SAGAR CEMENTS LIMITED

Ref:SCL:SEC:2026-27

30th May 2026

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

Symbol: SAGCEM
Series: EQ

The Secretary
Bombay Stock Exchange Limited
P J Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 502090

Dear Sirs,

Sub: Submission of Integrated Annual Report under Regulation 34 (1) of the SEBI (LODR) Regulations 2015

...

Pursuant to Regulation 34 (1) read with other applicable Regulations of SEBI (LODR) Regulations, 2015, we are submitting herewith our Integrated Annual Report for the financial year 2025-26, which, inter-alia contains the Notice of the 45th Annual General Meeting of the company to be held on Thursday, the 25th June, 2026 at 3:30 p.m. Copies of this Report are being mailed to our shareholders and others entitled to receive it and the same is also available on our website viz., www.sagarcements.in.

Thanking you

Yours faithfully
For Sagar Cements Limited

J.Raja Reddy
Company Secretary
M.No.A31113

Encl: a.a.

45th Integrated Annual Report 2025-26

Resilient Foundations.

Designed for a *Sustainable* Future.

Resilient Foundations. Designed for a Sustainable Future.


6-stage In-Line Calciner (ILC) preheater at Dachepalli, A.P


Resource conservation across plants


Electric Vehicles replacing diesel loaders

At Sagar Cements Limited (SGC), resilience is embedded in the way we operate, invest and grow. Built on decades of operational discipline, regional strength and a commitment to quality, our foundations support stable performance across business cycles. Our expanding manufacturing footprint and strong market relationships position us to capture opportunities while maintaining financial prudence and operational consistency.

As we move forward, we continue to strengthen these foundations through disciplined execution and a sharp focus on efficiency. Improved cost structures, optimised operations and enhanced supply chain capabilities enable us to remain agile in a dynamic environment, while reinforcing our ability to deliver consistent and sustainable value to all stakeholders.

Guided by our Vision 2030 roadmap, we are advancing our ESG agenda through stronger governance, improved energy efficiency and responsible resource management, enabling us to align growth with environmental stewardship and long-term stakeholder value creation.

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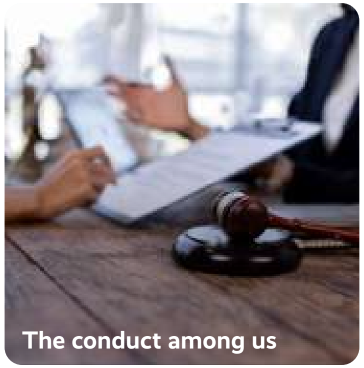


CASE STUDY

Sustainability in action

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. You can also directly access the chapters from this Contents page. Alternatively, a Read more symbol will guide you to the specific links.

This Integrated Report presents a holistic view of Sagar Cements Limited's ability to create and sustain value over time. It brings together financial and non-financial information to explain our strategy, business model, governance and performance, and how we respond to risks and opportunities in pursuit of long-term resilience in line with our Vision 2030.

REPORTING SCOPE AND BOUNDARY

This Report covers information on Sagar Cements Limited (SGC) and its subsidiaries, including its integrated and grinding plants located across India. It also considers the key resources, relationships and external dependencies that influence value creation across our operations and supply chain.

REPORTING PERIOD

1st April 2025 TO 31st March 2026

(Unless stated otherwise).

STANDARDS, FRAMEWORKS AND STATUTORY COMPLIANCE

This Integrated Report has been prepared in alignment with the International Integrated Reporting Framework (IR) issued by the IFRS Foundation and presents a holistic view of the value we create over the short, medium and long term. Sustainability-related disclosures within the Report are aligned with GRI and SASB standards.

As a member of the Global Cement and Concrete Association (GCCA), our disclosures are aligned with the GCCA Sustainability Charter, reflecting our commitment to sustainable practices.

THIS REPORT COMPLIES WITH APPLICABLE STATUTORY AND REGULATORY REQUIREMENTS, INCLUDING:

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

REPORT PREPARATION AND RESPONSIBILITY

Prepared under the oversight of Sagar Cements Limited's Board and senior management, this Integrated Report has been reviewed for consistency and clarity. The Board affirms it fairly represents the Company's strategy, performance, and prospects, considering all material matters. This Report has been approved for public release on 30th May 2026.

INDEPENDENT ASSURANCE

The standalone and consolidated financial statements included in this Integrated Report for FY 2026 have been audited by B S R and Co the statutory auditors of Sagar Cements Limited. The non-financial information included in the Report has undergone limited independent assurance by TUV India Private Limited, covering selected sustainability indicators.

Feedback

We value your feedback that would enable 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

FORWARD-LOOKING STATEMENT

This Integrated Report may contain forward-looking statements relating to the Company's plans, expectations and future performance. These statements are based on current assumptions and are subject to risks and uncertainties that may cause actual outcomes to differ materially. Sagar Cements undertakes no obligation to update such statements, except as required by applicable law.

OUR CAPITALS

FINANCIAL CAPITAL

Financial Capital includes 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.

SOCIAL AND RELATIONSHIP CAPITAL

Strong relationships across our value chain support stable operations and growth. Through active engagement with customers, suppliers, regulators and communities, we build trust, enable responsible sourcing and contribute to inclusive development across our areas of operation.

HUMAN CAPITAL

Our people drive operational excellence and responsible business practices. Through continuous training, robust safety systems and leadership development, we build a skilled and accountable workforce that supports efficient operations and employee well-being.

NATURAL CAPITAL

Our operations depend on key resources such as limestone, water and energy. We focus on improving resource efficiency through renewable energy adoption, alternative fuels, water conservation and responsible raw material management to reduce environmental impact.

MANUFACTURED CAPITAL

Our integrated manufacturing network, including clinker plants, grinding units and logistics infrastructure, underpins our operations. Ongoing upgrades in process technology, energy efficiency and digital monitoring enhance reliability while improving environmental performance and operational efficiency.

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.

FY 2026 at a glance

Financial

Revenue

₹ 2,65,002 Lakhs

↑17%

EBITDA

₹ 29,199 Lakhs

↑107%

PAT

₹ (73) Lakhs

Operational

Production

60,82,518 T

↑10%

Sales Volume

60,99,386 T

↑11%

Capacity Utilisation

60%

↑5.78%

Contract Manufacturing (GGBS)

2,61,303 T

Mattampally Plant, Telangana

Advancing responsible growth

Our commitments

Net Zero by 2050

We pledge to reach 'Net Zero' greenhouse gas emissions across the value chain by FY 2050.

SBTi validated targets

Our carbon footprint reduction targets have been validated by the Science- Based Targets initiative (SBTi).

Read more on **page 44**

Renewable energy

We are committed to increasing the green electrical energy ratio in operations to 50% by 2030 and 100% by 2050.

Read more on **page 49**

ESG Roadmap 2030

Sagar Cements follows a target-driven approach for integrating sustainability efforts. We monitor our progress monthly and consistently work to meet the targets set in ESG Roadmap 2030.

Our efforts and achievements

Climate change

648 KG CO_2/ MT CEMENTITIOUS GROSS
Emission Intensity (Scope-1&2)

Renewable energy

18.83%
Green Power from Solar, Hydro and Waste Heat Recovery systems

11
Electric Vehicles introduced in cement manufacturing plants

Green products

GreenPro
Certified by CII GBC for sustainable manufacturing and resource efficiency excellence in 6 cement plants

Circular economy

16,91,596 T
Alternative cementitious materials used for cement production this year

Alternate fuels

69,487 T
Waste materials from industrial and agricultural sectors used as alternative fuel this year

Water

3X
Water Positive in FY 2026

Health and safety

0.24
LTIFR

ZERO
Fatalities across the Group, including own and contract workforce

Learning and development

35,286 HRS
Total training hours

Responsible supply chain

91.3%
Local procurement

Supplier ESG Code of Conduct launched

Community development

₹ 178 LAKHS
CSR expenditure

600,000+
CSR beneficiaries in last six years

Supporting Community Health Centre
near Gudipadu and Mattampally

Ethics and compliances

3
Independent Directors on Board

3
Female Directors on Board

Governance

Risk assessment
and analysis by independent third-party every year and approved by the Board

ESG risk and ratings

Crisil ESG ratings 2025

53 SCORE received in the CRISIL ESG RATINGS recognised by SEBI

CDP Rating 2025

B SCORE received in the CDP Rating for Climate Change and Water Security

Read more on **page 44**

Climate risk assessment 2025

We conducted Climate risk assessment in line with TCFD/ISSB Standards to understand our exposure to Climate Change risk.

Read more on **page 51**

Double materiality assessment 2025

This year we conducted Double Materiality assessment to revalidate our material topics through impact assessment and financial materiality assessment and identify any new critical topics for us.

Read more on **page 40**

Key milestones of the year

Q1 FY 2026

- Completed **Scope 3 GHG emissions assessment** across all 10 categories for the third time
- Published **Integrated Annual Report FY 24–25** aligned with <IR>, GRI, SASB and GCCA
- Retained **GreenCo Platinum rating** at Bayyavaram plant
- Achieved **GreenPro certification across all plants**

Q2 FY 2026

- Commissioned **6 MW solar power plant at Dachepalli**
- Bayyavaram and Jeerabad plants recognised as **Energy Efficient Units by CII**
- Two Jeerabad mines were **awarded a 5-Star Rating by the Indian Bureau of Mines**

Q3 FY 2026

- Commissioned **6-stage preheater at Dachepalli**, completed **117 days ahead of schedule with zero accidents**
- **Merit Scholarships to 10th Class Students** of Government Schools around all our plants, on the birth anniversary of our founder Late Sri Sammidi Veera Reddy Garu.
- Won **26 awards at QCFI National Environment & Sustainability Awards**
- **Achieving Safety recognition and continuing Zero Harm** Sagar Cements – Gudipadu, Jajpur, and Bayyavaram plants were awarded the **"Certificate of Merit" under the NSCI Safety Awards – 2025** by the National Safety Council of India, underscoring SGC's strong safety performance

Q4 FY 2026

- Initiated **AFR feeding systems** at **Jeerabad** for alternative fuel utilisation
- Deployed new EV loaders at Bayyavaram, Mattampally and Jeerabad plants increasing the total to **11 Electric Vehicles (EV)**
- Double materiality assessment and Climate risk assessment

Corporate Overview

This section presents an overview of SGC's business presence, diversified product portfolio and key corporate developments during FY 2026.
It highlights the Company's continued focus on strengthening market presence, enhancing operational capabilities and building a resilient foundation for long-term growth and sustained value creation.

A Legacy of responsible growth

Sagar Cements Limited (SGC), headquartered in Hyderabad, is one of India's leading cement manufacturers with an installed capacity of 10.50 MTPA. With six manufacturing facilities strategically positioned from Southern India to the Central and Eastern parts of the country, we serve key markets through a strong distribution and dealer network.

Over the years, we have built a diversified regional presence, improved operational efficiency, ensured disciplined capacity expansion and maintained a stringent focus on product quality. Our growth strategy is strongly aligned with the ESG Vision 2030 roadmap, reiterating our commitment to sustainable value creation.

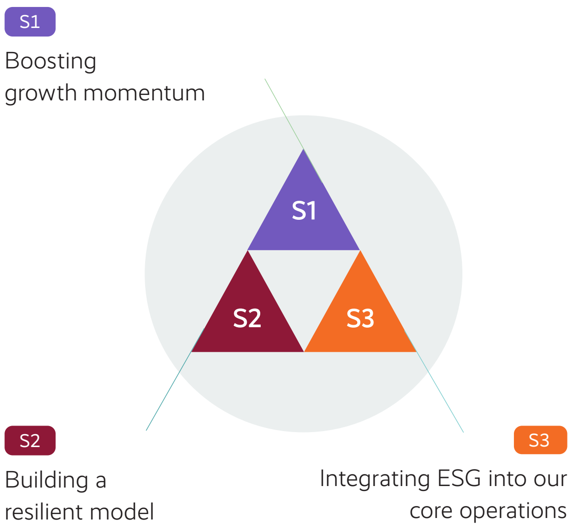
Our mission

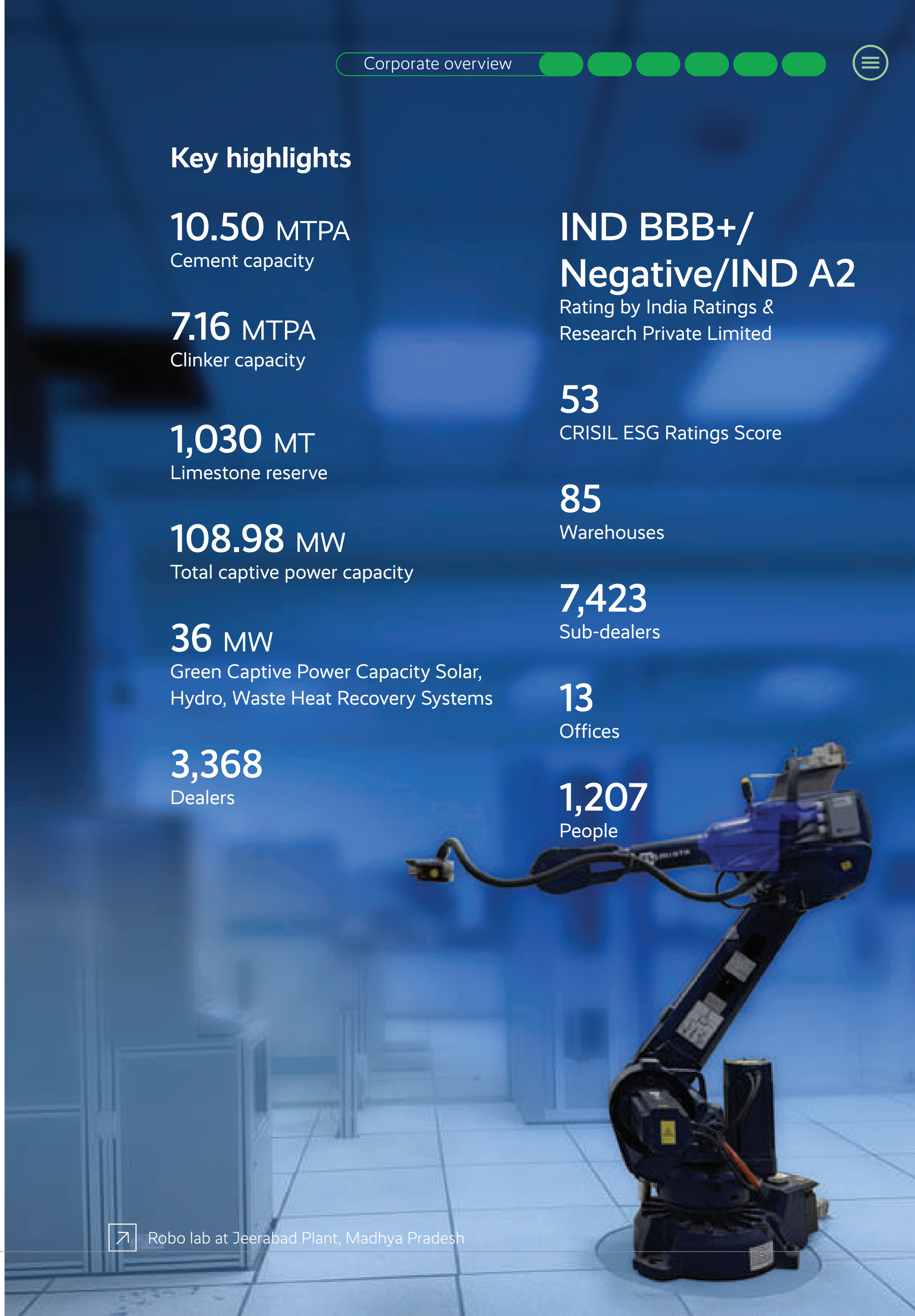
To be India's most respected and attractive Company in our industry, creating value for all our stakeholders

Our vision

To provide foundations for the society's future

Our Strategy for Growth





Key highlights

10.50 MTPA
Cement capacity

7.16 MTPA
Clinker capacity

1,030 MT
Limestone reserve

108.98 MW
Total captive power capacity

36 MW
Green Captive Power Capacity Solar, Hydro, Waste Heat Recovery Systems

3,368
Dealers

IND BBB+/ Negative/IND A2
Rating by India Ratings & Research Private Limited

53
CRISIL ESG Ratings Score

85
Warehouses

7,423
Sub-dealers

13
Offices

1,207
People

Robo lab at Jeerabad Plant, Madhya Pradesh

Our presence

Integrated Plants

Jeerabad, Madhya Pradesh
1.0 MTPA

Mattampally, Telangana
3.0 MTPA

Dachepalli, Andhra Pradesh
2.25 MTPA

Gudipadu, Andhra Pradesh
1.25 MTPA

Markets served by the entity

- Andhra Pradesh
- Telangana
- Tamil Nadu
- Madhya Pradesh
- Karnataka
- Gujarat
- Maharashtra
- Odisha
- Bihar
- Jharkhand
- West Bengal
- Kerala
- Rajasthan

Grinding Plants

Jajpur, Odisha
1.5 MTPA

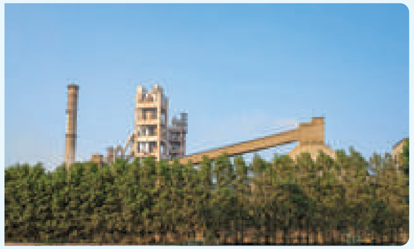
Bayyavaram, Andhra Pradesh
1.5 MTPA

Note: Map not to scale.

WHRS Solar Power Plant Hydro Power Plant

Our manufacturing assets

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: **389 MT**
Markets: **AP, TG, TN, OD, MH**
Certifications: **GreenCo Gold, GreenPro for PPC, NABL accredited Laboratory, 5-star rating for Mines by IBM**

Gudipadu, Andhra Pradesh

Capacity: **1.25 MTPA**
Captive Power: **31.00 MW**
Thermal Power: **25.00 MW**
Solar Power: **6.00 MW**
Limestone resources: **162 MT**
Markets: **AP, KA, TN, TG, KE**
Certifications: **GreenPro for PPC and PSC**

Jeerabad, Madhya Pradesh

Capacity: **1.00 MTPA**
Captive Power: **5.40 MW**
WHRS: **5.30 MW**
Solar Power: **0.10 MW**
Limestone resources: **79 MT**
Markets: **Western MP, GJ, RJ, MH**
Certifications: **GreenPro for PPC NABL Accredited Laboratory**

Dachepalli, Andhra Pradesh

Capacity: **2.25 MTPA**
Captive Power: **36.00 MW**
Thermal Power: **30.00 MW**
[Non-operational]
Solar Power: **6 MW**
Limestone resources: **400 MT**
Markets: **TG, AP, TN & KA**
Certifications: **GreenPro for PPC**

Bayyavaram, Andhra Pradesh

Capacity: **1.50 MTPA**
Captive Power: **0.13 MW**
Solar Power: **0.13 MW**
Markets: **AP and South OD**
Certifications: **GreenCo Platinum, GreenPro for PPC, CC, and GGBS, NABL Accredited Laboratory**

Jajpur, Odisha

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

Offsite assets

Hydo Power Plant 1: **4.00 MW**
(Wheeling power to Bayyavaram)

Hydo Power Plant 2: **4.30 MW**
(Wheeling power to Gudipadu)

Solar panels with a capacity of 80 KW are installed at the Head office, Hyderabad.

Note: 1) A 4.35 MW WHRS plant is under development at Gudipadu.
2) 0.75 MTPA capacity expansion works at Dachepalli, under progress.
3) 0.50 MTPA capacity expansion works at Jeerabad, under progress.

WHRS | Solar Power Plant | Hydro Power Plant

Adding strength to structures

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 byproducts 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.

CASE STUDY

Empowering customers with blended cements alternative

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 2025, our Sustainable Product Portfolio included PPC, CC, PSC and GGBS. supported by disciplined, high-IRR capital investments. All our blended cements products are certified by GreenPro, by CII.

4

Products received GreenPro certification

Composite Cement (CC)

Composite Cement (CC) is a blended cement made up of 15-35% pozzolanic material, 20-50% granulated slag, 3% gypsum and 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.

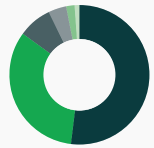
Sulphate Resistant Cement (SRC)

Sulphate Resistant Cement (SRC) is designed to withstand sulphate attacks, containing low levels of Tricalcium Aluminate (C3A) and Tetracalcium aluminoferrite (C4AF). 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.

Product mix



Ordinary Portland Cement (OPC)	52%
Portland Pozzolana Cement (PPC)	33%
Portland Slag (PSC)	8%
Composite Cement (CC)	4%
Ground Granulated Blast-furnace Slag (GGBS)	2%
Sulphate Resistant Cement (SRC)	1%
Grand Total	**100%**

Cement type

Blended	47%
Non-blended	53%

Segment mix

Non Trade	51%
Trade	49%

Leadership & Direction

Driven by experienced leadership and a forward-looking vision, SGC continues to strengthen its strategic direction through responsible governance, disciplined decision-making and a long-term approach to value creation. The Company remains focused on building a resilient and future-ready organisation aligned with evolving business priorities.

Strengthening resilient foundations

FY 2026 has reinforced how resilience, discipline and a long-term perspective are essential for staying ahead of the curve.

K. V. Vishnu Raju
Chairman

Dear Shareholders,

As we wrap up another eventful year, I am pleased to take you through our journey over the past fiscal year. FY 2026 has reinforced how resilience, discipline and a long-term perspective are essential for staying ahead of the curve. As India continues to invest in infrastructure, urban housing and development, the cement industry remains closely aligned with the nation's economic progress and development aspirations. In this backdrop, Sagar Cements remained focused on strengthening its operational capabilities while advancing its sustainability priorities.

During the year, strategic initiatives aimed at improving manufacturing efficiency, optimising energy use and enhancing operational performance further strengthened the Company's foundation. These efforts enabled us to respond effectively to changing market dynamics while continuing to focus on long-term value creation.

ANCHORED IN INDIA'S INFRASTRUCTURE GROWTH

Sustained public and private investments in infrastructure and housing are powering India's growth momentum and laying the foundation for future economic expansion. Large-scale developments, especially transportation networks, logistics corridors, urban infrastructure and affordable housing are expected to accelerate cement demand across regions in the coming years.

The cement industry remains closely aligned with the country's development priorities. With our strategically located manufacturing facilities and expanding distribution network, we are well-positioned to support this growth while scaling our presence across key markets.

The cement industry remains closely aligned with the country's development priorities. With our strategically located manufacturing facilities and expanding distribution network, we are well-positioned to support this growth while scaling our presence across key markets.

The sector is undergoing a period of transformation, with increasing emphasis on sustainability, efficiency and responsible resource management. As growth opportunities expand, industry expectations are evolving, making it essential for companies to balance operational performance with environmental stewardship. We believe organisations that can deliver on these priorities will be better positioned to create long-term value.

STRENGTHENING OPERATIONAL CAPABILITIES

During the year, we undertook several initiatives to improve productivity and strengthen operations across our manufacturing network. Investments in technology upgrades, energy-saving measures and process improvements helped enhance plant performance and reliability.

We also streamlined logistics to improve supply chain efficiency. Efforts to reduce lead distances, strengthen distribution and deepen customer engagement enabled us to build a more agile and responsive operating network.

Operational resilience continues to remain a key focus area for the Company. Strengthening manufacturing capabilities while maintaining disciplined cost management has helped us remain competitive and adapt effectively to changing market conditions.

ADVANCING THE SUSTAINABILITY AGENDA

Sustainability continues to guide our long-term direction and decision-making.

In FY 2025, we reached a significant milestone by becoming the first Indian cement company to have Net Zero by 2050 GHG Emission reduction targets validated by the SBTi, in line with their Corporate Net Zero Standard. This milestone reflects our commitment to reducing emissions in line with globally recognised climate goals. Our aim is to implement SBTi validated targets and make all efforts to achieve our goals. During the year, we increased the use of renewable energy, improved energy efficiency and made efforts to increase alternate fuel and raw materials usage.

Enhanced sustainability disclosures and independent assurance processes further strengthened our ESG oversight and helped earn the confidence of our stakeholders.

We also continued to prioritise water conservation, efficient use of resources and responsible manufacturing practices across operations.

SUSTAINING LONG-TERM VALUE CREATION

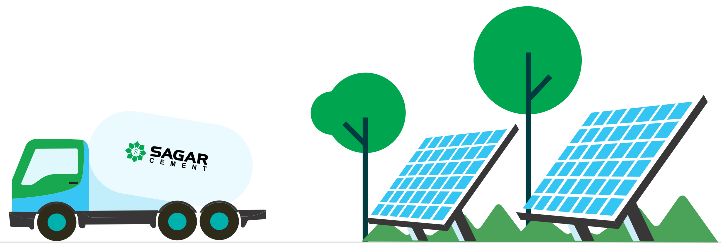
Our strategy hinges on responsible growth and prudent capital allocation, with disciplined execution and investments in technology and sustainability initiatives continuing to define our approach to value creation.

Equally important to us is the consistent support and trust of our stakeholders. Employees, customers, partners, shareholders and communities have each played an important role in the journey of Sagar Cements. We are deeply grateful for your partnership.

Built on decades of operational strength, we remain focused on building a resilient organisation that can contribute meaningfully to India's infrastructure growth while delivering long-term value to stakeholders.

Best regards,

K. V. Vishnu Raju
Chairman



Responsibly shaping a sustainable tomorrow

Targeted improvements in plant performance, logistics and energy use helped enhance operational efficiency and improve responsiveness to changing market conditions. We are also leveraging advanced technologies and focused R&D to develop low-carbon solutions, strengthening our capabilities to remain competitive and future-ready in an evolving industry landscape.

Dear Shareholders,

FY 2026 was a challenging year for the cement industry, marked by uneven demand conditions and continued pressure on input costs. At Sagar Cements, we remained focused on strengthening our core operations and steadily building resilience across the business. Our efforts during the year were directed towards improving plant efficiency, streamlining operations and bringing greater consistency across our manufacturing footprint.

As the year unfolded, we maintained a sharp focus on execution discipline across all levels of the organisation. Targeted improvements in plant performance, logistics and energy use helped enhance operational efficiency and improve responsiveness to changing market conditions.

These actions have strengthened the foundation of the business and reinforced our ability to navigate cycles while continuing to build long-term value.

S. Sreekanth Reddy
JMD

Dr. S. Anand Reddy
MD

PERFORMANCE OVERVIEW

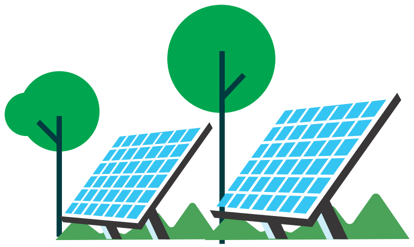
During the year, our consolidated revenue totalled ₹2,650 crores, while cement sales volumes reached 6.10 MT. EBITDA for the year stood at ₹292 crores, translating into an EBITDA per tonne of ₹479, PAT at ₹(0.73) crores. This performance underscores the resilience of our business model and the steady improvements in operational effectiveness. Capacity utilisation during the year stood at 60% at consolidated level, 5.78% increase since last year, reflecting stable operations across plants and disciplined execution.

Several initiatives were undertaken to improve manufacturing efficiency and strengthen plant productivity. At the Dachepalli plant, the commissioning of new generation a six-stage preheater has enhanced clinker production by 0.46 MTPA and improved the plant's thermal energy performance.

The successful completion of this project reflects the Company's focus on adopting modern technologies for improving operational capabilities.

Our commitment to a lower-carbon future remains central to our strategy. We are gradually increasing the use of renewable energy across our cement plants to reduce dependence on conventional, emission-intensive power sources.

Our commitment to a decarbonised future remains a core pillar of our operational strategy. We are consistently developing renewable energy sources on our cement plants to reduce our dependence on GHG electricity sources that generate GHG emissions. This year, we expanded our renewable energy portfolio further by commissioning another 6 MW solar power plant at Dachepalli Integrated Cement Plant. With this our total solar capacity has been increased to 36 MW. In addition, construction is underway for a 4.35 MW Waste Heat Recovery System (WHRS) at the Gudipadu plant and we are evaluating solar power options across all remaining plants.



Infrastructure for alternative fuel utilisation is also being developed at the Jeerabad plant. These initiatives support our long-term objective of increasing the share of alternative fuel in our energy mix while ensuring energy efficiency.

ADVANCING THE ESG ROADMAP

In a capital- and resource-intensive industry such as cement, sustainability is central to long-term competitiveness and operational resilience. During the year, we advanced our efforts across energy transition, resource efficiency and responsible manufacturing to strengthen our ESG framework.

We also enhanced ESG transparency through improved sustainability disclosures, value chain emissions assessments and external assurance processes.

PEOPLE AND COMMUNITY ENGAGEMENT

We prioritise our people and their holistic well-being. Safety remains non-negotiable, and continuous training and skill-development programmes across our plants create a supportive and enabling environment where employees can grow professionally and personally.

Our community development programmes are aimed at making a positive difference in the lives of those who reside in and around the areas where we operate. Through focused efforts in education, healthcare and rural development, we seek to support more inclusive growth.

We also offer merit-based scholarships to students, empowering them to realise their dreams and shape a brighter future for themselves and their families.

BUILDING A SUSTAINABLE FUTURE

India's infrastructure boom and rapid urbanisation continue to unlock long-term tailwinds for the cement industry. Supported by ongoing investments in capacity expansion, operational efficiency and sustainability initiatives, we are well-positioned to contribute to - and grow with - the country.

As we strengthen operational resilience and drive responsible growth, disciplined execution and continuous innovation remain central to our approach, helping us build a stronger foundation for the future.

We remain grateful to all our stakeholders, partners and people for placing their faith in our capabilities. Together, we are poised to expand our horizons and participate meaningfully in the opportunities this growth phase is ushering in.

Best regards,

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

BOARD OF DIRECTORS

Built on excellence, powered by expertise

Our Board uses its wide range of experience to lead us in a dynamic business environment. Upholding the highest standards of corporate governance, our Board provides necessary oversight and guidance to bring long-term value to our customers, employees, and partners. With deep domain knowledge and global perspectives, they ensure accountability and uphold ethical leadership, enabling resilient decision-making.

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

Shaping strategic direction

Shri K.V. Vishnu Raju

Chairman and Independent Director

C C C M M M

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

M M M M M

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

C C M M M

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 – Telangana State Industrial Development Corporation (TSIDC)

C

Qualification

Postgraduate in Commerce

Skills and experience

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

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 Madhavan Ganesan

Nominee Director – PI Opportunities Fund I – Scheme II

M M M

Qualification

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

Skills and experience

He has 37+ 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.

Jens Van Nieuwenborgh

Nominee Director – AvH Resources India Private Limited

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 – Promoter Group

M

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 – Promoter Group

M M M

Qualification

MBBS

Skills and experience

He has more than 35 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 – Promoter Group

C M

Qualification

Bachelor's Degree -Industrial and Production Engineering

PG Diploma in Cement Technology

Skills and experience

He has more than 30 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.

BOARD COMMITTEES

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

Charting our way forward leading with purpose and integrity

Dr. S. Anand Reddy
Managing Director

Shri S. Sreekanth Reddy
Joint Managing Director

Shri K. Ganesh
Group President

Shri K. Prasad
Chief Financial Officer

Dr. S. Anand Reddy brings with him a vast experience of more than 35 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 brings with him more than 30 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 comes with a rich experience of more than 40 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 heads the Finance and Accounts function of the Group.

Has more than 32 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.

Shri Rajesh Singh
Chief Marketing Officer

Shri O. Anji Reddy
Chief Sustainability Officer

Shri J. Raja Reddy
Company Secretary and Compliance Officer

Shri Sanjay Singh
Asst. Vice President (F&A) and Chief Risk Officer

Shri. Rajesh Singh has 35 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 35 years of professional journey.

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 41 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 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 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.

Resilient progress

Operational metrics

Cement production

(in T)

FY 2026	60,82,518
FY 2025	55,09,572
FY 2024	54,72,855
FY 2023	47,60,282
FY 2022	36,00,309

10% YoY ↑ **| 15%** 5 year CAGR ↑

Clinker production

(in T)

FY 2026	47,49,882
FY 2025	42,62,191
FY 2024	43,62,806
FY 2023	35,70,565
FY 2022	29,43,173

11% YoY ↑ **| 16%** 5 year CAGR ↑

Financial metrics

Net sales

(₹ Lakhs)

FY 2026	2,57,332
FY 2025	2,19,757
FY 2024	2,49,825
FY 2023	2,22,292
FY 2022	1,59,334

17% YoY ↑ **| 14%** 5 year CAGR ↑

EBITDA

(₹ Lakhs)

FY 2026	29,199
FY 2025	14,109
FY 2024	24,591
FY 2023	15,318
FY 2022	27,577

107% YoY ↑ **| (6%)** 5 year CAGR ↓

EBITDA margin

(%)

FY 2026	11
FY 2025	6
FY 2024	10
FY 2023	7
FY 2022	17

76% YoY ↑ **| (18)%** 5 year CAGR ↓

Average capital employed

(₹ Lakhs)

FY 2026	3,19,873
FY 2025	2,90,472
FY 2024	3,29,240
FY 2023	3,35,877
FY 2022	2,32,390

10% YoY ↑ **| 13%** 5 year CAGR ↑

Our targets and performance

SDG Impacted

We follow a target-driven approach for integrating sustainability efforts. Our ESG Roadmap was developed 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 net zero greenhouse gas emissions across the value chain **by FY 2050**.

