders the related service and are recognised based on actuarial valuation.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

(xiii) Taxation

Income tax expense represents the sum of current tax and deferred tax. Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because it excludes items of income or expense that



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of the goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum alternate tax

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(xiv) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The initial cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Freehold land is not depreciated.

Subsequent costs incurred are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Capital work-in-progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such capital works in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery and railway siding is charged under straight line method and on other assets depreciation is charged under WDV method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Plant & Machinery	
– Power Plant	10-40 years
– Other than power plant	3-30 years
Electrical installations	3-40 years
Railway siding	25 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Group follows the process of componentisation for property, plant and equipment. Accordingly, the group has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset/component of an asset, the estimated usage of the asset/component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets/components of an asset. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/component of an asset.

The Company had opted for deemed cost exemption under Ind AS 101 on transition of Ind AS.

Land-Restoration:

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows. The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Consolidated Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Consolidated Statement of Profit and Loss.

Asset Held For Sale:

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition and the sale is highly probable.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

(xv) Intangible assets and amortisation

Computer software acquired are measured on initial recognition at cost and mining rights are recognised on account of business combination. Cost comprises the purchase price (net of tax/duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(xvi) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Work-in-progress and finished goods include appropriate proportion of overheads.

The methods of determining cost of various categories of inventories are as follows:

Type of Inventory	Method
Raw materials and coal	Weighted average method
Stores and spares and packing materials	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average method and including an appropriate share of applicable overheads.

(xvii) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand, in bank and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. If the contractual restrictions to use the cash extend beyond twelve months after the end of the reporting period, the related amounts are classified as non-current in the balance sheet.

Cash flows are reported using indirect method whereby profit/(loss) before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part

of the Group's cash management. Such overdrafts are presented as short-term borrowings in the balance sheet.

(xviii) Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognised in the statement of profit and loss in the period in which they arise.

(xix) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management evaluates the Group's performance and allocates resources based on analysis of various performance indicators by business segments.

(xx) Financial Instruments

(A) Initial recognition

Financial assets and financial liabilities are recognized when a Group becomes a party to the contractual provisions of the instruments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognized immediately in profit and loss.

(B) Subsequent measurement

Non-derivative Financial Instruments:

a. Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has

made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

c. Financial assets at fair value through profit and loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

(C) De-recognition of financial assets and liabilities

a. Financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

b. Financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 109 - Financial Instruments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

(xxi) Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not hold derivative financial instruments for speculative purposes.

(xxii) Investments

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(xxiii) Impairment of assets

a. Financial assets:

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- ◆ an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- ◆ significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- ◆ existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- ◆ an actual or expected significant deterioration in the operating results of the debtor;
- ◆ significant increases in credit risk on other financial instruments of the same debtor; and
- ◆ an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group

has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- ◆ the financial instrument has a low risk of default;
- ◆ the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- ◆ adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in

the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- ◆ when there is a breach of financial covenants by the debtor; or
- ◆ information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

(iii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal

advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with Ind AS 116.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

b. *Non-financial assets:*

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an Impairment loss. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

(xxiv) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(xxv) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised but only disclosed where an inflow of economic benefits is probable. Contingent assets are possible assets that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

(xxvi) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

(xxvii) Operating cycle

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(xxviii) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from April 01, 2025.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2025	As at March 31, 2024
Land - freehold	44,597	44,517
Land - restoration	462	453
Buildings	49,294	54,054
Plant and machinery	1,79,303	1,88,352
Furniture and fittings	1,130	248
Office and other equipment	3,352	3,892
Electrical installations	12,269	13,905
Computers	112	146
Vehicles	668	1,118
Railway siding	4,533	4,573
Total	2,95,720	3,11,258

For the year 2024-25

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross block (at cost)											
Opening balance	44,517	597	82,883	2,89,452	1,184	9,266	32,128	769	2,448	6,867	4,70,111
Add: Additions	81	67	1,223	3,458	950	373	799	47	99	26	7,123
Less: Disposals	1	-	1,613	2,550	8	172	926	20	328	-	5,618
Balance as at March 31, 2025	44,597	664	82,493	2,90,360	2,126	9,467	32,001	796	2,219	6,893	4,71,616
II. Accumulated depreciation											
Opening Balance	-	144	28,829	1,01,100	936	5,374	18,223	623	1,330	2,294	1,58,853
Add: Charge for the year	-	58	5,954	12,396	68	901	2,425	81	358	249	22,490
Less: Eliminated on disposal of assets	-	-	1,584	2,439	8	160	916	20	137	183	5,447
Balance as at March 31, 2025	-	202	33,199	1,11,057	996	6,115	19,732	684	1,551	2,360	1,75,896
Net block (I-II)											
Carrying value as at March 31, 2025	44,597	462	49,294	1,79,303	1,130	3,352	12,269	112	668	4,533	2,95,720
Carrying value as at March 31, 2024	44,517	453	54,054	1,88,352	248	3,892	13,905	146	1,118	4,573	3,11,258



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2023-24

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross block (at cost)											
Opening balance	44,505	247	70,662	2,82,500	1,091	8,044	29,977	639	1,580	6,867	4,46,112
Add: Charge for the year	120	350	12,221	12,256	93	1,745	2,177	130	987	-	30,079
Less: Disposals	108	-	-	4,314	-	523	26	-	119	-	5,090
Less: On asset reclassified as held for sale (Refer note 3 below)	-	-	-	990	-	-	-	-	-	-	990
Balance as at March 31, 2024	44,517	597	82,883	2,89,452	1,184	9,266	32,128	769	2,448	6,867	4,70,111
II. Accumulated depreciation											
Opening Balance	-	92	23,354	94,705	879	5,009	15,716	535	1,210	2,045	1,43,545
Add: Depreciation expense	-	52	5,475	11,386	57	776	2,529	88	233	249	20,845
Less: Eliminated on disposal of assets	-	-	-	2,659	-	411	22	-	113	-	3,205
Less: On asset reclassified as held for sale (Refer note 3 below)	-	-	-	853	-	-	-	-	-	-	853
Less: Reversal of impairment	-	-	-	1,479	-	-	-	-	-	-	1,479
Balance as at March 31, 2024	-	144	28,829	1,01,100	936	5,374	18,223	623	1,330	2,294	1,58,853
Net block (I-II)											
Carrying value as at March 31, 2024	44,517	453	54,054	1,88,352	248	3,892	13,905	146	1,118	4,573	3,11,258
Carrying value as at March 31, 2023	44,505	155	47,308	1,87,795	212	3,035	14,261	104	370	4,822	3,02,567

1. Pledge on property, plant and equipment:

- Property, plant and equipment (other than vehicles, certain other equipment and land restoration) with a carrying amount of ₹ 2,94,523 (March 31, 2024: ₹ 3,09,687) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles, certain other equipment and land restoration) are subject to a pari-passu second charge on the Company's current borrowings. Refer note 14A and 14B.
- Vehicles and certain other equipment with carrying amount of ₹ 735 (March 31, 2024: ₹ 851) are hypothecated to respective banks against loans. Refer note 14A and 14B..

2. The Group has not revalued its Property, plant and equipment during the year ended March 31, 2025 and March 31, 2024.

3. Asset held for sale represents Cement Mill I and Cement Mill II along with its auxiliary equipments. These assets are classified as asset held for sale based on sale agreement executed by the Andhra Cements Limited, Subsidiary Company, pending clearance of the above-mentioned assets from site by the identified buyer. Asset held for sale is classified at lower of cost and fair value less cost to sell.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

3. Right of use assets

Particulars	As at March 31, 2025	As at March 31, 2024
Buildings	266	56
Land	971	986
Plant and Machinery*	1,557	-
Total	2,794	1,042

For the year 2024-25

Particulars	Buildings	Land	Plant and Machinery *	Total
Gross Block				
Opening Balance	124	1,067	-	1,191
Add: Additions	374	-	1,573	1,947
Less: Deletion	52	-	-	52
Balance as at March 31, 2025	446	1,067	1,573	3,086
II. Accumulated depreciation				
Opening Balance	68	81	-	149
Add: Charge for the year	164	15	16	195
Less: Deletion	52	-	-	52
Balance as at March 31, 2025	180	96	16	292
Net block (I-II)				
Carrying value as at March 31, 2025	266	971	1,557	2,794
Carrying value as at March 31, 2024	56	986	-	1,042

For the year 2023-24

Particulars	Buildings	Land	Plant and Machinery *	Total
Gross Block				
Opening Balance	471	1,067	-	1,538
Add: Additions	50	-	-	50
Less: Deletion	397	-	-	397
Balance as at March 31, 2024	124	1,067	-	1,191
II. Accumulated depreciation				
Opening Balance	293	65	-	358
Add: Charge for the year	172	16	-	188
Less: Deletion	397	-	-	397
Balance as at March 31, 2024	68	81	-	149
Net block (I-II)				
Carrying value as at March 31, 2024	56	986	-	1,042
Carrying value as at March 31, 2023	178	1,002	-	1,180

Note: Refer note 35 on lease.

* The ownership of the leased asset will be transferred to the Company at the end of the lease term. Depreciation for the same is calculated using the estimated useful life of the asset of 25 years.

The Company leases several assets whose lease term is as follows:

Particulars	Useful life (in years)
Building	2-10
Land	29-99



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

4A. Intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
Mining rights	8,132	8,503
Other intangible assets		
– Computer software	44	63
Total	8,176	8,566

For the year 2024-25

Particulars	Mining rights	Computer software	Total
I. Gross block (at cost)			
Opening Balance	10,226	367	10,593
Add: Additions	-	-	-
Less: Disposals	-	-	-
Balance as at March 31, 2025	10,226	367	10,593
II. Accumulated amortisation			
Opening Balance	1,723	304	2,027
Add: Charge for the year	371	19	390
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2025	2,094	323	2,417
Net block (I-II)			
Carrying value as at March 31, 2025	8,132	44	8,176
Carrying value as at March 31, 2024	8,503	63	8,566

For the year 2023-24

Particulars	Mining rights	Computer software	Total
I. Gross block (at cost)			
Opening Balance	10,226	329	10,555
Add: Additions on account of business combination	-	-	-
Add: Additions	-	38	38
Less: Disposals	-	-	-
Balance as at March 31, 2024	10,226	367	10,593

Particulars	Mining rights	Computer software	Total
II. Accumulated amortisation			
Opening Balance	1,352	297	1,649
Add: Charge for the year	371	7	378
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2024	1,723	304	2,027
Net block (I-II)			
Carrying value as at March 31, 2024	8,503	63	8,566
Carrying value as at March 31, 2023	8,874	32	8,906

Notes:

1. The Company has not revalued its intangible assets.
2. Computer software are amortised over the estimated useful lives of 6 years.
3. Mining rights are amortised the period of the respective mining agreement.

4B. Goodwill:

Goodwill recognised on business combinations is allocated to Cash Generating Units (CGUs) which are expected to benefit from the synergies of the acquisitions.

For the purpose of impairment testing carrying amount of Goodwill has been allocated to the following Cash generating unit (CGU):

Particulars	As at March 31, 2025	As at March 31, 2024
Gudipadu Unit of Sagar Cements Limited	3,873	3,873
Jaipur Unit of Sagar Cements Limited	65	65
Sagar Cements (M) Private Limited, Subsidiary Company	224	224
Total	4,162	4,162

The company tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets. The key assumptions for the value-in-use calculations are those regarding the discount rate, terminal growth rates and expected changes to volumes, selling price and Earnings before depreciation, interest and tax ("EBITDA") over the growth period. Basis management assessment, the goodwill is not impaired. Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

5. Loans (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Non-current		
Loans to employees	77	94
Total	77	94
Current		
Loans to employees	79	86
Total	79	86
Total loans	156	180

Note: No loans other than stated in the related party transactions disclosure (Refer note 34) are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

6. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits	4,459	4,140
Balances held as margin money deposit against borrowings (Refer note below)	461	469
Total	4,920	4,609
Current		
Security deposits	521	486
Advances to employees	86	98
Interest accrued but not due	378	269
Total	985	853
Total other financial assets	5,905	5,462

Note: Held as securities or earmarked for issue of bank guarantees/letter of credit/margin money.

7. Other assets (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital advances (Refer note (i) below)		
Unsecured considered good	879	969
Considered doubtful	446	400
Less: Provision for advances	(446)	(400)
	879	969
Advances to suppliers and service providers		
Unsecured considered good	-	71
Considered doubtful	71	-
Less: Provision for advances	(71)	-
	-	71
Prepaid expenses	1,665	1,377
Balances with government authorities		
Unsecured, considered good	197	194
Considered doubtful	179	179
Less: Provision for doubtful deposits	(179)	(179)
	197	194
Total	2,741	2,611
Current		
Advances to suppliers and service providers (Refer note (ii) below)		
Unsecured considered good	1,525	3,845
Considered doubtful	111	50
Less: Provision for advances	(111)	(50)
	1,525	3,845
Prepaid expenses	1,831	1,164
Balances with government authorities	313	802
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	587	1,337
Considered doubtful	3,409	2,659
Less: Provision for incentives receivable from government	(3,409)	(2,659)
	4,450	7,342
Total	4,450	7,342
Total other assets	7,191	9,953

Note:

- Includes ₹ 427 (March 31, 2024: ₹ 163) capital advances given to related party (Refer note 34).
- Includes ₹ 27 (March 31, 2024: ₹ 20) advances given to related party (Refer note 34).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

8. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	1,838	1,331
Coal	6,545	6,129
Work-in-progress	8,998	9,462
Stores and spares	6,404	6,637
Packing materials	664	705
Finished goods	2,555	2,147
Total (A)	27,004	26,411
Goods-in-transit:		
Raw materials	41	12
Coal	165	4,289
Packing materials	46	42
Stores and spares	104	-
Total (B)	356	4,343
Total inventories (A+B)	27,360	30,754

Note:

- Refer note 1(b)(xvi) for basis of valuation of inventory.
- ₹ 292 (As at March 31, 2024: ₹ 225) has been recognised in the statement of profit and loss towards written down of inventories considered obsolete/slow moving.
- The cost of inventories recognised as an expense includes ₹ 22 (As at March 31, 2024: ₹ 63) in respect of write-downs of inventory to net realisable value.
- Inventories with a carrying amount of ₹ 27,360 (As at March 31, 2024: ₹ 30,754) have been pledged as security. Refer note 14A and 14B for the details of borrowings.

9. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - Secured	3,752	4,430
Trade receivables considered good - Unsecured	16,665	16,342
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,267	1,397
Sub-total	21,684	22,169
Less: Expected credit loss allowance	(1,267)	(1,397)
Total trade receivables	20,417	20,772

Notes:

Includes ₹ 44 (March 31, 2024: ₹ 22) receivable from related party (Refer note 34) and refer note 14A and 14B for the details of trade receivables pledged.

No trade or other receivables, other than those disclosed in note 34, are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The ageing of the receivables is as follows:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

FY 2024-25:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	13,015	6,373	690	205	48	86	20,417
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	56	70	101	21	273	615	1,136
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	13,071	6,443	791	226	321	832	21,684

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	15,301	5,044	108	163	71	85	20,772
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	50	174	84	228	28	702	1,266
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	15,351	5,218	192	391	99	918	22,169



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of 100 per cent against all receivables over three years past due because historical experience has indicated that these receivables are generally not recoverable.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer segments.

FY 2024-25:

Particulars	Not due	Trade Receivables – days past due						Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Expected credit loss rate	0%	1%	13%	9%	85%	90%	6%	
Estimated total gross carrying amount at default	13,071	6,443	791	226	321	832	21,684	
Lifetime ECL	56	70	101	21	273	746	1,267	

FY 2023-24:

Particulars	Not due	Trade Receivables – days past due					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Expected credit loss rate	0%	3%	44%	58%	28%	91%	6%
Estimated total gross carrying amount at default	15,351	5,218	192	391	99	918	22,169
Lifetime ECL	50	174	84	228	28	833	1,397

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in Ind AS 109.

Movement in expected credit loss allowance

Particulars	Collectively assessed	Individually assessed	Total
Balance as at March 31, 2023	1,266	131	1,397
Net remeasurement of loss allowance	-	-	-
Amounts recovered	-	-	-
Balance as at March 31, 2024	1,266	131	1,397
Net remeasurement of loss allowance	-	-	-
Amounts recovered	130	-	130
Balance as at March 31, 2025	1,136	131	1,267



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

10. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash in hand	3	4
Balances with banks	497	223
Deposits with banks	6,549	16,491
Total Cash and cash equivalents	7,049	16,718

11. Other bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
Unpaid dividend account	30	38
Margin money deposits (Refer note below)	9,293	9,456
Total Other bank balances	9,323	9,494

Note: Margin money deposits to the extent these are against bank guarantees and cash credit facilities.

12. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2024: Equity Shares of ₹ 2 each)	1,24,75,00,000	24,950	69,75,00,000	13,950
Preference share capital				
Authorised:				
Preference shares of ₹ 10 each (March 31, 2024: Preference Shares of ₹ 10 each)	4,30,00,000	4,300	4,30,00,000	4,300
Issued, subscribed and fully paid:				
Equity shares of ₹ 2 each (March 31, 2024: Equity Shares of ₹ 2 each)	13,07,07,548	2,614	13,07,07,548	2,614

Notes:

(a) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Opening balance	13,07,07,548	2,614	13,07,07,548	2,614
Changes in share capital during the year	-	-	-	-
Closing balance	13,07,07,548	2,614	13,07,07,548	2,614



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

(b) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 2 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding
AvH Resources India Private Limited	2,56,68,790	19.64%	2,56,68,790	19.64%
PI Opportunities Fund I Scheme II	1,32,07,548	10.10%	1,32,07,548	10.10%
R V Consulting Services Private Limited	1,20,78,125	9.24%	1,20,78,125	9.24%
Aruna Sammidi	76,19,850	5.83%	76,19,850	5.83%
Rachana Sammidi	66,08,540	5.06%	66,08,540	5.06%
Anand Reddy Sammidi	73,04,745	5.59%	73,04,745	5.59%
Sreekanth Reddy Sammidi	69,92,681	5.35%	69,69,140	5.33%

(d) Details of shares held by the promoters in the Company and change during the year:

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
R V Consulting Services Private Limited	1,20,78,125	9.24%	-	1,20,78,125	9.24%	3.11%
Aruna Sammidi	76,19,850	5.83%	-	76,19,850	5.83%	0.59%
Anand Reddy Sammidi	73,04,745	5.59%	-	73,04,745	5.59%	0.59%
Sreekanth Reddy Sammidi	69,92,681	5.35%	0.02%	69,69,140	5.33%	0.59%
Rachana Sammidi	66,08,540	5.06%	-	66,08,540	5.06%	0.59%
Vanajatha Sammidi	49,53,845	3.79%	-	49,53,845	3.79%	-
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.29%	-	43,00,000	3.29%	-
Siddarth Sammidi	41,09,490	3.14%	-	41,09,490	3.14%	-
Aneesh Reddy Sammidi	41,09,485	3.14%	-	41,09,485	3.14%	-
Malathi Reddy Wdaru	18,88,500	1.44%	-	18,88,500	1.44%	(1.45%)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
Madhavi Nadikattu	14,69,000	1.12%	-	14,69,000	1.12%	(0.92%)
Andhra Pradesh Industrial Development Corporation Limited	15,66,425	1.20%	-	15,66,425	1.20%	-
Panchavati Polyfibres Limited	1,57,500	0.12%	-	1,57,500	0.12%	-
P V Narsimha Reddy	10,000	0.01%	-	10,000	0.01%	-

- (e) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

13A Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	37,551	37,551
Securities premium	88,351	88,351
General reserve	3,598	3,598
Retained earnings	40,271	62,165
Other items for other comprehensive income	(104)	(157)
Total other equity	1,69,667	1,91,508



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Movement in other equity is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Capital Reserve	37,551	37,551
(b) Securities premium	88,351	88,351
(c) General Reserve	3,598	3,598
(d) Retained earnings		
(i) Opening balance	62,165	67,416
(ii) Loss for the year	(20,979)	(4,336)
	41,186	63,080
Less: Appropriations		
(i) Dividend on equity shares (Refer note 41)	915	915
	40,271	62,165
(e) Other items of other comprehensive income		
(i) Opening Balance	(157)	(68)
(ii) Other comprehensive income	53	(89)
	(104)	(157)
Total	1,69,667	1,91,508

Nature of reserves

(a) Capital Reserve

This represents subsidies received from the government and on account of business combination as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the Section 52 of the Companies Act, 2013.

(c) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(d) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends paid to shareholders. Retained earnings is a free reserve available to the Group.

(e) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

13B Non-controlling Interests ('NCI')

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	7,847	7,017
Total comprehensive loss for the year attributable to NCI	(695)	(866)
Equity shares under Minimum public shareholding	-	1,696
Balance at end of the year	7,152	7,847

Details of subsidiaries with the non-controlling interests:

Name of the subsidiary	Place of incorporation and principal place of business	Non-controlling interests	
		As at March 31, 2025	As at March 31, 2024
Sagar Cements (M) Private Limited	India	35%	35%
Andhra Cements Limited	India	10%	10%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

14A Non current borrowings* (Secured, at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Non current borrowings* (Secured, at amortised cost)		
Term loans (Refer note (i) below)	94,651	1,07,753
Non-convertible debentures (Refer note (ii) below)	-	1,154
Non current borrowings* (Unsecured, at amortised cost)		
Loan from related parties (Refer note (iii) below)	2,500	-
Loan from others (Refer note (iv) below)	2,000	-
Total non-current borrowings	99,151	1,08,907

*Current maturities of non-current borrowings are disclosed under the head "Current borrowings".

Note (i):

As at March 31, 2025:

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	966	14 monthly instalments	8.59%
Tata Capital Financial Services Limited (Refer note 1 below)	1,940	7 quarterly instalments	11.30%
Axis Bank Limited (Refer note 2 below)	-	-	-
Axis Bank Limited (Refer note 3 below)	604	4 quarterly instalments	10.00%
State Bank of India (Refer note 4 below)	598	4 quarterly instalments	11.15%
Axis Bank Limited (Refer note 5 below)	355	10 monthly instalments	8.75%
HDFC Bank Limited (Refer note 6 below)	750	12 monthly instalments	9.00%
The Federal Bank Limited (Refer note 7 below)	375	2 quarterly instalments	10.00%
The Federal Bank Limited (Refer note 8 below)	276	12 monthly instalments	9.00%
Axis Bank Limited (Refer note 9 below)	15,700	24 quarterly instalments	10.85%
Yes Bank Limited (Refer note 10 below)	12,206	26 quarterly instalments	9.41%
State Bank of India (Refer note 11 below)	15,894	26 quarterly instalments	11.45%
State Bank of India (Refer note 12 below)	57,651	35 quarterly instalments	10.10%
Vehicle loans from various banks/financial institutions (Refer note 13 below)	494	23 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(13,158)		
	94,651		

As at March 31, 2024:

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	1,804	26 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer note 1 below)	3,083	11 quarterly instalments	10.85%
Axis Bank Limited (Refer note 2 below)	8	1 quarterly instalments	9.80%
Axis Bank Limited (Refer note 3 below)	1,247	8 quarterly instalments	9.80%
State Bank of India (Refer note 4 below)	1,198	8 quarterly instalments	10.65%
Axis Bank Limited (Refer note 5 below)	780	22 monthly instalments	9.00%
HDFC Bank Limited (Refer note 6 below)	1,500	24 monthly instalments	9.00%
The Federal Bank Limited (Refer note 7 below)	1,125	6 quarterly instalments	9.80%
The Federal Bank Limited (Refer note 8 below)	541	24 monthly instalments	9.25%
Axis Bank Limited (Refer note 9 below)	17,700	28 quarterly instalments	10.65%
Yes Bank Limited (Refer note 10 below)	13,866	30 quarterly instalments	10.65%
State Bank of India (Refer note 11 below)	18,102	30 quarterly instalments	10.50%
State Bank of India (Refer note 12 below)	59,452	39 quarterly instalments	9.75%
Vehicle loans from various banks/financial institutions (Refer note 13 below)	886	8 to 34 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(13,539)		
	1,07,753		

Notes:

- Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram, plant and machinery of Waste heat recovery power plant at Mattampally and vehicles purchased under hire purchase agreements, and by second charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

2. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
3. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
4. Term loan is secured by exclusive charge on the assets of 6.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
5. Term loan is secured by second pari-passu charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.
6. Term loan is secured by second pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram, plant and machinery of Waste heat recovery power plant at Mattampally and vehicles purchased under hire purchase agreements, and on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
7. Term loan is secured by pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
8. This term loan is secured by first pari-passu charge on asset to be created through proceeds of the loan and second pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by National credit guarantee trustee Ltd.
9. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future, hypothecation of all rights, title and interests of the Company under all plant documents, contracts, insurance policies, permits/approvals etc related to the plant, to which the Company is party and can be legally assigned and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
10. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents and in the clearances. First pari-passu charge on all the insurance contracts/insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares and Non Disposable Undertaking (NDU) for the balance shareholding of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.
11. Term loan is secured by first pari-passu charge on the property, plant and equipment (including 30 Acres of project lease land excluding mining land) owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents, excluding mining land. First pari-passu charge on all the insurance contracts/insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second pari-passu charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.
12. This term loan is secured by first pari-passu charge on all the immovable fixed assets (present & future) and all the movable fixed assets (present and future) by way of Equitable mortgage, and first charge on all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project documents, and lease holding rights on mining lands and first charge on all the insurance contracts/insurance proceeds of fixed assets and pledged 2,18,90,883 equity shares of Andhra Cements Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited and corporate guarantee of Sagar Cements Limited.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

13. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.

Note (ii):

Non-Convertible Debentures (NCD) have been issued to International Finance Corporation (IFC). A total of 1,500 NCD's have been issued (₹ 10 lakhs each) aggregating ₹ 15,000. Interest payable on the NCD's is @11.60%. The NCD's were issued on March 23, 2016. Interest is payable at half yearly rest with effect from May 31, 2016. Repayment for the NCD's are to be made in 13 equal half yearly instalments of ₹ 1,154 starting from May 2019 onwards. The NCD's are secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future, situated at certain location, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's.

Note (iii):

The Company had availed unsecured loan of ₹ 2,500 from R V Consulting Services Private Limited for the purpose of the business of the Company. The loans are repayable within a period of 36 months from the date of this agreement i.e., March 29, 2025 and carries interest @ 14.50% p.a. (2023-24: Nil).

Note (iv):

The Company had availed unsecured loan of ₹ 5,000 from Savyasachi Constructions Private Limited to meet its capital expenditure for the modernisation/expansion project and other general corporate purposes. The loans are repayable at the end of 3 years from the date of this agreement i.e., March 29, 2025 and carries interest @ 14.50% p.a. (2023-24: Nil).