PERFORMANCE IN FY 26

- **648 kg CO_2/ tonne Cementitious product (Includes Biomass emissions)**

Energy

Targets

- Increasing the **green electrical energy** ratio in electricity consumption 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** and **685** Kcal by **2050**
- Deploying **zero emission transportation vehicles; 30%** by **2030** and **100%** by **2050**
- Install **waste heat recovery systems**

PERFORMANCE IN FY 26

- **Green electrical energy ratio: 18.83%**
- **TSR: 4.56%**
- **SEC: 72.83 kWh /Tonne Cement**
- **STC: 729 kCal/kg Clinker**
- **Zero-Emission Vehicles: 11 Electric vehicles (EVs) deployed 8% of our vehicles onsite**
- **Waste Heat Recovery Systems installed: 18.45 MW (Including the Gudipadu WHRS, currently under commissioning)**

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 IN FY 26

- **Clinker factor FY 2026: 72.5%**
- **Decarbonated raw materials FY 2026: 1.06%**

Biodiversity

Targets

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

PERFORMANCE IN FY 26

- **Planted 50,603 saplings in 17 hectares of area (2,976 saplings per hectare)**

Waste & Circular economy

Targets

- Use cementitious waste materials and reduce clinker factor

PERFORMANCE IN FY 26

- **Alternative cementitious materials consumed: 16,91,596 T**

Water

Targets

- Become **10x water positive** by **2030**
- Reduce freshwater withdrawal intensity for cement process by **20%**, compared to base year FY 2023

PERFORMANCE IN FY 26

- **Water positivity: 3X**
- **Specific freshwater consumption (cement process): 38 litres/tonne of cementitious materials 19% Reduction compared to base year FY 2023.**

SDG Impacted

Social

Health and safety

Targets

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

PERFORMANCE IN FY 26

- **Zero fatalities**
- **6 Internal safety audits conducted**

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 IN FY 26

- **₹ 178 Lakhs spent on CSR**
- **1,90,000+ beneficiaries through CSR efforts**
- **Healthcare centers at Mattampally and Gudipadu**
- **Vocational training programmes at Mattampally, Gudipadu and Dachepalli**

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 IN FY 26

- **35,286 Training hours**
- **Talent management strategy developed**
- **HR process digitalisation through Integrated HR Management System**
- **2.4% Female employment ratio**

Customers and partners

Targets

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

PERFORMANCE IN FY 26

- **Focused efforts to strengthen bonds and build relationships with customers and partners, including plant visits and counter meets**

Governance

Ethics and compliances

Targets

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

PERFORMANCE IN FY 26

- **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 Gudipadu, Andhra Pradesh

Shaping a sustainable business

Inputs

Financial capital
Pool of funds allocated and utilised for all business activities
- Total Equity: **₹2,614 Lakhs**
- Total Debt: **₹1,67,199 Lakhs**
- Capital commitment as on 31st March 2026: **₹17,447 Lakhs**

Manufactured capital
Assets built or owned that facilitate production, storage and delivery of goods.
- Integrated Cement Plants: **4**
- Grinding Plants: **2**
- Solar Power Plants: **6**
- Hydro power plants: **2**
- Limestone reserves: **1,030 MT**

Intellectual capital
Organisation's all Intangible assets that contributes to its bottom line.
- R&D investment: **₹767 Lakhs**
- CAPEX Investment: **₹42,331 Lakhs**
- Robotic arm installed across all integrated plants.

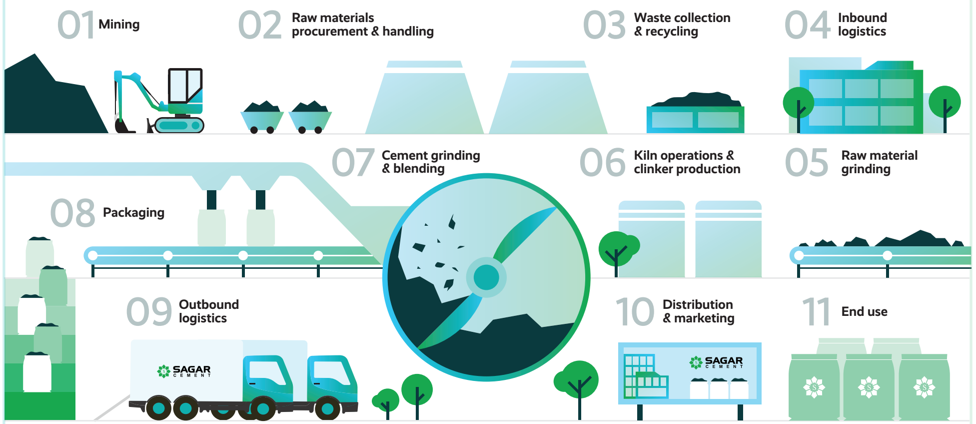
Human capital
Talent acquired and nurtured to manage all business activities.
- Employee strength: **1,207**
- Total employee expense: **₹14,919 Lakhs**
- Total training hours: **35,286 Hrs**

Social & Relationship capital
Building trusted partnerships with key stakeholder groups
- CSR spend: **₹178 Lakhs**
- Distributors/Dealers: **3,368**

Natural capital
Resources provided by the natural world that are impacted due to business operations
- Total energy consumed: **16,565 TJ**
- Limestone mined: **6.79 MT**
- Total Green Energy Consumption: **88,194 MWh**
- Alternate Fuels consumed: **69,487 T**
- Alternate Raw Materials: **16,91,596 T**

Vision & Mission

Value chain



Risk management

Governance

Outputs

31,83,331 T Ordinary Portland Cement (OPC)	**5,09,327 T** Portland Slag Cement (PSC)	**2,40,897 T** Composite Cement (CC)	**1,25,332 T** Ground Granulated Blast-furnace Slag (GGBS)
19,75,898 T Portland Pozzolana Cement (PPC)	**47,733 T** Sulphate Resistant Cement (SRC)	**47,49,882 T** Clinker production	

Support functions
Human Resources and Administration | IT and Digital | Quality | Environment Management
Research and Development | Secretarial and Legal | Finance and Accounts | Energy Management

Performance

Outcomes

Value created for stakeholders

Investors
- Revenue growth: **17%**
- RoCE: **2.31%**

Customers
- GreenPro certified blended cements products
- Strengthened long-standing relationship with marquee clients
- Cement produced: **60,82,518 T**
- Capacity utilisation: **60%**

People
- LTIFR: **0.24**
- Average training hours per employee: **9.86**

Partners and suppliers
- Vendors **5,928**
- Procurement from MSME **22%**
- Procurement from local suppliers **91.3%**

Communities
- CSR beneficiaries: **1,90,000+**

Environment
- Reduction in GHG emissions: **0.39%**
- Total waste reused: **38,556 T**
- Total water recycled: **1,71,344 KL**
- Water positive: **3X times**

Government regulators
- Contribution to the exchequer: **₹67,377 Lakhs**

Strategic Review

With a focus on maximising stakeholder value, we continue to align our business strategy with a dynamic operating environment. It allows us to fulfil customer expectations while adopting sustainable practices across the organisation.

Navigating an evolving industry landscape

India is undergoing rapid transformation, with accelerated development across both urban and rural regions driving strong cement demand. Sustained government investments in infrastructure, alongside steady momentum in the real estate sector, continue to underpin industry growth. Cement production is expected to grow at ~9% in FY 2026, from ~453 MT in FY 2025.

While ongoing geopolitical tensions have triggered sharp increases in pet coke and packaging costs, creating near-term pressures, structurally strong players with scale, operational efficiency, and favourable regional positioning are well-equipped to navigate these challenges, reinforcing a resilient and positive medium-term outlook.

Key drivers of cement demand

Government of India's infrastructure push

Infrastructure remains the backbone of India's economic growth and social progress, enabling industrial expansion, job creation, and improved quality of life. The Union Budget 2026–27 reinforces this trajectory through measures aimed at strengthening financing mechanisms, expanding public capital expenditure, and advancing risk mitigation and asset monetisation frameworks. These initiatives align with the vision of a Viksit Bharat, with world-class infrastructure at its core. The Budget has allocated ₹12.2 Lakh Crores towards infrastructure, sustaining its upward momentum and reaffirming the Government's commitment to growth-led development. It also prioritises the development of cities with populations above 5 Lakhs as emerging growth hubs. Focused investments in housing, transport, and urban infrastructure are expected to drive more balanced and inclusive regional development.

~₹12.2 Lakh Crores
Central government infrastructure CAPEX budget for 2026-27

Rapid urbanisation and housing development

Rapid urbanisation and rising housing demand continue to drive the demand for residential and commercial units across India, creating a significant tailwind for cement consumption. Government housing initiatives as well as large housing projects are also sustaining cement demand in urban and peri-urban markets. Besides, investments in warehouses, logistics parks, data centres and commercial real estate continue to act as major demand drivers that support higher capacity utilisation.[1]

2.88 Lakhs
Houses sanctioned under PMAY-U[2] as of February 2026

8,000+
Projects worth ~₹ 1.64 Lakh Crores under the Smart Cities Mission

[1]PIB

[2]PMAY-U: Pradhan Mantri Awas Yojana - Urban

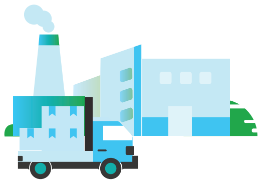
Strong headroom for growth

India's per capita cement consumption remains well below that of both developed and several emerging economies, highlighting significant untapped potential. As infrastructure development accelerates, housing demand strengthens, and industrial activity expands, consumption is poised to steadily rise, narrowing the gap with global benchmarks over the long term, unlocking significant growth opportunities.

~290 kg

Per capita cement consumption in India compared with the global average of ~540 kg

Press Information Bureau



Growth of industries and logistics infrastructure

Government policies such as the Production-Linked Incentive (PLI) scheme and the China+1 manufacturing strategy are accelerating investments in factories, logistics parks and industrial corridors, leading to a massive demand for cement. Alongside, better rail connectivity and improvement of coastal shipping and port infrastructure is improving freight efficiency and enhancing the market reach of cement producers. Improved logistics facilities are helping cement producers to tap into emerging demand from industrial hubs across the country.

~₹1.91 Lakh Crores

Total outlay for PLI schemes covering 14 sectors[2]

[2]PIB

Burgeoning real estate sector

The real estate sector in India has been witnessing strong traction over the past few years, driven by sustained economic growth, rising urban aspirations, an enabling policy environment, digital access and deeper capital-market participation. Affordable housing is gaining momentum under PMAY-U 2.0. Rising incomes and infrastructure are boosting Tier II and III cities. It is expected that the sector will contribute 15% of the GDP by 2047 against 8% today.[&]

[&]KPMG

Our response

1. EXPANDING FOR MARKET LEADERSHIP

We are executing a calibrated capacity expansion strategy to double our cement capacity every 10 years. With an effective installed capacity of ~10.5 MTPA, the upcoming Dachepalli expansion of 0.75 MTPA and Jeerabad expansion of 0.5 MTPA by FY 2027, will unlock incremental volumes and improve regional competitiveness. This year we increased our clinker production by 0.46 MTPA at Dachepalli.

2. DRIVING OPERATIONAL EXCELLENCE

Focused interventions across process optimisation, freight efficiency, and plant upgrades are enhancing utilisation and per-ton economics. Our FY 2026 volumes reached 6.10 MT with ₹2,650 crore revenue, reflecting improving demand traction and execution discipline.

3. SECURING ENERGY ADVANTAGE

We are strengthening energy resilience through waste heat recovery and renewable integration. The 4.35 MW Waste Heat Recovery system (WHRS) at Gudipadu and additional solar/WHRS capacities by FY 2027 will lower energy intensity and fuel costs, while advancing sustainability goals.

4. STRENGTHENING MARKET AND PRODUCT MIX

Capacity augmentation at Bayyavaram and Jajpur, alongside a higher trade mix (~65–68% packed sales), is enabling deeper market penetration. Increased adoption of blended cement is supporting margin accretion and ESG alignment.

5. DISCIPLINED CAPITAL ALLOCATION

Our capex strategy during FY 2025-26 remained focused on high-return brownfield expansions with continued emphasis on strengthening cash flows and maintaining prudent leverage. The Company also remained focused on improving throughput and enhancing EBITDA per tonne through operational efficiencies and disciplined execution.

Scaling responsibly for long-term growth

Our strategic pillars are designed to unlock sustainable growth opportunities while reinforcing our competitive edge. By focusing on these priorities, we aim to enhance market positioning, drive operational efficiency, strengthen resilience and create long-term value while building a responsible, future-ready organisation aligned with evolving stakeholder expectations.

Solar Power Plant, at Mattampally, Telangana

Our strategy for growth

S1
Boosting growth momentum

S2
Building a resilient model

S3
Integrating ESG into our core operations

S1

Boosting growth momentum

We are advancing our growth agenda with a clear emphasis on capacity scaling and expanding our footprint across Southern, Eastern, and Central India. With an effective installed capacity of 10.50 MTPA, we are well positioned to capitalise on the ongoing industry upcycle, translating it into sustained volume expansion while strengthening our regional leadership.

Our strategy is centred on selective capacity augmentation and operational efficiency improvements. At Dachepalli, the addition of a new preheater will enhance clinker throughput while improving energy efficiency, thereby supporting cost optimisation. New cement grinding mill will be added at the Dachepalli plant to increase cement capacity to 0.75 MTPA. Simultaneously, the expansion of the Jeerabad grinding unit in Madhya Pradesh will enhance our ability to cater to demand across Central India. New cement grinding mill will be added at Jeerabad plant to increase cement capacity to 0.5 MTPA.

Across all our facilities, we continue to drive performance through technology interventions and debottlenecking initiatives.

By aligning capacity expansion with market demand, improving logistics efficiencies, and deepening our distribution reach, we are strengthening our ability to capture emerging growth opportunities.

Jeerabad Plant, Madhya Pradesh

STRATEGIC EXPANSION

- **Southern markets:** Dachepalli six-stage preheater has been commissioned along with optimisation initiatives to improve throughput and operational efficiency resulting in an increase in clinker production by 0.46 MTPA. In FY 2027 we will also expand Dachepalli cement capacity from 2.25 MTPA to 3.00 MTPA.
- **Central India:** Expansion of Jeerabad grinding unit to 1.5 MTPA (by FY 2027) to cater to rising regional demand.
- **Operational optimisation:** Brownfield debottlenecking initiatives aimed at enhancing kiln utilisation while reducing energy and logistics costs
- **Market reach:** Increasing share of blended cement (~65–68%) and strengthening route-to-market strategies to enhance realisations
- **Volume focus:** Scaling operational volumes through disciplined, high-return capital investments focused on strengthening capacity utilisation and long-term growth.
- **Expansion roadmap:** Pursuing strategic capacity expansion and infrastructure augmentation initiatives to strengthen regional presence, improve supply responsiveness and support long-term growth ambitions.

FINANCIAL PRUDENCE

- Our growth journey is underpinned by a strong focus on capital discipline and balance sheet resilience. We prioritise high-return brownfield expansions and debottlenecking projects that offer faster payback cycles while maintaining prudent leverage levels.
- Through continuous cost optimisation and operational excellence, we are improving per-tonne profitability and enhancing returns on capital employed. By aligning capital deployment with demand visibility and maintaining financial rigour, we aim to safeguard profitability while sustaining long-term growth momentum.

S2

Building a resilient model

We are shaping an agile and resilient operating model designed to effectively navigate market volatility while consistently delivering high-quality outcomes. Our approach focuses on improving operational efficiency, optimising fuel and freight costs, and enhancing plant utilisation through process improvements and digital monitoring systems.

Investments in advanced manufacturing technologies are driving productivity gains while reinforcing cost discipline.

Energy security continues to be a key strategic priority, supported by our captive power capabilities and increasing integration of waste heat recovery and renewable energy solutions.

These initiatives help mitigate input cost volatility and strengthen our cost competitiveness. In parallel, we maintain strict financial discipline, ensuring efficient capital allocation and a strong balance sheet to support sustainable growth.

CASE STUDY

A leap in energy efficiency: The Dachepalli preheater upgrade

At our ACL–Dachepalli plant, we have taken a major step towards smarter and more energy-efficient manufacturing through the installation of a modern 6-stage In-Line Calciner (ILC) preheater, replacing the earlier 4- and 5-stage preheater, enabling higher clinker output while significantly improving energy performance across the pyro-processing line.

The project was executed with exceptional operational discipline, completing it in 117 days, ahead of schedule, with zero accidents or safety incidents. Sustainability was embedded into the construction process itself, with 100% Portland Pozzolana Cement (PPC) used during construction, helping avoid approximately 1,660 tCO_2e of emissions.

Operational gains from the upgrade have been substantial. Clinker capacity increased from **5,600 TPD to 7,000 TPD**, strengthening the plant's production capability. At the same time, energy efficiency improved markedly. Kiln specific power consumption declined from **29.0 to 18.0 kWh** per tonne of clinker, while specific heat consumption reached an efficient **729 kcal/kg of clinker**. Additional efficiency gains were realised with preheater fan power consumption reducing from **13 to 5 kWh/t** of clinker, and overall clinkerisation power consumption declining from **62 to 49.5 kWh/t** of clinker.

Several engineering innovations supported these improvements, including the use of reinforcement rebar couplers to enhance structural efficiency and the installation of a new energy-efficient burner to optimise fuel utilisation and process stability.

The Dachepalli preheater upgrade demonstrates how advanced pyro-processing technology and sustainable construction practices can be seamlessly blended to deliver higher output, lower energy intensity and reduced carbon emissions — reinforcing our commitment to efficient, future-ready cement manufacturing.

6-stage In-Line Calciner (ILC) preheater at Dachepalli, Andhra Pradesh

S3

Integrating ESG into our core operations

Sustainability remains integral to our growth and operational philosophy. We embed environmental, social, and governance principles across our processes, decision-making frameworks, and stakeholder interactions to enable responsible and future-ready growth. Guided by our ESG vision of driving positive transformation across the environment, people, and governance, we focus on enhancing energy efficiency, increasing the share of blended cement, and reducing carbon intensity.

We are proud to be the first Indian cement company to establish long-term CO_2 reduction targets aligned with the Net Zero 2050 pathway, validated by SBTi.

Our continued investments in waste heat recovery systems, renewable energy, and advanced process technologies are enabling reductions in energy consumption and emissions. At the same time, we remain committed to maintaining the highest standards of occupational safety, employee well-being, and community engagement.

During FY 2026, we advanced several key initiatives, including agreement to install syngas-based alternative fuel project and the installation of a 6 MW solar power plant at Dachepalli, Andhra Pradesh along with construction of a 4.35 MW Waste heat recovery system at Gudipadu, Andhra Pradesh (yet to be commissioned). Through robust ESG governance, monitoring mechanisms, and transparent disclosures, we continue to strengthen accountability.

Read more in sustainable progress section on **page 36**

Bayyavaram Plant, Andhra Pradesh

CASE STUDY

Advancing GreenCo certification across plants

We continue to strengthen our environmental management practices through recognised sustainability frameworks. During the year, the Bayyavaram plant successfully completed its GreenCo renewal assessment conducted by CII–Green Business Centre, retaining the prestigious Platinum rating. The GreenCo certification evaluates industrial performance across parameters such as energy efficiency, resource conservation, waste management and environmental responsibility. During FY 2026, the Jeerabad plant also initiated the GreenCo certification process for the first time, marking a step forward in strengthening environmental performance practices across operations. By maintaining one of the highest certification levels and expanding sustainability frameworks across locations, we continue to demonstrate progress in operational sustainability. These efforts reflect our commitment to adopting best practices that enhance resource efficiency while reducing environmental impacts across our manufacturing operations.

Building a differentiated growth platform

We have built resilient and scalable manufacturing capability, supported by strong operational capabilities, strategic plant locations and a diversified product portfolio. Over nearly four decades of operations, we have strengthened our presence across high-growth markets while maintaining a strong focus on technology, operational efficiency and corporate governance.

Our integrated operating model—from raw material sourcing to manufacturing and distribution—enables efficient resource utilisation and cost competitiveness. With targeted capacity enhancements, renewable energy initiatives and advanced manufacturing upgrades, we continue to strengthen SGC for sustainable growth and long-term value creation.

Deep market presence

We have established a strong footprint across key cement markets, with plants located close to major demand centres across South India and markets in Maharashtra, Odisha and Madhya Pradesh. This strategic positioning enables us to maintain an average lead distance of below 300 km, improving logistics efficiency and reducing freight costs. Our extensive distribution network further strengthens our market presence, supported by 3,368 dealers and 7,423 sub-dealers across our operating regions. In addition, recent capacity additions have strengthened our ability to serve new markets. The commissioning of the Jeerabad plant has enabled us to reach central and western India more effectively, while the Jajpur grinding unit has helped improve our penetration in northern and central Odisha as well as parts of West Bengal. These initiatives enable us to expand our market reach while strengthening our competitive positioning.

3,368
Dealers

7,423
Sub-dealers

Strategic capacity expansion

We continue to execute targeted capacity expansion plans and regularly undertake operational upgrades. Supported by our existing cement manufacturing capacity of 10.50 MTPA, we are efficiently capitalising on market demand through initiatives such as Jeerabad cement capacity expansion from 1 MTPA to 1.5 MTPA and Dachepalli from 2.25 MTPA to 3.00 MTPA. It is likely to enhance cement supply to markets in Central India and support future production growth. A significant capex has been allocated towards this expansion plan. These initiatives are also improving plant throughput and operational efficiency while strengthening SGC's presence in high-growth markets.

1.25 MTPA
Cement capacity expansion

Robust fundamentals

Our disciplined financial management and prudent capital allocation strategy have enabled us to maintain a strong financial position. Our net worth has increased more than three times over the past decade, reflecting our consistent focus on strengthening the balance sheet while expanding our manufacturing footprint.

3x

Increase in Net Worth over the past decade

IND BBB+/Negative

Long-term debt rating

Proximity to critical resources

Our plants are strategically located near large limestone reserves, ensuring reliable supply of this critical raw material for cement production. Our limestone reserves include over 389 MT at Mattampally, 162 MT at Gudipadu, 79 MT at Jeerabad and 400 MT at Dachepalli, collectively providing us with more than 1,030 MT of limestone resources that support long-term production targets. In addition, the geographic location of our plants provides strong logistical advantages. Most of our facilities are located within 150 km of major coal mines, enabling efficient fuel sourcing, and approximately 400 km from ports, facilitating logistics flexibility. Packing materials are also primarily sourced from a group entity, ensuring reliability and cost efficiency across our operations.

1,030 MT

Limestone reserve

Operational excellence and technology focus

Operational excellence remains central to our strategy. Our journey began in 1985 with a capacity of 66,000 TPA, and over the years we have steadily expanded our manufacturing footprint. Today, we operate as a listed entity with around four decades of successful operations.

We operate a network of modern cement manufacturing facilities equipped with advanced technologies to support efficient and reliable production. Our manufacturing base includes a 3.00 MTPA fully automated integrated plant at Mattampally in Telangana, a 1.25 MTPA integrated plant at Gudipadu in Andhra Pradesh, and a 2.25 MTPA integrated plant at Dachepalli in Andhra Pradesh. In addition, we operate a 1 MTPA integrated plant at Jeerabad near Indore in Madhya Pradesh, along with 1.50 MTPA grinding units at Bayyavaram in Andhra Pradesh and Jajpur in Odisha. These facilities are supported by group captive power generation capacity of approximately 108.98 MW, ensuring reliable and cost-efficient power supply for our manufacturing operations.

We continuously invest in advanced manufacturing technologies and process improvements to enhance productivity and reduce energy consumption. A recent example is the installation of a 6-stage preheater at our Dachepalli plant, which improves thermal efficiency and clinker output while lowering energy intensity. The project was completed 117 days ahead of schedule with zero accidents, reflecting our strong project execution capabilities.

CASE STUDY

Strengthening investor engagement

An analyst and investor visit to the Dachepalli plant was organised to provide deeper insights into the operational transformation achieved at the plant after its acquisition. The visit offered stakeholders a first-hand view of the technological upgrades, efficiency improvements and process enhancements implemented across the facility.

Sustainable progress

Sagar Cements was one of the first cement companies in South India to have a well-defined and holistic ESG Vision, framework and targets. Sustainability is central to our business. Our monthly meetings focus on driving core concepts forward, we are consistently working on circularity initiatives to utilise industrial waste as raw material, water conservation, energy efficiency, increase the share of decarbonated raw materials, increasing share of green products sales, implement fossil fuel substitution and process optimisation efforts to maximise resource efficiency.

ESG Vision 2030

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

Our Commitments

Environment

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

Social

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

Governance

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

ESG framework

As a responsible cement manufacturer, we are committed to creating a lasting impact through sustainable growth. To drive this commitment, we have established an ESG Vision, ESG Framework and ESG Roadmap 2030 aligned with global standards and ESG requirements. We have developed supporting policies to work and improve material topics and ensure measurable progress. We provide ESG performance disclosure to our stakeholders through annual integrated report. Our ESG framework outlines the end-to-end systems and processes that govern its ESG programme. The purpose of the ESG framework is to guide all relevant stakeholders on how the Company is driving its ESG agenda and it provides a standardised approach for disclosures.

OUR ENVIRONMENTAL AND SOCIAL POLICIES

We have a Corporate Sustainability and ESG Policy, along with the following topic specific policies:

ENVIRONMENT

- Environmental Policy
- Energy Management Policy
- Climate Change Policy
- Water Management Policy
- Waste Management Policy
- Biodiversity Policy
- Resource Efficiency Policy
- Product Sustainability Policy

SOCIAL

- Health and Safety Policy
- Policy for People with Disabilities
- Corporate Social Responsibility (CSR) Policy
- HIV/Aids Policy
- Employee Superannuation Age Policy
- Human Rights Policy

Read more Governance policies on **page 75**

Alignment with UN Sustainable Development Goals (UN SDGs)

As part of our sustainability policy, Sagar Cements has aligned its initiatives with the United Nations Sustainable Development Goals (UN SDGs) to support global efforts towards inclusive and sustainable development. We have identified 13 priority SDGs that are most relevant to our operations and community initiatives. These include

3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS; 13 CLIMATE ACTION; 15 LIFE ON LAND

ESG governance

Sustainability is integral to the way we operate, guiding our strategic priorities and operational practices. We firmly believe that integrating sustainability objectives into our core operations is a value-creation imperative, delivering long-term benefits to all stakeholders.

Board's direction

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.

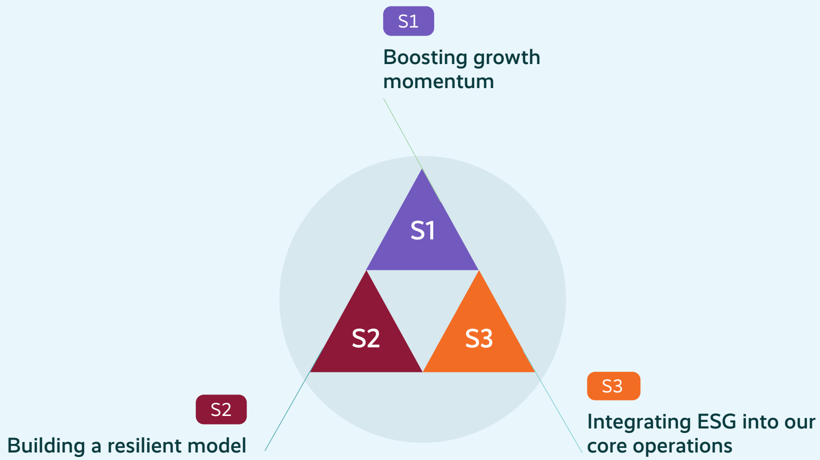
Plant-level implementation

A two-way approach is followed to implement ESG efforts and fulfil 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.

Creating value responsibly

At Sagar Cements, stakeholder engagement is an integral part of how we build resilient operations and pursue long-term value creation. By engaging proactively with key stakeholder groups, we strengthen decision-making, manage risks and align our actions with our Vision 2030. It enables us to respond to evolving expectations while supporting growth, operational excellence and the integration of ESG considerations across our business.

Strategy codes



Capital codes
FC Financial Capital | MC Manufactured Capital | IC Intellectual Capital | NC Natural Capital | HC Human Capital | SRC Social and Relationship Capital

Employees

Strategy linkage: S1 S2

Capital linkage: HC IC SRC

Importance of relationship

Employees are fundamental to organisational success. A capable, motivated and diverse workforce supports productivity, operational continuity and sustainable growth.

Mode of engagement

- Leadership-led interactions and organisational forums
- Regular internal communication and information sharing
- Workforces connect initiatives and social interactions
- Structured employee feedback mechanisms

Value delivered

- Career progression and development opportunities
- Training and capability enhancement
- Performance-linked rewards and incentives
- Safe, healthy and inclusive work environment
- Work–life balance and employee well-being support

Customers

Strategy linkage: S1 S2

Capital linkage: IC FC

Importance of relationship

Customers are central to the Company's business model. Delivering consistent quality and reliable supply strengthens customer confidence, repeat engagement and market presence.

Mode of engagement

- Direct market interactions and customer interface programmes
- Participation in industry platforms and trade forums
- On-site visits and technical interactions

Value delivered

- Consistent supply of quality products
- Competitive pricing and cost efficiency
- Technical assistance and issue resolution
- Long-term customer relationships

Investors

Strategy linkage: S1 S2 S3

Capital linkage: MC FC SRC

Importance of relationship

Investors provide the financial resources essential to fund growth and sustain long-term value creation. Transparent engagement builds trust and supports informed investment decisions.

Mode of engagement

- Formal shareholder interactions and statutory meetings
- Periodic engagements with investors and analysts
- Structured financial and non-financial disclosures

Value delivered

- Consistent supply of quality products
- Competitive pricing and cost efficiency
- Technical assistance and issue resolution
- Long-term customer relationships

Suppliers and contractors

Strategy linkage: S2 S3

Capital linkage: MC SRC

Importance of relationship

Suppliers and contractors are key partners enabling uninterrupted operations and long-term business sustainability through reliable access to resources and services.

Mode of engagement

- Direct operational coordination and regular communication
- Structured supplier interactions and review mechanisms
- Engagement through vendor meetings and onboarding processes

Value delivered

- Transparent vendor selection and approval processes
- Open communication and constructive feedback
- Predictable demand for goods and services
- Long-term collaborative partnerships

Regulators

Strategy linkage: S2 S3

Capital linkage: FC SRC

Importance of relationship

Engagement with regulators ensures strong corporate governance practices and facilitates compliance, transparency and ease of doing business.

Mode of engagement

- Statutory interactions and regulatory correspondence
- Participation in inspections, audits and site visits
- Submission of periodic reports and disclosures

Value delivered

- Compliance with applicable laws and regulations
- Transparent and timely disclosures
- ESG-related reporting and governance practices
- Contribution to public finances through direct and indirect taxes

Communities

Strategy linkage: S2 S3

Capital linkage: HC SRC

Importance of relationship

Communities provide the social licence to operate. Constructive engagement supports operational continuity and shared socio-economic development.

Mode of engagement

- Community-focused development initiatives
- Employee-led volunteering and outreach activities
- Engagement through social development programmes and local interventions

Value delivered

- Support for sustainable livelihoods
- Access to healthcare and education initiatives
- Development of community infrastructure
- Creation of local employment opportunities

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

Capital codes FC Financial Capital MC Manufactured Capital IC Intellectual Capital NC Natural Capital HC Human Capital SRC Social and Relationship Capital

Defining priorities for sustainable growth

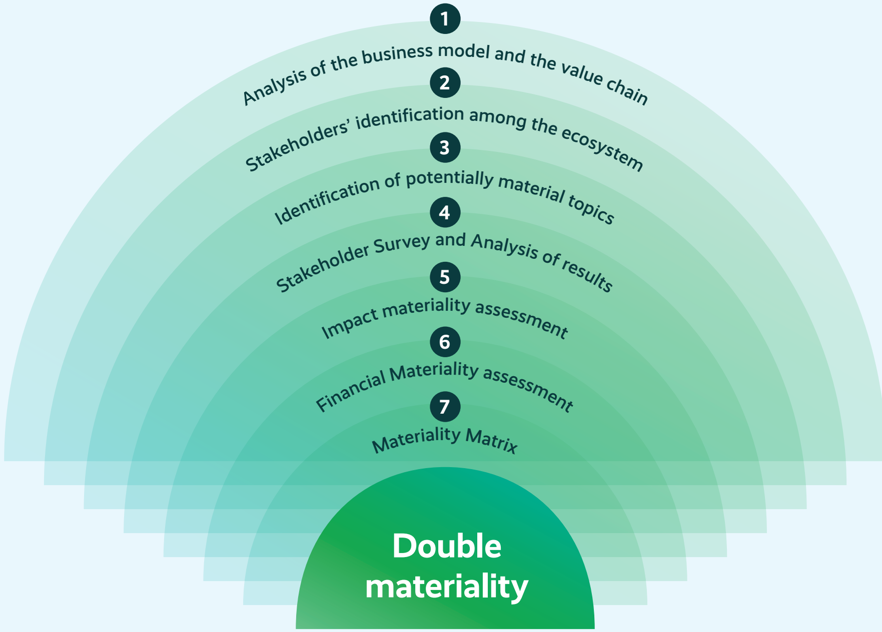
We are committed to conducting materiality assessment every few years to ensure alignment with stakeholder expectations and address relevant issues. The assessment brings forth new issues which are then embedded in our ESG Framework, and reviews and improvements; strengthening our process and efforts with each exercise. In FY 2022, we conducted our first materiality assessment, followed by developing an ESG Framework and Roadmap 2030.

In FY 2026, we undertook a comprehensive Double Materiality Assessment (DMA) aligned with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The assessment aligned closely with our Enterprise Risk Management process and engaged a broader range of stakeholders to capture more diverse insights.

The material topics that have been identified through this assessment will be incorporated in our ESG Framework and Governance for regular review and efforts. By focusing on these material topics, we can grow our business responsibly and create lasting value for everyone—including our customers, employees, and partners.

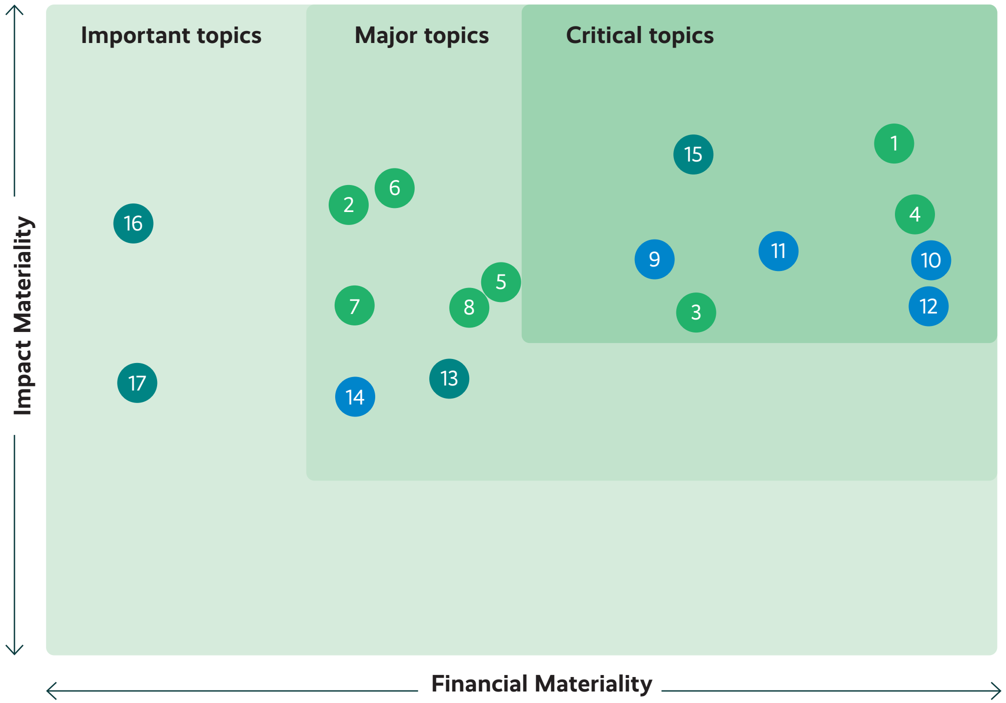
Double materiality assessment methodology

Sagar Cements adopted a structured approach aligned with CSRD and ESRS principles to assess both impact and financial materiality.