Note (v): The Company has used the borrowings for the purposes for which it was taken.

14B Current borrowings (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Current borrowings (at amortised cost)		
Loans repayable on demand		
Cash credit facilities (Refer notes below)	29,338	19,150
Current maturities of non-current borrowings (Refer note 14A)	14,311	15,847
Total secured borrowings	43,649	34,997

Notes:

- The Company has availed cash credit facilities from State bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 9.40% p.a. to 10.45% p.a. (2023-24: 8.75% p.a. to 9.40% p.a.).
- The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit) and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 9.40% p.a. to 9.70% p.a. (2023-24: 8.90% p.a. to 9.50% p.a.).
- The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit), and post dated cheques aggregating ₹ 1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.45% p.a. to 10.01% p.a. (2023-24: 8.20% p.a. to 9.75% p.a.).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.50% p.a. to 9.10% p.a. (2023-24: 8.50% p.a. to 9.10% p.a.).
5. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Managing Director. The loans are repayable on demand and carries interest @ 9.40% p.a. to 9.60% p.a. (2023-24: 8.35% p.a. to 9.40% p.a.).
6. The Company has availed cash credit facilities from Yes Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.55% p.a. to 10.85% p.a. (2023-24: 9.75% p.a. to 11.15% p.a.).
7. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and including equitable mortgage(EM) of 30 acres of project lease land (mining land excluded), and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.40% p.a. to 9.95% p.a. (2023-24: 9.25% p.a. to 9.40% p.a.).
8. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.35% p.a. to 11.25% p.a. (2023-24: 9.25% p.a. to 9.35% p.a.).
9. The Company has availed cash credit facilities from Yes Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and first pari passu charge by way of pledge on equity shares of 2,18,90,883 shares held by Sagar Cements Limited in Andhra Cements Limited. The loans are repayable on demand and carries interest @ 10.55% p.a. to 10.75% p.a. (2023-24: Nil).
10. The Company has used the borrowings for the purposes for which it was taken.
11. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

15 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits received (Refer note (ii) below)	9,743	11,417
Loan from others	193	284
Total	9,936	11,701
Current		
Security deposits received (Refer note (ii) below)	326	-
Interest accrued but not due on borrowings	998	1,555
Unclaimed dividends (Refer note (i) below)	30	38
Payables on purchase of property, plant and equipment	4,585	490
Others (Salaries, Wages, Bonus and Other Employee Payables, Derivative liability etc.,)	165	10
Total	6,104	2,093
Total other financial liabilities	16,040	13,794

Notes:

- As at March 31, 2025 (March 31, 2024: ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.
- Security deposits received represents trade deposits accepted from customers in accordance with prevalent trade practices and do not have a contractual repayment term nor are they repayable on demand. In accordance with such trade terms, these security deposits are adjusted/re-paid when delinquencies take place, as the case may be, in rare circumstances, when the customer/dealer withdraws from the trade relationship with the Company. The actual maturity period for such deposit amounts and interest thereon could differ based on the date on which these deposits are settled to the customers.

16 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity (Refer note 32)	1,351	1,066
Compensated absences (Refer note 32)	719	667
Total provisions	2,070	1,733
Non-current		
Gratuity	1,066	738
Compensated absences	517	448
Total	1,583	1,186
Current		
Gratuity	285	328
Compensated absences	202	219
Total	487	547

17 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 30)	3,208	12,076
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	54,622	39,749
Total	57,830	51,825

Note: Includes ₹ 1,221 (March 31, 2024: ₹ 735) trade payable and includes ₹ 12 (March 31, 2024: ₹ Nil) rent payable to related party (Refer note 34).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Trade payables ageing schedule for the year ended March 31, 2025 and March 31, 2024:

FY 2024-25:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	2,341	867	-	-	-	3,208
(ii) Others	39,502	13,124	1,475	42	479	54,622
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	41,843	13,991	1,475	42	479	57,830

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	7,195	4,881	-	-	-	12,076
(ii) Others	31,590	7,470	90	90	509	39,749
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	38,785	12,351	90	90	509	51,825

18 Other Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Liability for land restoration	772	635
Total	772	635
Current		
Advance from customers	6,451	4,582
Statutory remittances	4,329	5,142
Total	10,780	9,724
Total other liabilities	11,552	10,359

19 Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from		
- Sale of cement and clinker (Refer note 40)	2,18,053	2,49,558
- Sale of power (Refer note 40)	647	267
- Sale of Services - Contract (Refer note 40)	1,057	-
Other operating income		
- Sale of scrap	439	494
- Incentives received from government	4,605	-
- Insurance claims	69	51
- others	894	91
Total revenue from operations	2,25,764	2,50,461



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

20 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income on financial assets at amortised cost	1,590	1,361
Profit on sale of property, plant & equipment	519	751
Gain on sale of Investments	-	3,189
Liabilities no longer required written back	2	10
Net gain on foreign currency transactions and translation	12	81
Miscellaneous income	20	20
Total other income	2,143	5,412

21 Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening stock	1,331	2,428
Add: Purchases	42,937	44,974
Less: Closing stock	1,838	1,331
Total cost of materials consumed	42,430	46,071
Details of materials consumed		
Limestone	12,768	12,339
Laterite	4,843	5,378
Iron-ore sludge	257	400
Gypsum	3,087	3,360
Flyash	5,622	6,305
Clinker Purchased	2,809	7,522
Slag	6,176	7,303
Others (includes internal clinker transportation charges)	9,658	8,280
Less: Captive consumption	(2,790)	(4,816)
Total	42,430	46,071

22 Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cement	592	1,781
Total Purchase of stock-in-trade	592	1,781

23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year:		
Finished goods	2,147	1,873
Work-in-progress	9,462	3,042
	-	-
	11,609	4,915
Inventories at the end of the year:		
Finished goods	2,555	2,147
Work-in-progress	8,998	9,462
	11,553	11,609
Net decrease/(increase)	56	(6,694)

24 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages, including bonus	10,865	9,779
Contribution to provident and other funds (Refer note 32)	1,222	978
Staff welfare expenses	1,221	973
Total employee benefits expense	13,308	11,730



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

25 Finance cost

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense	15,323	15,568
Interest on deposit from dealers	391	356
Interest on lease liability (Refer note 35)	87	20
Other borrowing cost (Refer note 1 below)	3,012	2,647
Less: Borrowing costs on qualifying assets capitalised	-	(108)
Total finance cost	18,813	18,483

Notes:

- Other borrowing cost includes interest on bills acceptances (supplier credit), bank guarantees and bank charges.

26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 2)	22,490	20,845
Depreciation on right of use assets (Refer note 3 and 35)	195	188
Amortisation of intangible assets (Refer note 4A)	390	378
Total depreciation and amortisation	23,075	21,411

27 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Packing materials consumed	7,549	7,950
Stores and spares consumed	5,926	5,038
Repairs and maintenance		
Plant & equipment	4,717	4,426
Buildings	36	60
Others	1,933	1,524

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Selling expenses	2,993	4,341
Expected credit loss allowances	(130)	-
Provision for incentives receivable from government	750	900
Provision for impairment on capital advances	46	-
Provision for impairment on supplier advances	132	50
Provision for inventory	111	-
Advances written off	5	-
Rent	270	261
Insurance	581	533
Rates and taxes	419	583
Expenditure on corporate social responsibility	244	290
Payment to Auditors	145	148
Travelling and conveyance	850	873
Security services	768	722
Donations and contributions (Refer note 46)	92	819
Legal and other professional	1,194	1,109
Administrative expenses	540	460
Printing and stationery	59	137
Communication	110	123
Net Loss on foreign currency transactions and translation	41	8
Net loss on fair value change in financial instruments	85	10
Directors sitting fees	67	58
Miscellaneous expenses	150	71
Loss on sale of asset	5	65
Total other expenses	29,688	30,559



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

28 Income tax expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Income tax recognised in the statement of profit & loss		
Current tax:		
In respect of the current year	-	890
	-	890
Deferred tax		
In respect of current year origination and reversal of temporary differences	(6,685)	(4,097)
	(6,685)	(4,097)
Total tax expense	(6,685)	(3,207)

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loss before tax (A)	(28,353)	(8,412)
Enacted tax rates in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	(9,907)	(2,939)
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(182)	(475)
Effect on expenses disallowed under Income Tax Act, 1961	316	540
Effect on change in depreciation and losses while filing Income tax return	(21)	(33)
Effect on change in Income tax rate	-	(557)
Effect of Tax paid at a lower rate	316	256
Tax loss in respect of which deferred tax asset is not recognised in the current year	3,474	-
Others	(681)	1
Total	3,222	(268)
At the effective income tax rate	(6,685)	(3,207)
Total Tax expense	(6,685)	(3,207)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Movement in deferred tax assets and liabilities for the year 2024-25:

Particulars	Opening balance	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	39,851	(123)	-	-	39,728
Provision for employee benefits	(531)	(148)	34	-	(645)
Expected credit loss allowance	(487)	46	-	-	(441)
MAT credit entitlement	(8,708)	-	-	-	(8,708)
Carry forward unabsorbed depreciation and business losses	(32,432)	(6,127)	-	-	(38,559)
Others (Refer note below)	(940)	(333)	-	-	(1,273)
Total Deferred tax liability (Net)	(3,247)	(6,685)	34	-	(9,898)

Note: Includes deferred tax asset on ROU ₹ 71 (2023-24: ₹ 51) and deferred tax liability on lease liability of ₹ 122 (2023-24: ₹ 54)

Movement in deferred tax assets and liabilities for the year 2023-24:

Particulars	Opening balance	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	37,784	2,067	-	-	39,851
Provision for employee benefits	(438)	(45)	(48)	-	(531)
Expected credit loss allowance	(487)	-	-	-	(487)
MAT credit entitlement	(8,375)	(333)	-	-	(8,708)
Carry forward unabsorbed depreciation and business losses	(26,991)	(5,441)	-	-	(32,432)
Others (Refer note below)	(595)	(345)	-	-	(940)
Total Deferred tax liability (Net)	898	(4,097)	(48)	-	(3,247)

Note: Includes deferred tax asset on ROU ₹ 51 (2022-23: ₹ 51) and deferred tax liability on lease liability of ₹ 54 (2022-23: ₹ 49)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2025

	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(18,300)	21,428	39,728
Provision for employee benefits	123	(522)	(645)
Expected credit loss allowance	5	(436)	(441)
MAT credit entitlement	-	(8,708)	(8,708)
Carry forward business losses and depreciation	33,765	(4,794)	(38,559)
Others	(135)	(1,408)	(1,273)
Total	15,458	5,560	(9,898)

As at March 31, 2024

	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(18,231)	21,620	39,851
Provision for employee benefits	94	(437)	(531)
Expected credit loss allowance	3	(484)	(487)
MAT credit entitlement	-	(8,708)	(8,708)
Carry forward business losses and depreciation	32,343	(89)	(32,432)
Others	(163)	(1,103)	(940)
Total	14,046	10,799	(3,247)

Income tax assets and liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax assets (Net of provision of ₹ 5,999 (2023-24: ₹ 6,554))	1,625	1,607
Income tax liabilities (Net of advance tax and TDS receivable of ₹ 345 (2023-24: ₹ 814))	595	1,018
Net Income tax liabilities	1,030	589

29. Contingent liabilities, corporate guarantees, capital and other commitments

a) Contingent Liabilities:

Based on legal opinion/advice obtained, no financial implication to the group with respect to the following cases is perceived as on the Balance Sheet date.

(i) Claims against the Group not acknowledged as debt:

Particulars	As at March 31, 2025	As at March 31, 2024
Direct taxes related	5,605	3,051
Indirect taxes related	1,716	1,622
Others	428	428

(ii) The Ministry of Finance, Government of India had announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts the Group took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,601 (As at March 31, 2024: ₹ 1,601) from July 2010 to September 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order, the amount of ₹ 1,601 was reversed, but under protest. The Hon'ble Tribunal vide Final Order A/30078/2023 dated April 26, 2023, upheld the demand of CENVAT credit but set aside the penalties of ₹ 11. Against the tribunal, two appeals were filed before the Hon'ble High Court and allotted Appeals No CEA 11 of 2024 and 12/2024. The appeals were admitted by the Hon'ble High Court on June 13, 2024. As at March 31, 2024, they are pending for final disposal and will be heard in due course.

(iii) The Hon'ble Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The group is awaiting further clarifications from the judiciary/departments in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the group, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

- (iv) Out of the total direct tax matters aggregating to ₹ 5,605, an amount of ₹ 2,518 does not result in any additional tax outflow. While no immediate tax liability is incurred, the outcome of these matters could affect the eligibility for carrying forward and setting off of the Minimum Alternate Tax (MAT) credit and business losses in subsequent years.

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2025	As at March 31, 2024
Sagar Cements (M) Private Limited	Term loan from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	37,000	37,000
Andhra Cements Limited	Term loan and working capital facilities from State Bank of India and Yes Bank Limited		70,500	66,500
Total			1,07,500	1,03,500

c) Capital and other commitments:

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	35,925	42,061

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	3,208	12,148
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each financial year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	72
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

31. Financial Instruments:

The material accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xx) to the financial statements.