1. Assessment of the Company's business model and value chain to include all areas of actual and potential ESG impacts, risks and opportunities.
2. Mapping of internal and external stakeholders including and identifying means to gather inputs from them.
3. Identification of Relevant ESG topics to the cement industry, expectations of standards and rating agencies and the industry associations. Inputs from the ERM Risks & Opportunities 2023 assessment conducted for Sagar Cements were also integrated at this stage. Standardisation of topics and finding Mutually Exclusive Collectively Exhaustive topics. 32 Potential Material Topics(PMTs) were identified and were grouped under 19 PMTs.
4. Stakeholder engagement survey and focus group discussions to understand views of different stakeholder groups. Compilation and analysis of stakeholder feedback obtained followed by analysis of responses. We received over 168 survey responses.
5. Assessment of environmental and social impacts basis survey results, industry relevance and internal assessment.
6. Financial materiality assessment to identify the most significant financial impact of the topics on the Company in terms of severity and likelihood of the occurrence of these topics.
7. Aggregation of the outcome scores of the impact and financial materiality to develop materiality matrix.

Materiality matrix



1 Climate change
2 Air emissions
3 Energy
4 Circular economy & waste
5 Water
6 Biodiversity
7 Sustainable product
8 Resources
9 Employee wellbeing and experience
10 Community development
11 Health and safety
12 Customers and partners
13 Responsible supply chain
14 Diversity and inclusion
15 Corporate governance, ethics & compliance
16 Cyber security, digital transformation & innovation
17 Risk management

● Environmental ● Social ● Governance

Material topics for Sagar Cements

The topics considered critical and major are part of our Material topics. These include most important topics for our stakeholders having the greatest impact on our business and on society and/or the environment, and topics which are having financial impact on us. These include:

ENVIRONMENT

Climate change | Air emissions | Energy | Circular economy & waste | Water | Biodiversity | Sustainable product | Resources

SOCIAL

Employee wellbeing and experience | Community development | Health and safety | Customers and partners | Diversity and inclusion

GOVERNANCE

Corporate governance | Ethics & compliance | Responsible Supply chain resources

Double materiality allows businesses to manage both risk and responsibility through assessment of impact materiality and financial materiality.

The environment around us

We recognise the importance of moving towards a low-carbon future. To reach our goal of becoming a Net Zero company by 2050, we are implementing our decarbonisation pathway with specific actions. We also focus on circular economy, increasing renewable energy consumption, using water, waste, and natural resources carefully.

Solar Power Plant, at Dachepalli, Andhra Pradesh

CAPITAL LINKAGE

NATURAL CAPITAL | MANUFACTURED CAPITAL | FINANCIAL CAPITAL | SOCIAL RELATIONSHIP CAPITAL

MATERIAL TOPICS

CLIMATE CHANGE | AIR EMISSIONS | ENERGY | CIRCULAR ECONOMY & WASTE | WATER | BIODIVERSITY | SUSTAINABLE PRODUCT | RESOURCES

Climate change and emissions

At Sagar Cements, we are committed to addressing climate change by integrating focused emission reduction measures into our manufacturing processes and strengthening climate considerations in our operational strategy.

Expansion of our renewable energy assets across plants, increased use of alternative fuels, energy efficiency and operational improvements are progressively reducing our reliance on conventional fossil fuels. These measures not only lower emission intensity but also prepare us for evolving regulations and stakeholder expectations.

Key highlights

SCOPE 1

614 kg CO_2/tonne cementitious material (Excluding biomass emissions)

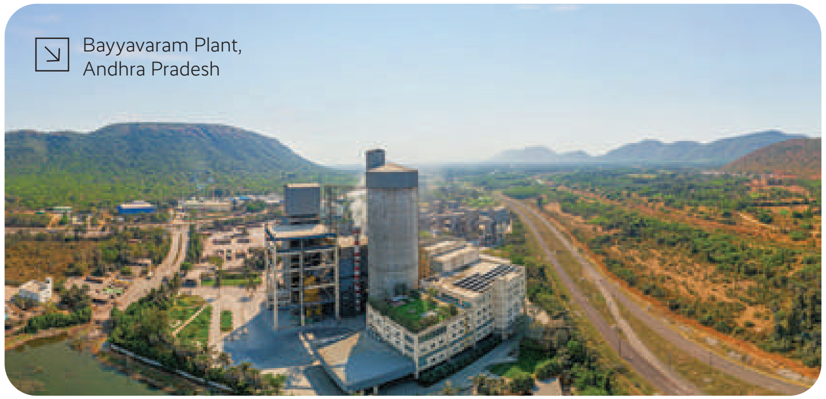
4 kg CO_2/tonne cementitious material (Biomass GHG emission intensity)

SCOPE 2

30 kg CO_2/tonne cementitious material

SCOPE 3

91 kg CO_2/tonne of cement produced



Bayyavaram Plant, Andhra Pradesh

Path to Net Zero 2050

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. In December 2024, our GHG emission reduction targets were validated by SBTi.

SBTi validated targets

Our GHG Emission reduction targets are validated by the Science Based Targets Initiative (SBTi) in line with the SBTi Corporate Net Zero Standard. SBTi has classified our scope 1 and 2 target ambition as in line with a 1.5°C trajectory.

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.

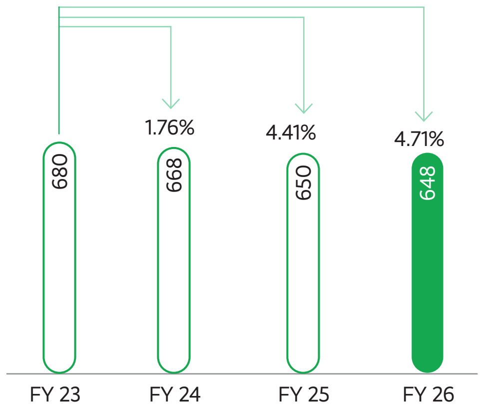
Long Term targets: Sagar Cements Limited commits to reduce gross Scope 1 and 2 GHG emissions 95.1% per tonne of cementitious product by FY 2050 from a FY 2023 base year.* Sagar Cements Limited also commits to reduce Scope 3 GHG emissions 97% per tonne of cement produced within the same timeframe.

We are the first Indian cement company to have long term CO_2 emission reduction targets, validated by SBTi, in line with the Corporate Net Zero Standard.

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

GHG intensity

Scope 1 & 2 (kg CO_2e/tonne cementitious material)



GHG emissions

We continue to closely monitor greenhouse gas emissions across our operations. Over the past two years, we have made steady progress in emission reduction.

Scope 1

(tCO_2e)

FY 2026	40,01,054
FY 2025	35,86,385
FY 2024	36,82,260

Scope 2

(tCO_2e)

FY 2026	1,96,388
FY 2025	1,98,272
FY 2024	1,98,660

Scope 3

(tCO_2e)

FY 2026	5,70,327
FY 2025	4,80,142#
FY 2024	5,11,481#

for 10 Scope 3 categories

OVERALL EMISSION INTENSITY

Scope 1*

(kg CO_2 / ton cementitious)

FY 2026	618
FY 2025	616
FY 2024	634

* this includes emissions from biomass

Scope 2

(kg CO_2 / ton cementitious)

FY 2026	30
FY 2025	34
FY 2024	34

Scope 3

(kg CO_2 / ton cementitious)

FY 2026	91
FY 2025	84
FY 2024	94

Scope 3 emissions breakdown (tCO_2e)

Scope 3 Category	Emissions (tCO_2e)	
	FY 2026	FY 2025
1. Purchased goods and services	17,103	12, 158
2. Capital goods	5,865	3,131
3. Fuel and energy-related activities	3,95,515	3,15,725
4. Upstream transportation and distribution	16,513	15,629
5. Waste generated in operations	14	18
6. Business travel	2,061	2,378
7. Employee commuting	218	62
9. Downstream transportation and distribution	39,223	41,364
10. Processing of sold products	34,320	37,191
12. End-of-life treatment of sold products	59,496	52,486
Total	**5,70,327**	**4,80,142**

Note: Scope 3 increased due to enhanced data capturing and estimation accuracy. We used more suitable emission factors.

Air emissions

Managing air emissions remains an important aspect of SGC's environmental stewardship across its manufacturing facilities. Continuous improvements in process control, fuel management and pollution control systems are reflected in the emission performance trends over the last two years.

Dust - Absolute emissions

(tonnes)

FY 2026	209
FY 2025	260
FY 2024	198

SOx - Absolute emissions

(tonnes)

FY 2026	169
FY 2025	123
FY 2024	232

NOx - Absolute emissions

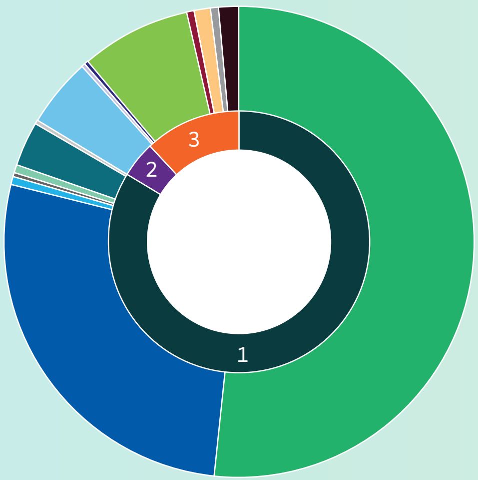
(tonnes)

FY 2026	7,255
FY 2025	8,952
FY 2024	2,820

Decarbonisation pathway

Sagar Cements Limited (SGC) has developed a structured decarbonisation roadmap to translate long-term commitments into measurable operational actions. We have a seven-lever decarbonisation strategy that integrates operational efficiency, cleaner energy adoption, material innovation. Together, these levers guide our efforts to progressively reduce GHG intensity across our value chain while maintaining operational reliability and supporting the growing demand for sustainable construction materials.

SGC GHG emissions landscape



FY 2023 Baseline

Scope 1	634 kg CO_2e/Tonne Cementitious
Scope 2	34 kg CO_2e/Tonne Cementitious
Scope 3	94 kg CO_2e/Tonne Cement

Key decarbonisation 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.

Key decarbonisation imperatives	Levers of change	Efforts 2026
1 Responsible Manufacturing	**1.1** Energy Efficiency & Operational efficiency	• **The Dachepalli preheater upgrade** • **Inter-plant Energy and Emissions Audits conducted across all plants along with third-party audits**
	1.2 Alternate Fuel Substitution & TSR Increase	• **Alternative fuel infrastructure expansion at Jeerabad** • **Installing AFR Pre-processing facility for converting municipal solid waste to refused derived fuel (RDF) for use as alternate fuel in kiln**
	1.3 Use of decarbonated raw Materials	• **1.06 % Decarbonated Raw Material utilised of the total raw meal production materials.**
2 Value Chain Partnerships	**2.1** Clinker Factor Reduction	• **Introduced PPC Super product converting OPC 53 users to PPC users.** • **Sagar Cements Mobile Van showcasing strength testing of concrete with blended cements.**
3 Technology & Innovation	**3.1** Increase Green & Renewable Energy	• **6 MW Solar power plant commissioned at Dachepalli, Andhra Pradesh.** • **WHRS project at Gudipadu**
	3.2 Innovative technology	• **Syngas as an alternative fuel at Mattampally**
	3.3 Green transportation	• **Emission reduction through 11 Electric Vehicles adoption**

Sagar Cements Business Plan 2030 covers our business planning along with investments for decarbonisation levers and targets for improvement. It also covers, our major investment plan include Operational efficiency projects, Waste Heat Recovery systems, Solar power plants.

Decarbonisation pathway

To effectively respond to these challenges, our decarbonisation strategy is anchored on three core pillars, enabled by seven key levers of change.

RESPONSIBLE MANUFACTURING

We are committed to embedding sustainability into our core manufacturing operations to reduce overall emissions. Through responsible manufacturing practices, we aim to improve energy efficiency, lower emission intensity and strengthen operational resilience while maintaining cost effectiveness.

To save energy, we are modernising our kilns and grinding units with new digital tools and better process controls. At the same time, we are switching from traditional fossil fuels to biomass, Refuse-Derived Fuel (RDF), and other low-carbon alternatives to directly lower our Scope 1 emissions.

ENERGY EFFICIENCY & OPERATIONAL EFFICIENCY

Improving energy consumption across our plants is integral to our operations. This year, we undertook a structured Inter-plant energy and emissions audit programme across all our plants to identify actionable energy efficiency opportunities. The initiative brought together internal auditor teams to conduct energy audit including energy, process, mechanical and electrical functions, ensuring cross-functional collaboration.

Pre-audit data sharing and on-site assessments enabled identification of improvement areas across operations. The exercise focused on reducing energy consumption, improving process efficiency and strengthening plant-level capabilities. The identified measures were then implemented within a quarter and were reviewed in our monthly meeting with the management.

We also completed the commissioning of a six-stage preheater at the Dachepalli plant, which has enhanced its clinker production capacity and improved thermal energy consumption.

ALTERNATE FUEL SUBSTITUTION & TSR INCREASE

Sagar Cements works to replace fossil fuels with alternative fuels like biomass and agricultural waste, industrial waste to power our kilns and use waste products effectively. In FY 2026, we utilised 69,487 Tonnes of alternative fuels constituting 4.56% TSR. This year we utilised various alternative fuels including Spent Carbon Black, Shredded Plastic, Organic Residue, Organic Liquid Solvents, Dolochar, Spent Coffee, Biomass. We have started using Refused Derived Fuels (RDF) at one of our plants.

USE OF DECARBONATED RAW MATERIALS

To reduce process emissions and improve resource efficiency, we utilise alternative materials and industrial by-products in our manufacturing processes and kilns. This supports clinker optimisation and fuel substitution while enhancing operational efficiency, contributing to lower carbon intensity across cement production.

CASE STUDY

Alternative fuel infrastructure at Jeerabad

As part of our decarbonisation strategy, we have commenced the construction of Alternative Fuel and Raw Material (AFR) feeding systems at the Jeerabad plant. The project includes liquid AFR co-processing facilities and pneumatic conveying systems for enabling the use of waste-derived fuels generated during the production process.

With greater usage of alternative fuels, reliance on fossil fuel is expected to decline, thereby fostering resource circularity. The infrastructure will also support the long-term goal of increasing our Thermal Substitution Rate (TSR) across operations. It is expected to lower carbon emissions and improve energy sustainability in cement manufacturing.

VALUE CHAIN PARTNERSHIPS

A key focus area is increasing the use of blended cements such as Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC), which help reduce the clinker factor—one of the largest contributors to cement-related emissions. We have introduced PPC Super product converting OPC 53 users to PPC users using the same strength. Sagar Cements Mobile Van is also promoting blended cements use showcasing strength testing of concrete with blended cements. This year, we also did blended cement promotion through engineers meet, IGBC events in our primary markets. With these efforts in B2B market, we have been able to increase our share of PSC and PPC sale. At our Dachepalli plant, 6 Stage modern preheater has been constructed using PPC entirely. Preheater construction with PPC cement is being highlighted in many events. This is an example of blended cements strength.

CLINKER FACTOR REDUCTION

By optimising clinker use and increasing the share of blended cement formulations, we continue to reduce process-related emissions while improving the overall environmental performance of our products.

We continue to strengthen our product portfolio by increasing the use of Supplementary Cementitious Materials (SCMs) and expanding the production of clinker-efficient blended cements such as PPC, PSC, IPC, CC and SRC. These initiatives support our goal of reducing the clinker factor to approximately 64% by 2030 and 50% by 2050, helping to lower process emissions while maintaining product quality, durability and performance.

PPC Super launched in FY 2025

Dachepalli Plant, Andhra Pradesh

TECHNOLOGY & INNOVATION

We leverage advanced technologies to reduce the carbon intensity of our operations. Technology plays a critical role in our decarbonisation journey by improving operational efficiency, optimising resource use and lowering environmental impact.

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

INCREASING RENEWABLE AND GREEN ENERGY

In order to increase the share of renewable and green energy we are making efforts to increase solar power assets across our plants. This year we installed one 6 MW Solar Power Plant at Dachepalli, Andhra Pradesh.

We are also making efforts to increase the utilisation of renewable energy from current assets. We observed that excess hydro power could be used at Gudipadu along with Bayyavaram through wheeling and made efforts for the same. Since October 2025, we have started consumption of Hydro-power at Gudipadu Plant and consumed more than 45% energy from Renewable energy sources each month including solar and hydro power.

GREEN TRANSPORTATION

Driving down our own fleet's emissions is important target for us. We are focusing on including the use of lower-carbon trucks and evaluating options for fossil-fuel free trucks through retrofitting. We have introduced Electric Vehicles (EVs) across four of our plants. At Mattampally we have four EV loaders, on EV Road sweeping machine and at Dachepalli, we are using two EV loaders for material handling operations. At Bayyavaram, two EV trucks are utilised for transporting slag to the plant and for cement dispatch, along with one EV Loader supporting our efforts to reduce emissions from internal logistics and material movement. We are also using one EV loader at Jeerabad plant.

Solar Power Plant,
at Dachepalli, Andhra Pradesh

CASE STUDY

Advancing clean energy with Dachepalli 6 MW solar plant

We installed a 6 MW solar power plant at our Dachepalli unit in Andhra Pradesh to enhance our use of clean energy and cut carbon emissions. Started in July 2025, this project uses advanced "bifacial" solar panels that receive sunlight from both sides, making them more efficient than standard panels. The plant generates about 21.17 MWh of energy every day—covering around 7.75% of the Dachepalli factory's power needs—and will cut CO_2 emissions by about 5,487 metric tonnes every year.

With this asset we now have 36 MW of Renewable and Green energy capacity installed across plants.

5,487 tCO_2e

Emission reduction expected annually

CASE STUDY

Syngas as an alternative fuel: India's first for accelerating decarbonisation

Sagar Cements partnered in building Gasification facility for India's first commercial use of Syngas in preheater, produced from Biomass. The gasification facility is being installed at the Mattampally plant and is expected to convert cotton crop residues into syngas and biochar through an integrated biomass processing system.

Sagar Cements Limited and **'Sow & Reap Chara' Pvt. Ltd.** have signed a 10-Year Offtake agreement for setting up this Gasification facility. **Ankur Scientific** is the technology provider of the gasification process, **Cula Tech** Germany based dMRV provider, **Puro earth** the Carbon Registry, and last but not the least the vital part of the project are the **local farmer** network. The syngas produced will substitute fossil fuel in the cement manufacturing process, while biochar will be returned to farmers as soil-enriching manure. The initiative is expected to reduce approximately **6,000** tonnes of CO_2 emissions annually, By transforming agricultural residues into clean energy, the project reduces open-field burning and supports rural economies.

6,000 tCO_2e

Emission reduction expected annually

Electric vehicles at Mattampally, Telangana

CASE STUDY

Increasing number of electric vehicles across our plants each year

To reduce emissions from internal logistics and material handling operations, we have integrated electric vehicles (EVs) into our operational fleet. During the year, the Company deployed EV loaders at Mattampally, one EV loader at Bayyavaram and one EV loader at Jeerabad, increasing the total number of electric loaders and trucks across operations to eleven vehicles (11 EVs).

These vehicles are supported by a network of high-capacity charging stations and data analytics systems that help monitor performance and optimise usage. By replacing conventional diesel-powered equipment with electric alternatives, the initiative reduces fuel consumption, lowers greenhouse gas emissions and improves operational efficiency, reinforcing the Company's commitment to cleaner industrial mobility.

11

Electric Vehicles across plants

TCFD assessment: Strengthening climate risk adaptability

This year we conducted Climate Risk Assessment for all plants and consolidated Company level to understand the potential impact of Climate Change in line with Task Force on Climate related Financial Disclosures (TCFD) recommendations. Sagar Cements assesses climate risks following the TCFD framework and divides them into two main categories.

Physical risks

Refers to potential weather events that could directly affect our assets and operations. The potential impact of physical risks like Flood, Drought, Cyclone, Heatwave, Extreme temperatures were assessed across 6 plants of the Company.

Transition risks

Refers to the potential impacts of moving into a low-carbon economy like Increased pricing of GHG emissions, Enhanced emissions-reporting obligations, Costs to transition to lower emissions technology, Changing customer behaviour, Uncertainty in market signals, Increased stakeholder concern or negative stakeholder feedback. The evaluation was structured in accordance with the four pillars of the TCFD framework – Governance, Strategy, Risk Management and Metrics & Targets.

KEY OUTCOMES

Climate risks evaluated across transition and physical risk categories

Assessment aligned with four pillars of the TCFD framework

Strengthened integration of climate considerations into risk management and strategic planning

Governance	Strategy	Risk management	Metrics and targets
Board's role We have Sagar Cements Climate Change Policy approved by the Board of Directors. The Board Risk Management and ESG Committee drives the climate change policy implementation, and climate action. It consists of five Board members and is chaired by the Joint Managing Director. The Committee meets twice a year overseeing climate-related strategies. **Leadership oversight** Our GHG Emission reduction targets are reviewed by Leadership team every month, for all the plants and the direction is set for improvements including climate risk. A two-way approach is followed to implement GHG targets across our Cement manufacturing plants. The Plant Head-led ESG Committee identifies areas for improvement specific to the Plant for target implementation.	The actual and potential impacts of climate-related risks and opportunities on Sagar Cements is discussed in Physical Risks and Transition Risks worksheet. The strategy, and financial planning will be integrated as part of Enterprise Risk Management (ERM) exercise, for all plants in the coming year.	Sagar Cements Enterprise Risk Management (ERM) Framework is designed to identify, assess and mitigate risks to minimise their potential impact and support the achievement of our long-term targets. Climate assessment will be included as a part of ERM framework and financial planning will be done for it.	We measure and disclose our GHG performance as part of our ESG Roadmap update within our Integrated Annual Report yearly. Our GHG Emission reduction targets are validated by SBTi. **SBTi validated targets** **Net Zero 2050** **Near-Term targets:** 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:** Reduce gross Scope 1 and 2 GHG emissions 95.1% per tonne of cementitious product by FY 2050 from a FY 2023 base year and Reduce Scope 3 GHG emissions 97% per tonne of cement produced within the same timeframe.

Energy

Our commitment to energy efficiency and clean energy transition is reflected in targeted investments aimed at modernising operations and improving performance across our plants. We continue to prioritise efficient energy use through diversified energy sources and monitoring across our plants. Solar, hydro and Waste Heat Recovery Systems (WHRS) support on-site green energy generation, helping us manage energy risks while advancing our decarbonisation objectives.

Key highlights

16,565 TJ
Total energy consumption

4.54%
Increase in our green energy consumption since last year

18.83%
Green energy consumption of total electricity consumption

222 TJ
Renewable energy consumption

6 MW
Solar capacity commissioned at Dachepalli, Andhra Pradesh.

Energy consumption

We are strengthening operational performance through focused efficiency improvement initiatives. As part of this approach, we have undertaken efficiency improvement projects at our all our plants, where key systems have been upgraded and processes optimised to enhance plant performance. Our specific electrical energy consumption stands at 72.83 kWh per tonne of cement in FY 2026, reflecting an improvement from 74.6 kWh per tonne in FY 2025.

This reduction has been achieved through targeted energy efficiency measures and operational improvements.

The Specific Heat Consumption(SHC) for the Company has increased this year, even with our consistent efforts primarily due to use of different grades of limestone which help in optimising mine life and use of various fuels. We continue to focus on process and kiln optimisation, supported by investments in high-efficiency equipment, grinding system optimisation and digital energy monitoring to identify and address inefficiencies.

Overall energy consumption

	Units	FY 2026	FY 2025	FY 2024
Total electricity consumption	MWH	4,69,204	4,35,479	4,60,524
Total electricity consumption from renewables*	MWH	88,194	62,075	52,584
Total electricity consumption from non-renewables	MWH	3,81,011	3,73,404	4,07,940
Total fuel consumption	TJ	14,875	13,217	13,554
Total fuel consumption from non-renewables	TJ	14,653	12,951	13,484
Total fuel consumption from renewables (Biomass)	TJ	222	266	70
Total energy consumption (thermal & electrical)	TJ	16,565	14,785	15,212

* WHRS power consumption is included in renewable sources

Mattampally Plant, Telangana

CASE STUDY

Group Energy Excellence Forum 2026: Driving collective energy stewardship

Launched on 21st January 2026, the Group Energy Excellence Forum 2026 was introduced as a quarterly virtual platform to strengthen energy management across SGC operations. Attended by 20 cross-functional participants, the initiative brings together inter-plant teams and energy experts to enable collaborative learning and drive group-wide alignment on energy efficiency.

The forum facilitates structured knowledge-sharing through virtual sessions, covering plant-level initiatives, best practices, and strategies to reduce energy intensity. It also serves as a capability-building platform, mentoring young engineers and preparing them for formal energy management certifications.

Hydro Power Plant, Guntur Branch Canal, Andhra Pradesh.

Green & renewable energy

Transitioning to low-carbon energy sources is an important part of our approach to reducing emissions in an energy-intensive industry. We continue to expand renewable energy across our operations through solar installations and Waste Heat Recovery Systems (WHRS), enabling us to reduce dependence on fossil-based electricity while supporting our long-term decarbonisation ambitions.

During FY 2025, we commissioned 6 MW of solar capacity at Gudipadu and, in FY 2026, added another 6 MW solar power plant at Dachepalli, increasing the total green energy capacity across the Sagar Group to 36 MW. Our current green energy portfolio comprises 13.58 MW of solar, 14.1 MW of Waste Heat Recovery Systems (WHRS) and 8.3 MW of hydel power.

We are also implementing a 4.35 MW WHRS at Gudipadu and have planned a 4 MW solar project at Jeerabad and a 9 MW WHRS at Dachepalli for the coming years. These initiatives support a gradual increase in the share of green power in our energy mix.

18.83%
Share of green electricity in our total power mix

36 MW
Renewable Energy and Green Energy Capacity

15,786 MWh
Solar power

54,731 MWh
Waste Heat Recovery Systems (WHRS) power plants

17,677 MWh
Hydro power

88,194 MWh
Total electricity consumption from renewables and green energy

Resources

We recognise the importance of efficient material use in minimising environmental impact and improving operational performance. By increasing the use of alternative fuels, biomass, we have reduced dependence on fossil fuels and lowered process emissions.

Our focus on blended cement production and the utilisation of industrial by-products further enhances resource efficiency, optimises raw material consumption and supports lower carbon intensity across our operations.

Key highlights

67,89,781 MT
Limestone mined

1,53,627 MT
Gypsum consumed

14,585
Iron ore utilised

825 MT
Iron sludge consumed

69,487 MT
Alternative fuels utilised during FY 26

1.06%
Decarbonated raw materials used

Resource consumption

	Units	FY 2026	FY 2025
ARM upto clinkerisation	% of Raw meal production	1.06	0.84
Natural RM used	Tonnes	4,37,799	4,09,274
Total AF Consumed including biomass	Tonnes	69,487	79,253
Alternative Cementitious material consumed	Tonnes	16,91,596	15,07,626
Limestone	Tonnes	67,89,781	60,75,867

Alternate fuel substitution & TSR increase

We are progressively expanding the use of alternative fuels to reduce dependence on conventional fossil fuels. Through investments in alternative fuel infrastructure and continuous trial runs, we are working towards increasing the Thermal Substitution Rate (TSR) to 25% by 2030 and 50% by 2050.

This year there has been a decline in our TSR % even after all our efforts, due to challenges like unavailability of pre-processed alternate fuels, high moisture in the available material and limitations in feeding systems across plants. To address these, we are establishing an AFR Pre-processing facility at Mattampally. We are installing Syngas Gasification plant to further enhance TSR along with liquid and solid feeding systems at Jeerabad. These efforts shall help us increase the TSR for the Group.

Jeerabad Limestone Mine, Madhya Pradesh

Alternative fuels and raw materials (AFR) utilisation

Recycled input materials consumed (Tonnes)	FY 2026	FY 2025	FY 2024
Chemical gypsum	1,12,629	70,395	93,687
Fly ash	7,18,112	6,38,765	7,08,079
Slag	7,07,107	7,03,788	5,35,758
Spent carbon	7,684	9,655	7,669
Carbon black	4,176	468	677
Iron sludge	825	819	442
Shredded plastic	5,496	3,908	2,126
Residue derived fuels	64	0	0
Organic residue	10,786	6,379	9,229
Organic liquid solvents	22,827	29,022	17,322
Rice husk	5	0	121.30
Organic waste	0	0	0
Chrome sludge	35,475	23,357	13,625
Wooden chips	800	21,974	7,838
Dolochar	49	985	903
Sawdust	9,172	6488	1,719
Total – AFR	16,35,206	15,16,003	13,99,196

Jeerabad Limestone Mine, Madhya Pradesh

Contributing to a circular economy

We support circular resource use by integrating industrial by-products into our cement manufacturing processes. Materials such as fly ash from thermal power plants and slag from steel production are utilised as alternative inputs, reducing the need for virgin raw materials and lowering environmental impact.

Currently, we utilise over 1.6 MT of industrial waste annually, including chemical gypsum, chrome sludge, red mud, iron sludge, spent carbon, carbon black, organic residues and liquid solvents sourced from neighbouring industries. This approach conserves natural resources, reduces landfill disposal and strengthens circularity across our operation.

Water

At Sagar Cements, we are committed to water conservation and have set an ambitious goal of becoming 10x water positive by 2030. Our approach focuses on reducing freshwater dependence through efficient technologies, cascade water use, recycling and rainwater harvesting, supported by a structured water management policy implemented across all our plants.

Key highlights

10,08,493 KL
Total water withdrawn

1,71,344 KL
Recycled water used

9.3%
Reduction in water footprint since last year

3x
Water positive

156 L/t cementitious
Specific fresh water consumption for plants and colonies

Optimising water use across our operations

Water is vital for our operations and for the communities surrounding our plants. Water is one of our material topics. We have adopted the concept of Reduce, Recycle/Reuse and Recharge. We have developed water-harvesting structures and converted mined-out pits into reservoirs to enhance water availability. Water meters are installed across our facilities to monitor consumption, and regular reports are generated to track specific water use.

This year, we have started using the GCCA Water Tool's standardised methodology to accurately measure, and report our water footprint.

Total water withdrawal

	Units	FY 2026	FY 2025	FY 2024
Ground water	kilolitres	3,28,865	3,43,840	2,43,714
Surface water	kilolitres	6,72,733	6,55,048	6,30,198
Water from municipality	kilolitres	6,895	4,076	2,520
Total water withdrawal	kilolitres	10,08,493	10,02,964	8,76,432
Water recycled and reused	kilolitres	1,71,344	1,23,330	1,16,515

Gudipadu Limestone Mine, Andhra Pradesh

CASE STUDY

Robo cleaning technology for solar panels at Gudipadu

To ensure optimal solar power generation while conserving water, the Gudipadu plant implemented automated robo cleaning technology for its solar installation comprising.

The system has significantly improved water efficiency at the plant. Specific water consumption for cleaning panels declined from 0.175 m^3 per table in May to 0.109 m^3 per table in August, representing a 37.7% reduction in water use. Robo cleaning has also enhanced operational consistency by ensuring uniform cleaning across modules, and maintaining panel efficiency even during high-dust conditions.

Robotic cleaning arm for Solar panels at Gudipadu, Andhra Pradesh

Optimising water use and Zero liquid discharge

We follow a Zero Liquid Discharge approach by maximising water reuse and recycling across our operations. At our plants, reject water from the captive power plant (CPP) is reused as process water in cement production, while boiler blowdown is utilised as make-up water for the auxiliary cooling tower. Treated STP water is also used in grinding operations and for plantation through drip and sprinkler systems, achieving absolute zero water discharge. Through these initiatives, we continue to strengthen water security and promote responsible water management across our operations.

Rainwater harvesting

We conducted a detailed assessment across our plants to evaluate the possible locations for rainwater harvesting structures. Rainwater harvesting structures have been developed across all our plants basis this assessment and more than 100 structures have been established across the Company including 3 at Bayyavaram, 11 at Dachepalli, 1 at Jajpur, and 3 at Mattampally along with 52 recharge pits. In addition, Jeerabad operates 14 structures and Gudipadu has 19 recharge pits.

CASE STUDY

Inter-plant training on GCCA water positivity tool

We hosted an inter-plant training programme on the GCCA Water Positivity Tool at the Dachepalli plant. With experts from the Global Cement and Concrete Association (GCCA) India, the programme brought together teams from multiple plants to build a shared understanding of the tool for implementation across plants.

The session covered the GCCA Water Positivity Protocol, including methodologies for calculating water credit, debit and site-level water balance. Participants gained practical insights into applying the tool to improve water accounting, monitoring and conservation initiatives across operations. By strengthening internal expertise and knowledge sharing, the programme supports SGC's broader commitment to responsible water management and its long-term water positivity ambitions.

Waste

Waste and Circular economy is a material topic for us. We have established a Waste Management Policy to guide our efforts in waste management practices around our plants. We focus on reducing and recycling waste at all our cement plants. By following the “waste hierarchy” - reduce, reuse, recycle, we have successfully limited the amount of waste we generate and increased reuse.

Key highlights

69,487 T

Industrial, municipal waste and biomass waste co-processed as alternative fuels across our cement kilns

4.56%

Thermal substitution rate achieved through increased use of alternative fuels

Scrap Bin for Waste Segregation Jeerabad

Waste management

At SGC, we adopt a structured approach to waste management, focusing on waste segregation and minimisation at source. Both hazardous and non-hazardous waste streams are managed through defined procedures to ensure regulatory compliance and environmental protection. We also promote co-processing of industrial waste, enabling its safe and productive use in our manufacturing process. By utilising waste from other industries as alternative inputs, we support circular economy principles, reduce reliance on virgin resources and minimise waste sent to landfill.

We conducted a capacity building programme on 10th July 2025, focused on Extended Producer Responsibility (EPR). The third-party session was attended by 30 participants across the Company providing insights on EPR regulatory requirements.

It covered Regulatory framework governing waste management in India, Hazardous waste management, including handling, storage and safe disposal, Co-processing of hazardous waste in cement kilns for resource utilisation, and Plastic Waste Management Rules, 2018 and Extended Producer Responsibility (EPR).

Circular resource utilisation

Our major waste streams, including fly ash and bed ash, are fully utilised within operations. In FY 2026, we generated 33,683 tonnes of fly-ash and 7,753 tonnes of bed ash which were entirely consumed within our operations. For waste that cannot be reused or recycled internally, we ensure responsible disposal through authorised channels. Hazardous waste is managed in accordance with applicable regulations, supported by defined procedures for segregation, handling, storage, transportation and disposal, along with periodic audits and monitoring.

Total waste disposed

Type of waste (T)	FY 2026	FY 2025	FY 2024
Hazardous waste generated	69	47	41
Non-hazardous waste generated	44,610	41,883	52,516
Total waste generated	**44,679**	**41,930**	**52,557**

Total waste generated and consumed

Type of waste	Units	FY 2026	FY 2025	FY 2024
CPP fly ash and coarse ash(consumption)	T	33,683	32,149	44,451
CPP bed ash	T	7,753	6,816	4,430
Waste oils and lubricants	T	68	45	26
Oils and oil-soaked cotton waste	Kg	1.25	2.46	1.29
Total waste generated and consumed	**T**	**41,505**	**39,012**	**48,908**

Biodiversity

We prioritise the preservation and protection of natural ecosystems within our areas of operation. Our biodiversity management programmes focus on developing local flora and fauna around our plants and mines.

Key highlights

50,603

Native saplings planted this year

17 hectares

Greenbelt developed and maintained across manufacturing locations

Plantation and habitat restoration

	Units	FY 2026	FY 2025
Area of Plantation	Hectares	17	26
Number of samplings	Number	50,603	50,277

Biodiversity conservation

We have established a Biodiversity Policy to guide our efforts in protecting and enhancing ecosystems around our plants. We went well beyond our commitment this year, planting more than 50,000 saplings against our yearly target of 10,000.

At our Gudipadu site, we adopted the Miyawaki afforestation approach to increase green cover and strengthen local biodiversity. Our biodiversity initiatives are implemented through collaborative partnerships with farmers, local communities, self-help groups and non-governmental organisations, supporting ecosystem restoration and long-term environmental stewardship.

During FY 2026, we planted 50,603 saplings with a survival rate exceeding 90% across the plant premises and mines area. The plantation programme included a mix of native, fruit and flowering species such as Mango, Neem, Gulmohar, Syzygium cumini, Jackfruit, Bougainvillea, Tabebuia rosea, Jacaranda, Mahogany and Spathodea. These initiatives contribute to strengthening local biodiversity and restoring natural ecosystems around our operations.

Gudipadu Plant, Andhra Pradesh

The people amidst us

Our progress is driven by the people who power our operations. We are dedicated to building a better future for our people and the communities where we work. We focus on creating value for our suppliers and partners, while actively supporting community projects that change lives for the better.

CAPITAL LINKAGE

HUMAN CAPITAL | SOCIAL & RELATIONSHIP CAPITAL | INTELLECTUAL CAPITAL

MATERIAL TOPICS

EMPLOYEE WELLBEING AND EXPERIENCE | COMMUNITY DEVELOPMENT | HEALTH AND SAFETY | CUSTOMERS AND PARTNERS | DIVERSITY AND INCLUSION

Employee well-being

At SGC, we are determined to build an inclusive and progressive work culture that fosters personal as well as professional growth. We undertake several programmes to support learning and development, promote well-being of our people and promote an environment where every individual is valued and respected for their skills and talent. Our people strategy emphasises continuous learning and development, enabling employees to unlock their full potential.

Key highlights

1,207
Total Employees

35,286
Total training hours

9.86
Training Hours per Employee

16.3%
Employee turnover rate

2.4%
Female workforce

Diversity and inclusion

At Sagar Cements, 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.

We remain committed to improving diversity across our workforce, including increasing the participation of women and individuals from diverse communities. We introduced a flexible work timing policy to enhance employee experience and promote a healthier work-life balance. This initiative has been particularly impactful for women employees, enabling them to better manage professional and personal responsibilities.

Through continuous efforts, we aim to foster a workplace where every employee feels valued, respected and empowered to contribute to organisational growth. 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.

Employee diversity

Employees	FY 2026	FY 2025
Male	1,178	1,179
Female	29	23
Total	**1,207**	**1,202**

Employees breakdown by gender, age and region

Particulars	Total (A)	Male		Female		Other	
EMPLOYEES		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)
Permanent (D)	1,207	1,178	98%	29	2%	0	0
Other than Permanent (E)	0	0	0%		0%	0	0
Total employees (D + E)	1,207	1,178	98%	29	2%	0	0
Total number of employees, by age group	1,207	1,178	98%	29	2%	0	0
21-30	110	104	95%	6	5%	0	0
30 - 50	846	825	98%	21	2%	0	0
50 and above	251	249	99%	2	1%	0	0
Total number of employees, by region.	1,207	1,178	98%	29	2%	0	0
Telangana	500	480	96%	20	4%	0	0
Madhya Pradesh	211	209	99%	2	1%	0	0
Andhra Pradesh	450	446	99%	4	1%	0	0
Odisha	46	43	93%	3	7%	0	0

Human capital development and employee engagement

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

Employee experience is strengthened through initiatives that promote engagement, and a positive work environment. To strengthen connections within the workforce, we regularly organise team-building events, social programmes and outdoor activities.

We support employees through competitive compensation, structured career progression, recognition programmes and team-building initiatives.

Learning and development

Our learning interventions are designed to enhance plant operations, improve efficiency, strengthen safety awareness and build leadership capability across functions.

Our approach is guided by a structured, business-aligned learning and development strategy, built on competency-based frameworks that address skill gaps across key areas. A comprehensive annual training calendar developed by the Corporate HR team ensures consistent delivery of technical, behavioural and safety training programmes across all units, with close monitoring to maintain quality and adherence.

STRUCTURED LEARNING INTERVENTIONS

Learning and development programmes include:

- Role-specific technical training across core operations
- Behavioural and safety training aligned with zero-harm objectives
- Cross-functional projects and job rotations
- Skill upgradation and refresher training initiatives

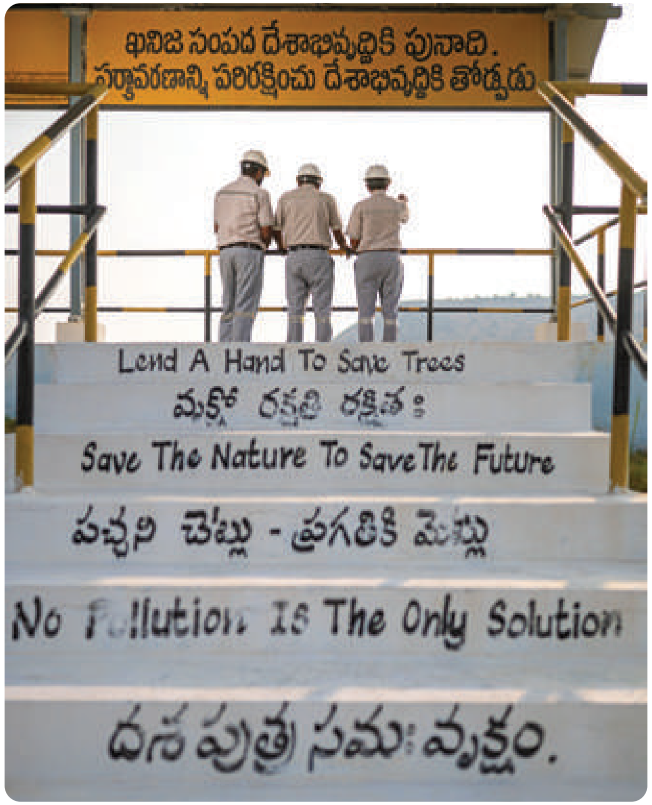
Training hours are monitored and reported annually to ensure adequate coverage across functions and plants.

Location wise training conducted

S.No	Location	Total training hours
1	Mattampally	12,369.5
2	Gudipadu	6,106
3	Bayyavaram	6,132
4	Jeerabad	2,435
5	Jajpur	3,889.5
6	Dachepalli	4,354
Total		**35,286**

35,286
Total training hours

9.86
Average training hours per employee



CASE STUDY

Digital HR transformation through HRMS software

We undertook an organisation-wide HR transformation through the deployment of HRMS platform across all plants, departments and divisions. The platform centralised employee data, automated routine workflows and strengthened communication across the organisation. The solution was customised to organisational requirements and integrated seamlessly with existing systems, ensuring continuity of operations while enhancing efficiency and scalability of HR processes.

OBJECTIVES

Digitising performance management

Centralising employee travel

Smart recruitment

Building learning pathways

RESULTS

Digitalised performance: Automation reduced reliance on manual tracking

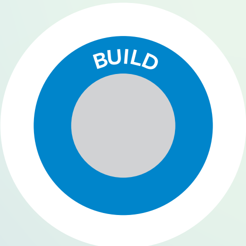
Optimised travel: App-based travel requests and approvals minimised follow-ups and enabled better planning and employee convenience

Improved recruiting and upskilling: Enhanced hiring efficiency through structured workflows, alongside increased accessibility to learning modules supporting continuous skill development

The seven core competencies

A Clear Future

1. STRATEGIC & ANALYTICAL THINKING



Stronger Together

2. CUSTOMER FOCUS
3. COLLABORATION & TEAMWORK
4. PROBLEM SOLVING & INNOVATION

Your Best, Every Day

5. EXECUTION & ACCOUNTABILITY
6. PEOPLE LEADERSHIP & DEVELOPMENT
7. RESILIENCE & ADAPTABILITY

Talent retention and succession planning

We actively identify and develop high-potential employees through structured leadership development programmes, building a strong pipeline for future leadership roles. These initiatives are aligned with succession planning and focus on strengthening managerial and functional capabilities.

Through a combination of structured learning, digital platforms and experiential training, we continue to enhance workforce competencies while supporting long-term organisational growth and resilience.

Performance management

Our performance management system aligns individual goals with organisational objectives, ensuring clarity, accountability and continuous improvement. Employees undergo annual performance reviews to assess achievements, strengths and development areas. The evaluation process includes self-assessments, HOD reviews and immediate supervisor assessments. This holistic approach helps identify skill gaps and fosters professional growth.

CASE STUDY

Online workshop on GRI Standards

This year, we conducted a two-day online workshop on sustainability reporting aligned with the Global Reporting Initiative (GRI) Standards. The programme was facilitated by SGS India Pvt. Ltd., Hyderabad, with participation from five representatives across safety, electrical, environmental, quality, engineering, HR, and operations functions.

The workshop aimed to build practical understanding of GRI Standards and strengthen internal capability for structured sustainability disclosures.

The workshop was extended to participants across multiple functions, ensuring consistent understanding and application of GRI Standards across locations.

CASE STUDY

Annual employee engagement survey

We conduct an annual employee engagement survey to assess workplace experience and identify opportunities for continuous improvement. In FY 2025, the survey recorded 88% gave response and indicating strong employee willingness to contribute feedback.

SURVEY PROCESS

- Fully anonymous online survey
- Combination of scored and open-ended questions
- Analysis across locations, departments and tenure
- Identification of trends and improvement areas

KEY DIMENSIONS ASSESSED

- Workplace facilities and amenities
- Training and skill development
- Career growth and advancement
- Cross-functional collaboration
- Work culture and environment
- Communication and transparency
- Safety and health
- Recognition and appreciation

OUTCOME AND WAY FORWARD

The survey recorded an overall engagement score of 4.28 out of 5, reflecting a positive employee experience. Insights from the survey are being translated into targeted actions.

New employees

Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Total number of new employee hires during the reporting period, by age group	190	183	96.3	7	3.7
21-30	67	63	94	4	6
30 - 50	115	112	97.4	3	2.6
50 and above	8	8	100	0	0
Total number of new employee hires during the reporting period, by region.	190	183	96.3	7	3.7
Telangana	70	63	90	7	10
Madhya Pradesh	68	68	100	0	0
Andhra Pradesh	44	44	100	0	0
Odisha	8	8	100	0	0

Employee turnover

Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Total number of new employee hires during the reporting period, by age group	196	193	98.5	3	1.5
21-30	60	59	98.3	1	1.7
30 - 50	107	105	98.1	2	1.9
50 and above	29	29	100	0	0
Total number of new employee hires during the reporting period, by region.	196	193	98.5	3	1.5
Telangana	88	86	97.7	2	2.3
Madhya Pradesh	61	61	100	0	0
Andhra Pradesh	40	39	97.5	1	2.5
Odisha	7	7	100	0	0

Health and safety

Health and safety remain a priority at SGC. We remain committed to building a robust safety culture and continue to implement preventive measures that ensure zero harm for our people. Regular safety audits are also carried out to consistently improve the safety management system across our operations.

Key highlights

Zero
Fatalities

0.24
Lost Time Injury Frequency Rate (LTIFR)

Fostering a culture of safety among employees

Occupational health and safety is central to our daily operations. We are dedicated to fostering a robust safety culture and implementing proactive, preventive measures to mitigate risks and ensure a secure environment for all employees. With a target of zero fatalities, we continuously refine our safety practices. 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.

Performance is tracked through leading and lagging indicators, reviewed monthly through safety conclaves and leadership reviews. It allows the management to track incidents and encourage near-miss reporting. We conduct internal as well as external safety audits to identify gaps and implement corrective and preventive actions. At all our plants we have implemented Integrated Work Permit System to regulate high-risk maintenance and operational activities. A structured process for planning, approving and monitoring work is carried out in critical areas at the plants. Before any task begins, permits are issued only after verifying safety conditions, identifying potential hazards and confirming the presence of requisite protective measures.

CASE STUDY

Driver safety management system at Dachepalli

At Sagar Cements, the safety of drivers who support our logistics operations remains a critical priority. We introduced a Driver Safety Management System at our Dachepalli plant as a pilot to strengthen safety awareness, accountability and operational discipline, implemented in alignment with the Global Cement and Concrete Association (GCCA). Following its implementation at Dachepalli, the system has been progressively expanded across our plants. The system ensures that every driver operating within our premises is adequately verified, trained and assessed before undertaking activities at our plants.

It includes:

Driver Verification: Validation of driver credentials including age, eligibility and experience.

Medical examination: Comprehensive health checks.

Mandatory training programmes: Plant induction, defensive driving and operational safety procedures.

Competency assessment: Knowledge tests and ride-along evaluations conducted by plant transport officers.

Driver passport issuance: Driver Passport issued only after successful completion of all checks and training.

Disciplinary action for non-compliance: Enforcement of safety standards across plant premises.

Periodic renewal and continuous guidance: Ongoing training and reassessment to maintain compliance and awareness.

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. Management representatives and Top Management review Statutory Inspection Recommendations, and compliance is taken up through the Register of Applicable Legal Requirements.

APPROACH

We follow a structured and preventive approach to strengthen workplace safety across operations:

- Risk assessment through HIRA for routine and non-routine activities
- Standardised SOPs, engineering controls and safety infrastructure across sites
- Role-based safety capability building through targeted training programmes
- Periodic audits, OHS committee reviews and cross-functional safety governance

IMPLEMENTATION

Safety practices are embedded through continuous monitoring and on-ground execution:

- Site-level implementation of mitigation measures and emergency preparedness systems
- Regular mock drills, incident investigations and root cause analysis
- Corrective and preventive actions supported by periodic management reviews
- Continuous employee and stakeholder engagement to reinforce a strong safety culture

Leading and lagging interventions for zero fatality

Achieving zero fatality is supported through a structured approach that balances proactive (leading) and reactive (lagging) interventions across operations. This framework focuses on preventing incidents through continuous monitoring, training and compliance, while also ensuring that deviations and incidents are systematically reviewed to strengthen safety performance.

LEADING INTERVENTIONS

- Proactive safety training, including on-the-job programmes
- Preventive maintenance protocols
- Internal and external audits
- Safety committee meetings
- Near-miss reporting and review
- Workplace safety improvement suggestions
- Compliance with applicable legal requirements
- Permit-to-Work systems for- non-routine activities

LAGGING INTERVENTIONS

- Investigation of incidents, including first aid injuries and ill health cases
- Review of deviations from established procedures
- Analysis of events such as fires, explosions and asset damage

Safety training

For us, building a safety culture extends beyond compliance. We use Behaviour Based Safety (BBS) programmes that reinforce accountability at individual and team levels. Besides, safety parks established at plant locations provide practical demonstrations and hands-on learning experiences.

Training interventions include:

- Mandatory induction programmes
- Toolbox talks and weekly gate meetings
- Fire safety and LOTO training
- Work-at-height and scaffold safety
- Defensive driving initiatives
- First-aid certification programmes
- Contractor-specific safety sessions

Various trainers and occupational health specialists are appointed to strengthen the Company's safety culture and we encourage employee participation in safety training modules. Our in-house safety magazine, Bhadrata Sagar, published in regional languages, supports knowledge sharing and creates safety awareness across our teams.

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.

Safety Incident/Number	Category	FY 2026	FY 2025
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.24	0.31
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

CASE STUDY

55th National Safety Week 2026

Safety awareness is strengthened through engagement and collective participation. During FY 2026, we observed the 55th National Safety Week across our Corporate Office and plant locations under the theme "Engage. Educate. Empower.", reinforcing awareness, preparedness and responsible behaviour.

The initiative engaged employees, contract workmen, students and homemakers across locations. At the Corporate Office, 60 employees participated in safety awareness sessions. Mattampally engaged 506 employees and workmen through safety assessments and Permit to Work and LOTO training. Gudipadu involved around 450 participants through student-led safety skits. Dachepalli engaged nearly 400 participants through quizzes, competitions, short films and awareness programmes on road safety, fire safety and emergency preparedness. Bayyavaram involved 254 participants through National Safety Week engagement activities. Jajpur, Odisha engaged 152 participants through awareness initiatives, while Jeerabad involved 70 participants through emergency response activities, including a fire hydrant competition focused on firefighting skills and preparedness.

These initiatives reinforced safety as a shared responsibility across our operations and value chain.

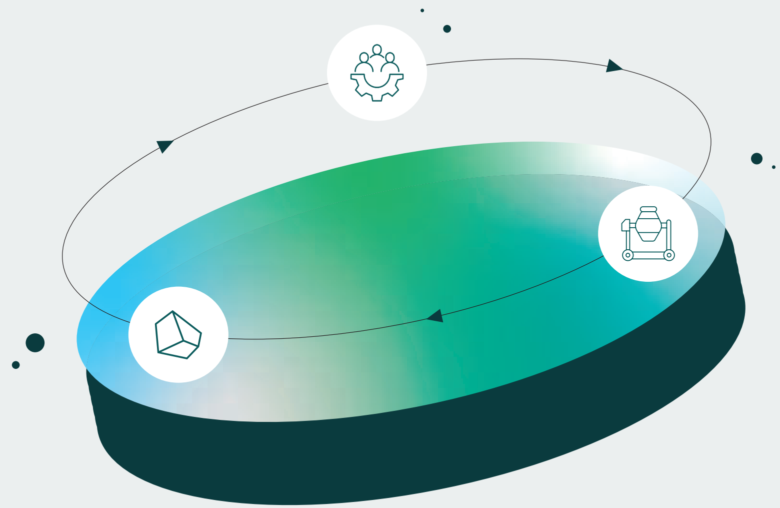
1,486+

Participants engaged across locations during National Safety Week celebrations

Safety was implemented through a three-tier approach

MANPOWER

Mandatory medical screening, including height phobia tests, followed by safety induction before deployment.



MATERIAL

Defined handling protocols and monitored site movement to minimise risks.

MACHINE

Daily toolbox talks to reinforce hazard awareness and safe work practices.

Governance was strengthened through regular safety reviews and on-ground interventions, including Safety Committee meetings, work permit systems, road safety awareness and continuous safety training.

Gudipadu Plant, Andhra Pradesh

CASE STUDY

Safety at the core: Secure working in pre-heater cyclone

Sagar Cements treats safety in high-risk zones as a non-negotiable priority. Through rigorous training, strict procedural protocols, and mandatory specialised protective equipment, we ensure our workforce is fully prepared and protected. At Gudipadu, we made constant efforts to ensure safety in day to day operations and achieved Zero Accidents, 15,55,052 Safe Manhours, and 7,271 Training Manhours.

SAFETY INDUCTION TRAININGS

Newly joined workers, contractors and employees are introduced to safety protocols, procedures and policies along with potential workplace hazards through safety induction trainings. It makes sure that every individual is aware of the rules, regulations and safety measures required to perform their duties safely.

It is a proactive approach that enables saving time, reducing risk, ensuring every individual is prepared from day one. The induction covers key safety topics including:

- **Identifying workplace hazards:** Workers are trained to recognise and assess potential hazards in their environment before beginning the work.
- **Understanding Emergency Preparedness:** Every worker is equipped with knowledge regarding proper response in case of emergency.
- **Correct use of PPE:** Employees are educated on maintenance and proper selection of the personal protective equipment for every task and work area.
- **Reporting Unsafe conditions:** Workers and contractors are encouraged to report hazards and near miss incidents ensuring risks are addressed before they become accidents.

SAFETY GATE MEETINGS

Regular safety gate meetings are conducted at the start of shifts to reinforce safe work practices and address site-specific risks. Held prior to shift commencement, these sessions focus on reviewing equipment conditions, highlighting potential hazards and strengthening accident prevention measures. The interactive format encourages open dialogue, allowing workers to share observations and concerns while promoting collective responsibility towards safety.

FIRE SAFETY TRAINING

Fire safety is strengthened through structured training programmes conducted for employees, workers and contractors. The focus is on identifying hazardous conditions, monitoring equipment and electrical systems, and reporting unsafe situations or near-miss incidents. Regular inspections of high-risk areas, supported by ongoing engagement initiatives, promote early risk identification and preventive action across operations.

Safety awards and recognitions

Our continued focus on building a strong safety culture and advancing towards a zero-harm workplace has been recognised through leading industry accolades.

5-Star Rating for Jeerabad mines

Two mines at Jeerabad were awarded a 5-Star Rating by the Indian Bureau of Mines, reflecting excellence in mine safety practices, compliance and operational discipline.

NSCI Safety Awards 2025 – Certificate of Merit

The Gudipadu, Jajpur and Bayyavaram plants received the Certificate of Merit at the National Safety Council of India (NSCI) Safety Awards 2025, recognising strong safety performance and sustained commitment to workplace safety.

CASE STUDY

Safe construction of WHRS at Gudipadu

A structured safety framework was established prior to the development of a 4.35 MW Waste Heat Recovery (WHR) project at Gudipadu. To ensure safety, the project focused on workforce readiness, equipment discipline and controlled material handling. Key installations such as the A.Q.C boiler, preheater boiler, TG building and ACC building was developed as part of this initiative. During the entire construction and installation of project no reportable incidents were recorded.

3,87,540
Safe man-hours

Zero
Reportable incidents

Suppliers and partners

We are committed to building a resilient and responsible supply chain through stronger relationships with our suppliers and value chain partners. It empowers us to retain our competitive edge, ensure product quality, improve our environmental performance and bolster regulatory compliance.

Key highlights

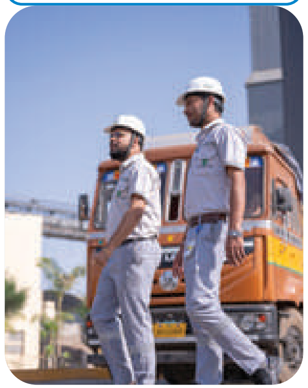
5,928
Total Suppliers

616
New suppliers onboarded

5,889
Indian Suppliers

91.3%
Materials sourced from Indian suppliers

22%
Materials sourced from MSMEs suppliers



Responsible supply chain

In alignment with our sustainability commitment, we select suppliers who share our values. It enables us to nurture long term partnerships. We work with suppliers who maintain compliance to legal requirements, and care for people and society. Our supplier selection process gives preference to local suppliers based around our operations, MSMEs, rail over road logistics, and proximity to usage points. We also focus on developing alternative vendors to reduce the concentration of vendors at one location.

BUILDING RESPONSIBLE PARTNERSHIPS THROUGH SUPPLIER ESG CODE OF CONDUCT

We have introduced a Supplier ESG Code of Conduct to strengthen responsible practices across our value chain.

The framework sets expectations for suppliers to ensure environmental stewardship, abide by labour standards, health and safety parameters and governance practices

Aligned with global principles including the UN Global Compact, UN Guiding Principles on Business and Human Rights, ILO standards and BRSR requirements, the code encourages suppliers to adopt responsible operational practices and robust compliance systems. Initial implementation focuses on Tier-1 critical suppliers. ESG performance of suppliers are evaluated through questionnaires, audits and document reviews. This initiative strengthens supply chain resilience while ensuring adherence to broader sustainability commitments.

Particulars	Units	FY 2026	FY 2025	FY 2024
Total Vendors	Nos	5,928	5,312	4,418
New Vendors Onboarded	Nos	616	894	1,408
Local Indian Suppliers	Nos	5,889	5,274	4,385
Foreign Suppliers	Nos	39	38	33

Customers

SGC serves a diverse customer base comprising dealers, distributors, institutional buyers and infrastructure developers. With a constant focus on customer-centric solutions, we remain committed to strengthen relationships and maximise value creation for our customers. Our emphasis on product quality, innovation and capacity expansion has enabled us to fulfil evolving customer requirements and retain our brand loyalty.

Key highlights

3,368
Total Dealers

439
New dealers

7,423
Sub - dealers

Customer-first approach

Customer-centricity remains at the core of our operations. Each plant operates with defined quality control processes to ensure that OPC, PPC and PSC cement variants consistently meet BIS certification requirements. Recognition received by units such as Gudipadu, for zero product failure, reiterates our commitment to quality.

We align production planning with regional demand forecasts to ensure timely dispatch of products. Maintaining optimal lead distances also help to manage logistics costs and ensure easy availability of products for dealers. Sales and technical teams also work closely with channel partners to provide adequate information and support for correct product application.

CUSTOMER HEALTH AND SAFETY

At SGC, our cement variants are known for their quality and does not have any harmful effects under normal usage conditions.

SGC Technical Services Van

The cement bags contain adequate product information and guidance for safe handling, storage and application of products is shared through dealer interactions and field engagement initiatives. The products also adhere to BIS norms and undergo stringent in-house testing procedures in accordance with product safety and quality norms.

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.

GRIEVANCE REDRESSAL

Customers and dealers can report concerns related to product quality, delivery timelines or service issues. Complaints are documented and escalated to relevant plant or corporate teams for review. Our teams analyse the matter and promptly responds to customer complaints or issues.

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.

Communities

We strive to make a difference to the lives of people residing in communities in and around our areas of operation. Our CSR initiatives focus on strengthening infrastructure, education, healthcare and livelihood. By aligning our interventions with local priorities, SGC aims to create sustained socio-economic value for diverse stakeholders.

Key highlights

6,00,000+
Lives impacted in past Six years

₹ 178 Lakhs
CSR spent in FY 2026

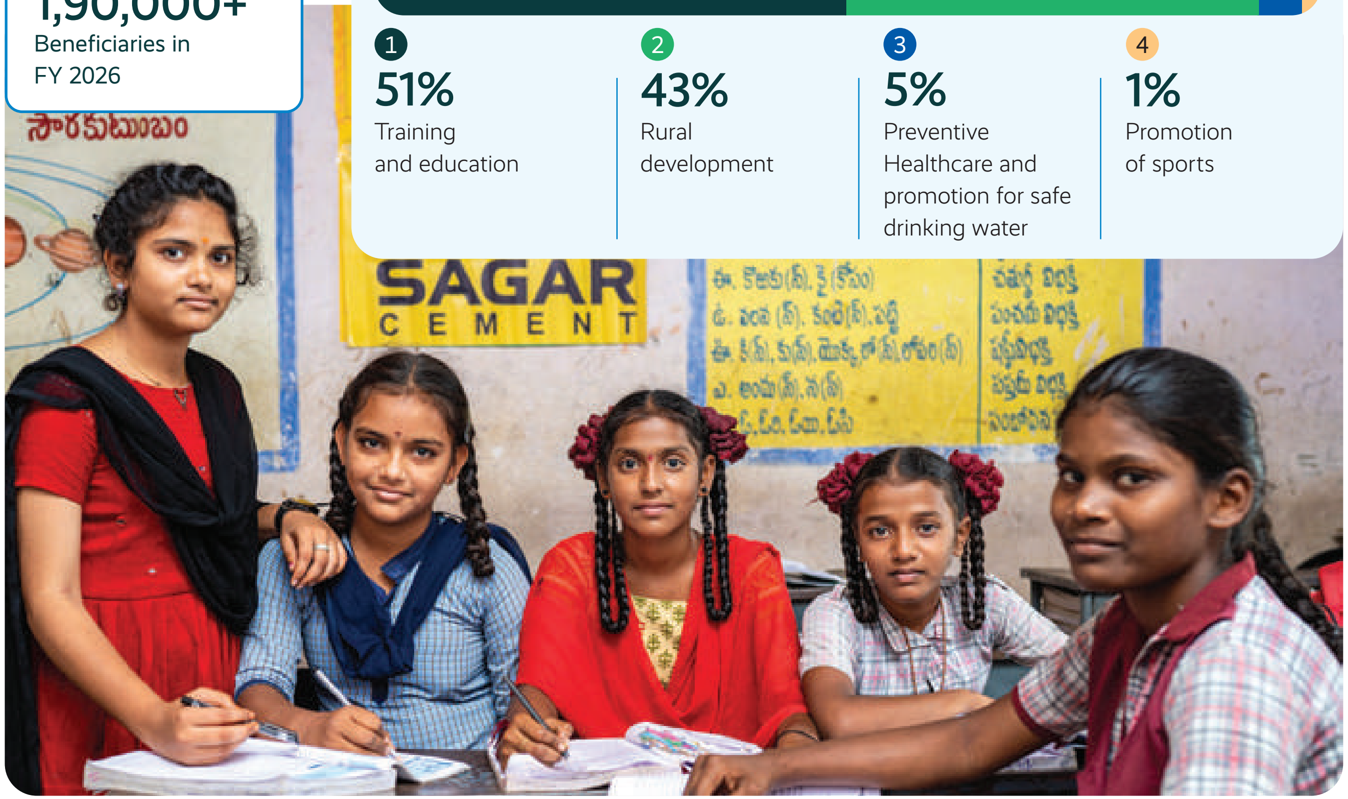
1,90,000+
Beneficiaries in FY 2026

Corporate Social Responsibility

Our community initiatives are designed to address the evolving needs of the regions surrounding our manufacturing facilities. Through structured programmes implemented in partnership with local organisations, we focus on strengthening access to healthcare, improving education opportunities, supporting rural livelihoods, and encouraging sports development. Guided by our CSR Policy and overseen by the CSR Committee of the Board, these initiatives aim to create meaningful and lasting impact while contributing to inclusive and resilient community development.

FY 2026 CSR initiatives and spend (%)

1. **51%** Training and education
2. **43%** Rural development
3. **5%** Preventive Healthcare and promotion for safe drinking water
4. **1%** Promotion of sports



1

Preventive healthcare and access to safe drinking water

Improving community health and access to safe drinking water remains a key priority of our CSR efforts. Through health outreach programmes and water access initiatives, we aim to support the well-being of communities located near our plants.

MEDICAL CAMP: JEERABAD

To improve access to health care for communities in rural areas, Sagar Cements organised a medical camp in and around Jeerabad, extending services to nearby Khod Village. The initiative provided general health and eye check-ups, with participation from 36 individuals across the two villages. The camp aimed to address immediate health concerns to promote early detection and preventive care. Interventions like this contribute to strengthening rural health care awareness and building healthier communities through timely healthcare initiatives.

EYE CAMP: DACHEPALLI

In February 2026, Free Vision Screening camps were done at Gamalapadu, Srinagar & Ramapuram villages near our Dachepalli plant & Spectacles were also distributed by Ramalinga Reddy Max Vision Hospital, Narasaraopeta with 1,060 Beneficiaries.

WATER DISTRIBUTION FOR NEARBY COMMUNITIES: JEERABAD

Sagar Cements is committed to securing the well-being of the Local tribal communities. To ensure a reliable water supply to the communities surrounding its area of operation, SGC provided villages in and around Jeerabad with fresh drinking water during periods of limited availability.

This initiative was aimed at addressing immediate needs and reducing the burden on the communities. It has contributed to community relief and improved public health by providing access to safe and clean water. Additionally, the initiative helped minimise the need for women to travel long distances to fetch water, reducing associated time and physical constraints.

2

Rural development

Our rural development programmes focus on strengthening local infrastructure, improving agricultural resilience and supporting communities during times of need.

REVIVING COMMUNITY SPACES: BAYYAVARAM

In Bayyavaram village, locals faced issues with poor road conditions and waterlogging during the rainy season, particularly around the Kasimkota Police Station surroundings. To address this, SGC supported the construction of a concrete road near the police station premises in October. Additionally, rainwater drainage canals were cleaned as part of road maintenance and bush clearing activities under the Clean and Green programme.

These efforts improved sanitation, reduced the risk of waterborne diseases, enhanced village connectivity, and benefitted both Bayyavaram and nearby communities.

CONCRETE ROAD: DACHEPALLI

In Dachepalli village, locals faced issues with poor road conditions. To resolve this, SGC supported the construction of a concrete road at Ramapuram. The rainwater drainage canals were cleaned along with road maintenance and clearing bushes under the clean and green program. These efforts improved sanitation, reduced the risk of waterborne diseases, and enhanced village connectivity, benefiting both Dachepalli and nearby communities.

PROMOTING ROAD SAFETY AND ENVIRONMENTAL AWARENESS

To support road safety near our Bayyavaram plant, we installed caution and stop signboards along the national highway within the Kasimkota police station limits to strengthen public safety awareness. We also distributed around 5,000 jute bags to students studying at Government schools in Kasimkota mandal and conducted plastic waste awareness initiatives during August to encourage environmentally responsible practices within the community.

Skill Development Center at Jeerabad, Madhya Pradesh

3

Training and education

Education remains a cornerstone of our community development initiatives. We work to improve access to education while supporting schools with essential resources and skill development opportunities.

DISTRIBUTION OF ESSENTIAL SUPPLIES AT JEERABAD, KARONDIYA

To support equal access to education in rural areas, SGC supported the students at the Govt, HR. Sec. School Karondiya through sweater and water bottle distribution in January 2026. This initiative aimed to enhance the student comfort during the winter months and encourage regular school attendance. The programme contributes to creating a supportive learning environment and reinforces Sagar Cement's commitment to improving the quality of education in the surrounding communities.

WOMEN EMPOWERMENT: TAILORING TRAINING FOR WOMEN AT DACHEPALLI AND JEERABAD

At Ramapuram and Gamalapadu near our Dachepalli plant, we supported skill development initiatives focused on empowering women through tailoring training programmes conducted at dedicated training centres established on Gram Panchayat land. SGC engaged third-party trainers to provide vocational training, equipping women with practical skills to strengthen livelihood opportunities and financial independence. A total of 45 women beneficiaries (30 from Ramapuram and 15 from Gamalapadu) participated in the programme. To further support skill development, 10 sewing machines (5 each at Ramapuram and Gamalapadu) were distributed to the training centres, encouraging women to pursue self-employment opportunities or work with local tailoring establishments.

Near our Jeerabad plant, we established a skill development centre offering tailoring training to tribal women from nearby villages. The first batch saw participation from 30 women, helping build vocational capabilities and promoting livelihood generation opportunities.

In December 2025, we honoured 36 meritorious students from 12 schools near our Dachepalli plant with scholarships, commemorating the 89th birth anniversary of Late Sri Sammidi Veera Reddy Garu, supporting youth in pursuing higher education and building brighter futures.