A) Capital Management:

The group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the group consists of net debt (borrowings as detailed in Notes 14 & 15 offset by cash and bank balances) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on a monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Debt (Refer Note below)	1,42,993	1,44,188
Cash and cash equivalents and Other bank balances	16,372	26,212
Net debt	1,26,621	1,17,976
Total equity	1,79,433	2,01,969
Net debt to equity ratio	0.71	0.58

Note: Debt comprises of current and non-current borrowings as disclosed in Notes 14 and 15.

B) Financial instruments:

a) Classification of financial assets and liabilities

The carrying value and fair value of financial instruments by categories as at March 31, 2025 and March 31, 2024 is as follows:

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Financial assets			
Measured at amortised cost			
(i) Loans	5	156	180
(ii) Trade receivables	9	20,417	20,772
(iii) Cash and cash equivalents	10	7,049	16,718
(iv) Other bank balances	11	9,323	9,494
(v) Other financial assets	6	5,905	5,462
Total Financial assets		42,850	52,626

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Financial liabilities			
Measured at fair value through profit and loss (FVTPL)			
Derivative Liability	15	95	10
Measured at amortised cost			
(i) Borrowings	14A & 14B	1,42,800	1,43,904
(ii) Trade payables	17	57,830	51,825
(iii) Lease liabilities	35	1,780	220
(iv) Other financial liabilities	15	15,945	13,784
Total Financial liabilities		2,18,450	2,09,743



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

b) Fair value measurements

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1

Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2

Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3

Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



c) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	Notes	As at March 31, 2025	As at March 31, 2024	Level	Valuation techniques and key inputs
Financial liabilities					
Measured at fair value through profit and loss (FVTPL)					
Derivative Liability	15	95	10	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

There was no transfer between level 1 and level 2 fair value measurement for the years ended March 31, 2025 and March 31, 2024.

C) Financial risk management objectives:

The group's corporate finance function monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The group seeks to minimise the effects of these risks by continues monitoring on day to day basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the group's management, which monitors risks and policies implemented to mitigate risk exposures.

D) Market risk:

The group's activities expose it primarily to the financial risk of changes in interest rates. The group seeks to minimise the effect of this risk by continues monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the group's: loss for the year ended March 31, 2025 would increase/decrease by ₹ 715 (Profit for the year ended March 31, 2024: decrease/increase by ₹ 721). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Foreign currency exchange rate risks

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. There are outstanding derivative instruments at the end of the current financial year.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Particulars	USD	
	As at March 31, 2025	As at March 31, 2024
Financial Liabilities		
Trade payables	4,694	7,118
Payables on purchase of property, plant and equipment	152	162
Total	4,846	7,280
Less:		
Derivatives - Foreign Currency forward contracts	4,694	7,118
Net exposure in financial liabilities	152	162
Net exposure in respect of recognised assets/ (liabilities)	(152)	(162)

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Name of the shareholder	Profit or (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2025				
USD (5% Movement)	8	(8)	5	(5)
March 31, 2024				
USD (5% Movement)	8	(8)	5	(5)

E) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the year. The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F) Liquidity Risk Management:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has unutilised credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2025 and March 31, 2024. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Financing facilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Secured bills acceptance facility, reviewed annually		
- amount used	35,012	28,525
- amount unused	10,046	4,275
Total	45,058	32,800
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	29,338	19,150
- amount unused	6,059	10,050
Total	35,397	29,200
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	1,07,808	1,21,292
- amount unused	-	-
Total	1,07,808	1,21,292
Secured non-convertible debentures		
- amount used	1,154	3,462
- amount unused	-	-
Total	1,154	3,462
Unsecured loan from related party and others		
- amount used	4,500	-
- amount unused	3,000	-
Total	7,500	-

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2025 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	57,830	-	-
Other financial liabilities	6,104	737	9,199
Borrowings (including current maturities of non-current borrowings)*	43,649	13,268	85,883

* Excludes lease liabilities. Refer note 35 for contractual cash flows relating to leases

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	51,825	-	-
Other financial liabilities	2,093	850	10,851
Borrowings (including current maturities of non-current borrowings)*	34,997	14,259	94,648

* Excludes lease liabilities. Refer note 35 for contractual cash flows relating to leases

32. Employee benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

The group makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 587 (2023-24: ₹ 537).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 66 (2023-24: ₹ 51).

Employee State Insurance

The group makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognised during the year aggregated ₹ 5 (2023-24: ₹ 6).



(ii) Defined benefit plan:

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972 of India, the group provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the group and is in accordance with the rules of the group for payment of gratuity.

This defined benefit plan exposes the Company to actuarial risk, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Investment Risk

The present value of the defined benefit plan liability denominated in Indian Rupee is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan Assets.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the gratuity plan and the amounts to be recognised in the financial statements as per actuarial valuation as at March 31, 2025 and March 31, 2024:

a) The principal assumptions used for the purposes of actuarial valuations were as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	6.83% - 6.96%	7.22%
Expected rate of return on plan asset	7.68%	7.67%
Expected average remaining working lives of employees	16.08 – 21.34 years	16.37 – 21.91 years
Rate of escalation in salary	7.71% - 8.52%	8.00% - 10.76%
Attrition rate	10.92% - 25.95%	5.22% - 28.33%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

- b) Components of Defined benefit costs recognised in profit and loss and other comprehensive income:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	345	201
Interest expense	131	120
Interest income on plan assets	(2)	-
Other adjustments	16	11
Expected return on plan assets	(67)	(69)
Defined benefit cost included in profit and loss	423	263
Amounts recognised in Other Comprehensive Income (OCI) are as follows:		
Remeasurements – Due to financial adjustments	(151)	153
Remeasurements – Due to demographic adjustments	1	(71)
Remeasurements – Due to experience adjustments	73	53
Return on plan assets (excluding interest income)	(4)	(1)
Components of defined benefit costs recognised in OCI	(81)	134

- c) Key Results - Reconciliation of fair value of assets and defined benefit obligations:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of funded defined benefit obligations	2,276	2,105
Fair value of plan assets	(925)	(1,039)
Net liability arising from defined benefit obligation	1,351	1,066

- d) Movements in present value of defined benefits obligation are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Defined benefit obligation at the beginning of the year	2,105	1,872
Current service cost	345	201
Interest cost	131	120
Remeasurements – Due to financial adjustments	(151)	153
Remeasurements – Due to demographic adjustments	1	(71)
Remeasurements – Due to experience adjustments	73	53
Benefits paid out of plan assets and by employer	(228)	(222)
Other adjustments	-	(1)
Defined benefit obligation at the year end	2,276	2,105

- e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within 1 year	291	323
1 – 2 years	275	264
2 – 3 years	302	274
3 – 4 years	246	225
4 – 5 years	235	264
5 – 10 years	784	775



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

f) Movements in fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening fair value of the plan assets	1,039	984
Expected return on plan assets	69	72
Contributions from the employer	28	144
Benefits paid out of plan assets	(210)	(156)
Other adjustments	(5)	(4)
Re-measurement – Return on Assets (excluding interest income)	4	(1)
Fair value of plan asset at the year end	925	1,039

g) Sensitivity Analysis:

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation at the period end by one percentage, keeping all other actuarial assumptions constant.

Particulars	Defined Benefit Obligation			
	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,855	2,051	1,834	2,025
Effect of 1% change in assumed salary rate	2,049	1,851	2,018	1,835
Effect of 1% change in assumed attrition rate	1,940	1,958	1,911	1,938

The average duration of the benefit obligation at the end of the reporting period is 5 to 6 years (March 31, 2024: 5 to 8 years).

h) The major categories of plan assets are as under:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Insurer managed funds (Funded with LIC – No further break-up of funds is available)	925	1,039

The group is expected to contribute ₹ 1,245 lakhs to its defined benefit plans during the next financial year (March 31, 2024: ₹ 886).

Compensated absences:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount Rate	6.83% - 6.96%	7.22%
Salary escalation rate	7.71% - 8.52%	8.00% - 10.76%
Attrition rate	10.92% - 25.95%	5.22% - 28.33%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

The group has made provision for compensated absences based on the actuarial valuation.

33. Segment Reporting:

The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 “Operating Segments”, specified under Section 133 of the Companies Act, 2013, there are no reportable business and geographical segments applicable to the Company.

Revenue from major Customers:

The Group is not reliant on revenues from transactions with any single external customer and did not receive 10% or more of its revenues from transactions with any single customer for the year ended March 31, 2025 and March 31, 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

34. Related Party Disclosures:

The list of related parties of the Group is given below:

Name	Relationship
Key managerial personnel (KMP):	
K V Vishnu Raju	Chairman
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Madhavan Ganesan	Nominee Director
Ravichandran Rajagopal	Independent Director
Rachana Sammidi	Director
John Eric Fernand Pascal Cesar Bertrand	Director (Upto October 21, 2024)
Jens Van Nieuwenborgh	Nominee Director (w.e.f. September 18, 2024)
K. Prasad	Chief Financial Officer (CFO)
J. Raja Reddy	Company Secretary (CS)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
S. Siddarth Reddy	Son of Dr. S. Anand Reddy
S. Sahithi	Daughter of Dr. S. Anand Reddy
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagar Power Limited	Enterprise where KMP along with their relatives exercise significant influence
R V Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagarsoft (India) Limited	Enterprise where KMP along with their relatives exercise significant influence
AvH Resources India Private Limited	Enterprise where a director of Sagar Cements Limited is a director

Summary of the transactions with the above parties are as follows:

Nature of transaction	Party name	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of packing materials	Panchavati Polyfibres Limited	5,688	7,085
Purchase of property, plant and equipment	R V Consulting Services Private Limited	8,861	4,630
Rent expenses paid	Dr. S. Anand Reddy	50	48
	S. Sreekanth Reddy	50	48
	S. Vanajatha	50	48
	Total	150	143
Sale of scrap	R V Consulting Services Private Limited	18	19
Financial assets – Loan given	K. Prasad	80	-
Financial assets – Repayment of loan given	K. Prasad	50	-
Legal and professional expenses	Sagarsoft (India) Limited	78	57
Loans taken	R V Consulting Services Private Limited	2,500	-
Interest expense on unsecured loan	R V Consulting Services Private Limited	19	-
Reimbursement of expenses received	Sagarsoft (India) Limited	10	9
	R V Consulting Services Private Limited	15	13
	Panchavati Polyfibres Limited	10	10
	Sagar Power Limited	2	3
	Total	37	35
Payment of salary	S. Siddarth Reddy	26	14
	S. Sahithi	-	24
	Total	26	38



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party name	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend paid	S. Vanajatha	35	35
	R V Consulting Services Private Limited	85	85
	S. Siddarth	29	29
	Panchavati Polyfibres Limited	1	1
	AvH Resources India Private Limited	180	180
	Dr. S. Anand Reddy	51	46
	S. Sreekanth Reddy	49	43
	Rachana Sammidi	46	41
	Total	476	460

Compensation to key managerial personnel:

Nature of transaction	Party name	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term benefits	MD, JMD, CS and CFO	939	830
Post-employment benefits	MD, JMD, CS and CFO	223	76
Sitting fee	Chairman, MD, JMD and Directors	53	54

Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2025	As at March 31, 2024
Other financial assets - Advances	Sagar Power Limited	-	1
	Sagarsoft (India) Limited		1
	R V Consulting Services Private Limited	27	18
	Total	27	20
Trade payables	Panchavati Polyfibres Limited	1,207	735
	Sagarsoft (India) Limited	7	-
	John Eric Fernand Pascal Cesar Bertrand	4	-
	Jens Van Nieuwenborgh	3	-
	Total	1,221	735
Payable on purchase of property, plant and equipment	R V Consulting Services Private Limited	3,478	-
Capital advances	R V Consulting Services Private Limited	427	163
Trade receivables	R V Consulting Services Private Limited	44	22
Loans taken	R V Consulting Services Private Limited	2,500	-
Financial assets - Loan	K. Prasad	30	-
Rent Payable	Dr. S. Anand Reddy	4	-
	S. Sreekanth Reddy	4	-
	S. Vanajatha	4	-
	Total	12	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

35. Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease commitments

The group lease asset classes primarily consist of leases for land, buildings and plant and machinery. The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate.