4

Promotion of sports

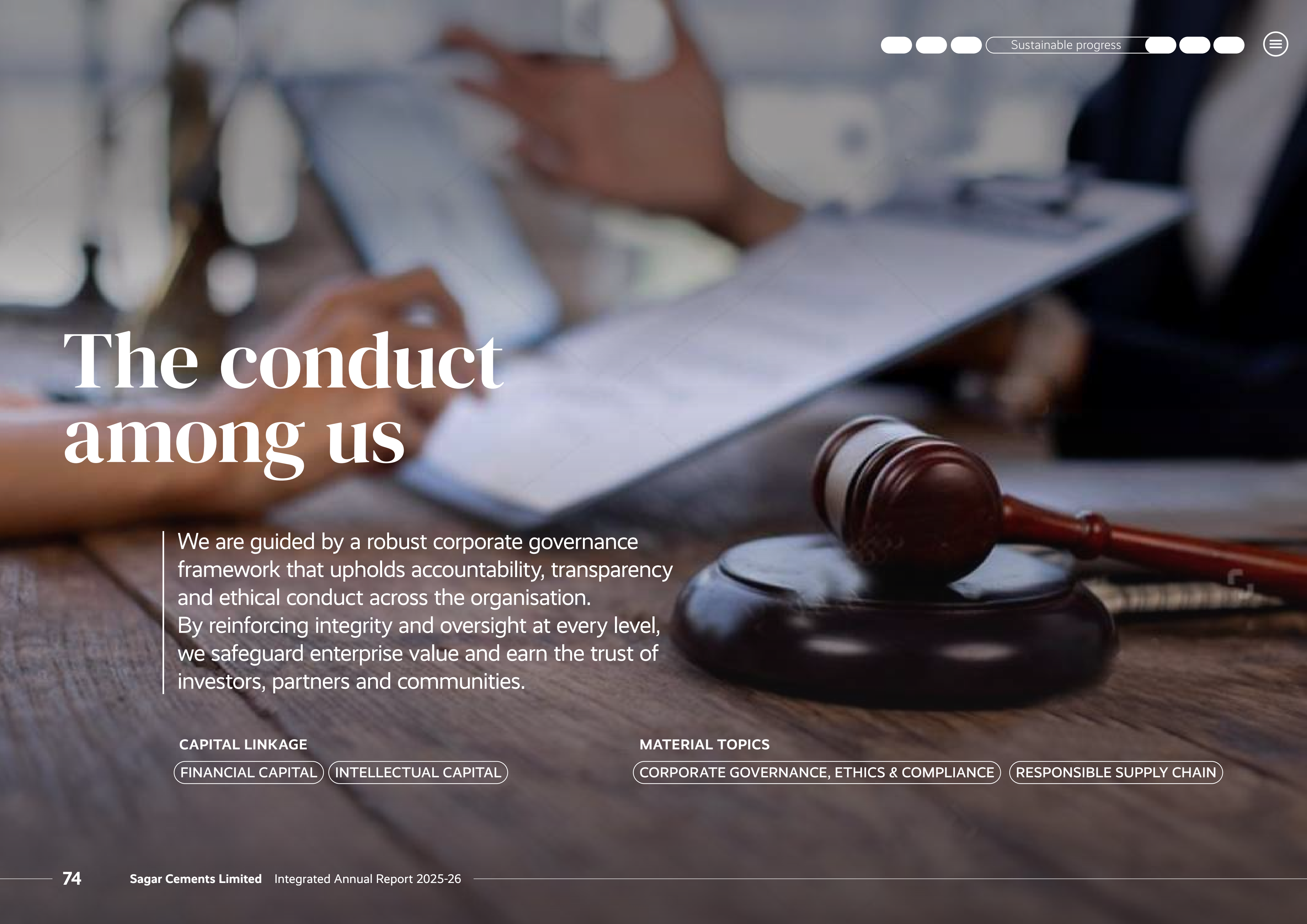
Encouraging sports participation is an important part of our community engagement efforts. We organise sports events and extend support to local athletes in Nalgonda District, Telangana and Gudipadu Village in Ananthapur District, Andhra Pradesh. These initiatives provide young individuals with opportunities to develop their sporting abilities while promoting physical fitness, teamwork and a healthy competitive spirit within the communities around our plants.

CASE STUDY

Promoting academic excellence through scholarship initiative

We continue to support education in communities through merit-based scholarships for Class 10 students studying in government schools. The initiative was undertaken across locations around the Company's plants to commemorate the birth anniversary of our founder, Late Sri Sammidi Veera Reddy Garu.

The programme recognises meritorious students and provides financial support to realise their educational goals. By promoting access to education and rewarding academic excellence, the initiative aims to create opportunities for young learners from neighbouring communities and strengthens the Company's commitment to inclusive community development.



The conduct among us

We are guided by a robust corporate governance framework that upholds accountability, transparency and ethical conduct across the organisation. By reinforcing integrity and oversight at every level, we safeguard enterprise value and earn the trust of investors, partners and communities.

CAPITAL LINKAGE

FINANCIAL CAPITAL | INTELLECTUAL CAPITAL

MATERIAL TOPICS

CORPORATE GOVERNANCE, ETHICS & COMPLIANCE | RESPONSIBLE SUPPLY CHAIN

Corporate governance practices

To ensure regulatory compliance and promote transparent and ethical behaviour at all levels of the organisation, we have clearly defined policies and robust internal controls. The Board regularly reviews these policies to uphold our brand integrity and strengthen our corporate governance practices.

Key highlights

61 years
Median age of Directors

5 years
Average tenure of Independent Directors

3
Female Directors on Board

96.30%
Average attendance rate in board meeting

3
Independent Directors on Board

Governance policies

We continue to adhere to applicable laws, regulations and statutory guidelines to strengthen our corporate governance framework. All employees are expected to abide by the core principles of transparency, accountability and ethical business practice to ensure honesty and integrity.

The Company ensures robust governance across business operations through its policies such as:

- Tax Management Policy
- Anti-corruption Policy
- Business Responsibility Policy
- Public Policy & Political Engagement Statement
- Customer Service Policy
- Treasure Management Policy
- Policy on Board Diversity
- Whistle Blower Policy
- Marketing and Communication Policy
- Stakeholder Engagement Policy
- Responsible Supply Chain Policy
- Fair Competition Policy
- Anti-discrimination Policy
- Code of Conduct
- Innovation Policy

All policies are reviewed periodically by the Board and are publicly accessible to ensure transparency and accountability.

TRANSPARENCY AND STAKEHOLDER ENGAGEMENT

We believe that transparent communication and responsible disclosure are essential to building enduring stakeholder relationships. Our governance processes are designed to ensure timely, accurate and balanced information flow to investors, regulators, employees and partners.

Structured stakeholder engagement mechanisms enable us to capture expectations, address concerns and integrate feedback into decision-making. By embedding transparency into our governance architecture, we reinforce trust and strengthen our social licence to operate across the regions we serve.

Board balance chart

Board demographics

10.33
Average Board Tenure

61
Median Director age

96.30
Average attendance rate in Board meeting

Board age profile

Board diversity

Governance framework

Our governance framework is anchored in strong Board leadership, structured oversight and clearly defined accountability across the organisation. The Board comprises members with diverse experience across business strategy, finance, operations, regulatory compliance and risk management, enabling balanced and informed decision-making. It strengthens the Company's ability to navigate sectoral complexities, capital intensity considerations and evolving regulatory expectations.

Strategic direction and oversight	Strategy review and approval
Supervisory role	ESG and compliance oversight

The Board also monitors corporate performance and executive conduct and actively oversees the integration of ESG considerations into business strategy. By reinforcing transparency and accountability, the Board ensures ethical functioning of all roles.

Board expertise

The diversity of our Board brings together varied perspectives and in-depth industry knowledge, acting as a strategic compass for safeguarding stakeholder interests and business profitability.

Board committees

To support effective governance, the board committees focus on specific areas of operation.

INVESTMENT COMMITTEE

The Investment Committee evaluates major capital expenditure proposals and investment opportunities to ensure alignment with strategic priorities and long-term value creation. It reviews financial viability, risk implications and capital expenditure plans.

SECURITIES ALLOTMENT COMMITTEE

The Securities Allotment Committee oversees the issuance and allotment of securities as approved by the Board or shareholders. It ensures regulatory compliance and transparency in capital market transactions.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The CSR Committee guides the Company's social initiatives in accordance with statutory requirements. It focuses on reducing environmental impacts, engaging in community welfare initiatives and ensuring sustainable growth through responsible operations and partnerships.

AUDIT COMMITTEE

The Audit Committee oversees financial reporting, statutory compliance and internal control systems. It ensures accuracy of financial statements and independence of auditors while focusing on taking corrective actions.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee oversees Board composition, leadership selection and remuneration policies. It ensures that governance structures support performance, accountability and long-term organisational sustainability.

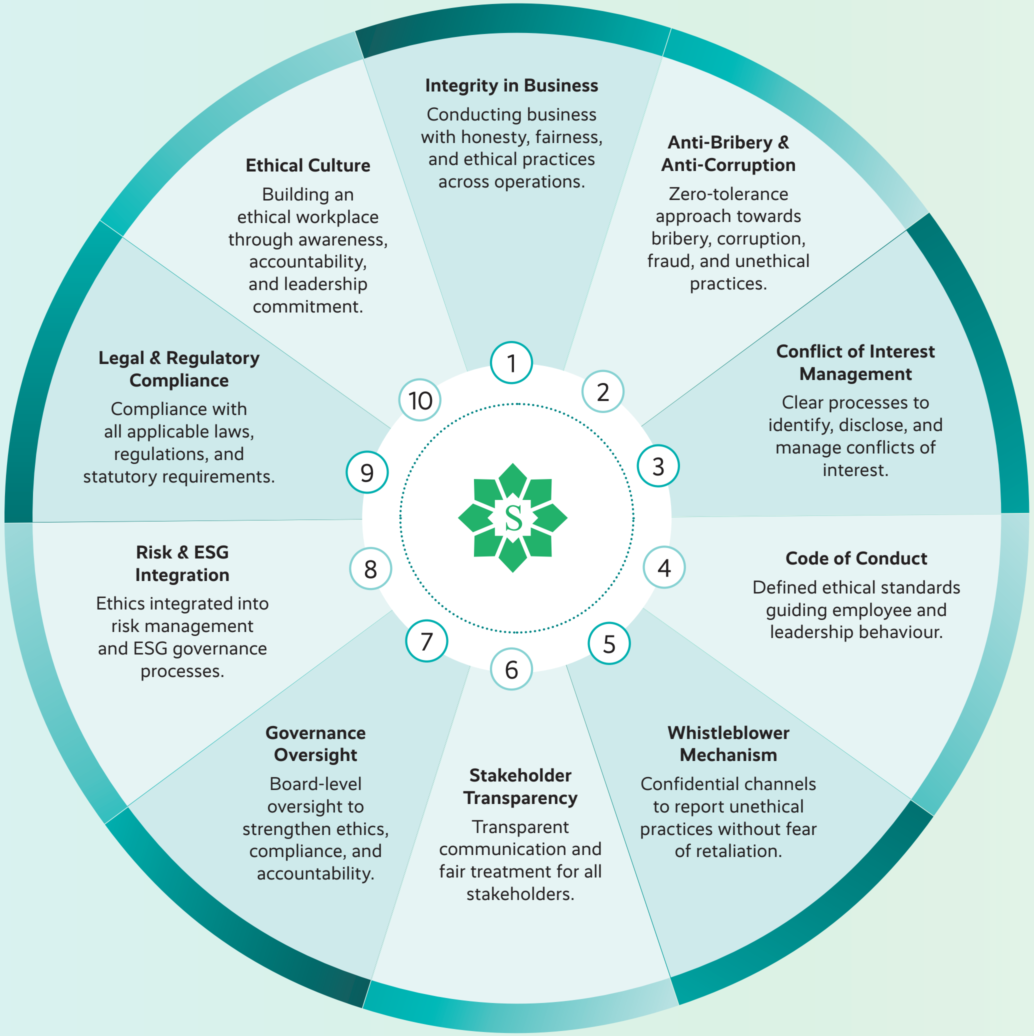
STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee addresses grievances of security holders and ensures timely resolution of investor concerns. It strengthens communication channels with shareholders and reinforces confidence in the Company's governance practices.

Ethics & 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 consistently work towards meeting our regulatory and compliance obligations, while aligning with the best practices of transparency and accountability

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 follow a 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. 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.



Strengthening resilience in a dynamic environment

We operate in a capital-intensive and resource-dependent industry. Market competition, regional concentration, fuel volatility, compliance obligations and evolving climate expectations continue to influence the Company's risk landscape. Our enterprise risk management framework is designed to identify, prioritise and mitigate risks that could impact performance and long-term value creation.

Risk governance and accountability

The risk management team, led by the Joint Managing Director (JMD) and Chief Financial Officer (CFO), comprises functional heads and the Company Secretary. They review risk exposure on a quarterly basis and findings are presented to the Audit Committee and the Board.

Risk management framework

RISK IDENTIFICATION

Continuous identification of strategic, operational, financial and regulatory risks through environmental scanning and internal assessments.

RISK ASSESSMENT

Evaluation of risks based on likelihood and potential impact to determine priority Risks That Matter (RTM).

RISK MITIGATION

Development of structured mitigation plans with defined ownership, timelines and monitoring mechanisms.

RISK REPORTING

Quarterly review by management and reporting to the Audit Committee; annual review by the Board.

RISK MONITORING

Ongoing tracking of mitigation effectiveness and emerging risks across business functions.

Risk classification

Risks are classified into distinct categories based on its nature and potential impact on the organisation. It helps to account for external factors and internal operational dependencies that facilitate informed decision-making and strategic risk mitigation.

Strategic risk

Operational risk

Financial risk

Compliance risk

Strategic risk

Central Control Room at Jeerabad Plant, Madhya Pradesh

Risk	Description	Mitigation	Rating
CONSOLIDATION AND INTENSE COMPETITION	• Continued consolidation in the cement industry may intensify competition and exert pressure on pricing. • Inability to increase cement prices in line with inflationary input costs may compress margins. • Expansion by competitors may impact SGC's market share and realisation. • Failure to achieve targeted sales growth may affect long-term strategic objectives.	• Aligned marketing strategy to defend and expand market share. • Continuous monitoring of market dynamics and competitor movements. • Adoption of innovative customer engagement and brand visibility initiatives.	High
REGION DEPENDENCY	• Concentration of operations in specific geographies may expose the Company to regional economic slowdowns. • Infrastructure or construction demand fluctuations in the Southern region may impact volumes and profitability.	• Diversification through new plants at Jeerabad and Jajpur. • Strengthening market presence in existing and emerging regions through targeted branding and promotional initiatives.	High

Strategic risks arise from external market dynamics, industry structure, competitive intensity and regional concentration. These risks influence long-term positioning, growth trajectory and market share sustainability.

Financial risk

Financial risks relate to capital structure management, liquidity, treasury operations and exposure to macroeconomic volatility. These risks directly affect profitability, cost of capital and funding flexibility.

Jajpur Plant, Odisha

Risk	Description	Mitigation	Rating
MARKET VOLATILITY	• Volatility in capital markets may impact the Company's ability to raise funds for growth. • Adverse investor sentiment may affect brand positioning and market capitalisation. • Macroeconomic fluctuations may influence demand and liquidity conditions	• Continuous monitoring of macroeconomic and capital market conditions. • Periodic valuation and financial assessments. • Maintaining prudent financial discipline and liquidity buffers.	High
TREASURY MANAGEMENT	• Suboptimal deployment of surplus funds may reduce returns to shareholders. • Inefficient capital structure mix may increase cost of capital. • Interest rate fluctuations may affect borrowing costs.	• Robust monitoring of short-, medium- and long-term fund requirements. • Maintaining appropriate debt-equity and interest coverage ratios. • Active treasury oversight and investment discipline.	High

Operational risk

Operational risks stem from day-to-day business activities, plant operations, asset reliability, logistics efficiency and workforce safety. Effective management of these risks is critical for ensuring continuity, cost control and operational performance.

Gudipadu Plant, Andhra Pradesh

Risk	Description	Mitigation	Rating
HEALTH AND SAFETY	• Accidents, occupational hazards or equipment failures leading to injury, loss of life or operational disruption. • Fire, explosion, contamination or release of hazardous materials. • Regulatory penalties, plant closures, strikes or community agitation due to safety incidents.	• Formation of plant-level safety committees. • Continuous strengthening of occupational health and safety practices. • Proper storage and ventilation of hazardous materials. • Emergency equipment readiness and regular drills. • Routine housekeeping and MSDS compliance checks.	High
FUEL PROCUREMENT	• Unavailability of fuel or procurement at elevated prices affecting cost competitiveness. • Volatility in coal and petcoke prices impacting margins. • Regulatory restrictions on conventional fuel usage.	• Increasing alternate fuel usage to 25% by 2030 and 50% by 2050. • Installation of feeders across plants for fuel flexibility. • Maximising Fuel Supply Agreements (FSA) and proactive renewals.	High

Operational risk Contd..

Risk	Description	Mitigation	Rating
SUPPLY CHAIN LOGISTICS COST	• Inefficient logistics leading to elevated transportation costs. • Failure to meet delivery commitments resulting in customer dissatisfaction and revenue loss.	• Mapping logistics across rail and road for cost optimisation. • Maintaining optimal lead distance below 300 km. • Continuous monitoring of logistics efficiency.	Medium
ASSET MANAGEMENT	• Failure to perform regular maintenance resulting in breakdowns and reduced asset life. • Increased variable costs due to outdated equipment. • Inadequate physical protection of long-lived assets.	• Periodic in-house equipment risk assessment analysis. • Monitoring MTTR and MTBF metrics. • Detailed performance tracking of spares and consumables.	Medium
SUCCESSION PLANNING	• Sudden exit or retirement of skilled personnel leading to knowledge gaps. • Business disruption due to inadequate succession identification.	• Structured succession planning framework. • Identification of critical roles and development plans. • Continuous employee training and capability enhancement.	Medium
BRAND POSITIONING	• Misalignment between consumer perception and Company positioning affecting price realisation. • Inability to build brand loyalty.	• Increased investment in brand equity. • Adoption of innovative visibility and recall strategies.	Medium

Compliance risk

Compliance risks arise from evolving statutory requirements, environmental regulations, taxation norms and corporate governance obligations. These risks are managed through structured internal controls, monitoring mechanisms and Board-level oversight to ensure adherence to applicable laws and regulatory expectations.

Risk	Description	Mitigation	Rating
REGULATORY AND STATUTORY COMPLIANCE	• Non-adherence to environmental, taxation, labour or corporate governance regulations. • Penalties, fines or operational restrictions due to regulatory lapses. • Reputational damage arising from non-compliance.	• Robust internal control systems and periodic statutory audits. • Active monitoring by compliance teams. • Regular reporting to the Audit Committee and Board.	High
CLIMATE CHANGE AND SUSTAINABILITY REGULATIONS	• Failure to meet carbon reduction targets imposed by regulators. • Introduction of stricter emission norms affecting operational continuity. • Enhanced scrutiny by investors and proxy advisory firms on climate performance impacting market capitalisation.	• Progressive increase in alternative fuel usage. • Renewable energy integration and energy efficiency improvements. • Continuous monitoring of regulatory developments and disclosure practices.	High

We have won several prestigious awards this year for our efforts. These honoūrs recognise our focus on health and safety practices, quality, environment preservation, energy conservation.

BIS CERTIFICATE OF APPRECIATION

Andhra Cements Limited plant received recognition from the Bureau of Indian Standards (BIS) for achieving zero failure of samples for OPC 53 Grade and PPC Grade products over the past two years.

SWACHHA ANDHRA AWARD 2025

Dachepalli Unit received this recognition for commendable work towards cleanliness and sanitation under the Swarna Andhra – Swachha Andhra (SASA) initiative.

NSCI SAFETY AWARDS 2025 – CERTIFICATE OF MERIT

Gudipadu, Jajpur and Bayyavaram plants were recognised by the National Safety Council of India for their strong safety performance and commitment to safety excellence.

ICMAI GREEN AWARDS – SMALL CAP CATEGORY

Sagar Cements was recognised as the winner under the Small Cap Category at the ICMAI Green Awards 2023–24. The award acknowledged the Company's commitment towards sustainable business practices and environmental stewardship and was presented on 29th January 2026 at Radisson Hotel, Noida.

MEMC WEEK RECOGNITION AWARDS

Gudipadu received 2nd prize in Publicity & Propaganda and 3rd prize in Afforestation during MEMC Week. The awards, presented by the Regional Controller of Mines, Indian Bureau of Mines (IBM), Vijayawada Region, recognised efforts towards scientific mining, environmental protection, mineral conservation and sustainable mining development.

MINES ENVIRONMENT AND MINERAL CONSERVATION WEEK AWARDS

Mattampally Mine received 1st prize in Environmental Monitoring for Mine-2, 1st prize in Sustainable Mine Development for Mine-1, 1st prize in Innovation in Mining for Mine-1, 2nd prize in Publicity and Propaganda for Mine-1 and 3rd prize for Overall Mine-1 from IBM, Hyderabad.

NATIONAL AWARD FOR EXCELLENCE IN ENERGY MANAGEMENT 2025

The Jeerabad Unit was honoured by the Confederation of Indian Industry (CII) for outstanding performance in energy management.

RECOGNITION AT NATIONAL ENVIRONMENT AND SUSTAINABILITY AWARDS

Sagar Cements received 26 awards at the 4th National Environment & Sustainability Awards & Net Zero Conclave organised by QCFI, recognising sustainability initiatives across its 5 cement plants.

Our Gudipadu plant received eight awards across categories including Water Stewardship, Energy efficient, Sustainable Mining, CSR, Health and Safety, AFR Excellence, Plant Environment Excellence and Productivity Excellence, while the Dachepalli plant received the Energy Excellence Award. With participation from over 800 delegates representing industry, government, academia and sustainability experts, the conclave provided an important platform to advance collaboration on the cement sector's journey towards net-zero.

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

Sagar Cements Limited (hereinafter referred to as "SGC" or the "Reporting Organisation") engaged TUV India Private Limited ("TUVI") to perform an independent external assurance of non-financial disclosures reported in SGC's Sustainability Report (hereinafter the "Report") based on the principles of GRI Standards 2021 (hereafter "GRI") and IIRC Integrated Reporting (<IR>). SGC has prepared a Sustainability Report for the period April 1, 2025 to March 31, 2026. The Sustainability Report contains nonfinancial ESG disclosures prepared with reference to the GRI Standards 2021 and the <IR> framework (collectively referred to as the "Sustainability Information").

TUVI confirms that, prior to acceptance of the engagement, the preconditions for the assurance engagement were assessed in accordance with ISAE 3000 (Revised). TUVI determined that the subject matter is supported by suitable criteria (GRI Standards 2021 and the <IR> framework), management has acknowledged its responsibility for the preparation and presentation of the sustainability information and for providing access to relevant records, and that sufficient appropriate evidence was expected to be available to support the assurance conclusion. Accordingly, the engagement was accepted and performed in accordance with ISAE 3000 (Revised), comprising a limited level of assurance over SGC's sustainability disclosures for the reporting period from 01/04/2025 to 31/03/2026.

The assurance process was conducted with reference to the following applicable frameworks and guidelines:

- GRI Standards 2021, including GRI 1: Foundation, GRI 2: General Disclosures, GRI 3: Material Topics, and applicable topic specific Standards (200, 300, and 400 series); and
- IIRC Integrated Reporting Framework (<IR>).

Management's Responsibility

SGC developed its Sustainability Report and holds full responsibility for the collection, analysis, preparation, and disclosure of the information presented therein, including its availability in both web-based and printed formats. This responsibility also extends to the maintenance and integrity of the website where the Sustainability Report is published. Management is responsible for the identification of materiality through an appropriate materiality determination process, the corresponding ESG issues, and the establishment, maintenance, and quality of performance and data management systems. Management is responsible for ensuring the disclosed data is accurate, reliable, and free from material misstatements, for all GRI based disclosures referenced in this statement. Additionally, SGC is responsible for the archiving and reproduction of the disclosed information and for ensuring that such data is made available to relevant stakeholders upon request. The Reporting Organisation is responsible for complying with applicable laws.

Scope and Boundary

The scope of this assurance engagement conducted by TUVI covered the verification of non-financial ESG disclosures included in SGC's Sustainability Report, prepared with reference to the GRI Standards 2021 and the <IR> framework. The assurance engagement included the following activities:

i. Review and verification of the application of Report content in accordance with material topics identified through the materiality determination process, consistent with the principles of the GRI Standards 2021 and the <IR> framework;

ii. Review of the policies, management approach, initiatives, practices, and performance disclosures as per the GRI Standards;

iii. Assessment of the quality, clarity, and completeness of the reported sustainability information;

iv. Assessment of the reliability of GRI Standards disclosures on environmental and social topics, under limited assurance procedures, against the requirements of GRI Standards and the <IR> framework;

v. Confirmation that specified disclosures were selected based on materiality determination and are meaningful to the intended users; and

vi. Verification of supporting evidence on a sample basis for the disclosures listed below.

TUVI has verified the below-mentioned GRI disclosures included in the Sustainability Report as part of the limited assurance engagement:

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 month of April 2026 at the below locations:

Onsite Verification

The onsite verification was conducted at the below-mentioned locations:

1. Sagar Cements Limited, Gudipadu, Andhra Pradesh- 27/04/2026 and 28/04/2026
2. Sagar Cements Limited, Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad, Telangana-500033, India, Corporate Office - 29/04/2026 and 30/04/2026

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

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a limited level of assurance over SGC's sustainability disclosures prepared with reference to GRI Standards 2021 and the <IR> framework, and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or effectiveness of SGC's strategy or management of sustainability related issues, or the sufficiency of the Report against the principles of GRI Standards and the <IR> framework, other than those mentioned in the scope of the assurance.

The disclosures were verified on a sample basis, and responsibility for the authenticity and archiving of the underlying data rests with the Reporting Organisation. The engagement was conducted on the assumption that the information provided by SGC is complete and accurate. This statement does not endorse any product, process, or marketing claim made by SGC, and should not be used to support greenwashing or misleading claims. TUVI assumes no liability for decisions taken on the basis of erroneous data provided by SGC. This assurance engagement provides a limited level of assurance over the selected disclosures and does not constitute a certification, rating, or endorsement of SGC's ESG performance.

Assurance Methodology

TUVI adopted a risk-based approach, focusing verification efforts on disclosures and issues of high material relevance to SGC and its stakeholders. The objective was to assess the reliability and accuracy of the non-financial information disclosed, with emphasis on the robustness of data management systems, internal controls, and information flows.

TUVI's assurance activities included:

1. Document and Data Review

a) Examination of documents, datasets, and supporting evidence provided by SGC, covering the management approach and performance disclosures for all material GRI topic-specific Standards;

b) Evaluation of disclosure quality, clarity, and completeness against the requirements of the GRI Standards 2021 and the <IR> framework; and

c) Review of SGC's approach to stakeholder engagement and the materiality determination process, based on the principle of double materiality and the requirements of the GRI Standards.

2. Stakeholder Interviews

a) Conducted interviews with key representatives, including data owners, process managers, and decision-makers across various functions of SGC, during both onsite visits and remote assessments;

b) Reviewed qualitative statements included in the Report to assess their consistency with the responses received during interviews and the evidence reviewed.

3. Process and System Assessment

a) Review of systems and processes for implementing ESG and sustainability-related policies, as described in the Report; and

b) Assessment of data management systems and internal processes supporting the preparation of ESG disclosures, including data flows, aggregation procedures, and supporting records, to understand the context in which reported data was prepared.

4. Substantive Testing

TUVI performed walkthrough procedures to understand ESG data flows and processes, and substantive testing including document verification, recalculation, analytical review, and data traceability checks for selected KPIs and disclosures. Examples of KPI category procedures applied:

a) GHG Emissions — recalculation of Scope 1 and Scope 2 emissions from primary fuel and energy consumption data using applicable emission factors; reconciliation of fugitive emission records;

b) Energy — cross-verification of meter readings against utility bills for manufacturing plants; validation of energy consumption mix and energy intensity calculations;

c) Water — review of water intake records at plant level; traceability to source-wise water withdrawal records and consent/permit documentation; review of water discharge and recycling records;

d) Safety — verification of Lost Time Injury Frequency Rate (LTIFR) calculations against plant-level incident registers and HR records; review of occupational health and safety management systems; and

e) Waste — reconciliation of hazardous and non-hazardous waste disposal records against applicable regulatory returns and third-party disposal manifests.

5. Sampling Methodology

TUVI applied a risk-based sampling methodology to select representative samples of ESG disclosures, considering materiality, risk of misstatement, data complexity, estimation uncertainty, nature and scale of operations, geographical spread of facilities, and site contribution to ESG impacts. Sample selection prioritised locations with significant operational impact and KPIs with higher inherent risk.

Site Verification Coverage: TUVI conducted onsite verification at 1 of 4 manufacturing units (Gudipadu, Andhra Pradesh) and at the Corporate Office (Jubilee Hills, Hyderabad, Telangana), complemented by a complete desk review of GRI disclosure data across all manufacturing units and grinding units within the reporting boundary. The quantitative coverage basis for the key GRI KPIs, combining onsite verification and complete desk review, is as follows: Scope 1 and Scope 2 GHG emissions; total energy consumption; total water consumption; total waste generated for the manufacturing and grinding units; workforce and HR KPIs (safety, training, diversity, and employment) — 100% coverage, as these are centrally managed and reported by the Corporate Office (Hyderabad), which was also verified onsite.

The Corporate Office onsite verification covered all head-office-managed HR, financial, governance, and safety KPIs for the full reporting entity. The basis of representativeness is as follows: GRI environmental KPIs for GHG emissions, energy, water, and waste were subject to complete desk review across all manufacturing units and the grinding units, with onsite verification conducted at Gudipadu, Andhra Pradesh; the Corporate Office (Hyderabad) covers 100% of centrally managed HR, governance, and safety KPIs for the full reporting entity; and a detailed desk review and comprehensive verification of reported data were conducted for all relevant parameters across all remaining units, with samples weighted by site contribution (greater than 5% of KPI total) and inherent risk. The combined onsite verification and complete desk review ensures comprehensive coverage of the key environmental and safety KPIs across all reporting units. Accordingly, the verification coverage provides a fully evidenced and representative basis for the limited assurance conclusion on GRI disclosures.

KPI-Specific Materiality Approach: A KPI-specific materiality approach was applied to selected samples: (i) a **5% quantitative threshold** was applied to volume-based KPIs (GHG emissions, energy, water, and waste), determined based on benchmarking with industry practice for non-financial ESG assurance engagements, inherent risk assessment of each KPI category, and relative contribution of sampled sites to total reported values; and (ii) a qualitative zero-tolerance threshold was applied to high-risk ESG indicators — fatalities, permanent disabilities, regulatory non-compliances, and incidents of forced or child labour — for which any occurrence, misstatement, or omission is treated as material irrespective of magnitude, with qualitative judgement overriding the quantitative threshold for these KPIs. This KPI-specific materiality framework ensures that qualitative issues of significant stakeholder concern are not understated by the application of a uniform quantitative threshold. In addition to assessing misstatements individually, TUVI considered whether misstatements that were individually below the applicable threshold could, in aggregate, exceed the materiality threshold for a given KPI or disclosure; no such cumulative effect of individually immaterial misstatements was identified that would affect the limited assurance conclusion.

Where disclosures are based on estimation or standard assumptions, the estimation uncertainty has been acknowledged and factored into the assurance conclusion. The Report was evaluated against the following criteria: stakeholder inclusiveness, materiality, responsiveness, completeness, neutrality, relevance, sustainability context, accuracy, reliability, comparability, clarity, and timeliness, as prescribed in the GRI Standards 2021 and the <IR> framework.

Opportunities for Improvement

The following are the opportunities for improvement reported to SGC. They are generally consistent with SGC management's objectives and programmes. SGC has already identified the below topics, and the assurance team endorses the same to achieve the sustainability goals of the organisation.

i. Strengthen Talent Development through Employee Feedback Integration

SGC may strengthen its talent development framework by systematically integrating insights from employee engagement and feedback surveys into the design of learning, training, and career development programmes and further strengthen alignment with GRI 404 (Training and Education).

ii. Strengthening of Grievance Redressal Mechanism for Employees and Suppliers

The grievance redressal mechanism for employees and suppliers should be strengthened and displayed at prominent places across all plants and offices. Training on the grievance redressal mechanism should be conducted at least once a year for all employees.

iii. Product Carbon Footprint

SGC may disclose product-wise carbon intensity for major cement categories to improve transparency of low-carbon product claims (Green Pro certified products), supporting GRI 305 and SASB Construction Materials EM-CM-110a.1 / EM-CM-110a.2.

iv. Strengthen CSR Impact Measurement through SROI-Based Reporting

SGC may enhance its CSR programmes through proactive efforts developed on the basis of community need assessments. A procedure for recording and tracking beneficiaries may be developed. The impact of these measures may be assessed by adopting a Theory of Change or Logical Framework-based impact assessment methodology, supported by SMART outcome indicators and Social Return on Investment (SROI) assessments for major projects. This will strengthen disclosure of CSR spend and beneficiary counts, in alignment with GRI 413-1 and GRI 413-2 and the requirements of the Companies Act, 2013.

Our Conclusion

Engagement Type: Independent limited assurance engagement over SGC's Sustainability Report disclosures, prepared with reference to GRI Standards 2021 and the <IR> framework. The engagement was conducted in accordance with ISAE 3000 (Revised).

Applicable Criteria: GRI Standards 2021 (GRI 1: Foundation, GRI 2: General Disclosures, GRI 3: Material Topics, and applicable Topic-specific Standards) and the IIRC Integrated Reporting Framework (<IR>).

The practitioner applied professional judgment and maintained professional scepticism throughout the engagement, consistent with the requirements of ISAE 3000 (Revised). TUVI did not perform any assurance procedures on prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion on such prospective information

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements. SGC refers to universal disclosures to report contextual information about the organisation, while the Management Approach disclosures describe SGC's 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 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 organisation's material topics and management approach.

Topic-Specific Standards: The 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics) were used to report information on the organisation's impacts related to economic, 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, in accordance with the applicable reporting criteria of the GRI Standards 2021 and the <IR> framework. TUVI found the sustainability information to be reliable in all material respects with regard to the reporting criteria. TUVI confirms that SGC has transparently reported major material information pertaining to all six capitals in line with the <IR> framework, as below:

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

Manufactured Capital: SGC focuses on operational excellence and continuous improvement and innovation in its 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 its product development efforts.

Human Capital: SGC focuses on attracting, developing, and retaining talent by providing training and ensuring overall safety and well-being, while promoting inclusion and diversity throughout the business.

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

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

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

Evaluation of the adherence to other contemporary Principles

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

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

Materiality: The materiality determination process has been conducted based on the principle of double materiality and the requirements of the GRI Standards, considering involvement of internal and external stakeholders across the upstream and downstream value chain. The Report fairly brings out the aspects, topics, and their respective boundaries across 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 determination are fairly articulated in the Report, i.e., disclosures on SGC's policies, management systems, and governance. In our view, the Report meets the requirements.

Impact: SGC communicates its sustainability performance through regular, transparent internal and external reporting, aligned with GRI Standards and the <IR> framework 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 GRI Standards. Completeness was assessed with reference to the defined reporting boundary of four manufacturing units and two grinding units in India, and the stated exclusions, namely prospective and forward-looking information and value chain disclosures outside the defined scope. Where disclosures were based on estimation or standard assumptions, the associated uncertainty was acknowledged and considered in reaching the conclusion. In our view, the Report meets the requirements.

Reliability: The majority of the data and information was verified by TUVI's assurance team during the hybrid assessment (a combination of onsite visits, web-based meetings, and desk reviews) and found to be fairly accurate. Some inaccuracies identified during the verification process were found to be attributable to transcription, interpretation, and aggregation errors, and these have been corrected. In reference to the GRI Standards and the <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 and neutral third-party assurance provider with qualified environmental and social specialists, and confirms its independence, impartiality, and objectivity in accordance with ISAE 3000 (Revised) through internal conflict of interest checks, adherence to a documented code of ethics, separation of assurance and advisory functions, reviewer oversight, and quality control procedures.

TUVI confirms that no non-assurance services were provided to SGC that could create self-review, advocacy, familiarity, self interest, or other independence threats, including preparation of GRI disclosures, ESG strategy development, target setting, ESG data system design, GHG inventory calculations, internal ESG audits, materiality assessments, or KPI improvement advisory services. TUVI further confirms that no engagements during the reporting year compromised its independence, and it was not involved in preparing report content or underlying data, except for this assurance statement, thereby ensuring an objective, unbiased, and transparent assurance process. TUVI follows the 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 IESBA, which includes independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. 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. This assurance statement has been prepared in accordance with the terms of our engagement and ISAE 3000 (Revised) requirements.

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Product Head – Sustainability Assurance
Head - Sustainability Assurance Service,
India Project Reference No: 8123614452

Date: 12/05/2026
Place: Mumbai, India
Project Reference No: 8124762261
Revision:00

Statement of use	Sagar Cement Limited has reported the information cited in this GRI content index for the period 1 April 2025 to 31 March 2026 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	
	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	85-87
	2-6 Activities, value chain and other business relationships	7-11, 25
	2-7 Employees	60
	2-8 Workers who are not employees	156
	2-9 Governance structure and composition	76
	2-10 Nomination and selection of the highest governance body	76
	2-11 Chair of the highest governance body	124
	2-12 Role of the highest governance body in overseeing the management of impacts	37
	2-13 Delegation of responsibility for managing impacts	37
	2-14 Role of the highest governance body in sustainability reporting	2, 37
	2-15 Conflicts of interest	152
	2-16 Communication of critical concerns	37
	2-17 Collective knowledge of the highest governance body	18, 19, 126
	2-18 Evaluation of the performance of the highest governance body	109
	2-19 Remuneration policies	128
	2-20 Process to determine remuneration	128
	2-21 Annual total compensation ratio	163
	2-22 Statement on sustainable development strategy	13-16
	2-23 Policy commitments	36-37
	2-24 Embedding policy commitments	37
	2-25 Processes to remediate negative impacts	98
	2-26 Mechanisms for seeking advice and raising concerns	77
	2-27 Compliance with laws and regulations	170
	2-28 Membership associations	38-39
	2-29 Approach to stakeholder engagement	None
	2-30 Collective bargaining agreements	40
GRI 3: Material Topics 2021	3-1 Process to determine material topics	41
	3-2 List of material topics	42-84
	3-3 Management of material topics	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	36
	101-2 Management of biodiversity impacts	58
	101-3 Access and benefit-sharing	58
	101-4 Identification of biodiversity impacts	58
	101-5 Locations with biodiversity impacts	58
	101-6 Direct drivers of biodiversity loss	58
	101-7 Changes to the state of biodiversity	58
	101-8 Ecosystem services	58
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	45-49
	102-2 Climate change adaptation plan	50
	102-3 Just transition	None
	102-4 GHG emissions reduction targets and progress	23, 43, 44
	102-5 Scope 1 GHG emissions	44
	102-6 Scope 2 GHG emissions	44
	102-7 Scope 3 GHG emissions	44
	102-8 GHG emissions intensity	43
	102-9 GHG removals in the value chain	44
	102-10 Carbon credits	None
GRI 103: Energy 2025	103-1 Energy policies and commitments	36
	103-2 Energy consumption and self-generation within the organisation	51
	103-3 Upstream and downstream energy consumption	23
	103-4 Energy intensity	23
	103-5 Reduction in energy consumption	23
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	22
	201-2 Financial implications and other risks and opportunities due to climate change	50
	201-3 Defined benefit plan obligations and other retirement plans	157
	201-4 Financial assistance received from government	₹ 6,791 Lakhs
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	162
	202-2 Proportion of senior management hired from the local community	100%
	203-1 Infrastructure investments and services supported	71-73
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	71-73
	204-1 Proportion of spending on local suppliers	152, 153
GRI 204: Procurement Practices 2016	205-1 Operations assessed for risks related to corruption	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	152, 153
	205-3 Confirmed incidents of corruption and actions taken	152, 153

GRI STANDARD	DISCLOSURE	LOCATION
GRI 301: Materials 2016	301-1 Materials used by weight or volume	53-54
	301-2 Recycled input materials used	53-54
	301-3 Reclaimed products and their packaging materials	53-54
	302-1 Energy consumption within the organisation	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	55-56
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	55
	303-4 Water discharge	55
	303-5 Water consumption	55
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	44
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	57
	306-2 Management of significant waste-related impacts	57
	306-3 Waste generated	57
	306-4 Waste diverted from disposal	57
	306-5 Waste directed to disposal	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	69
	308-2 Negative environmental impacts in the supply chain and actions taken	69
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	63
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	156
	401-3 Parental leave	157
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	65
	403-2 Hazard identification, risk assessment, and incident investigation	65
	403-3 Occupational health services	66
	403-4 Worker participation, consultation, and communication on occupational health and safety	65
	403-5 Worker training on occupational health and safety	100%
	403-6 Promotion of worker health	66
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	159
	403-8 Workers covered by an occupational health and safety management system	100%
	403-9 Work-related injuries	159
	403-10 Work-related ill health	159

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	60
	404-2 Programs for upgrading employee skills and transition assistance programs	61
	404-3 Percentage of employees receiving regular performance and career development reviews	100%
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	75, 60
	405-2 Ratio of basic salary and remuneration of women to men	163
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	164
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	164
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	164
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	164
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	71-73
	413-2 Operations with significant actual and potential negative impacts on local communities	None
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	69
	414-2 Negative social impacts in the supply chain and actions taken	69
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	70
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	70
	417-2 Incidents of non-compliance concerning product and service information and labeling	None
	417-3 Incidents of non-compliance concerning marketing communications	None

Version 1.3 (January 2026)

Basic Parameter	Performance FY 25-26
	Data
CO_2 Emission	
Total direct CO_2, emissions - gross	40,01,054 Tonnes
Total direct CO_2, emissions - net	39,76,590 Tonnes
Specific CO_2, emissions - gross	618 kg CO_2/t cementitious
Specific CO_2, emissions - net	614 kg CO_2/t cementitious
Emissions	
NOX	7,255 Tonnes
SOX	169 Tonnes
Dust	209 Tonnes
Fuels and Raw Material	
Alternative fuel rate	3.07 percentage
Biomass fuel rate	1.5 percentage
Alternative Raw Materials rate (% ARM)	21.35 percentage
Specific heat consumption for clinker production	729 Kcal/kg clinker
Safety	
Number of fatalities, directly employed	Nil
Number of fatalities, contractors and sub-contractors	Nil
Number of fatalities, third parties	Nil
Number of lost time injuries (LTI), directly employed	0.24
Number of lost time injuries (LTI), contractors and sub-contractors	Nil
Water	
Water Consumption (Total Water withdrawal-Water Discharge)	10,08,493 Kilo Liters
Specific Water Consumption	156 Lit/Ton of Cementitious Material
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 quarries are currently under closure.

Metric	Category	Unit of Measure	Code	Performance 25-26
1) Gross global Scope 1 emissions, 2) Percentage covered under emissions- limiting regulations	Quantitative	Tonnes (t) CO_2-e, Percentage (%)	EM-CM-110a.1	1) 4,001,054 tCO_2e 2) 59%; Currently, 2 of our plants (Mattampally and Gudipadu) are covered under the Carbon Credit Trading Scheme.
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	Discussion and Analysis	n/a	EM-CM-110a.2	3) Decarbonisation plan: Page 46-48
Air emissions of the following pollutants: (1) NOx (excluding N^2O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/ furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals	Quantitative	Tonnes (t)	EM-CM-120a.1	1) NOx: 7,255 T 2) SOx: 169 T 3) PM10: 49 T 4) Dioxins: 0 5) VOCs: 0 6) Polycyclic Aromatic Hydrocarbons (PAH): 0 7) Heavy Metal: 0
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative and (4) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-CM-130a.1	(1) Total energy consumed: 16,565 TJ (2) percentage grid electricity: 5.9% (3) percentage alternative: 4.1% and: (4) percentage renewable: 1.9% **Note:** The total energy is calculated basis SASB Standard and includes our thermal energy(fossil fuel consumption) and power consumption.
(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	EM-CM-140a.1	1) 10,08493 KL 2) 0% of our plants are in high water stress regions
Amount of waste generated, percentage hazardous and percentage recycled	Quantitative	Tonnes (t), Percentage (%)	EM-CM-150a.1	1) Waste generated: 44,679 T 2) Percentage Hazardous: 0.15% 3) Percentage Recycled: 92.74% (reused)
Description of environmental management policies and practices for active sites Terrestrial land area disturbed, percentage of impacted area restored	Discussion and Analysis	Hectares (ha), Percentage (%)	EM-CM-160a.1 EM-CM-160a.2	Page 58
(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	EM-CM-320a.1	NIL
Number of reported cases of silicosis[1]		Number	EM-CM-320a.2	NIL
Percentage of products that qualify for credits in sustainable building design and construction certifications	Quantitative	Percentage (%) by annual sales revenue	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	Quantitative	Presentation currency, Percentage (%)	EM-CM-410a.2	50%
Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and antitrust activities [2]	Quantitative	Presentation currency	EM-CM-520a.1	0

Dear Members

Your Directors are pleased to present their Forty Fifth Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended March 31, 2026.

FINANCIAL RESULTS

This discussion on the financial performance and results of operations of your Company for the year ended March 31, 2026, which are summarized 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	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	1,76,830	1,56,664	2,65,002	2,25,764
Other Income	6,499	2,663	2,155	2,143
Total income	**1,83,329**	**1,59,327**	**2,67,157**	**2,27,907**
Total expenses	1,63,792	1,50,970	2,35,803	2,11,655
Profit before Interest, Depreciation and Tax	19,537	8,357	31,354	16,252
Less: Finance Cost	7,664	8,149	19,695	18,813
Depreciation	11,551	11,942	23,965	23,075
Profit before exceptional items and tax	322	(11,734)	(12,306)	(25,636)
Exceptional items	-	2,091	-	2,717
Profit/(Loss) before tax	322	(13,825)	(12,306)	(28,353)
Total Tax	(3,035)	(5,277)	(12,233)	(6,685)
Profit/(Loss) after Tax	3,357	(8,548)	(73)	(21,668)
Other Comprehensive Income/(Loss)	(12)	72	(7)	47
Total Comprehensive Income/(Loss)	3,345	(8,476)	(80)	(21,621)
Basic & Diluted Earnings per share of ₹ 2/- each	2.57	(6.54)	(0.06)	(16.58)

PERFORMANCE

During the year the Consolidated Revenue from Operations stood at ₹2,65,002 Lakhs, registering a increased by 17% as compared to previous year and Profit before Interest, Depreciation and Tax stood at ₹31,354 Lakhs, registering an increase by 93% 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 2025-26 have been furnished in the Management Discussion and Analysis Report as annexure to this report.

DIVIDEND

Dividend has been considered 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 inadequate profits, 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.

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, 2026.

PAID-UP SHARE CAPITAL:

As on March 31, 2026, 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.

UTILIZATION OF FUNDS RAISED THROUGH ISSUE OF EQUITY SHARES

During FY 2026, 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 subsidiaries viz., Sagar Cements (M) Private Limited and 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.

During FY 2025 26, Sagar Cements Limited, as promoter of its subsidiary, Andhra Cements Limited (ACL), made an Offer for Sale (OFS) of equity shares through the stock exchange mechanism in compliance with SEBI guidelines and Rule 19A of the Securities Contracts (Regulation) Rules, 1957. Pursuant to approvals of the Investment Committee of the Board, the Company divested part of its holdings, thereby reducing its stake from 90% to 75%. Consequently, the public shareholding in ACL increased to 25%, enabling ACL to achieve the mandated Minimum Public Shareholding (MPS) requirement within the stipulated time period. The transaction was duly approved by the Audit Committee and executed in accordance with SEBI OFS Circulars and operational guidelines of BSE and NSE.

The Board of Directors of your Company at its meeting held on March 30, 2026, has accorded its in-principle approval for the merger of one of our subsidiary companies viz., Andhra Cements Limited with it, which will be subject to necessary approvals as may be required from the regulatories and other authorities concerned.

ESTABLISHMENT OF NEW DIVISION:

The Board of Directors of your Company accorded approval for establishment of new division namely superfine building materials to carry on the business of highly processed, micronized, or extremely fine-grade materials designed for superior strength, smooth finishing, and high-performance in construction projects. These materials, which range from specialized cements to manufactured sands, are crucial for modern, durable, and sustainable building techniques. Demand is surging for superfine products for luxury architectural finishes, and these advanced materials help clients meet strict green building certifications. Superfine is extension of our Product Portfolio and are mostly generated from GGBS (Ground Granulated Blast-furnace Slag), Silica and Fly ash.

The division will leverage to provide data-driven material predictions, reducing on-site waste by ensuring perfect fits for prefabricated components. This initiative targets the high-precision construction market, focusing on advanced concrete additives.

The Superfine materials are used in High-performance/ultra-high-performance concrete (UHPC), Repairing structural cracks and micro-fissures in dams, bridges, and tunnels, Interior finishing, including false ceilings and plastering and Industrial, commercial, and residential cladding/roofing.

The management has identified a significant growth opportunity in superfine building materials, and the creation of a specialized division aligns with the Company's long-term strategic goals.

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 organizing training programmes wherever required for the employees concerned to improve their skill. They are also encouraged to participate in the seminars organized 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 realize their full potential. Your company is committed to providing all its employees with a healthy and safe work environment.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Regarding the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has an Internal Complaints Committee. No complaints were received or disposed of 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 offices as well as at manufacturing units.

AWARDS & RECOGNITIONS ACROSS UNITS (FY 2025–26):

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:

Mattampalli Unit:

- Received the "BIS Award of Honour" for outstanding performance in quality, safety, and operational excellence.
- Received following excellence awards from Quality Circle Forum Of India (QCFI), Hyderabad:
  - Sustainable Mining Excellence Award
  - CSR Excellence Award
  - Energy Efficiency Award
  - Health & Safety Excellence Award
  - AFR Excellence Award
  - Plant Environment Excellence Award
  - Renewable Energy, Green Energy & CO_2 Excellence Award
  - Water Excellence Award
  - Productivity Excellence Award
  - Logistics Excellence Award
- Received the following awards from IBM, Hyderabad:
  - 1^{st} Prize for Environmental Monitoring (Mine-2)
  - 1^{st} Prize for Sustainable Mine Development (Mine-1)
  - 1^{st} Prize for Innovation in Mining (Mine-1)
  - 2^{nd} Prize for Publicity & Propaganda (Mine-1)
  - 3^{rd} Prize for Overall Mine Performance (Mine-1)

Gudipadu Unit:

- Received Certificates of Appreciation from the Bureau of Indian Standards (BIS), Vijayawada, for OPC and PPC products.
- Received the following awards from the Director of Mines Safety (DMS), Nellore Region:
  - 1^{st} Prize for Safe Mine Workings
  - 1^{st} Prize for Drilling & Blasting
  - 1^{st} Prize for "Safety is My Responsibility & Zero Harm in Mines"
  - 2^{nd} Prize for Electrical Installations
  - 2^{nd} Prize for Crusher & Conveyor Belts
  - 2^{nd} Prize for Safety Management System
- Received a Merit Certificate from the National Safety Council of India (NSCI), Navi Mumbai, for achievements in Occupational Safety & Health.
- Received following excellence awards at QCFI's 4^{th} National Environment & Sustainability Awards & Net Zero Conclave:
  - Energy Excellence Award
  - Health & Safety Excellence Award
  - AFR Excellence Award
  - Plant Environment Excellence Award
  - CSR Excellence Award
  - Sustainable Mining Excellence Award
  - Water Excellence Award
  - Productivity Excellence Award
- Received the following recognitions from IBM, Vijayawada Region:
  - 2^{nd} Prize for Publicity & Propaganda
  - 2^{nd} Prize for Afforestation
- Received an Appreciation Certificate under the "Bangaru Kutumbalu" initiative (P4 Program) from the MLA of Tadipatri Constituency for contributions and participation in community development initiatives.

Bayyavaram Unit:

- Achieved the GreenCo Platinum Rating awarded by CII.
- Received the National Award for Energy Efficient Unit from CII.
- Won the Gold Award at the Chapter Convention on Quality Concepts 2025 organized by QCFI, Visakhapatnam Chapter.
- Received Appreciation Certificates from BIS for PSC, CC, and GGBS products.
- Received recognition at QCFI's 4^{th} National Environment & Sustainability Awards 2025.
- Received the National Safety Council of India Safety Award 2025.

Jajpur Unit:

- Received a Certificate of Participation during "Manak Mahotsav – World Standards Day" from BIS, Bhubaneswar.
- Received a Safety Award from BIS, Bhubaneswar.
- Received a Certificate of Appreciation from the Red Cross Society, Cuttack.
- Received appreciation from the ADM, Kalinganagar, for supporting "Sukinda Slipa Mahostav 2026" promoting cultural programs, music concerts, local art exhibitions, and performances by renowned artists.

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 judgments 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 Profit of the company for that period;

iii. the directors have taken proper and sufficient care of 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; and

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, Dr. S. Anand 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.

Pursuant to the Shareholders' Agreement entered into between the Company and Telangana Industrial Development Corporation Limited (TSIDC) (demerged from Andhra Pradesh Industrial Development Corporation Limited), and based on the recommendation conveyed vide Letter No. TSIDC/DGM/EPM/SAGAR CEMENTS/IND/322/26 dated January 9, 2026, received from TSIDC and on the recommendation made by the Nomination and Remuneration committee, Board of Directors had re-appointed Smt N. Sudha Rani as a nominee director on the Board of the Company with effect from January 20, 2026 to January 31, 2028 which was later approved by the shareholders through postal ballot on March 13, 2026.

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, which was later approved by the shareholders at their 44th Annual General Meeting held on June 30 ,2025.

Except Smt S. Rachana, who is 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.

NUMBER OF MEETINGS OF THE BOARD

During the year 2025-26, 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, process, information flow, functioning etc.

CHANGE IN THE NATURE OF BUSINESS

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

AUDITOR'S

M/s. B S R and Co, Chartered Accountants (Firm Registration No. 128510W), who were appointed as statutory Auditors' of the company by the Shareholders at their 44th Annual General Meeting held on June 30, 2025 for a term of five years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 49th Annual General Meeting to be held in the year 2030, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' 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) who were appointed as Secretarial Auditors' of the Company by the Shareholders at their 44th Annual General Meeting held on June 30, 2025 for a term of five years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 49th Annual General Meeting to be held in the year 2030, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

SECRETARIAL AUDITORS' REPORT

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, 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 Reports 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 are made and maintained.

COST AUDITORS

M/s. Narasimha Murthy & Co., Cost Accountants (FR No.000042), have been appointed as Cost Auditors of the company for the year ending March 31, 2027. A resolution seeking shareholders' approval for ratification of the remuneration payable to the said Cost Auditors has been included in the notice of the AGM.

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

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS' UNDER SECTION 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

No fraud was reported by the Auditors' 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.

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 2025-26 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 at https://sagarcements.in/wp-content/uploads/2020/08/Policy-on-Related-Party-Transactions.pdf

CORPORATE SOCIAL RESPONSIBILITY

The composition of CSR Committee and a brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiative 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 at, https://sagarcements.in/wp-content/uploads/2025/09/Other-Corporate-Policies.pdf.

CYBERSECURITY COMMITMENT AND INITIATIVES

Your Company recognizes 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 targeted by end of FY2026.

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 Vulnerability Assessment and Penetration Testing (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

The draft Annual Return in Form MGT-7 is available on the company's web site and the link for the same is https://sagarcements.in/investors/annual-reports.

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.

a. 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	81.03
Shri S. Sreekanth Reddy	72.93

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	
Smt O. Rekha, Independent Director	
Smt Naga Sudha Rani (TSIDC Nominee Director)	
Shri Jens Van Nieuwenborgh, (AvH Resources India Private Limited Nominee Director)	
Smt S. Rachana, Non-Executive Director	
Shri Madhavan Ganesan, (PI Opportunities Fund-1 Scheme II Nominee Director)	
Dr. S. Anand Reddy, Managing Director	22.95
Shri S. Sreekanth Reddy, Joint Managing Director	22.95
Shri J. Raja Reddy, Company Secretary	5.83 (Pro-rata basis)
Shri K. Prasad, Chief Financial Officer	10.00

c. The percentage increase in the median remuneration of employees in the financial year: 6.3%

d. The number of permanent employees on the rolls of Company: 818

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, 2026 (₹) *	On June 22, 1992 (₹) **	% Change
Market Price in NSE	153.16	Not listed	-
Market Price in BSE	152.65	45.00	1596%

* 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 the 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 at https://sagarcements.in/wp-content/uploads/2025/09/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 did not donate any amount to political parties during the FY 2026.

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.

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 pursuant to Schedule V read with Regulation 34 of the SEBI Listing Regulations, 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 transferred the unclaimed and unpaid dividend of ₹2,32,487/- to IEPF. Further 47,785 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:

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

b. There was no issue of shares (including sweat equity shares) to the employees of the Company under any Scheme.

c. No application has been admitted against the Company under the Insolvency and Bankruptcy Code, 2016.

d. There was no instance of one time settlement with any bank or financial institution.

e. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of the subsidiary companies.

f. The Company has repaid the entire debt raised by issue of NCD's to IFC (International Finance Corporation)

ACKNOWLEDGEMENT

Your Directors 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 13, 2026

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	15,777	(1,143)
7.	Total Assets	66,725	1,42,006
8.	Total Equity and Liabilities	66,725	1,42,006
9.	Investments	-	-
10	Turnover	55,457	44,249
11.	Profit/(Loss) before tax	6,975	(15,648)
12.	Provision for tax	1,759	(8,932)
13.	Profit/(Loss) after tax	5,216	(6,716)
14.	Proposed Dividend	0	0
15.	% of shareholding	65	75

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

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

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	Nil
	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

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. 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 13, 2026

K.Prasad
Chief Financial Officer

J.Raja Reddy
Company Secretary
M.No. A31113

ANNEXURE - 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2026

[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, 2026, 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, 2026 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;

(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, 2003;

  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. The Electricity Act, 2003;

xii. National Tariff Policy;

xiii. Essential Commodities Act, 1955;

xiv. Explosives Act, 1884; and

xv. 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. 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 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 | Peer Review No: 6513/2025
Date: May 13, 2026 | UDIN: A022119H000317425

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.

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
Peer Review No: 6513/2025
UDIN: A022119H000317425

Place: Hyderabad
Date: May 13, 2026

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2026

[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,
(CIN: U23942MP2001PTC014599)
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, 2026, 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, 2026 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;

(vii) 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;

(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:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) 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 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 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
Peer Review No: 6513/2025
UDIN: A022119H000317733

Place: Hyderabad
Date: May 13, 2026

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.

ANNEXURE - A

To
The Members,
Sagar Cements (M) 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
Peer Review No: 6513/2025
UDIN: A022119H000317733

Place: Hyderabad
Date: May 13, 2026

ANNUAL SECRETARIAL COMPLIANCE REPORT OF SAGAR CEMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2026

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, 2026 ("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, we hereby report that, during the Review Period:

(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	Comment s of the PCS on the actions taken by the listed entity
Nil						

(c) 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.	**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

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
8.	**Related Party Transactions:**		
	(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions	Yes	Nil
	(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.	NA	There were no such transactions during the review period.
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 auditors 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
Peer Review No: 6513/2025
UDIN: A022119H000317469

Place: Hyderabad
Date: May 13, 2026

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 into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's 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 2025-26.

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 2025-26.

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 13, 2026

ANNEXURE - 4

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE OF CSR POLICY OF THE COMPANY:

Sagar Cements Limited is committed to operating and growing 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 act 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/Scl_CSR-Policy_21.5.2015.pdf

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/(loss) of the company as per Section 135(5): ₹(5,255.23) Lakhs.

(b) Two percent of average net profit of the company as per Section 135(5): Nil

(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: Nil

(d) Total CSR obligation for the financial year (5b+5c-5d): Nil

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 Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		8,46,423	Direct	Not Applicable	
2.	Training and education	Promotion of Education and infrastructure for it.	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		90,92,675	Direct		
3.	Training and promotion of sports	Organizing sports events and sponsor of sports personnel	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		2,00,000	Direct		
4.	Rural Development	Laying of Roads and related works	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		76,68,408	Direct		
	Total					**1,78,07,506**			

(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): ₹1,78,07,506/-

(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
154.97	0	Not applicable	Not applicable	0	Not applicable

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Lakhs)	
(i)	Two percent of average net profit/loss of the company as per Section 135(5)		(105.10)
(ii)	(a) Total amount spent for the Financial Year	178.08	
	(b) Excess amount spent for the Previous Financial Year	170.35	348.43
(iii)	Excess amount spent for the financial year [(ii)-(i)]		348.43
(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)]		348.43

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 (₹)	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

On behalf of the Board of Directors

Place: Hyderabad
Date: May 13, 2026

Dr.S.Anand Reddy
Managing Director
DIN: 00123870

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

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	K. Ganesh
Designation	Managing Director	Joint Managing Director	Group President
Age	61 years	54 years	63 years
Remuneration received (₹)	5,25,00,000	4,72,50,000	1,46,08,656
Commission received (₹)	Nil	Nil	-
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)	35	30	40
Date of Commencement of Employment	November 23, 1991	June 26, 2008	February 24, 1992
Percentage of Equity Shares held	5.59% (7304745 shares)	5.35% (6992681 shares)	0.001% (2000 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 13, 2026

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 increase the captive power, the company installed 6 MW solar power system at Gudipadu plant. The benefits of solar energy are:

1. Solar power is clean, renewable and in exhaustive source.
2. Cost of generation per unit is lower, which reduces electricity bills.
3. Clean energy reduces carbon emissions.
4. Overall power cost per ton of cement reduces and improves profitability.

The Company procured 2 no's of electric operated wheel loaders for Mattampally unit and the benefits are:

1. No gaseous emissions in operation.
2. Operating costs will be low, which results in lower production costs.

OPTIMIZATION OF PLANT CAPACITY

As part of our sustainability and cost optimization 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

The Company is in the process of setting up Integrated Biochar and Gasification Unit at its Mattampally plant, which will produce Biochar and Syngas from cotton- crop residue:

- The project will help in reducing GHG emissions associated with the energy-intensive cement manufacturing process by providing heat via syngas injection and substitution of fossil fuels with sustainable alternatives
- It will further reduce air pollution from open-field burning cotton- crop residue and help in removal of CO_2 from the atmosphere by the production of biochar, at the same time.

The Company is also in the process of setting up of AFR Pre-processing facility which will convert municipal solid waste into Refuse Derived Fuel ("RDF"), suitable for use as a thermal fuel in industrial combustion processes (Cement Kiln) at preset parameters.

RESEARCH AND DEVELOPMENT

Under Research and Development, an amount of ₹ 766.56 Lakhs was spent during the year on the following projects:

- LC3 Calcine clay,
- Syngas,
- TRM Grinding machinery,
- EV Loaders

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Sl. No	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Outgo	7,851.93	15,061.90
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 13, 2026

Global economy overview

The global economy navigated a challenging yet stabilising environment during 2025, marked by moderating inflation, resilient consumption in select regions, and persistent geopolitical and policy uncertainties. After a period of heightened volatility following pandemic-related disruptions and geopolitical conflicts, economic activity showed signs of consolidation, albeit at growth levels below historical averages. According to the International Monetary Fund (IMF), global GDP growth is estimated at around 3.1% in 2026, reflecting steady but subdued expansion as economies continue to adjust to tighter financial conditions and structural constraints.

Growth momentum remained uneven across regions. Advanced economies witnessed modest expansion, constrained by softer investment activity, high public debt levels and the lagged impact of restrictive monetary policies implemented to curb inflation. In contrast, emerging market and developing economies continued to outperform advanced markets, supported by relatively stronger domestic demand, improving supply chains and policy support, although growth remained below pre-pandemic trends. Global trade volumes showed gradual improvement during the year, but were tempered by rising trade fragmentation, protectionist tendencies and ongoing geopolitical tensions, which continued to weigh on cross-border investment flows.

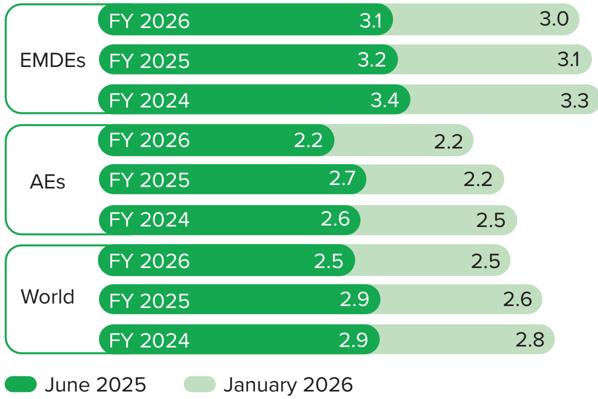
Inflationary pressures, which had been a key concern in recent years, showed signs of easing during 2025. Global headline inflation moderated as commodity prices stabilised, supply-side bottlenecks eased and the effects of tighter monetary policies began to take hold. The World Bank projects global inflation to edge down to approximately 2.6% in 2026, moving closer to central bank targets in several advanced economies. However, inflation remained elevated in certain emerging markets, driven by food price volatility, currency pressures and region-specific supply disruptions. Central banks across major economies adopted a cautious policy stance, balancing the need to support growth while ensuring price stability.

Summary of World Output[1]

(Annual percent change)

	Average									Projections		
	2007-16	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2030
World	**3.4**	**3.8**	**3.6**	**3.0**	**(2.7)**	**6.6**	**3.8**	**3.5**	**3.3**	**3.2**	**3.1**	**3.1**
Advanced Economies	**1.3**	**2.6**	**2.3**	**1.9**	**(3.9)**	**6.0**	**3.0**	**1.7**	**1.8**	**1.6**	**1.6**	**1.5**
United States	1.5	2.5	3.3	2.6	(2.1)	6.2	2.5	2.9	2.8	2.0	2.1	1.8
Euro Area	0.7	2.6	1.8	1.6	(6.0)	6.4	3.6	0.4	0.9	1.2	1.1	1.1
Japan	0.4	1.7	0.6	(0.4)	(4.2)	2.7	1.0	1.2	0.1	1.1	0.6	0.5
Other Advanced Economies[2]	2.2	1.3	2.5	1.9	(3.9)	6.5	3.4	1.5	2.0	1.6	1.8	1.9
Emerging Market and Developing	**5.3**	**1.8**	**4.6**	**3.8**	**(1.8)**	**7.0**	**4.3**	**4.7**	**4.3**	**4.2**	**4.0**	**4.0**

Global CPI inflation projection



The divergence between advanced and emerging economies continued to shape the global economic landscape. Advanced economies such as the United States and the Eurozone recorded moderate growth, reflecting resilient labour markets but subdued capital expenditure and slower productivity gains. Emerging economies, particularly in Asia, remained key contributors to global growth, supported by infrastructure development, urbanisation and expanding middle-class consumption. Nevertheless, external vulnerabilities, including higher borrowing costs and global financial market volatility, posed ongoing risks to growth prospects in these economies.

Outlook

Looking ahead to 2026, the global economic outlook remains cautiously optimistic but subject to downside risks. While gradual improvement in growth is anticipated as inflation stabilises and financial conditions ease, uncertainties related to geopolitical developments, energy market dynamics and global trade policies continue to cloud the medium-term outlook. Structural challenges such as climate transition risks, demographic shifts and uneven recovery across regions are expected to influence global growth trajectories. Against this backdrop, global economic conditions are likely to remain supportive of long-term infrastructure and construction demand, even as short-term volatility persists.

Indian economic overview

India continued to demonstrate strong macroeconomic resilience during FY 2026, emerging as one of the fastest-growing major economies globally despite a challenging external environment. According to the Reserve Bank of India (RBI), India's real Gross Domestic Product (GDP) is estimated to have grown by around 7.4% in FY 2026, supported by robust domestic demand, sustained public capital expenditure and improving private sector investment activity. This growth momentum reflected the structural strength of the Indian economy, underpinned by policy continuity, macroeconomic stability and a resilient financial system.

Domestic demand remained the principal driver of economic growth during the year. Private consumption expenditure benefited from easing inflationary pressures, improved rural demand conditions and steady urban discretionary spending. At the same time, gross fixed capital formation remained buoyant, led by the Government of India's continued emphasis on infrastructure creation. As per the Union Budget FY 2026, capital expenditure outlay was increased to approximately ₹ 11.2 trillion, reinforcing investment across roads, railways, housing, urban infrastructure and logistics. This sustained infrastructure push generated positive multiplier effects across core sectors, including cement, construction materials and allied industries.