The group has elected not to apply the requirements of para 22-49 of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	1,042	1,180
Additions	1,947	50
Depreciation	(195)	(188)
Closing Balance	2,794	1,042

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year ended March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	220	354
Additions	1,903	50
Finance cost accrued during the year	87	20
Payment of lease liabilities	(430)	(204)
Closing Balance	1,780	220

The following is the break-up of current and non-current lease liabilities as at March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Non-current lease liabilities	1,318	164
Current lease liabilities	462	56
Total	1,780	220



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024 on discounted basis

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within one year	462	56
After one year but not more than five years	944	76
More than 5 years	374	88

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024 on undiscounted basis

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within one year	483	57
After one year but not more than five years	1,452	94
More than 5 years	1,035	740

Amount recognised in statement of profit and loss account as at March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amortisation of right of use assets	195	188
Interest on lease liability	87	20
Expense relating to short term lease	270	261

36. Earnings per Share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax (₹ in lakhs)	(21,668)	(5,205)
Weighted average number of equity shares outstanding (Refer Note 12(a))	13,07,07,548	13,07,07,548
Earnings per share:		
Basic and Diluted (in ₹)	(16.58)	(3.98)

37. Corporate social responsibility (CSR) activities:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Group and the amount needs to be spent by the Group for the year is 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are promoting sports, education, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent by the group during the year	96	273
Amount of expenditure incurred during the year on:		
Construction/acquisition of any asset	-	-
On purposes other than above	244	290
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

38. Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Principal place of business	Ownership held by	% of Holding and voting power held directly	
				As at March 31, 2025	As at March 31, 2024
Sagar Cements (M) Private Limited	Subsidiary	India	Sagar Cements Limited	65%	65%
Andhra Cements Limited	Subsidiary	India	Sagar Cements Limited	90%	90%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

39. Disclosure of additional information as required by Paragraph 2 of the General instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

As at and for the year ended March 31, 2025:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	90%	1,61,136	40%	(8,548)	153%	72	39%	(8,476)
Sagar Cements (M) Private Limited (Subsidiary)	6%	11,003	(11%)	2,377	(21%)	(10)	(11%)	2,367
Andhra Cements Limited (Subsidiary)	8%	14,455	70%	(15,211)	(32%)	(15)	71%	(15,226)
Adjustments arising out of consolidation	0%	(9)	(2%)	403	13%	6	(2%)	409
Non-controlling interests	(4%)	(7,152)	3%	(689)	(13%)	(6)	3%	(695)
Total	100%	1,79,433	100%	(21,668)	100%	47	100%	(21,621)

As at and for the year ended March 31, 2024:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	84%	1,70,527	(60%)	3,117	108%	(93)	(57%)	3,024
Sagar Cements (M) Private Limited (Subsidiary)	4%	8,636	28%	(1,468)	(9%)	8	28%	(1,460)
Andhra Cements Limited (Subsidiary)	15%	29,681	126%	(6,561)	1%	(1)	124%	(6,562)
Adjustments arising out of consolidation	1%	972	(11%)	573	(3%)	3	(11%)	570
Non-controlling interests	(4%)	(7,847)	17%	(866)	3%	(3)	16%	(863)
Total	100%	2,01,969	100%	(5,205)	100%	(86)	100%	(5,291)

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of intercompany transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

40. (a) Reconciliation of revenue from sale of goods/services with the contracted price:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	2,48,597	2,85,473
Less: Discounts and incentives	(28,840)	(35,648)
Total revenue from contracts with customers	2,19,757	2,49,825

- ♦ The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- ♦ The Group does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- ♦ The Group does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

(b) Disaggregation of Revenue:

The Group derives its revenue from contracts with customers for the transfer of goods and services at a point in time.

Revenue by timing of recognition:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Goods transferred at a point in time	2,18,700	2,49,825
Services transferred at a point in time	1,057	-

- (c) The amount of revenue recognised during the year against the advance from customers outstanding at the beginning of the year is ₹ 3,785 (March 31, 2024: ₹ 4,665). There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

41. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Parent Company's Board of Directors.

The Parent Company declares and pays dividend in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes.

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Final dividend for FY 2022-23	-	0.70
Final dividend for FY 2023-24	0.70	-

During the year ended March 31, 2025, on account of the final dividend for the financial year 2023-24, the Parent Company has incurred a net cash outflow of ₹ 915.

42. In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -1 Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the parent Company increased from ₹ 2,350 to ₹ 2,614, divided into 13,07,07,548 equity shares of ₹ 2/- each.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

43. Capital Work-in-Progress:

(a) Capital Work-in-Progress:

Particulars	Amount (₹)
Balance as on April 01, 2023	9,918
Add: Additions	21,279
Less: Transfer to property, plant and equipment	29,727
Balance as on March 31, 2024	1,470
Add: Additions	17,910
Less: Transfer to property, plant and equipment	7,056
Balance as on March 31, 2025	12,324

(b) Capital Work-in-Progress ageing schedule:

Ageing for capital work-in-progress as at March 31, 2025 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	11,405	183	638	98	12,324

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	678	660	49	83	1,470

There are no projects where activity has been suspended or completion is overdue or exceeded its cost compared to its original plan.

(c) Capitalisation of expenditure:

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment/Capital work-in-progress (CWIP) in the course of its construction.

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Expenditure during construction for projects		
Finance costs	-	108
Total expenditure during construction for projects	-	108
Less: Sale of products/Other income	-	-
Add: Balance at the beginning of the year	-	284
Less: Capitalised during the year	-	(392)
Closing balance included in CWIP	-	-

Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

44. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2025	Transactions during the year ended March 31, 2024	Balance outstanding as at March 31, 2025 *	Balance outstanding as at March 31, 2024 *
Marble Estate India Limited	Customer	Sale of cement	-	-	(0.13)	(0.13)
Keller Ground Engineering India Private Limited			-	-	(2.00)	(2.00)
Target Fabrication & Constructions Private Limited			-	-	(0.10)	(0.10)
Ninad Holding Private Limited		-	-	-	46 No's	46 No's
Ninad Holding Pvt. Ltd.		-	-	-	125 No's	125 No's
Fairgrowth Investments Limited		-	-	-	34 No's	34 No's
Cosmat Investments Private Limited		-	-	-	20 No's	20 No's
Skyline Promoters Private Limited		-	-	-	15 No's	15 No's
LYNX Mutual Funds Limited		-	-	-	13 No's	13 No's
Rockland Leasing Limited		-	-	-	11 No's	11 No's
Baps (India) Trading Private Limited	Shareholders of Andhra Cements Limited	-	-	-	11 No's	11 No's
Micronet Software Services Private Limited		-	-	-	10 No's	10 No's
Silver Arrow Investments Private Limited		-	-	-	9 No's	9 No's
Devika Constructions Private Limited		-	-	-	5 No's	5 No's
Paul Dey & Company Private Limited		-	-	-	4 No's	4 No's
Suphala Plantations India Limited		-	-	-	4 No's	4 No's
Sukam Financial Services Private Limited		-	-	-	3 No's	3 No's
GPS Commercial Private Limited		-	-	-	3 No's	3 No's
Sindhudurg Investments Private Limited		-	-	-	3 No's	3 No's
HI-LEA Finance Limited		-	-	-	3 No's	3 No's
Victor Properties Private Limited	Shareholders of Andhra Cements Limited	-	-	-	1 No	1 No
Aravali Commercial Private Limited		-	-	-	1 No	1 No
Mifco Credits & Securities Limited		-	-	-	1 No	1 No
Prananjali Investment & Trading Co Private Limited		-	-	-	1 No	1 No
Baps (India) Trading Private Limited		-	-	-	1 No	1 No
Rajendra Mercantile Private Limited		-	-	-	1 No	1 No
Rohifin Investment Private Limited		-	-	-	1 No	1 No
Small Lots Services Limited		-	-	-	1 No	1 No
HPM Investments Limited		-	-	-	1 No	1 No
Balbair Leasing Private Limited		-	-	-	1 No	1 No
Kay Bee Finvest Private Limited		-	-	-	1 No	1 No

* Negative amount indicates payable.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

45. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
46. Political contributions amounting to ₹ Nil (March 31, 2024: ₹ 250), which includes ₹ Nil (March 31, 2024: ₹ 250) contributed through electoral bonds made in accordance with Section 182 of the Companies Act, 2013. The Group has considered the Supreme Court judgement dated February 15, 2024, including the directions to the State Bank of India and the Election Commission of India on furnishing and public disclosure of information in respect of the electoral bonds. Political contributions via Electoral Bonds for the year ended March 31, 2024, were made by the Group prior to the Hon'ble Supreme Court judgement pronounced on February 15, 2024.
47. The Parent Company has made Offer For Sale (OFS) through stock exchange mechanism for its investment in Andhra Cements Limited (ACL) to meet the initial requirement of Minimum Public Shareholding (MPS) by ACL. Accordingly, shareholding of the Company in ACL reduced from 95% to 90%. The Company registered a short-term capital gain of ₹ 3,189 from the OFS, which was classified as 'Other Income'.
48. Exceptional item represents the following items which have been debited/(credited) to consolidated statement of profit and loss:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Fuel & Power Cost Adjustment (Refer note (i) below)	2,717	-
Impairment reversal (Refer note (ii) below)	-	(1,479)
Total	2,717	(1,479)

Notes:

- (i) During the year, the Andhra Pradesh Electricity Regulatory Commission issued orders dated October 25, 2024 & November 29, 2024 to recover the True up of the Fuel and Power Purchase Cost Adjustment (FPPCA) from the years 2022-23 onwards. The amounts for FY 2022-23 and FY 2023-24 have been recorded in the current year.
- (ii) Impairment reversal recorded based on remeasurement of certain assets at fair value as per the agreement entered by the subsidiary, Andhra Cements Limited.

49. The Subsidiary Company, Sagar Cements (M) Private Limited is eligible for an incentive from Madhya Pradesh Industrial Development Corporation Limited (MPIDCL) based on its production and employment generation. Such incentive is in the nature of government grant and hence the Group has recognised ₹ 4,605 under "Other operating income" during the financial year.

50. Other statutory information

- (i) The Group does not have any Benami property, nor any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group has not revalued its Property, plant & equipment (including right-of-use assets) and Intangible assets during the period.
- (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Parent Company and Subsidiary Companies has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

- (v) The Parent Company and Subsidiary Companies has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vii) The Group has not surrendered or disclosed any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

51. These consolidated financial statements were approved by the Company's Board of Directors on May 12, 2025.



For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy

Managing Director
DIN: 00123870

J. Raja Reddy

Company Secretary
M. No. A31113

Place: Hyderabad

Date: May 12, 2025

S. Sreekanth Reddy

Joint Managing Director
DIN: 00123889

K. Prasad

Chief Financial Officer



NOTICE

Notice is hereby given that the 44th Annual General Meeting of the Members of Sagar Cements Limited will be held on Monday, the June 30, 2025 at 3:30 p.m. through Video Conference ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited stand-alone and consolidated Financial Statements of the Company for the financial year ended March 31, 2025 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an Ordinary Resolution.

"Resolved that the audited stand-alone Financial Statements of the Company for the year ended March 31, 2025 together with the reports of the Auditors and Directors thereon and the audited Consolidated Financial Statements of the Company for the year ended March 31, 2025 together with the report of the Auditors thereon be and are hereby received, considered, approved and adopted."

2. To appoint a Director in place of Shri S. Sreekanth Reddy (DIN: 00123889), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

"Resolved that Shri S. Sreekanth Reddy (DIN: 00123889) who retires by rotation as director in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

3. To appoint a Director in place of Smt. S. Rachana (DIN: 01590516), who retires by rotation and being eligible, offers herself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

"Resolved that Smt. S. Rachana (DIN: 01590516) who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

4. **Appointment of Auditors of the company and to fix their remuneration**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.

"Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. B S R and Co, Chartered Accountants (Firm Registration No. 128510W) be and are hereby appointed as the statutory auditors of the company to hold office for a period of five consecutive years, from the conclusion of this Annual General Meeting, till the conclusion of the 49th Annual General Meeting of the Company to be held in the calendar year 2030, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

SPECIAL BUSINESS

5. **Re-appointment of Smt. Onteddu Rekha (DIN: 07938776) as an Independent Director.**

To consider and if thought fit, to pass the following Resolution as a Special Resolution.

"Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, as well as based on the recommendation by the Nomination and Remuneration Committee, Smt. Onteddu Rekha (DIN: 07938776), be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold the said office for a second term of five years with effect from June 30, 2025."



6. Ratification of remuneration payable to the Cost Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.

“Resolved that pursuant to Section 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), upon recommendation made by Audit Committee, the approval accorded by the Board of Directors of the company for payment of remuneration of ₹12,00,000/- plus reimbursement of applicable taxes, travelling and other out of pocket expenses, if any, to M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration No. 000042), to conduct the audit of the cost records of the company for the financial year ending March 31, 2026 be and is hereby ratified.”

7. Appointment of Secretarial Auditors of the company and to fix their remuneration

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.

“Resolved that pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time M/s. B S S & Associates, Company Secretaries (Firm Registration No. 3744) be and are hereby appointed as the Secretarial Auditors of the company to hold office for a period of five consecutive years, from the conclusion of this Annual General Meeting, till the conclusion of the 49th Annual General Meeting of the Company to be held in the calendar year 2030, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Firm.”

8. Approval of material related party transactions

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.

“Resolved that the consent of the shareholders be and is hereby accorded under Regulation 23(4) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the following in respect of credit facilities of ₹315 crores being availed from Yes Bank Limited and Union Bank of India (“the Lenders”) by Andhra Cements Limited, a subsidiary and related party of the company:

1. To furnish a corporate guarantee to the lenders for the above said loan plus interest payable thereon.
2. To extend pledge on 2,18,90,883 equity shares held by Sagar Cements Limited in the said subsidiary in favour of the Lenders on pari-passu basis to secure the above said loan of ₹315 Crores

Resolved Further that any two directors of the company be and are hereby authorised jointly and or severally to execute necessary documents, declarations, agreements required for the above purpose., if required, under the Common Seal of the Company to be affixed in the presence of Company Secretary/Chief Financial Officer of the Company.”

By Order of the Board of Directors

Place: Hyderabad
Date: May 12, 2025

J. Raja Reddy
Company Secretary
M.No. A31113

Registered Office:
Plot No. 111, Road No. 10
Jubilee Hills, Hyderabad – 500 033, Telangana.