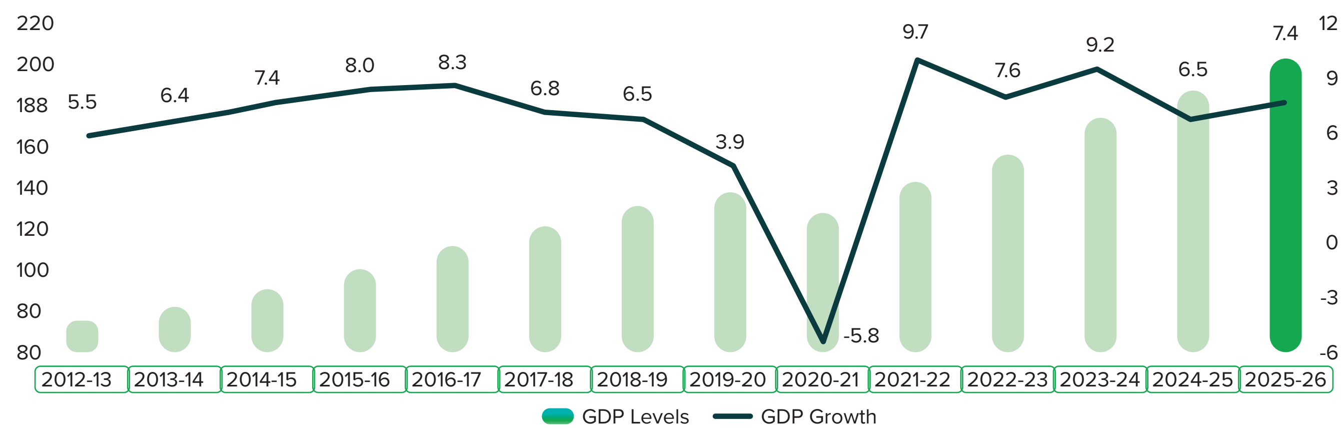
₹ 11.2 Trillion

Union Budget capex outlay in FY2026

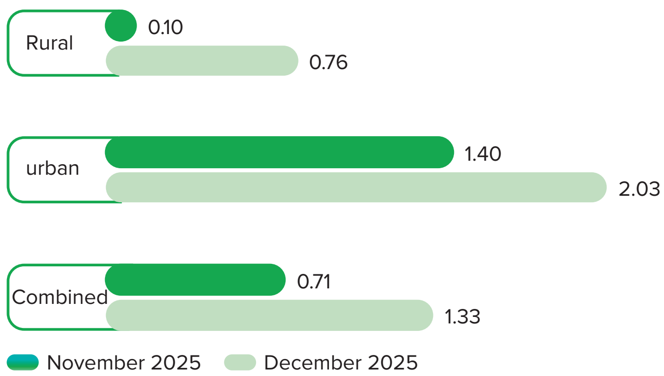
Inflationary conditions in India moderated during FY 2026, although intermittent volatility persisted, particularly in food prices. Headline Consumer Price Inflation (CPI) trended closer to the RBI's medium-term target of 4% (±2%), supported by calibrated monetary policy measures, easing global commodity prices and timely supply-side interventions by the Government. The RBI maintained a vigilant and data-dependent approach to inflation management, balancing the need to anchor inflation expectations while supporting economic growth amid an evolving macroeconomic landscape.

Reflecting a calibrated monetary policy approach, the Monetary Policy Committee (MPC) reduced the policy repo rate to 5.25% during FY 2026, in response to moderating inflation and evolving growth dynamics. The neutral policy stance supported credit availability and economic activity while preserving financial stability. Systemic liquidity conditions were managed proactively to ensure effective transmission of monetary policy signals without compromising inflation objectives. Bank credit growth remained healthy during the year, supporting investment and consumption across key sectors of the economy.

Annual GDP Estimates (in ₹ Lakh Crore) and Growth Rates (%) at Constant Prices



Inflation rate based on CPI



India's external sector remained resilient amid global volatility. While merchandise exports faced headwinds due to subdued global demand and geopolitical uncertainties, services exports, particularly IT and business services, continued to provide stability. The current account deficit remained at manageable levels, supported by strong remittance inflows and stable capital flows. India's foreign exchange reserves remained comfortable during the year, providing a strong buffer against external shocks and contributing to relative stability of the Indian rupee compared to other emerging market currencies.

Structural reforms aimed at improving ease of doing business, boosting domestic manufacturing under initiatives such as Make in India, and accelerating urbanisation further strengthened the medium-term growth outlook.

Outlook

Looking ahead, India's economic prospects remain favourable, supported by strong macroeconomic fundamentals, favourable demographics, rising urbanisation and sustained infrastructure investment. While risks emanating from global geopolitical developments, climate-related disruptions and external demand conditions persist, India's large domestic market, policy stability and reform momentum position the economy well to sustain growth over the medium term. The macroeconomic environment is expected to remain supportive for infrastructure-led sectors such as cement, which are closely linked to public investment, housing demand and industrial expansion.

Indian cement industry overview

The Indian cement industry continued to demonstrate resilience during FY 2026, supported by sustained infrastructure spending, steady housing demand and gradual recovery in private sector capital expenditure. Cement demand remained closely aligned with broader economic activity, particularly government-led infrastructure development and urban construction, which together accounted for a significant share of consumption during the year. Despite global macroeconomic headwinds, domestic fundamentals remained supportive, positioning the Indian cement industry as one of the key beneficiaries of India's medium-term growth trajectory.

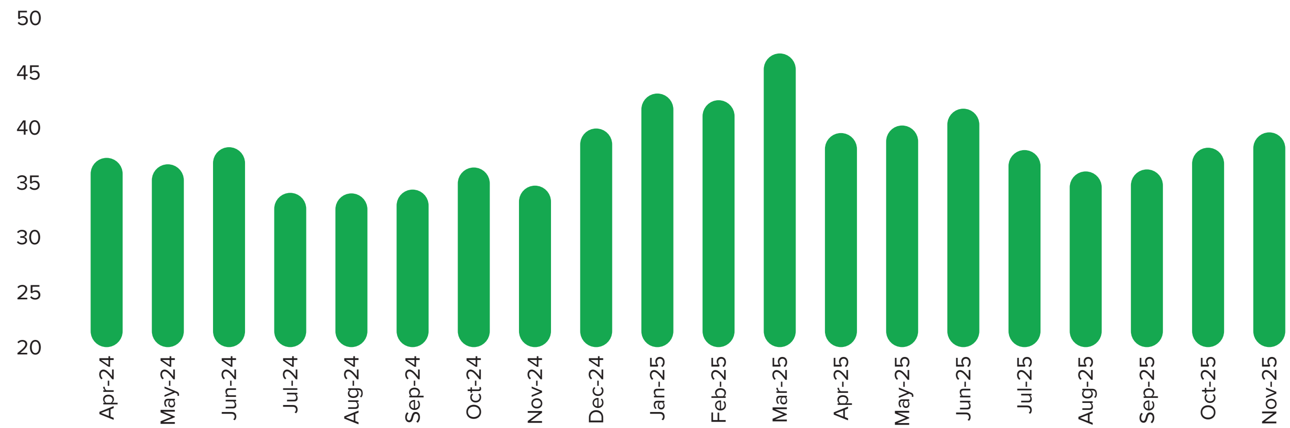
During FY 2026, cement demand in India is estimated to have grown in the range of 6-7%, driven primarily by increased spending on roads, railways, urban infrastructure, irrigation projects and affordable housing. The Government of India's continued emphasis on capital expenditure, with a strong focus on asset creation, provided sustained demand visibility for the sector. Large-scale infrastructure projects under national programmes such as highways expansion, metro rail networks, dedicated freight corridors and urban renewal initiatives contributed meaningfully to cement consumption across regions.

Housing demand remained another critical driver for the industry. Urban housing activity was supported by steady employment conditions, rising income levels and improved consumer sentiment, while rural demand showed gradual improvement aided by easing inflation and government welfare initiatives. Affordable and mid-income housing segments continued to contribute significantly to cement consumption, supported by policy initiatives aimed at increasing housing availability and improving urban infrastructure. Additionally, commercial real estate activity in select urban centres showed signs of recovery, further supporting cement demand.

From a supply perspective, the Indian cement industry witnessed year-on-year capacity expansion during FY 2026, reflecting sustained long-term confidence in domestic demand fundamentals. Total installed cement capacity continued to increase during the year, driven by incremental brownfield expansions and select greenfield projects undertaken across regions. However, capacity utilisation levels remained moderate at around 70-71%, owing to phased commissioning of new capacities, regional demand imbalances and competitive intensity in certain markets. While the industry remained competitive, pricing discipline improved during the year, supported by stable demand conditions and rationalisation of capacity additions in select regions. Input cost pressures, particularly related to power, fuel and logistics, moderated compared to previous years, aided by softer energy prices and operational efficiency measures undertaken by cement manufacturers.

6-7%
estimated growth in India's cement demand during FY 2026

Exhibit 1: Trends in Cement Production (in million MT)



Source: Office of Economic Advisor, Index of Core Industries

Policy support through the Union Budget continued to play a pivotal role in shaping demand conditions for the cement industry. The Union Budget FY 2026 reaffirmed the Government's commitment to infrastructure-led growth, with a continued focus on roads, railways, urban infrastructure, housing and logistics. Increased allocations towards national highway development, metro rail projects, affordable housing and urban renewal initiatives translated into sustained demand visibility for cement manufacturers. The continued prioritisation of asset creation under the Union Budget reinforced medium-term demand prospects for the industry and supported long-term capacity planning.

The industry also continued its strategic shift towards blended cement, driven by cost optimisation, environmental considerations and regulatory alignment. Increased adoption of blended products such as Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) supported lower clinker factors, improved energy efficiency and reduced carbon intensity. Sustainability initiatives, including greater use of alternative fuels and raw materials, waste heat recovery systems and renewable power, gained further traction during FY 2026 as cement companies aligned operations with long-term decarbonisation goals.

Regionally, cement demand growth remained uneven, reflecting variations in infrastructure spending, urbanisation trends and housing activity across states. Southern and eastern regions benefited from infrastructure investments and industrial development, while central and western regions saw steady demand from housing and urban construction. Competitive intensity remained high in certain markets due to new capacity additions, placing continued emphasis on cost leadership, logistics optimisation and market-specific strategies.

The Government's continued focus on capital expenditure, housing development and manufacturing-led growth is expected to provide durable demand support during FY 2027. While short-term challenges related to cost volatility, regional competition and execution risks persist, the long-term demand outlook for cement remains structurally strong, positioning the industry for sustainable growth over the coming years.

Key growth drivers

INFRASTRUCTURE-LED PUBLIC SPENDING

Continued investments in roads, railways, metros and urban infrastructure

HOUSING DEMAND ACROSS SEGMENTS

Affordable, mid-income and urban housing driving structural cement demand

URBANISATION AND REGIONAL DEVELOPMENT

Expansion of cities and industrial corridors supporting construction activity

INDUSTRIAL AND MANUFACTURING GROWTH

Capex-led growth in manufacturing and logistics infrastructure

LARGE-SCALE INFRASTRUCTURE PROJECTS

National highway expansion, metro rail networks and freight corridors

SUSTAINABILITY-LED PRODUCT TRANSITION

Rising adoption of blended cement and energy-efficient construction materials

Company overview

Sagar Cements Limited is an established cement manufacturer in India, with a presence across key cement-consuming markets in the southern, central and eastern regions of the country. With over four decades of operating experience, the Company has built a strong foundation supported by an integrated manufacturing footprint, diversified product portfolio and a growing distribution network. Sagar Cements' operations are strategically aligned with regions witnessing sustained infrastructure development, urbanisation and housing demand, enabling the Company to participate in India's long-term growth opportunities.

The Company operates a balanced manufacturing network comprising integrated cement plants and grinding units located across Telangana, Andhra Pradesh, Madhya Pradesh and Odisha. As of FY 2026, Sagar Cements has an installed cement capacity of approximately 10.50 million tonnes per annum (MTPA), supported by captive clinker capacity and efficient grinding infrastructure. The geographic spread of its manufacturing assets provides proximity to key raw material sources and end markets, helping optimise logistics costs and improve supply reliability. The integrated nature of operations enhances control over quality, cost efficiency and operational flexibility.

Sagar Cements offers a diversified product portfolio catering to a wide range of construction requirements, including Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC), Composite Cement, Ground Granulated Blast furnace Slag (GGBS) and Sulphate Resisting Cement (SRC). The Company has progressively increased its focus on blended cement, in line with evolving customer preferences, regulatory requirements and sustainability considerations. Blended cement products form a significant part of the Company's sales mix, supporting lower clinker consumption, improved energy efficiency and reduced environmental footprint.

₹ 10.50 MTPA

installed cement manufacturing capacity as of FY 2025–26

The Company's distribution network spans multiple states and is supported by a strong base of trade partners, institutional customers and non-trade channels. Sagar Cements continues to focus on expanding dealer reach, strengthening brand visibility and enhancing customer engagement across its core markets. An established logistics and marketing infrastructure enables the Company to efficiently service diverse customer segments, including individual home builders, infrastructure developers and institutional clients.

Operational efficiency and cost discipline remain central to the Company's operating philosophy. Key initiatives include increased use of alternative fuels and raw materials, energy efficiency measures, waste heat recovery systems and higher integration of renewable power. These initiatives contribute to cost optimisation while reinforcing the Company's commitment to sustainable manufacturing practices and responsible resource management.

Sagar Cements follows a disciplined approach to capital allocation, with investments guided by demand visibility, regional market dynamics and return thresholds. Capacity expansion and modernisation initiatives are undertaken selectively to enhance operational efficiency, strengthen market presence and support long-term growth objectives.

The Company's strategy is anchored around market expansion, operational excellence and sustainability-led growth. By leveraging its integrated asset base, diversified product portfolio and regional positioning, Sagar Cements aims to strengthen competitiveness and create long-term value for stakeholders as demand for cement continues to grow alongside India's infrastructure and housing development.

Business review

OPERATIONAL PERFORMANCE

During FY 2026, our cement production and purchases stood at 60,82,518 MT, reflecting stable operational execution amid a dynamic demand environment. The Company continues to focus on enhancing operational efficiency through process optimisation, fuel mix improvements and better asset utilisation, positioning operations for improved performance as demand conditions evolve.

Capacity utilisation for the year was 60%, impacted by phased ramp-up of newly commissioned capacities and regional demand variations. Operating margins stood at 11%, reflecting a combination of pricing pressure and cost management initiatives. Improved operational leverage and disciplined cost control measures helped mitigate margin compression and supported overall profitability.

(in MT)

Particulars	FY 2026	FY 2025
Cement production/purchases	60,82,518	55,09,572
Cement sales volume	60,99,386	55,09,147

Region-wise sales

(in MT)

Particulars	FY 2026	FY 2025
Andhra Pradesh	17,25,239	16,23,296
Telangana	15,82,529	14,08,383
Karnataka	4,05,933	4,18,826
Maharashtra	5,57,111	3,71,102
Tamil Nadu	3,60,268	3,83,157
Odisha	6,92,008	6,34,007
Chhattisgarh	57,205	29,857
Madhya Pradesh	4,87,867	4,53,206
Gujarat	1,92,863	1,56,737
Others	38,363	30,576

Financial performance

(in MT)

Particulars	FY 2026	FY 2025
Total Income	2,67,157	2,27,907
Total Expenses	2,35,803	2,11,655
EBITDA	29,199	14,109
Profit Before Tax	(12,306)	(28,353)
Profit After Tax	(73)	(21,668)
Basic and Diluted Earnings Per Share of ₹ 2 each (₹ Per Share)	(0.06)	(16.58)

Mattampally Plant, Telangana

Financial ratios

(in MT)

Particulars	FY 2026	FY 2025	Reason for change
Debtor's Turnover Ratio (Sales of Products and Services/Average Trade Receivable)	11.20	10.02	
Inventory Turnover Ratio (Sales of Products and Services/Average Inventory)	8.78	7.56	
Interest Coverage Ratio [Cash profit after adjusting depreciation/Interest expense during the period] [Cash profit after adjusting depreciation: Profit After Tax + Interest + Depreciation]	1.59	1.22	During the Financial Year 2025–26, there was an improvement in cement sales realisations, which resulted in higher operating profits and consequently improved the Interest Coverage Ratio from 1.22 in FY 25 to 1.59 in FY 26.
Current Ratio (Current Assets/Current Liabilities excl. Current Borrowings)	1.00	0.91	
Debt Equity Ratio (Debt/Net Worth) [Debt: Long-term secured loans + Current maturities of long-term debt + Loan term unsecured loans+ Cash credit facilities]	0.90	0.80	
Operating Profit Margin (%) [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income)/Sales of Products and Services]	11.02	6.00	During FY 2025–26, the Company witnessed improvement in cement sales realisations and operational efficiencies, resulting in higher operating profitability and improvement in the Operating Profit Margin.
Net Profit Margin (%) [Profit after Tax/Sales of Products and Services]	(0.03)	(9.91)	The Net Profit Margin improved during FY 2025–26 primarily due to improvement in cement sales realisations, which resulted in better operating performance and contribution margins, thereby reducing the overall net losses compared to the previous year.
Return on Net Worth (%) [(Net Profits after taxes)/Average Shareholder's Equity]	(0.04)	(11.36)	The improvement in Return on Net Worth during FY 2025–26 was mainly attributable to reduction in net losses on account of improved operational performance and better profitability during the year

Sustainability

Sagar Cements continues to integrate sustainability into its operations, focusing on reducing carbon footprint, improving energy efficiency, and promoting responsible resource management. Key initiatives include increased use of alternative fuels, waste heat recovery, renewable energy adoption, and blended cement production. Environmental stewardship is embedded in operational decision-making to ensure long-term resilience, while regulatory compliance and voluntary standards guide the Company's environmental and social commitments.

CSR

Our CSR initiatives remain focused on education, skill development, healthcare, and community empowerment. During FY 2026, the Company continued its outreach programs, supporting schools, vocational training centres, and healthcare facilities in local communities. These initiatives aim to enhance livelihoods, improve employability, and foster social inclusion. CSR programs are strategically aligned with long-term community needs and are monitored for effectiveness and impact, reinforcing the Company's commitment to shared value creation.

Technology

Technology adoption remains central to Sagar Cements' operational strategy. FY 2026 saw expanded use of digital tools, IoT-based monitoring, predictive maintenance, and automation across plants. Data analytics and real-time equipment monitoring improved productivity, reduced downtime, and optimised energy consumption. Technology-driven process improvements also enhanced quality control, operational efficiency, and environmental performance, positioning the Company to leverage innovation for sustainable growth while maintaining cost competitiveness.

Risk management

Sagar Cements faces a dynamic risk environment encompassing operational, financial, regulatory, and market uncertainties. The Company's Risk Management framework is designed to proactively identify, assess, and mitigate internal and external risks. The Risk Management Committee, led by the Joint Managing Director, conducts periodic reviews of emerging risks and monitors the effectiveness of mitigation measures. Key focus areas include operational efficiency, commodity and energy price fluctuations, regulatory compliance, and financial exposures.

Risk assessment is integrated into all significant business proposals, ensuring decisions are made with a clear understanding of potential impacts. Financial risk is managed through a combination of internal, statutory, and cost audits, supplemented by stringent control systems. The Company remains vigilant to new opportunities that enhance shareholder value while maintaining disciplined risk evaluation.

Read more about our Risk Management on **page 91**

Internal audit and controls

The Board of Directors confirms the adequacy and effectiveness of the internal control systems across all major operations, supported by ERP and Compliance Management Systems. The Audit Committee continues to monitor the integrity of financial statements and audit findings, ensuring corrective actions are implemented. Regular reviews and audits, including statutory and internal audits, reinforce operational, financial, and compliance controls. The system provides assurance on the reliability of reporting, safeguarding of assets, and adherence to policies and procedures.

Mattampally Plant, Telangana

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 drives transparency and strengthens our stakeholders relationship which helps us become industry leader while delivering long term value to our stakeholders.

2. BOARD OF DIRECTORS:

COMPOSITION:

As on March 31, 2026, 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, 2026 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, 2026 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.

Name of the Director	Category	Number of Board meetings during the year 2025-26		Whether attended the last AGM held on June 30, 2025	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri K.V. Vishnu Raju	Chairman, Independent and Non-Executive Director	6	6	Yes	0	5	0	0
Shri Ravichandran Rajagopal	Independent and Non-Executive Director	6	6	Yes	0	1	0	0
Smt O. Rekha	Independent and Non-Executive Director	6	6	Yes	0	1	1	0
Shri Madhavan Ganesan	Nominee Director from PI Opportunities Fund-I Scheme II (Equity Investor)	6	4	Yes	0	0	0	0
Smt Naga Sudha Rani	Nominee Director from TSIDC (Equity Investor)	6	6	Yes	0	0	0	0
Smt S. Rachana	Non-Executive Director (Promoter Group)	6	6	Yes	0	0	0	0
Shri Jens Van Nieuwenborgh	Nominee Director from AvH Resources India Private Limited (Equity Investor)	6	6	Yes	0	0	0	0
Dr. S. Anand Reddy	Executive Director (Promoter)	6	6	Yes	0	4	1	0
Shri S. Sreekanth Reddy	Executive Director (Promoter)	6	6	Yes	0	4	0	1

(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 Andhra Cements Limited	Chairman and Director Chairman and Independent Director	2	1
2	Shri Ravichandran Rajagopal	Independent and Non-Executive Director	Anjani Foods Limited Andhra Cements Limited Palred Technologies Limited	Whole-time Director Independent Director Independent Director	1	1
3	Smt O. Rekha	Independent and Non-Executive Director	Andhra Cements Limited	Independent Director	0	2
4	Shri Madhavan Ganesan	Nominee Director from PI Opportunities Fund-I Scheme II (Equity Investor)	Medplus Health Services Limited Medi Assist Health Care Services Limited	Independent Director Independent Director	1	2
5	Smt Naga Sudha Rani	Nominee Director from TSIDC (Equity Investor)	-	-	0	0
6	Smt S. Rachana	Non-Executive Director (Promoter Group)	Andhra Cements Limited	Non-Executive Director	0	0
7	Shri Jens Van Nieuwenborgh	Nominee Director from AvH Resources India Private Limited (Equity Investor)	Camlin Fine Sciences Limited	Director	0	1
8	Dr. S. Anand Reddy	Executive Director (Promoter)	Andhra Cements Limited	Executive Director	0	1
9	Shri S. Sreekanth Reddy	Executive Director (Promoter)	Sagarsoft (India) Limited Andhra Cements Limited	Chairman and Non-Executive Director Non-Executive Director	0	1

(iv) As on March 31, 2026, 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, 2026, 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 12, 2025, July 21, 2025, October 14, 2025, October 23, 2025, January 21, 2026, and March 30, 2026.

(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 Schedule II of the SEBI Listing Regulations, was placed before the Board for its consideration.

(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 21, 2026.

(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 familiarization 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 like, 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 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:

Skill/Expertise/Competence	Particulars
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 and 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, 2026 are given below:

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

As on March 31, 2026, none of the Non-Executive Directors/Independent Directors other than those mentioned above were holding any shares or convertible securities in the company.

(xvi) During the FY 2026, none of the Independent Directors had resigned from his/her directorship.

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 auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditors' 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 judgment 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 utilized 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 Auditors' 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 auditors, 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 auditors' of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors 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 auditors 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 utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore 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;

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 auditors' and internal auditors'. 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 30, 2025 and the Chairman of the audit committee was present at the said meeting.

vi. The composition of the Audit Committee as on March 31, 2026 and the details of attendance at its meetings held during the year 2025-26 are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2025-26	
		Held	Attended
Smt O. Rekha, Chairperson	Independent Director	8	8
Shri K.V. Vishnu Raju, Member	Independent Director	8	8
Shri Ravichandran Rajagopal, Member	Independent Director	8	8
Shri Madhavan Ganesan, Member	Nominee Director	8	6

vii. The Audit committee met 8 times during the year 2025-26 and the dates of these meetings are as under:

May 12, 2025, July 21, 2025, October 14, 2025, October 23, 2025, January 8, 2026, January 21, 2026, March 16, 2026 and March 30, 2026.

4. NOMINATION AND REMUNERATION COMMITTEE

i. Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with 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 at https://sagarcements.in/wp-content/uploads/2020/08/SCL_Nomination-and-Remuneration-Policy-1-1-1.pdf 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, 2026 and the details of the attendance at its meeting held during the year 2025-26, are as under:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2025-26	
		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 12, 2025.

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 TSIDC is paid directly to the institution she represents.

Details of sitting fee paid to the non-executive directors during the year 2025-26 are given below:

Sl. No	Name of the Director	Sitting Fee (In ₹)
1	Shri K.V. Vishnu Raju	8,00,000
2	Shri Ravichandran Rajagopal	8,00,000
3	Smt O. Rekha	8,00,000
4	Shri Madhavan Ganesan, (Nominee Director from PI Opportunities Fund-I Scheme II)	5,20,000
5	Smt Naga Sudha Rani (Nominee Director from TSIDC) Their sitting fees were directly paid to the Institution they represented.	2,80,000
6	Smt S. Rachana	2,80,000
7	Shri Jens Van Nieuwenborgh (Nominee Director from AvH Resources India Private Limited)	2,40,000
	TOTAL	**37,20,000**

There were no other pecuniary relationships 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 2025-26:

(Amount in ₹)

Description	Dr. S. Anand Reddy (MD)	Shri S. Sreekanth Reddy (JMD)
Salary	3,00,00,000	2,70,00,000
Perks (75% of the salary)	2,25,00,000	2,02,50,000
Sub-Total	**5,25,00,000**	**4,72,50,000**
Commission	0	0
Total	**5,25,00,000**	**4,72,50,000**

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

i. The stakeholders' relationship committee is in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act.

ii. 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 to an issue & 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
- Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

iii. The composition of the Stakeholders Relationship Committee as on March 31, 2026 and the details of attendance during the year 2025-26 are as under:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2025-26	
		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

During the year, one meeting of the Stakeholders' Relationship Committee was held on January 21, 2026.

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 received 80 complaints from the investors during the year 2025-26 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, 2026.

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	00	55	55	00
3	Non-receipt of Annual Report	00	07	07	00
4	Non-receipt of Securities	00	10	10	00
5	Non-receipt of duplicate/transmission/deletion of share certificates	00	00	00	00
6	SEBI/BSE/NSE/CSE complaints	00	08	08	00
	Total	**00**	**80**	**80**	**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 23351571
Email: **cs@sagarcements.in**

7. RISK MANAGEMENT AND ESG COMMITTEE

i. The composition of the Risk Management & ESG Committee is in line with the provisions of Regulation 21 of the SEBI Listing Regulations.

ii. The terms of reference of the committee are available on the company's website https://sagarcements.in/wp-content/uploads/2020/08/Scl_Risk-Management-Policy-1.pdf as part of the Risk Management Policy.

iii. The details of the composition of the Risk Management & ESG Committee as on March 31, 2026 and the attendance at its meetings held during the year 2025-26, are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY 2025-26	
		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	2	2
Shri Sanjay Singh, Member	Chief Risk Officer	2	2

The Risk Management Committee met twice during the year 2025-26 on May 12, 2025 and October 23, 2025.

OTHER COMMITTEES

INVESTMENT COMMITTEE

With a view to evaluating major capital expenditure proposals and investment/disinvestment 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 of the Member	Category
Shri K.V. Vishnu, Chairman	Independent Director
Shri Ravichandran Rajagopal, Member	Independent Director
Smt O. Rekha, Member	Independent Director
Dr. S. Anand Reddy, Member	Managing Director

The Investment Committee met twice during the year 2025-26 on January 08, 2026 and March 16, 2026.

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 of the Member	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 operating and growing 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 everyday 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 society.

During the year, one meeting of the Committee was held on January 21, 2026.

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 2025-26	
		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, 2026 pursuant to SEBI Listing Regulations:

Sl. No.	Name of the Member	Category
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 and Compliance Officer
5	Shri Srikant Bagade	Assistant Vice President (Procurement)
6	Shri Sanjay Singh	Assistant Vice President (Finance & Accounts) and Chief Risk Officer
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 Shrivastava	General Manager (Works)
13	Shri N.V. Prasada Rao	General Manager (Works)

(b) Changes in Senior Management since the close of the previous financial year: Nil

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
44th AGM	June 30, 2025	3.30 p.m.	Through VC/OAVM
43rd AGM	June 26, 2024	3.00 p.m.	Through VC/OAVM
42nd AGM	June 28, 2023	3.00 p.m.	Through VC/OAVM

Following are the details of Special Resolutions passed in the above said Annual General Meetings:

At the 44th AGM, one special resolution was passed in respect of Re-appointment of Smt O. Rekha as an Independent Director.

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 42nd Annual General Meetings.

Resolutions passed through Postal Ballot on March 13, 2026:

One Special resolution was passed on March 13, 2026 through Postal Ballot regarding Material modification in the approved Related Party Transaction(s) with Andhra Cements Limited. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutinizer submitted their report and voting results and the details of which are as under:

Resolution: Material modification in the approved Related Party Transaction(s) with Andhra Cements Limited

Particulars	Number of Votes
Number of valid votes received	12360262
Votes cast in favour of the resolution	12325038
Votes cast against the resolution	35224
Number of ~~invalid~~/abstained votes received	102049655

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 with 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 scrutinizer 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 2026 were published are given below:

Quarter ended	Date of Board Meeting	Date of Publication	Name of the newspapers carrying the publication
June, 2025	July 21, 2025	July 23, 2025	Financial Express and Andhra Prabha
September, 2025	October 23, 2025	October 25, 2025	
December, 2025	January 21, 2026	January 23, 2026	
March, 2026	May 13, 2026	May 15, 2026	

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.

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. Except 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 2025-26.

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 25, 2026 at 3:30 p.m.
Venue	Through Video Conference/Other Audio Visual Means

B. FINANCIAL YEAR: April 01, 2025 to March 31, 2026

C. BOOK CLOSURE DATES: From June 19, 2026 to June 25, 2026 (both days inclusive),

D. DIVIDEND:

Considering the inadequate profits, no dividend is proposed during the year.

E. LISTING ON STOCK EXCHANGES:

The paid-up share capital of the company as on March 31, 2026 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 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", 5th Floor, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	SAGCEM
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	502090
ISIN - Equity	INE229C01021

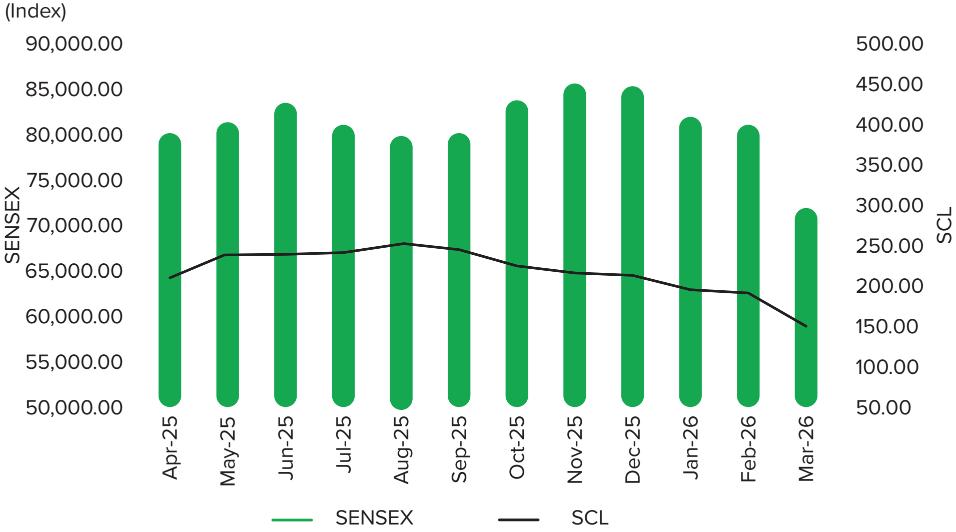
G. MARKET PRICE DETAILS:

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:

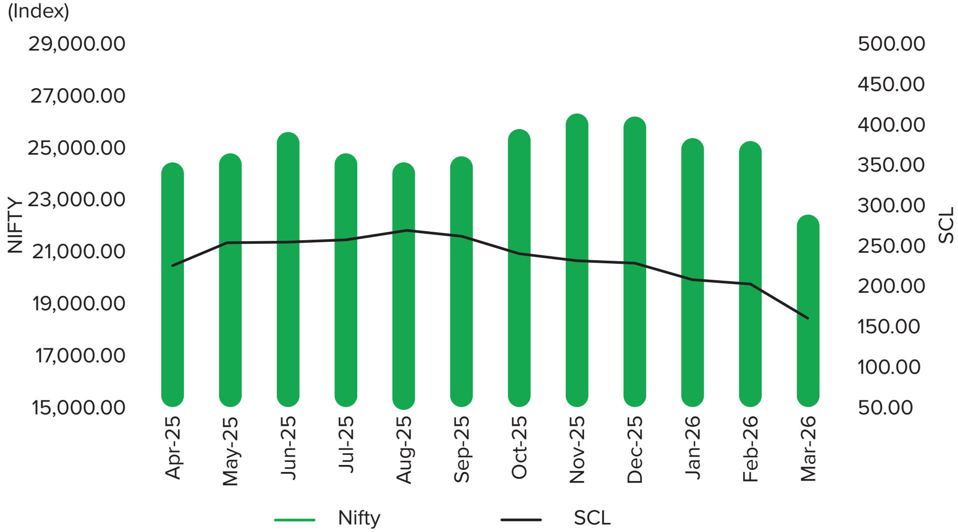
Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2025	232.95	155.05	213.10	234.18	176.33	212.93
May 2025	248.00	195.00	240.25	248.25	200.41	240.11
June 2025	245.30	214.90	239.70	246.00	215.90	239.23
July 2025	278.95	235.85	243.20	279.00	236.06	243.67
August 2025	263.00	220.50	254.95	263.70	224.20	254.96
September 2025	300.00	246.00	248.10	299.40	245.65	247.55
October 2025	258.80	222.90	225.20	258.10	222.50	224.96
November 2025	231.00	211.00	216.90	230.00	211.00	216.62
December 2025	236.85	196.90	214.15	218.62	199.50	214.43
January 2026	219.30	181.70	195.85	220.00	181.16	195.05
February 2026	228.00	185.00	191.70	205.48	184.85	192.89
March 2026	192.25	149.00	152.65	192.89	148.70	153.16

The Company's Share Price movements during the year 2025-26 as compared with SENSEX and NIFTY, are depicted below:

Share Price Movement SCL Vs SENSEX

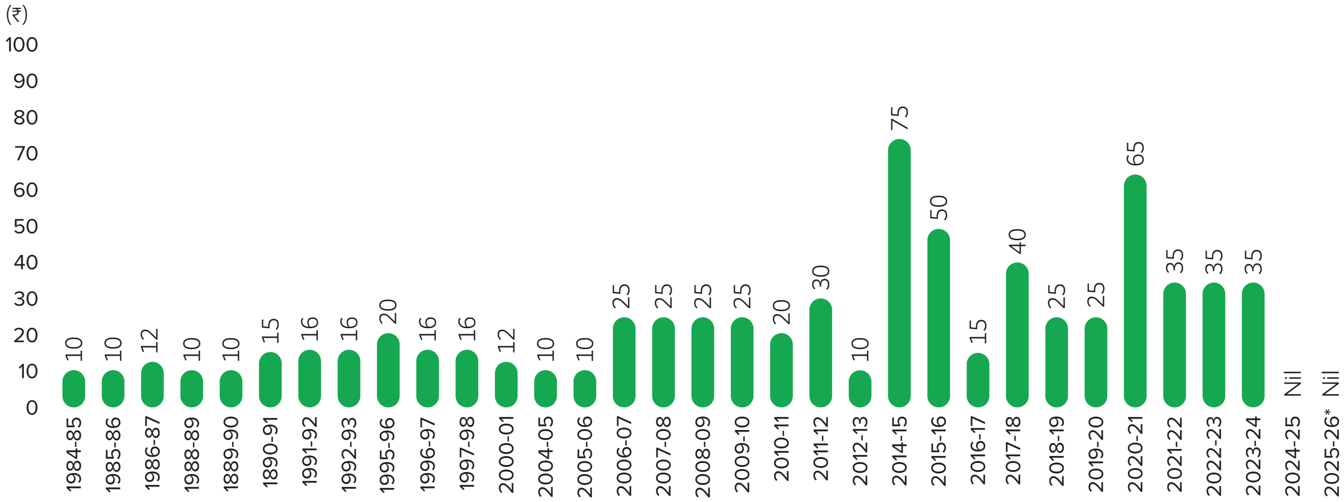


Share Price Movement SCL Vs NIFTY



H. DIVIDEND HISTORY

Dividend rate on Equity Share



* No Dividend proposed for the FY26

The voting rights on the unclaimed shares outstanding as on March 31, 2026 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, 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://sagarcements.in/investors/dividend

J. REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS:

KFin Technologies Limited
Selenium Building, Tower B, Plot No(s) 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad -500032
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 99.64% 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.