Notes:

1. Pursuant to General Circular number 14/2020 dt. 8.4.2020, 17/2020 dt. 13.4.2020, 20/2020 dt. 5.5.2020, 28/2020 dt. 17.8.2020, 02/2021 dt. 13.1.2021, 19/2021 dt. 8.12.2021, 21/2021 dt. 14.12.2021, 02/2022 dt. 5.5.2022, 10/2022 dated 28.12.2022, 09/2023 dated 25.09.2023 and 09/2024 dated 19.09.2024 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular no(s). SEBI/HO/CFD/CMD2/CIR/P/2022/62 dt. 13.05.2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dt. 5.1.2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dt. 07.10.2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dt. 03.10.2024 the companies are allowed to hold the Annual General Meeting through Video Conferencing or Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. In compliance with applicable provisions of the Companies Act, 2013 ("Act") read with aforesaid MCA Circulars and SEBI Circulars, the 44th Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC/OAVM") (hereinafter referred to as "AGM"). In accordance with the Secretarial Standard - 2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
2. The Company has appointed M/s KFin Technologies Limited ("KFinTech"), Registrar and Transfer Agent of the Company, as the authorised agency to provide the VC/OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the AGM.
3. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Further as per the MCA and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for the AGM. However, in pursuance of Sections 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State, or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution/Authorisation should be sent electronically through their registered email address to the Scrutinizer at cs@bssandassociates.com with a copy marked to evoting@kfintech.com and company's email id at info@sagarcements.in.
5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No(s). 4 to 8 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on May 12, 2025 considered all the businesses mentioned in the notice of the AGM as being unavoidable and needed to be transacted at the 44th AGM of the Company.
6. The relevant details required to be given under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/re-appointment at this AGM are given in the Annexure-2.
7. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited having office at Selenium Building, Tower B, Plot Number 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500 032.
8. **Attendance at the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFinTech. Members may access the same at <https://evoting.kfintech.com> by clicking "e-AGM - Video Conference & Streaming" and access the Shareholder's/members' login by using the remote e-voting credentials which shall be provided as per Note No. 19 below. Kindly refer to Note No. 18 below for detailed instructions for participating in the AGM through Video Conferencing.
9. The Members can join the AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
10. As per the MCA Circular, facility of joining the AGM through VC/OAVM shall be available for 1,000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.



11. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 (the Act).
12. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFintech. Kindly refer Note No. 19 below for detailed instruction for remote-voting.
13. **Voting during the AGM:** Members who are present at the AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the AGM through the e-voting system provided by KFintech in the Video Conferencing platform during the AGM. Kindly refer Note No. 20 below for instruction for e-voting during the AGM.
14. The Company has fixed June 23, 2025 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the AGM.
15. The Register of Members and Transfer Book of the Company will be closed from June 24, 2025 to June 30, 2025 (both days inclusive).
16. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Integrated Report for the financial year ended March 31, 2025 is being sent only through electronic mode to those

Members whose email addresses are registered with the Company/Depositories. The Notice calling the AGM and the Integrated Report has been uploaded on the website of the Company at <https://sagarcements.in>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at <https://www.bseindia.com> and National Stock Exchange of India Limited at <https://www.nseindia.com>. The same is also available on the website of KFintech at their website address at <https://evoting.kfintech.com>.

17. **In view of the "Green Initiatives in Corporate Governance" introduced by MCA and in terms of the provisions of the Act, Members who are holding shares of the Company are required to register their email addresses, so as to enable the Company to send all notices/reports/documents/intimations and other correspondences, etc., through emails in the electronic mode instead of receiving physical copies of the same.**
 - i. Members holding shares in dematerialised form, who have not registered their email Id's with Depository Participant(s), are requested to register/update their email addresses with their Depository Participant(s).
 - ii. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFintech by sending an e-mail request at the email ID einward.ris@kfintech.com along with scanned copy of the duly signed request letter by the first holder providing the email ID, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Integrated Report, AGM Notice and the e-voting instructions.
 - iii. Those members who have registered their e-mail address, mobile no., postal address and bank

account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFintech, the Registrar and Share Transfer Agent of the Company, in case of shares held in physical form.

18. Instructions to the Members for attending the AGM through Video Conference.

- i. **For attending the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFintech. Members may login into its website link <https://emeetings.kfintech.com/loginv2.aspx> by using the remote e-voting credentials. After logging in, click on "Video Conference" option and the Name of the Company can be selected.
- ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-voting in Note No. 19 below.
- iii. Members are encouraged to join the Meeting through Desktops, Laptops, Smart phones, Tablets and iPads with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 for better experience.
- iv. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
- v. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



vi. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.

vii. **Submission of Questions/Queries prior to AGM:**

- a) Members desiring any additional information with regard to Accounts/Integrated Report or has any question or query are requested to write to the Company Secretary on the Company's official email-id i.e., **info@sagarcements.in** and marking a copy to **evoting@kfintech.com** mentioning their name, DP ID - Client ID/Folio number at least 2 days before the date of the AGM so as to enable the Management to keep the information ready. Please note that, members' questions will be answered only if they continue to hold the shares as of cut-off date.
- b) Alternatively, shareholders holding shares as on cut-off date can also post their questions by logging on to the link **<https://emeetings.kfintech.com/loginv2.aspx>**, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM.

viii. **Speaker Registration before AGM:** In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit **<https://emeetings.kfintech.com/loginv2.aspx>** and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the AGM.

Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No. 18 (vii) above.

- ix. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, can send an email to **info@sagarcements.in**.

19. Instructions for members for remote e-Voting:

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFintech ('remote e-voting'). Members attending the AGM who have not already cast their vote by remote e-voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

- i. The remote e-voting facility will be available during the following period:
 - a. Day, date and time of commencement of remote e-voting Thursday, June 26, 2025 (9.00 A.M. IST) and ends on Sunday, June 29, 2025 (5.00 P.M. IST).
 - b. Day, date and time of end of remote e-voting is Sunday, June 29, 2025 at (5:00 P.M. IST), beyond which remote e-voting will not be allowed.
- ii. Details of Website: **<https://evoting.kfintech.com>**
- iii. The voting rights of the Members holding shares in physical form or in dematerialised form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being June 23, 2025. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.
- iv. The Company is sending through email, the AGM Notice and the Integrated Report to the shareholders whose name is recorded as on May 30, 2025 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after May 30, 2025 being the date reckoned for sending through email, the AGM Notice & Integrated Report and who holds shares as on the cut-off date i.e. June 23, 2025 may obtain the User Id and password in the manner as mentioned below:



- a) If the mobile number of the Member is registered against Folio No./DP ID and Client ID, the Member may send SMS:MYEPWD <space> 'e-voting Event Number + Folio number or DPID Client ID to +91-9212993399.
- Example for NSDL:
MYEPWD<SPACE>IN12345612345678
- Example for CDSL:
MYEPWD<SPACE>1402345612345678
- Example for Physical:
MYEPWD<SPACE>XXXX1234567890
- b) If e-mail address or mobile number of the Member is registered against Folio No./DP ID and Client ID, then on the home page of **<https://evoting.kfintech.com>**, the Member may click "Forgot Password" and enter Folio No. Or DP ID and Client ID and PAN to generate a password.
- c) Member may call KFinTech's Toll free number 1800-3094-001. Member may also send an e-mail request to **evoting@kfintech.com**.
- v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFinTech upon expiry of aforesaid period.
- vi. Details of persons to be contacted for issues relating to e-voting:
- Shri. Sankara Gokavaraku, Senior Manager
– Corporate Registry, KFin Technologies Limited, Unit: Sagar Cements Limited, Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.
Contact Toll Free No.: 1800-3094-001.

vii. **Details of Scrutiniser:** Shri S.Srikanth, Partner, representing M/s. B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinisers to scrutinise the e-voting process in a fair and transparent manner.

viii. A Member can opt only for single mode of voting i.e., through remote e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

ix. The procedure and instructions for the remote e-voting facility for Individual shareholders holding securities in demat mode are provided as follows.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' Section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting" Click on company name or e-voting service provider and you will be re-directed to e-voting service provider's website for casting the vote during the remote e-voting period. 2. User not registered for IDeAS e-Services To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1 3. Alternatively by directly accessing the e-Voting website of NSDL Open URL: https://www.evoting.nsdl.com Click on the icon "Login" which is available under 'Shareholder/Member's Section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. Post successful authentication, you will be requested to select the name of the company and the e-voting Service Provider's name, i.e. KFinTech. On successful selection, you will be redirected to KFinTech's e-voting page for casting your vote during the remote e-voting period.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi/Easiest Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login Or URL: https://www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech's e-voting portal. Click on e-Voting service provider's name to cast your vote. 2. User not registered for Easi/Easiest Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration Proceed with completing the required fields. Follow the steps given in point 1 3. Alternatively, by directly accessing the e-Voting website of CDSL Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-voting is in progress.
Individual Shareholders login through their demat accounts/ Website of Depository Participant	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or e-voting service provider's name – KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 2305 8738 or 022 2305 8542-43

- ix. **The procedure and instructions for remote e-voting facility for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode are provided as follows:**
- Open your web browser during the remote e-voting period and navigate to **<https://evoting.kfintech.com>**.
 - Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID/Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.
 - After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - You need to login again with the new credentials.
 - On successful login, the system will prompt you to select the e-voting Event Number for **Sagar Cements Limited**.



- f. If you are holding shares in Demat form and had logged on to **<https://evoting.kfintech.com>** and casted your vote earlier for any other Company, then your existing login id and password are to be used.
- g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e., June 23, 2025 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
- h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- i. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).
- m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: **cs@bssandassociates.com** with a copy to **evoting@kfintech.com** and **info@sagarcements.in**. They shall upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download Section of **<https://evoting.kfintech.com>** or contact Shri. Sankara Gokavaraku, Senior Manager of KFintech at 1800-3094-001 (toll free).
- n. The Scrutiniser's decision on the validity of the vote shall be final.
- o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM, however such Member shall not be allowed to vote again during the AGM.
- p. The Scrutiniser shall, immediately after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM, and thereafter unlock the votes cast through remote e-Voting, and shall make a consolidated scrutiniser's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall, then, be sent to the Chairman or a person authorised by him, within two working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- q. The Results declared along with the consolidated Scrutiniser's Report shall be hosted on the website of the Company i.e. **<https://sagarcements.in>** and on the website of KFintech i.e. **<https://evoting.kfintech.com>**. The results shall simultaneously be communicated to National Stock Exchange of India Limited and BSE Limited at **<https://www.nseindia.com>** and **<https://www.bseindia.com>** respectively, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
- r. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

20. Instructions for members for Voting during the AGM session

- i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the AGM.
- ii. e-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.



- iii. Members/shareholders, attending the AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone shall be eligible to cast their vote through e-voting system available during the AGM.
- iv. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they shall not be allowed to cast their vote again during the AGM.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

21. As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by June 30, 2023. Shareholders holding shares in physical mode are requested to ensure that their PAN is linked to Aadhar by June 30, 2023 or any other date as may be specified by the CBDT.

The folios in which PAN is/are not valid as on the notified cut-off date of October 01, 2023 or any other date as may be specified by the CBDT, shall also be frozen by the RTA and shareholders will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend after April 01, 2024.

Any service request shall be entertained by KFinTech only upon registration of the PAN, KYC details and the nomination. Further, in absence of the above information on or after October 01, 2023, the folio(s) shall be frozen by RTA in compliance with the SEBI Circulars dated November 03, 2021, December 14, 2021, March 16, 2023, May 17, 2023 and November 17, 2023. If the folio(s) continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

22. Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, the Company has registered on the newly launched SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login>. Members may feel free to utilise this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).

23. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/claimants whose shares, unclaimed dividend etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on <https://www.iepf.gov.in>) along with requisite fee as decided by it from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

24. Members who have not yet encashed the dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company or Company's Registrar and Share Transfer Agent.

Year	Nature of Dividend	Face value of shares	Rate of Dividend per share
2017-18	Final	₹10/- face value	15% (₹1.50 per share)
2018-19	Final	₹10/- face value	25% (₹2.50 per share)
2019-20	Final	₹10/- face value	25% (₹2.50 per share)
2020-21	Interim	₹10/- face value	20% (₹2.00 per share)
2020-21	2 nd Interim	₹10/- face value	20% (₹2.00 per share)
2020-21	Final	₹10/- face value	25% (₹2.50 per share)
2021-22	Final	₹2/- face value	35% (₹0.70 per share)
2022-23	Final	₹2/- face value	35% (₹0.70 per share)
2023-24	Final	₹2/- face value	35% (₹0.70 per share)

25. The details of dividend lying unclaimed in respect of these years are available in the website of the Company at <https://sagarcements.in> and website of the Ministry of Corporate Affairs at <https://www.iepf.gov.in>. Members are requested to contact KFinTech, the Registrar and Share Transfer Agents of the Company at the address mentioned in Note No. 7 to claim unclaimed/unpaid dividends.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company up to the Interim Dividend issued for the FY 2017-18, have already been transferred to IEPF.



26. **Updation of Members' details:** Pursuant to the SEBI Circular No(s). SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, KYC details, Nomination details, bank mandate details for payment of dividend etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFinTech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to KFinTech.

Members are requested to note that, in order to avoid any loss/interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS)/Electronic Clearing Service (ECS), they should update their NECS/ECS details with the Company's Registrar and Share Transfer Agent i.e., KFinTech (for the shares held in physical form) and their respective Depository Participants (for the shares held in electronic form).

Members who are holding the shares in physical form are requested to execute the ISR Form-1 & ISR Form-2 to update the changes, if any, in their registered address, signature, contact details, Bank Mandate etc., and to update their PAN number, Phone number, Email address, demat account details etc., and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 7.

Members can execute the Form No. SH-13, Form ISR-3 & Form No. SH-14 in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 for registration of nomination, declaration Form for opting-out of Nomination and cancellation or variation of nomination respectively and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 7.

The requisite ISR Forms and nomination forms can be downloaded from the website of the Company at <https://sagarcements.in/investors/formats-for-updation-of-kyc-nomination-and-signature> & also from the website of its Registrar and Share Transfer Agents i.e., KFinTech at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

Members holding shares in electronic form are therefore, requested to furnish their details to their respective Depository Participant ("DP") with whom they are maintaining their demat accounts for updating their PAN, KYC details, Nomination and Bank mandate details etc.

27. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent of the Company, immediately on the change in their residential status on return to India for Permanent settlement together with the particulars of their Bank Account maintained in India with complete Name, Branch, Account type, account number and address of the Bank with PIN code number if not furnished earlier.
28. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
29. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. Letter of Confirmation in lieu of consolidated share certificate will be issued to such Members after making the requisite changes for dematerialising said shares
30. The members/investors may send their complaints/queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id: einward.ris@kfintech.com or to the Company's official e-mail id: info@sagarcements.in.
31. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.



32. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialised form only (vide Gazette Notification No. SEBI/LADNRO/GN/2022/66 dated January 24, 2022 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, renewal, exchange, endorsement, sub-division, consolidation, Transmission and Transposition etc). In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. The Members who are desirous to convert their physical holdings into dematerialised form, may contact the Depository Participant of their choice for dematerialising the same. Members may also contact the Company or its Registrars and Transfer Agents, KFintech for assistance in this regard.
33. The information/documents referred to in the Notice and the Explanatory statement with regard to the accounts or any other matter to be placed at the AGM are available for inspection up to the date of AGM and members are also requested to write to the Company on or before June 23, 2025 through email to info@sagarcements.in for seeking information, If any, and the same will be replied by the Company suitably.
34. Members may note that the Integrated Report for the year 2024-25 is also available on the Company's website <https://sagarcements.in> for their download.
35. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 44th AGM and facility for those Members to participate in the AGM to cast vote through e-voting system during the AGM.
36. Only a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the meeting.
37. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
38. During the 44th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the AGM.
39. The transcript of this meeting, shall be made available on the website of the company.
40. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company at <https://sagarcements.in> and on the website of KFintech at <https://evoting.kfintech.com> immediately after the declaration of Results by the Chairman or a person authorised by him. The results shall also be immediately forwarded to National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai, where the shares of the company are listed.
41. Since the AGM will be held through VC/OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice.

By Order of the Board of Directors

Place: Hyderabad
Date: May 12, 2025

J. Raja Reddy
Company Secretary
M.No.A31113

Registered Office:
Plot No. 111, Road No. 10
Jubilee Hills, Hyderabad – 500 033, Telangana.

Annexure to the Notice of the 44th Annual General Meeting**ANNEXURE – 1****Statement pursuant to Section 102 (1) of the Companies Act, 2013**

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 4 to 8 of the accompanying Notice dated May 12, 2025.

On Item No.4

M/s. Deloitte Haskins & Sell, Chartered Accountants, the present statutory auditors of the company will be holding their office till the conclusion of the 44th Annual General Meeting of the company and completing their term as auditors.

In terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and pursuant to Section 139 of the Companies Act 2013, and the rules made thereunder and based on the recommendations of the Audit Committee, the board has considered the appointment of M/s. B S R and Co, Chartered Accountants, a Peer Reviewed firm (Firm Registration Number 128510W) as the statutory auditors of the Company, for a term of five consecutive years, commencing from the conclusion of the 44th Annual General Meeting of the Company till the conclusion of the 49th Annual General Meeting to be held in the year 2030.

Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Proposed Fee Payable	₹76,00,000/- plus applicable taxes and out of pocket expenses.
2. Terms of appointment	M/s. B S R and Co, Chartered Accountants, will hold office from the conclusion of the 44 th Annual General Meeting till the conclusion of the 49 th Annual General Meeting to conduct the audit of accounts of the Company for the financial years 2025-26 to 2029-30.
3. Any material Change in the fee payable to auditor from that paid to the outgoing auditor along with the rationale for such change	The amount which is been paid to M/s. Deloitte Haskins & Sell, Chartered Accountants (outgoing auditors) is ₹71,00.000/-
4. Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor (s) proposed to be appointed.	B S R and Co ('the firm') was constituted on September 01, 2007 as a partnership firm having firm registration no. as 128510W. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai – 400063. B S R and Co together with its member firms has around 4,000+ staff and 200+ Partners. B S R member firms audit various companies listed on stock exchanges in India including companies in the Industrial Manufacturing sector.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors or the Key Managerial Personnel (KMP) of the company or the relatives of Directors and KMPs is concerned or interested, financially or otherwise in the Resolution proposed in Item No. 4.

On Item No.5

Smt. O. Rekha (DIN: 07938776) was appointed as an Independent Director of the Company at the 39th Annual General Meeting of the Company for a period of 5 years from June 30, 2020 to June 29, 2025.

In terms of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013 ('the Act') and other applicable provisions of the said Act and under applicable Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') or any amendment thereto or modification thereof, based on her performance evaluation, the recommendations made by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 12, 2025 has recommended the re-appointment of Smt. O. Rekha as an Independent Director for a second term of 5 years with effect from June 30, 2025.

In terms of Section 149(10) of the Companies Act, 2013 approval of the Members by way of Special Resolution is sought for the said re-appointment.

The Company has received from the above director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules'), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Act from being appointed as a Director nor debarred from holding office of Director by virtue of any SEBI order or any other such authorities as per circulars dated June 20, 2018, issued by BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'), and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Act and as per the SEBI Listing Regulations.



In the opinion of your Board, the above said Director fulfills the conditions specified in the Act, the Rules made there under and in the Listing Regulations for her re-appointment as an Independent Directors and she is independent of the management of the Company.

A brief profile of Smt. O. Rekha is given in Annexure 2, forming part of the Notice. Keeping in view her expertise and knowledge, it would be in the interest of the company, to approve her re-appointment as an independent director.

Accordingly, the approval of the shareholders is being sought for the above re-appointment as contemplated in Clause IV of the Schedule IV to the Companies Act, 2013.

Copy of the letter containing the terms and conditions of the appointment of Smt. O. Rekha shall be open for inspection by the Members on the Company's website www.sagarcements.in.

Except Smt. O. Rekha, who may be deemed to be interested in the resolution No.5 as the resolution relates to her re-appointment, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Your directors recommend the resolution for approval of the shareholders.

On Item No.6

The Board at its meeting held on May 12, 2025, on the recommendation of its Audit Committee, has approved the appointment of M/s.Narasimha Murthy & Co., Cost Accountants as the Cost Auditors for the FY2025-26 and payment of remuneration to the said Cost Auditors as mentioned in the resolution for the year 2025-26.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the company.

Accordingly, an Ordinary Resolution as set out at Item No. 6 of the Notice containing the remuneration as fixed for Cost Auditors is submitted for ratification by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested, financially or otherwise in the said Resolution.

Your directors recommend the resolution for approval of the shareholders.

On Item No.7

In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Based on the recommendations of the Audit Committee, the board has considered the appointment of M/s.B S S & Associates, Company Secretaries, a Peer Reviewed firm (Firm Registration No. 3744), as the secretarial auditors of the Company, for a term of five consecutive years, commencing from the conclusion of the 44th Annual General Meeting of the Company till the conclusion of the 49th Annual General Meeting to be held in the year 2030.

Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Proposed Fee Payable	₹ 5,00,000/- plus applicable taxes and out of pocket expenses.
2. Terms of appointment	M/s. B S S & Associates, Company Secretaries, will hold office from the conclusion of the 44 th Annual General Meeting till the conclusion of the 49 th Annual General Meeting to conduct the secretarial audit of the Company for the financial years 2025-26 to 2029-30.
3. Any material Change in the fee payable to auditor from that paid to the outgoing auditor along with the rationale for such change	No such change
4. Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor (s) proposed to be appointed.	M/s. B S S & Associates, Company Secretaries, was founded by a Practicing Company Secretary, CS S.Srikanth, who is also a Registered Valuer and Insolvency Professional, having vast experience in dealing with Corporates with respect to corporate law, SEBI, FEMA/RBI, Insolvency & Bankruptcy and Valuation. He along with his team of professionals through their unrelenting quest for excellence have established their remarkable position in the related professional field. During the last 17 years of its existence, it has grown into a multifaceted big sized Company Secretary firm offering a broad spectrum of services to its diverse clientele. The firm has had a long and trustworthy history. Since the firm's formation in 2008, the firm has pride itself on values such as professionalism, dedication, responsibility, honesty Serving to the wider business community from the last 17 years, firm enjoyed unparalleled reputation and respect of clients, who trust and rely on us for our expertise and professionalism.



M/s. B S S & Associates, Secretarial Auditors has given their consent and confirmed their eligibility for appointment as secretarial auditors of the company.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

None of the Directors or the Key Managerial Personnel (KMP) of the company or the relatives of Directors and KMPs is concerned or interested, financially or otherwise in the Resolution proposed in Item No. 7.

On Item No. 8

As a part of the Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor viz., Andhra Cements Limited ("ACL") under the provisions of Insolvency and Bankruptcy Code, the Amaravati Bench of National Company Law Tribunal approved a Resolution Plan submitted by Sagar Cements Limited ("SCL").

Following the above development, SCL has infused a sum of ₹322.23 crores into ACL, against which sum, it has acquired 8,75,63,533 equity shares of ₹10/- each at a premium of ₹26.80 per share constituting 95% of the share capital of Andhra Cements Limited, by virtue of which, ACL has become subsidiary of SCL and its "related party".

Subsequently, Sagar Cements Limited has reduced its holding from 95% to 90% for meeting minimum public shareholding requirement through Offer for Sale of 46,08,607 equity shares through Stock exchange mechanism.

As part of expansion/modernisation of the cement manufacturing facility of ACL at Durga cement works, Dachepalli, Yes Bank Limited and Union Bank of India have sanctioned credit facilities to an extent of ₹315 crores vide Sanction Letters YBL/BLR/FL/9118/2024-25, dated 27th September, 2024 of ₹195 crores and LCB:HYD:214:2025-26, dated May 05, 2025 for ₹120 crores respectively. One of the terms and conditions of the said sanctions is that SCL should provide to the Lenders a corporate guarantee and extend pledge on 2,18,90,883 shares held by SCL in ACL in favour of the Lenders on pari-passu basis, as security for the said credit facilities.

SCL has already provided Corporate Guarantee to an extent of ₹705.00 Crores for the credit facilities availed from State Bank of India and Yes Bank Limited and also pledged 2,18,90,883 equity shares for credit facilities availed by ACL from State Bank of India to an extent of ₹665 Crores.

Now SCL has to provide Corporate Guarantee and to extend pledge on 2,18,90,883 equity shares held by SCL in the said subsidiary in favour of Yes Bank Limited and Union Bank of India on pari-passu basis to secure the above said loan of ₹315 crores.

The above proposals are well within the overall threshold limit of ₹3,000 crores, earlier approved by the shareholders under Section 186 of the Companies Act, 2013, yet as the current proposals to furnish a corporate guarantee and pledge the shares as mentioned above are in respect of ACL, a related party and being material in nature, these transactions are deemed to be material related party transactions requiring specific approval from the shareholders under Regulation 23 (4) and other applicable Listing Regulations.

The management of SCL had provided the Audit Committee with all the requisite details of said proposed transactions with ACL. Based on the detailed information provided by the management, the Audit Committee has approved providing Corporate Guarantee and creation of pledge on 2,18,90,883 shares held by SCL in ACL in favour of the Lenders for securing the amount up to ₹315 Crores for the sum borrowed by ACL.

The Board has also recommended entering into above said material related party transaction with ACL.



Further details of the proposed transactions with ACL, are as follows:

S. No.	Particulars	Description
1	A summary of the information provided by the management of the listed entity to the audit committee	
a)	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Andhra Cements Limited ("ACL"); and ACL is subsidiary to Sagar Cements Limited ("SCL").
b)	Type, material terms and particulars of the proposed transaction	Already furnished as part of the Explanatory Statement.
c)	Tenure of the proposed transaction	To provide Corporate Guarantee and to extend pledge on 2,18,90,883 equity shares held by SCL in the said subsidiary in favour of Yes Bank Limited and Union Bank of India on pari-passu basis to secure the above said loan of ₹315 Crores. Corporate Guarantee/Security shall be valid till repayment of loan by ACL.
d)	Value of the proposed transaction	Amount up to ₹315 Crores
e)	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	SCL's annual consolidated turnover based on the audited financial statements for FY 2024-25 is ₹2,25,764 Lakhs. Proposed transactions shall constitute 13.96% of the annual consolidated turnover of SCL.
f)	RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis.	ACL's annual turnover based on the audited financial statements for FY 2024-25 is ₹27,405 Lakhs. Proposed transactions shall constitute 114.95% of the annual consolidated turnover of ACL.
2.	Justification for why the proposed transaction is in the interest of the listed entity	Already furnished as part of the Explanatory Statement.
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Not Applicable
4.	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
5.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	ACL's annual turnover based on the audited financial statements for FY 2024-25 is ₹27,405 Lakhs. Proposed transactions shall constitute 114.95% of the annual consolidated turnover of ACL. Did not have any subsidiary/associate company to consolidate its accounts.
6.	Any other information that may be relevant.	Nil

Accordingly, the necessary resolution is submitted in Item No. 8 of the Notice and your Board recommends the same for approval of the shareholders.

Dr. S. Anand Reddy, Shri. S. Sreekanth Reddy, Smt. S. Rachana, Shri. K. V. Vishnu Raju, Shri. Ravichandran Rajagopal and Smt. O. Rekha, Directors of the Company, hold directorships in ACL. Smt. K. Prasad, CFO holds the position of CFO in ACL.

None of the Directors and Key Managerial Personnel of the company and their relatives is in any way concerned or interested financially or otherwise in the resolution, except to the extent of their designations and shareholding, if any, in SCL and in ACL.

By Order of the Board of Directors

Place: Hyderabad

Date: May 12, 2025

Registered Office:

Plot No. 111, Road No. 10

Jubilee Hills, Hyderabad – 500 033, Telangana.

J. Raja Reddy
Company Secretary
M.No. A31113



ANNEXURE – 2

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2)

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Name of the Director	Smt. O. Rekha	Shri S. Sreekanth Reddy	Smt. S. Rachana
DIN	07938776	00123889	01590516
Date of birth	July 20, 1959	August 27, 1971	July 04, 1975
Age	65 years	53 years	49 years
Qualification	B.Com. (Hons.), MBA, ACA	B.E. (I & P) and PG Diploma in cement technology	B.Sc.
Experience in specific functional areas	Finance	Corporate Executive	Corporate Executive
Date of first appointment on the Board	June 30, 2020	June 26, 2008	March 18, 2015
Nature of Appointment	Re-appointment as an Independent Director for a second consecutive term of 5 years with effect from June 30, 2025	Retires by rotation and being eligible offers himself for re-appointment	Retires by rotation and being eligible offers herself for re-appointment
Terms and Conditions of Appointment/ Reappointment	As an Independent Director of the Company, to hold office for a period of 5 years with effect from June 30, 2025 subject to other terms and conditions as are applicable to other independent directors	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013
Directorships in other Companies (other than listed companies)	1. Sagar Cements (M) Private Limited 2. VA Champ Industries Private Limited	1. Sagar Power Limited 2. Sagar Priya Housing & Industrial Enterprises Limited 3. Sree Venkateswara Winery & Distillery Private Limited 4. Super Hydro Electric Private Limited 5. Sagar Cements (M) Private Limited	R V Consulting Services Private Limited
Directorships in other Listed Companies	Andhra Cements Limited	1. Sagarsoft (India) Limited 2. Andhra Cements Limited	Andhra Cements Limited
Names of Listed Companies from which he has resigned in the past three years	NA	NA	NA
Membership/Chairmanship of Committees of other Boards	Andhra Cements Ltd. – As Chairman – Nomination and Remuneration Committee Andhra Cements Ltd. – As Member – Audit Committee, – Stakeholders Relation-ship Committee and – Risk Management Committee	Andhra Cements Ltd. – As Chairman – Risk Management Committee Andhra Cements Ltd. – As Member – Audit Committee and – Nomination and Remuneration Committee	Nil
Membership of Audit/ Stakeholders Relationship Committees of Public Limited Companies	Nil	Member of Audit Committee in Sagar Cements (M) Private Limited	Nil



Name of the Director	Smt. O. Rekha	Shri S. Sreekanth Reddy	Smt. S. Rachana
No. of shares held including shareholding as a beneficial owner in Sagar Cements Limited	1,000 (0%)	69,92,681 (5.34%)	66,08,540 (5.06%)
Number of Board Meetings attended	6	6	6
Details of Remuneration last drawn	No remuneration was paid except the sitting fee	An amount of ₹3,84,28,939/- was paid towards remuneration as Joint Managing Director during the FY 2024-25	No remuneration was paid except the sitting fee
Remuneration sought to be paid	No remuneration is proposed over and above the sitting fee	As mentioned in Resolution seeking his re-appointment	No remuneration is proposed over and above the sitting fee
Inter-se relationship with other Directors, Managers and KMP of the Company	None	Related to Dr. S. Anand Reddy, Managing Director and Smt. S. Rachana, Non-Executive Director	Related to Shri. S. Sreekanth Reddy, Joint Managing Director
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mrs. O. Rekha is having vast experience in the area of finance. The Company believes that her skills, knowledge and experience on the Board will complement the effective functioning of the Company.	Shri. S. Sreekanth Reddy holds PG Diploma in cement technology and having ample experience in the Cement Industries. The Company believes that his knowledge and experience on the Board will complement the effective functioning of the Company.	
Information as required pursuant to BSE Circular no. LIST/COMP/14/2018-19 and Circular of National Stock exchange of India Limited having Ref No. NSE/CML/2018/24 dated June 20, 2018	We affirm that Smt. O. Rekha is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Smt. O. Rekha is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Shri. S. Sreekanth Reddy is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri. S. Sreekanth Reddy is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Smt. S. Rachana is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Smt. S. Rachana is not debarred from holding the office of director pursuant to any SEBI Order.
The justification for choosing the appointees for appointment as Independent Directors	The Company believes that her skills, knowledge and experience on the Board will complement the effective functioning of the Company.	-	-

By Order of the Board of Directors

Place: Hyderabad
Date: May 12, 2025**Registered Office:**Plot No. 111, Road No. 10, Jubilee Hills,
Hyderabad – 500 033, Telangana.**J. Raja Reddy**
Company Secretary
M.No. A31113



ABBREVIATIONS

(E)	Estimated figure	ERP	Enterprise Resource Planning
<IR>	Integrated Reporting	ESG	Environmental, Social and Governance
AFR	Alternative Fuels and Raw Material	ESP	Electrostatic Precipitator
AI	Artificial intelligence	E-waste	Electronic Waste
AMRUT	Atal Mission for Rejuvenation and Urban Transformation	FCS	Fellow Company Secretary
AP&T	Andhra Pradesh and Telangana	FTE	Full-Time Equivalent
APIDC	Andhra Pradesh Industrial Development Corporation Limited	FY	Financial Year
ASCO	Assurances Continentales	GBC	Guntur Branch Canal
BDM	Bracht Deckers & Mackelbert	GGBS	Ground Granulated Blast Furnace Slag
BOI	Bank of India	GHG	Greenhouse Gas
C&F	Clearing and Forwarding	GPAP	Group Personal Accident Policy
CAGR	Compound Annual Growth Rate	GRI	Global Reporting Initiative
CC	Concrete canvas	GST	Goods and Services Tax
CCS	Carbon capture and storage	GTLI	Group Term Life Insurance
CCU	Carbon capture and utilisation	HDP	High Density Polyethylene
CEMS	Community of European Management Schools	HIRA	Hazard Identification and Risk Assessment
CEO	Chief Executive Officer	ICC	Internal Complaints Committee
CFD	Computational Fluid Dynamics	ICSI	Institute of Company Secretaries of India
CFO	Chief Financial Officer	IESBA	International Ethics Standards Board for Accountants
CII	Confederation of Indian Industries	IIRC	International Integrated Reporting Council
CMA	Cement Manufacturers Association	IMF	International Monetary Fund
CO ₂ /Tonne	Carbon dioxide Per Tonne	IND ASI	Indian Accounting Standard
CPCB	Central Pollution Control Board	ISO	International Organisation for Standardisation
CPP	Captive Power Plant	IUCN	International Union for Conservation of Nature
CSR	Corporate Social Responsibility	JCPL	Jajpur Cements Private Limited
EBITDA	Earnings Before interest, Taxes, Depreciation and Amortisation	JV	Joint Venture
ECLGS	Emergency Credit Linked Guarantee Scheme	KCal	Kilocalorie
EHS	Environment, Health and Safety	kL	Kilolitre
eNPS	Employer Net Promoter Scores	km	Kilometer
EPS	Earnings Per Share	kWh/t	Kilowatt Hour Per Tonne
eq	Equivalent	LIS	Lock-in-sula



ABBREVIATIONS

LTl	Lost Time Injuries	SGC	Sagar Cements Limited
LTIFR	Lost Time Injury Frequency Rate	SCPL	Satguru Cement Private Limited
Ltr/Ton	Litre Per Tonne	SCRL	Sagar Cements (R) Limited
M.B.B.S	Bachelor of Medicine and Bachelor of Surgery	SEBI	Securities and Exchange Board of India
mg/nm ₃	Miligrams Per Cubic Metre	SOx	Sulphur Oxides
ML	Machine Learning	SRC	Sulphate Resistant Cement
MnT	Million Tonnes	STP	Sewage Treatment Plant
MoEFCC	Ministry of Environment, Forest and Climate Change	T	Tonnes
MT	Metric Tonnes	tCO ₂ e	Tonnes of carbon dioxide equivalent
MTPA	Million Tonnes Per Annum	TJ	Tera joule or one trillion joules
MW	Megawatts	TPA	Tonnes Per Annum
MWh	Megawatt Hour	TPD	Tonnes Per Day
NBM	National Institute of Bank Management	TSIDC	Telangana State Irrigation Development Corporation Ltd.
NCLT	National Company Law Tribunal	TSR	Thermal Substitution Rate
NOx	Nitrogen Oxides	TUVI	Technischer Überwachungsverein India
OPC	Ordinary Portland Cement	UCL	University of Louvain
PAT	Profit After tax	VFDs	Variable Frequency Drives
PGNAA	Prompt Gamma Neutron Activation Analysis Analyzer	WHRS	Waste Heat Recovery System
PMAY	Pradhan Mantri Awas Yojana	YoY	Year-on-Year
PPC	Portland Pozzolana Cement	AP	Andhra Pradesh
PSC	Portland Slag Cement	KA	Karnataka
PTFE	Polytetrafluoroethylene	TN	Tamil Nadu
RABH	Reverse Air Bag House	TG	Telangana
RBI	Reserve Bank of India	KE	Kerala
RDF	Refuse Derived Fuel	OD	Odisha
RE	Renewable Energy	MH	Maharashtra
RO	Reverse osmosis	MP	Madhya Pradesh
RoCE	Return on Capital Employed	GJ	Gujarat
RoE	Return on Equity	RJ	Rajasthan
RTM	Risks that Matter	WB	West Bengal
SASB	Sustainability Accounting Standards Board	JH	Jharkhand

CORPORATE INFORMATION

Board Of Directors

Shri. K. V. Vishnu Raju

Chairman and Independent Director

Shri. Ravichandran Rajagopal

Independent Director

Smt. O. Rekha

Independent Director

Smt. N. Sudha Rani

Nominee Director

Shri. Madhavan Ganesan

Nominee Director

Shri. John-Eric Bertrand

Non-executive Director (upto 21st October 2024)

Shri. Jens Van Nieuwenborgh

Nominee Director (w.e.f. 18th September 2024)

Smt. S. Rachana

Non-executive Director

Dr. S. Anand Reddy

Managing Director

Shri. S. Sreekanth Reddy

Joint Managing Director

Company Secretary

Shri. J. Raja Reddy

Chief Financial Officer

Shri. K. Prasad

Senior Management Team

Shri. K. Ganesh

Group President

Shri. Rajesh Singh

Chief Marketing Officer

Shri. O. Anji Reddy

Chief Sustainability Officer

Shri Sanjay Singh

Senior General Manager (F&A) and
Chief Risk Officer

Shri M. V. Ramana Murthy

Sr. Vice President – Mattampally

Shri. E. P. Ranga Reddy

Asst. Vice President – Gudipadu

Shri Ch. Subba Rao

Vice President – Dacheppalli

Shri Niraj Kumar Shrivastava

Vice President – Jeerabad

Shri Venkat Prasad Rao Nelluri

General Manager – Bayyavaram

Shri I.P. Shrivastava

General Manager – Jajpur

Auditors

M/s. Deloitte Haskins & Sells

Chartered Accountants (FR NO. 008072S)
KRB Towers, Plot No. 1 to 4 & 4A, 2nd & 3rd
Floor Jubilee Enclave, Madhapur, Hyderabad
– 500 081

Cost Auditors

M/s. Narasimha Murthy & Co.,

Cost Accountants (FR No. 000042)
104, Pavani Estates, Y. V. Rao Mansion
Himayatnagar, Hyderabad – 500 029

Registered Office

Plot No. 111, Road No. 10, Jubilee Hills
Hyderabad – 500 033.

Tel: 040 – 23351571

Fax: 040 – 23356573

Website: www.sagarcements.in

e-mail: info@sagarcements.in

Corporate Identity Number



L26942TG1981PLC002887

Bankers



Debenture Trustee

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400001,
Maharashtra.

Plants

Cement Plants

1. Mattampally, Via Huzurnagar
Suryapet District,
Telangana – 508 204
Tel: 08683 – 247039
2. Gudipadu, Gudipadu Village and Post
Yadaki Mandal, Ananthapur District,
Andhra Pradesh – 515408
Tel: 08558 – 200272
3. Sri Durgapuram, Srinagar Post,
Dacheppalli Mandal, Palnadu District,
Andhra Pradesh – 522414.
4. Karondiya (Village),
Post-Jeerabad, Tehsil-Gandhwani,
Dhar District,
Madhya Pradesh – 454446.
5. Bayyavaram Village, Kasimkota Mandal
Visakhapatnam District,
Andhra Pradesh – 531031
Tel: 08924 – 244098 / 244550
6. Kalinga Nagar Industrial Complex,
Tehsil-Dangadi, Jajpur District,
Odisha – 75502

Hydel Power Units:

1. Guntur Branch Canal Hydel Project
Tsallagundla Adda Road,
Nekarikallu Mandal Guntur District,
Andhra Pradesh – 522 615
2. Lock-in-Sula Hydel Project
Banumukkala Village,
Banakacherla Regulator
Pamulapadu Mandal, Kurnool District,
Andhra Pradesh – 518 422



Sagar Cements Limited

Registered and Administrative Office
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