As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 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.

A Special Window has been opened for a period of 6 months from July 07, 2025 to January 06, 2026 by SEBI vide its circular dated SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 to facilitate re-lodgement of transfer requests of physical shares which was subsequently extended by SEBI allowing shareholders to transfer or dematerialize shares for a period of one more year from February 05, 2026 to February 04, 2027 vide its circular dated HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026. The facility is available for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/returned/not attended due to deficiency in the documents/process/ or otherwise.

Investors who have not made the lodgement of transfer documents are encouraged to avail advantage of this opportunity by furnishing the necessary documents to the Company's Registrars and Share Transfer Agents, whose address has been given above.

M. SHAREHOLDINGS PARTICULARS AS ON MARCH 31, 2026

(i) Distribution of shareholdings:

Sl. No	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 50	19126	55.60	355860	0.27
2	51 - 100	4744	13.79	403993	0.31
3	101 - 200	3126	9.09	492434	0.38
4	201 - 300	1518	4.41	391811	0.30
5	301 - 500	2866	8.33	1329382	1.02
6	501 - 1000	1309	3.81	1053462	0.81
7	1001 - 5000	1341	3.90	2940889	2.25
8	5001 - 10000	174	0.51	1292064	0.99
9	10001 - 20000	81	0.24	1111970	0.85
10	20001 - 50000	65	0.19	2084713	1.59
11	50001 - 100000	18	0.05	1258941	0.96
12	100001 and above	33	0.10	117992029	90.27
TOTAL:		**34401**	**100.00**	**130707548**	**100.00**

(ii) Shareholding pattern:

Description	No. of Holders	No. of Shares	% of Total Share Capital	No. of Shares held in Demat Form	% to total shares held in Demat Form
Promoters group	14	6,31,68,186	48.33	6,31,68,186	48.50
Mutual Funds	7	97,15,738	7.43	97,09,738	7.45
Alternative Investment Fund	1	1,32,07,548	10.10	1,32,07,548	10.14
Indian Financial Institutions/Banks	4	19,750	0.01	500	0
Insurance Companies	3	12,23,156	0.94	12,23,156	0.94
Foreign Portfolio Investors	28	21,74,096	1.67	21,74,096	1.67
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	11,37,708	0.87	11,37,708	0.87
Public Individuals	32,648	1,10,33,531	8.44	1,05,99,276	8.15
Non-Resident Indians	1,079	5,90,857	0.45	5,90,857	0.45
Bodies Corporates	181	2,79,05,725	21.36	2,78,97,220	21.42
H U F	431	4,89,653	0.37	4,89,653	0.38
Trusts	1	1,100	0.00	1,100	0.00
Total	**34,401**	**13,07,07,548**	**100**	**13,02,39,538**	**100.00**

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	5100	₹10/-	1	5100
June 28, 1984	Private Placement (Pre-public issue)	844900	₹10/-	5101	850000
September 04, 1984	As above	140000	₹10/-	850001	990000
November 24, 1984	As above	330000	₹10/-	990001	1320000
November 24, 1984	Through Public Issue	1530000	₹10/-	1320001	2850000
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/-	2850001	2850400
March 01, 1993	The Company had issued FCDs, which were to be converted automatically into 53,01,900 equity shares on 1st March 1993.	5301900	₹20/-	2850401	8152300
July 09, 2001	Company allotted these shares on a preferential basis	3000000	₹10/-	8152301	11152300
March 09, 2007	Shares allotted against conversion of 550000 warrants earlier allotted to the promoter group on a preferential basis	550000	₹82/-	11152301	11702300
March 15, 2007	Shares allotted to India Fund Inc., U.S.A., an FII on a preferential basis	1000000	₹180/-	11702301	12702300
July 30, 2007	Shares allotted against conversion of 367432 warrants earlier allotted to the promoter group on a preferential basis	367432	₹82/-	12702301	13069732
October 25, 2007	Allotted against conversion of 267568 warrants - to Amareswari Cements Limited	267568	₹82/-	13069733	13337300
April 10, 2008	Allotted to the promoter Group against conversion of 665000 warrants	665000	₹82/-	13337301	14002300
August 06, 2008	Allotted to M/s.Parficim S.A.S., France - A preferential allotment made at a premium of ₹690/- per share	1000000	₹700/-	14002301	15002300
May 20, 2011	Extinguishment of 900000 equity shares held by Amareswari Cements Limited in SCL, pursuant to the Scheme of merger of the ACL with Sagar Cements Limited	-267568		11434733	11702300
		-267568		13069733	13337300
		-364864		13637437	14002300
July 12, 2011	Allotment of shares to the ACL Shareholders under the Scheme of its merger with SCL	3285714	₹10/-	15002301	18288014
December 07, 2016	Allotment of shares to the Promoter Group	3,05,993	₹800/-	18288015	18594007
December 07, 2016	Allotment of shares to Non-Promoter Group	3,05,993	₹800/-	18594008	18900000
February 14, 2017	Allotment of shares on QIP Basis	24,00,000	₹720/-	18900001	21300000
July 24, 2019	Allotment of shares to the Promoter Group against conversion of warrants	7,75,000	₹730/-	21300001	22075000
July 24, 2019	Allotment of shares to Non-Promoter Group against conversion of warrants	7,75,000	₹730/-	22075001	22850000
March 27, 2020	Allotment of shares to the Promoter Group against conversion of warrants	3,25,000	₹730/-	22850001	23175000
July 20, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	7,75,000	₹730/-	23175001	23950000
July 20, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	4,50,000	₹730/-	23950001	24400000
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	117500000
May 07, 2022	Allotment of shares to Non-Promoter Group	1,32,07,548	₹265/-per share	117500001	130707548
	Total	**13,07,07,548**			

N. DEMATERIALIZATION 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 99.64% of the share capital were in dematerialized form as on March 31, 2026 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
468010	0.36	91588514	70.07	38651024	29.57	130707548	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:

Particulars	Particulars	
Integrated Plant	Mattampally Via: Huzurnagar Suryapet District, Telangana – 508 204 Tel: 08683 - 247039	Gudipadu Village Yadiki Mandal Ananthapur District Andhra Pradesh-515 408 Tel: 08558-200272
Grinding Units	Bayyavaram Village Kasimkota Mandal Visakhapatnam District Andhra Pradesh – 531 031 Tel: 08924 – 244098/244550	Kalinganagar, Industrial Complex Tahsil-Dangadi Dist-Jajpur, Odisha-755 026 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, A.P.-518 422	4.00 MV
Thermal Power Plants	Mattampally, Via: Huzurnagar Suryapet District, Telangana – 508 204 Tel: 08683 - 247039	18.00 MW
	Gudipadu Village Yadiki Mandal, Ananthapur District, Andhra Pradesh-515 408 Tel: 08558-20272	25.00 MV
Waste Heat Recovery Power Plant	Mattampally,Via: Huzurnagar Suryapet District, Telangana – 508 204 Tel: 08683 - 247039	8.80 MW
Solar Power Plants	Mattampally, Via: Huzurnagar Suryapet District, Telangana – 508 204 Tel: 08683 - 247039	1.35 MW
	Bayyavaram Village, Kasimkota Mandal, Visakhapatnam District, Andhra Pradesh – 531 031, Tel: 08924 – 244098/244550	0.13 MV

PLANT LOCATION OF THE SUBSIDIARIES:

Sagar Cements (M) Private Limited	Karondiya (Vill.) Post – Jeerabad-454 446 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 – 500 033
Tel. 040 – 23351571
Email: **cs@sagarcements.in**

R. CREDIT RATING AND DETAILS OF REVISION:

Rating Agency	Type of Instrument	Rating as on March 31, 2026	Rating as on March 31, 2025
India Ratings and Research Private Limited	Fund-based Working Capital Limits	IND BBB+/ Negative/ IND A2	IND A/ Negative/IND A1
	Non-Fund based Working Capital Limits	IND A2	IND A1
	Term Loan	IND BBB+/ Negative	IND A/ Negative

11. OTHER DISCLOSURES

I. RELATED PARTY TRANSACTIONS:

Full disclosures of related party transactions entered into during the year 2025-26 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, 2026. These transactions were entered into by the company in its ordinary course of business and at an arm's length basis. During the year 2025-26, 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:

(a) 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

(b) The audited financial statements of the Company are unqualified.

(c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.

V.

The Policy on dealing with related party transactions and the policy for determining `material' subsidiaries are available on the company's website at https://sagarcements.in/wp-content/uploads/2020/08/Policy-on-Related-Party-Transactions.pdf and https://sagarcements.in/wp-content/uploads/2020/08/Scl_Policy-on-Material-Subsidiary_27.1.16.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 utilized 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 36% 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 optimizing 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 INR (₹ 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)	77.99	79076	100%	-	100%	-	100%
Pet Coke/Coal (Domestic)	309.73	410851	0%	-	0%	-	0%

VII. UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT:

During the financial year 2025-26, 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 AUDITORS:

A total fee of ₹140 Lakhs was paid to the Statutory Auditors 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 2025-26.

XI. DISCLOSURE IN RELATION TO SEXUAL HARASSMENT:

During the year 2025-26, 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. None of the subsidiary companies of the Company has provided any loan/advances in the nature of loans to other firms/companies in which directors are interested.

XIII. DETAILS OF MATERIAL SUBSIDIARY AS ON MARCH 31, 2026

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, 5th Floor Gold Plaza Apollo DB City , Indore, Madhya Pradesh, India - 452010
	Statutory Auditors	M/s. B S R and Co., Chartered Accountants
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, Dachepalli - 522 414 Palnadu District, Andhra Pradesh
	Statutory Auditors	M/s. B S R and Co., Chartered Accountants

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 at 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, 2026 with the Code applicable to them. A certificate by the Managing Director for 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:

(a) The financial statements of the company are with un-modified opinion.

(b) The Internal Auditors of the company are directly reporting to the Audit Committee.

(c) 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 OF MARCH 31, 2026, THE COMPANY WAS IN COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF SEBI LISTING REGULATIONS.

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. 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 them 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	1	2500
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	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	1	2500

The voting rights on the shares outstanding on these shares remain frozen till the rightful owner of such shares claims the shares.

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, 2026 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
01	Anand Reddy Sammidi	00123870	21/11/2007
02	Sreekanth Reddy Sammidi	00123889	26/06/2008
03	Rachana Sammidi	01590516	18/03/2015
04	Jens Van Nieuwenborgh	07638244	18/09/2024
05	Rekha Onteddu	07938776	30/06/2020
06	Sudha Rani Naga	09032212	20/01/2021
07	Madhavan Ganesan	01674529	11/05/2022
08	Kalidindi Venkata Vishnu Raju	00480361	20/07/2022
09	Rajagopal Ravichandran	00110930	27/03/2023

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.

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

S.Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
Peer Review No: 6513/2025
UDIN: A022119H000317524

Place: Hyderabad
Date: May 13, 2026

DECLARATION REGARDING COMPLAINCE 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, 2026, 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, 2026.

Hyderabad
May 13, 2026

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

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, 2026, 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, 2026.

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
Peer Review No: 6513/2025
UDIN: A022119H000317491

Place: Hyderabad
Date: May 13, 2026

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

Particulars	Particulars
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	2025-26
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: anjireddyo@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%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Sale of Cement & Clinker	2394	99
2	Sale of Power	2710	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	14	20
International	-	-	-

Including Subsidiary Plants

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	13
International (No. of Countries)	-

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 registered with the company, Government departments, Institutional Builders, Retail customers/end users, Captive Consumption, Real Estate Developers; Infrastructure Companies; Institutional Buyers.

IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	1,207	1,178	97.60	29	2.40
2.	Other than Permanent (E)	2,370	2,246	94.77	124	5.23
3.	**Total employees (D + E)**	**3,577**	**3,424**	**95.72**	**153**	**4.28**
	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**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled 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	33.33
Key Management Personnel	2*	0	0

*Does not include Executive Director designated as KMP

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.02	0.25	16.27	14.03	0.25	14.28	5.83	0.00	5.83

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) 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	75	Yes
2	Sagar Cements (M) Private Limited	Subsidiary	65	Yes

VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes on Standalone basis

(ii) Turnover (in ₹):

1,76,830 Lakhs (Standalone Turnover)

(iii) Net worth (in ₹):

1,64,481 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 redress policy)	FY (2025-26)			FY (2024-25)		
		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	Nil
Investors (other than shareholders)	Yes	0	0	Nil	0	0	Nil
Shareholders	Yes	80	0	Nil	122	0	Nil
Employees and workers	Yes	0	0	Nil	0	0	Nil
Customers	Yes	0	0	Nil	0	0	Nil
Value Chain Partners	Yes	0	0	Nil	0	0	Nil
Other (please specify)	NA	0	0	Nil	0	0	Nil

Weblink for grievance redressal policy: https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf

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 decarbonize its operations.	Addressing climate change through energy transition is a strategic focus of the company's business and continuity plans. Sagar Cements Limited is committed to attain Net Zero by 2050, 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 towards rain water harvesting and monitoring water usage on regular basis. Also efforts are made by the company to reuse waste water. We have conducted climate risk assessment for all our plants to identify the vulnerability exposure to climate change.	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 electric vehicles and use of alternative fuels and raw materials. The Company is also exploring innovative technologies to reduce the emissions.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

THIS SECTION IS AIMED AT HELPING BUSINESSES DEMONSTRATE THE STRUCTURES, POLICIES AND PROCESSES PUT IN PLACE TOWARDS ADOPTING THE NGRBC PRINCIPLES AND CORE ELEMENTS.

S. No	Disclosure Questions	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	Yes	Yes	Yes
b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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 • All 4 blended cements from all plants are certified to GreenPro by CII -GBC • 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 GreenCo Gold Certificate award by CII for best practices • Certified for ISO 9001:2015 and ISO 45001:2018 management system standards. • Mattampally and Bayyavaram plant Laboratories are accredited with NABL certifications								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	• Sagar Cements follows a target-driven approach for integrating sustainability efforts through our ESG Road-map 2030. We monitor our progress monthly and consistently work to meet the targets.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	• Refer the ESG Road-map 2030 and performance on page 23-24.								
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 15 & 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, Risk Management and ESG Committee. The Committee comprises of Shri S.Sreekanth Reddy, Joint Managing Director, as Chairman of the Committee For further details, please refer to the Corporate Governance Report								

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									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committees of Board																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Annually																	

	Subject for Review	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	No								

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)	Not applicable								
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)									

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	823	On Health & safety, On Skill up-gradation	70% Approx.
Other than Permanent Employees			

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 finalized 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 (2025-26)	FY (2024-25)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY (2025-26)		FY (2024-25)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	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:**

Particulars	FY (2025-26)	FY (2024-25)
Number of days of accounts payables	56	63

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 (2025-26)	FY (2024-25)
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	44.19%	32.65%
	b) Number of trading houses where purchases are made	883	1103
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	70.18%	68.92%
Concentration of Sales	a) Sales to dealer/distributors as % of total sales	49%	49%
	b) Number of dealers/distributors to whom sales are made	3,368	3,139
	c) Sales to top 10 dealers/distributors as % of total sales to dealer/distributors	13%	17%
Share of RPT's in	a) Purchases (Purchases with related parties as % of Total Purchases)	4.39%	5.75%
	b) Sales (Sales to related parties as % of Total Sales)	0	0
	c) Loans & advances given to related parties as % of Total loans & advances	0	0
	iii) Investments in related parties as % of Total Investments made	0	0

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 of partners covered (by value 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:

a. 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 corporation or firm where one or one's relative is an employee, member, director or partner.

b. 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.

c. 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.

d. 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.

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.**

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	₹766.56 Lakhs	₹92.04 Lkahs	Resource Conservation, GHG emission reduction
Capex	₹24,856.05 Lakhs*	₹426.52 Lakhs	Energy efficiency, alternate fuel consumption

*R&D includes investments in LC3 Calcine clay, Syngas, Grinding machinery, EV Capex includes investments in the installation of a solar power plant, WHRS (Waste Heat Recovery System), VFD (Variable Frequency Drives), a Preheater, Pneumatic Feeding System, LED lighting, and GreenCo certification.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

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. Suppliers who work within legal requirements, and care for people and society are our preferred partners.

With a view to driving 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.

In FY25-26, we rolled out our "Supplier ESG Code of Conduct" and defined our critical suppliers list as the next step to strengthen responsible practices across our value chain. The "Supplier ESG Code of Conduct" sets expectations for suppliers to ensure environmental stewardship, abide by labor standards, health and safety parameters and governance practices. Aligned with leading global principles including the UN Global Compact, UN Guiding Principles on Business and Human Rights, ILO standards and BRSR requirements, the code encourages suppliers to adopt responsible operational practices and robust compliance systems.

Starting FY26-27, we will be evaluating ESG performance of suppliers through "supplier self-assessment questionnaire", audits and document reviews. This initiative strengthens supply chain resilience while ensuring adherence to broader sustainability commitments. Every year, we will evaluate our critical suppliers based on the environmental and social criteria and provide corrective measures and action plan to the suppliers to improve performance.

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. Plastic waste (Including Packaging)

b. E-waste

c. Hazardous waste

d. Other waste

- We do not reclaim our products.
- The Company follows the circular economy model in manufacturing cement and uses a significant amount of industrial, agricultural and municipal waste as a resource.

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.**

- Extended Producer Responsibility (EPR) is applicable to all our manufacturing plants since we are Brand Owners.
- Though we do not reclaim our product packaging, we dispose plastic waste from industries and municipal plastic waste through co-processing in kiln.
- The Company is disposing of an equal amount of packaging material put in the market through co-processing.

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	OPC and PPC	100	Mattampally Plant	Yes	Yes
2394	OPC and PPC	100	Gudipadu Plant	Yes	Yes

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	Particulars	Particulars
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 utilization 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 (2025-26)	FY (2024-25)
Fly Ash, Belts, Tyres, Waste Oil	19	19

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:

Particulars	FY (2025-26)			FY (2024-25)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	5,496	-	-	3,908
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

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

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	Total (A)	% of employees covered by									
		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 employees											
Male	1,178	1,178	100	1,178	100	0	0	7	0.59	0	0
Female	29	29	100	29	100	0	0	0	0	0	0
Total	**1,207**	**1,207**	**100**	**1,207**	**100**	**0**	**0**	**7**	**0.59**	**0**	**0**
Other than Permanent employees											
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**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		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	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**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	FY (2025-26)	FY (2024-25)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.34%	0.26%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY (2025-26)			FY (2024-25)		
	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%	100%	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, https://sagarcements.in/wp-content/uploads/2025/09/Other-Corporate-Policies.pdf.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

YES

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	7	0.59	0	0
Female	0	0.00	0	0
Total	**7**	**0.59**	**0**	**0**

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.

Particulars	Yes/No
Permanent Workers	-
Other than Permanent Workers	-
Permanent Employees	Yes
Other than Permanent Employees	-

(If Yes, then give details of the mechanism in brief): Through one to one interaction and conducting group meetings

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY (2025-26)			FY (2024-25)		
	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	1,207	0	0	1202	0	0
- Male	1,178	0	0	1179	0	0
- Female	29	0	0	23	0	0
Total Permanent Workers	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

At Sagar Cements none of our employees are represented by an independent trade union. We are focused 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:

We are organising technical competences related training behavioral training and safety training to all employees including off-roll employees according to defined annual training calendar 2025-26

Category	FY (2025-26) Current Financial Year					FY (2024-25) Previous Financial Year				
	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	1,178	1,178	100	1,178	100	1,179	1,179	100	900	76
Female	29	29	100	29	100	23	23	100	17	74
Total	**1,207**	**1,207**	**100**	**1,207**	**100**	**1,202**	**1,202**	**100**	**917**	**76**
Workers										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

9. Details of performance and career development reviews of employees and worker:

The performance appraisal is reviewed once in year based on their achievement against the targets of each individual KRA/KPI's in all department across the group for the financial year

Category	FY (2025-26)			FY (2024-25)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,178	934	79	1,179	1,172	99.4
Female	29	15	65	23	17	73.9
Total	**1,207**	**949**	**78.95**	**1,202**	**1,189**	**98.9**
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/No)**. If yes, the coverage such system?

ISO 45001-2018 Occupational Health and Safety Management has been voluntarily implemented as a part of Top Management Philosophy through participation of employees at all levels- Based on initial evaluation, following system principles of Plan-do-check-act.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Teams have been constituted with personnel from all functions- have been trained in Hazard Identification and Risk Assessment- The team members listed out the routine/non routine activities. Based on experience and pooled information, using cause, consequence, severity matrix, the activities have been categorised based on risks. Measures to reduce the high risk to tolerable level through work modification, engineering control, training, Personal Protection measures have been identified. For adherence Standard Operating Procedures, work instructions have been developed. Periodically reviewed. Every new activity is subjected to this approach. All deviations, near miss situations and accidents are mandated as reportable. All such situations are investigated to prevent future occurrences and to learn lessons.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) - **YES**

d. 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 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.24	0.31
	Workers	0	0
Total recordablework-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has taken lot of safety measures to ensure workplace safety by implementing strict safety protocols such as hazard identification, use of personal protective equipment (PPE), and regular safety audits in high-risk areas like kilns, crushers, and mines. They promote employee health through periodic medical check-ups, dust control systems (like bag filters), and monitoring exposure to risks such as noise, heat, and silica dust. Continuous safety training, emergency preparedness drills, and compliance with occupational health and safety regulations further strengthen a safe and healthy work environment.

13. Number of Complaints on the following made by employees and workers:

	FY (2025-26)			FY (2024-25)		
	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.

Corrective actions include thorough root cause analysis of safety incidents, followed by implementation of preventive measures such as process improvements, enhanced supervision, and reinforced use of PPE. Significant risks identified through health and safety assessments are being addressed through targeted training, engineering controls, and continuous monitoring to improve workplace conditions and prevent recurrence.

Leadership Indicators

1. 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

2. 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.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported 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/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY (2025-26)	FY (2024-25)	FY (2025-26)	FY (2024-25)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes

5. 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

6. 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.

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 & Marginalized 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 organizations 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.

   At SGC, Board Risk Management and ESG Committee drives the ESG priorities, including environmental, and social topics. 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.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes - We are committed to conducting materiality assessment to identify and manage environmental and social topics, every few years to ensure alignment with stakeholder expectations and address relevant issues. In 2025-26, we undertook a comprehensive Double Materiality Assessment (DMA) which covered 'Stakeholder engagement survey and focus group discussions' to understand views of different stakeholder groups. The analysis of stakeholder feedback obtained was followed by analysis of responses. We received over 168 survey responses.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

   We regularly engage with the communities around our plants to, address the concerns of vulnerable/marginalized stakeholder groups. Concerns and expectations of the community are accepted by the plant teams and we implement community development programs in response to their expectations. Read more about our community development efforts on page 71-73.

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

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:

Category	FY (2025-26)			FY (2024-25)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,207	0	0	1,202	0	0
Other than permanent	2,370	0	0	2,382	0	0
Total Employees	**3,577**	**0**	**0**	**3,584**	**0**	**0**
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	2,475	0	0
Total Workers	**0**	**0**	**0**	**2,475**	**0**	**0**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY (2025-26)					FY (2024-25)				
	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	1,207	0	0	1,207	100	1,202	0	0	1,202	100
Male	1,178	0	0	1,178	100	1,179	0	0	1,179	100
Female	29	0	0	29	100	23	0	0	23	100
Other Permanent	2,370	0	0	2,370	100	2,475	0	0	2,475	100
Male	2,246	0	0	2,246	100	2,382	0	0	2,382	100
Female	124	0	0	124	100	93	0	0	93	100
Workers										
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
Other Permanent	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

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			
Executive Directors	2	₹ 498.75 Lakhs#	0	0
Key Managerial Personnel	2*	₹ 73.74 Lakhs#	0	0
Employees other than BoD and KMP	1,174	₹ 8.62 Lakhs	29	₹ 6.82 Lakhs
Workers	0	0	0	0

* KMP does not include Directors designated as KMP
# On average basis

b. Gross wages paid to females:

Particulars	FY (2025-26)	FY (2024-25)
Gross wages paid to females (Gross wages paid to females as % of total wages)	1.72	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

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

We are addressing the complaints through Workmen Grievance Redressal Committee, if any, on case to case basis

6. Number of Complaints on the following made by employees and workers:

Category	FY (2025-26)			FY (2024-25)		
	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

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY (2025-26)	FY (2024-25)
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
iii) Complaints on POSH as a % of female employees/ workers	0	0
iv) Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases –

No such cases

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	100

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.

No

2. Details of the scope and coverage of any Human rights due-diligence conducted.

No

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?

Yes

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	100

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above

Not Applicable

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:**

Whether total energy consumption and energy intensity is applicable to the company?

Parameter	FY (2025-26)	FY (2024-25)
From renewable sources		
Total electricity consumption (A)	88,194 MWh/317 TJ	62,075 MWh/223.47 Tj
Total fuel consumption (B)	222 TJ	265.86 TJ
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**539 TJ**	**489.33 TJ**
From non-renewable sources		
Total electricity consumption (D)	3,81,011 MWh/1,372 TJ	3,73,404 MWh/1344.25 TJ
Total fuel consumption (E)	14,653 TJ	12,951.23 TJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**16,025 TJ**	**14,295.48 TJ**
Total energy consumed (A+B+C+D+E+F)	**16,565 TJ**	**14,784.81 TJ**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.62 TJ/Million (₹)	0.65 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	0.00255 TJ/ton cementitious	0.00254 TJ/ton cementitious
Energy intensity (optional) – the relevant metric may be selected by the entity	729 Kcal/kg of Clinker	722 Kcal/kg of Clinker
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)	Yes	Yes
If yes, name of the external agency.	TUV India Pvt Ltd.	TUV India Pvt Ltd.

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.**

3 of our Integrated cement plants are identified as designated consumers (DC).

Our Mattampalli plant is identified as a designated consumer (DC) in PAT cycle 2.

Gudipadu plant is identified as a DC in PAT cycle 5.

Andhra Cement is identified as a DC in PAT cycle 3.

We have made multiple efforts to achieve these targets during the target year:

Mattampally Plant has achieved 0.8291 TOE/ton of product against the target of 0.8365 TOE/ton of product.

Gudipadu Plant has achieved 0.08060 TOE/ton of product against the target of 0.1241 TOE/ton of product.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY (2025-26)	FY (2024-25)
Water withdrawal by source (in kilolitres)		
(i) Surface water	6,72,733	6,55,048
(ii) Groundwater	3,28,865	3,43,840
(iii) Third party water	6,895	4,076
(iv) Seawater/desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**10,08,493**	**10,02,964**
Total volume of water consumption (in kilolitres)	10,08,493	10,02,964
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	38 KL/Million (₹)	44 KL/Million (₹)
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	38 KL/Million (₹)	44 KL/Million (₹)
Water intensity in terms of physical output	156 L/ton cementitious	172 L/ton cementitious
Water intensity (optional) – the relevant metric may be selected by the entity	156 L/ton cementitious	172 L/ton cementitious
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? Yes		
If yes, name of the external agency.		TUV India PVT. LTD.

4. Provide the following details related to water discharged:

Parameter	FY (2025-26)	FY (2024-25)
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	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) Yes		
If yes, name of the external agency. - TUV India PVT.LTD.		

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We have adopted Zero Liquid Discharge across all our plants and aim to use water judiciously. We reuse the process water, treated by the effluent treatment plant and sewage treatment plant. The Boiler blowdown water is being used as makeup water for the cooling tower. The STP-treated reject water is reused in the process. The Water treatment plant rejects after neutralisation are being used in the process and for gardening. The coverage is 100% across all our plants.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Whether air emissions (other than GHG emissions) by the entity is applicable to the company?

Parameter	Unit	FY (2025-26)	FY (2024-25)
NOx	TONNES	7,255	8,952
SOx	TONNES	169	123
Particulate matter (PM)	TONNES	209	260
Persistent organic pollutants (POP)	TONNES	NIL	NIL
Volatile organic compounds (VOC)	TONNES	NIL	NIL
Hazardous air pollutants (HAP)	TONNES	NIL	NIL
Others – please specify	NIL		
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)			Yes
If yes, name of the external agency.			TUV India P.V.T L.T. D

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY (2025-26)	FY (2024-25)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	39,76,590	3,557,140
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,96,388	1,98,272
Total Scope 1 and Scope 2 emissions per rupee of Turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO_2/INR CRORES	1,575	1,663
Total Scope 1 and Scope 2emission 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)		-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2E/MT	0.644	0.645
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity	tCO_2E/ EMPLOYEE	3,457	3,124

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.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

At Sagar Cements, we are committed to reducing Greenhouse Gas emissions and addressing climate change through the adoption of advanced technologies and focused emission reduction strategies. In 2022, we committed to the Science Based Targets initiative (SBTi) and pledged to be a Net-Zero Company by 2050. In FY 25, we were the first Indian cement company to have long-term CO_2 emission reduction targets, validated by SBTi, in line with the Corporate Net Zero Standard. In order to implement our targets, we have well developed "Decarbonisation Pathway" - a roadmap to implement best available technologies and levers for a low-carbon future aligned with a 1.5 °C trajectory. The pathway covers all 6 plants of Sagar Cements. Some of the key projects implemented recently are:

1. A Solar power plant with 6 MW capacity each is commissioned at Gudipadu (FY 25) and Dachepalli (FY 26), making the total green energy capacity of Sagar Cements as 36 MW.
2. WHRS (Waste Heat Recovery System) with 4.35 MW capacity is currently under installation at Gudipadu.
3. A new 6-stage preheater commissioned at Dachepalli in FY 26.
4. Deployment of 11 Electrical vehicles across our plants along with charging stations.
5. We are making focused efforts to increase alternate fuel consumption across our plants.
6. We are also evaluating solar power plants on-site or off-site for the remaining plants.
7. A pneumatic feeding system is commissioned at our Jeerabad plant to enhance alternate fuel usage.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY (2025-26)	FY (2024-25)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	47	32.5
E-waste **(B)**	0.75	1.36
Bio-medical waste **(C)**	0.12	0.15
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	2.17	7.63
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	69	47
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	44,560	41,841
Total (A+B + C + D + E + F + G + H)	**44,679**	**41,930**

Parameter	FY (2025-26)	FY (2024-25)
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	1.68 MT/Million (₹)	1.86 MT/Million (₹)
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	0.0068 MT/Ton Cementitious	0.0072 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*	2,657	2,921
(ii) Re-used	38,556	38,986
(iii) Other recovery operations	9	1.33
Total	**41,222**	**41,908**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	0.106	0.096
(i) Incineration	0	0
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations	0.106	0.096
Total	**0.106**	**0.096**

*Recycled: Given to third-party recyclers

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.

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.

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. Fly ash/bed ash is being used in cement manufacturing.

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: None, No new EIA conducted this year

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link

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 are in water stressed regions.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY (2025-26)	FY (2024-25)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	5,70,327	4,73,554
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent	215	210
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO_2/MT cementitious produced	0.087	0.083
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)			Yes
If yes, name of the external agency.			TUV India PVT. LTD.

3. **With respect to the ecologically sensitive areas reported 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:**

Sr. No.	Mateial Topic	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Emissions and Energy Conservation	1. Solar power plant with 6 MW capacity each commissioned at Gudipadu (FY 25) and Dachepalli (FY 26), making the total green energy capacity of Sagar Cements 36 MW. 2. A WHRS (Waste Heat Recovery System) with 4.35 MW capacity is currently under installation at Gudipadu. 3. A New 6 stage preheater commissioned in Dachepalli in FY 26. 4. Deployment of 11 Electrical vehicles across our plants along with charging stations. 5. We are making focused efforts to increase the alternate fuel consumption across our plants 6. We are also evaluating solar power plant on-site or off-site for the remaining plants 7. A pneumatic feeding system is commissioned at our Jeerabad plant to enhance alternate fuel usage.	Improving energy efficiency and GHG emissions are reduced
2	Resource Conservation	Increasing utilisation of waste as raw material across all our 6 plants 1. At Mattampally, chemical gypsum and fly ash are being used as raw materials. 2. At Gudipadu, ETP sludge and fly ash are being used as raw materials. 3. AOD Slag is utilised as an alternative raw material at Jeerabad. 4. Replaced 50% of fuel in HAG with saw dust for the entire year at Bayyavaram. 5. Dolochar is being utilised as alternative fuel at Jajpur.	Clinker substitution
3	Effluent Discharge	1. We reuse the process water, treated by the effluent treatment plant and sewage treatment plant. 2. The Boiler blowdown water is being used as makeup water for the cooling tower. 3. The Water treatment plant rejects after neutralisation are being used in the process and for gardening.	Responsible water management
4	Waste Generated	1 We approach waste management with utmost diligence, making waste collection and segregation essential at our Plants. 2. We reduce, reuse, and recycle to manage both hazardous and non-hazardous waste, minimising generation at the source. 3. Our waste management practices include the safe collection, storage, transportation, and disposal of waste in accordance with regulatory requirements.	Reducing waste disposal

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 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]

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		

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 financial year.

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
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:

S. No.	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 (2025-26)	FY (2024-25)
Directly sourced from MSMEs/small producers	22.30	18.11
Sourced directly from within the district and neighbouring districts	24.00	36.49

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:

	FY (2025-26)	FY (2024-25)
1. Rural	61	78
2. Semi-urban	0	0
3. Urban	0	0
4. Metropolitan	39	22

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	178.08

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

NO

(b) From which marginalized/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)	Basisof 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
Nil		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Preventive health care,Safe drinking water,Training and education, Promotion of rural development and sports	463404	100

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**

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	100% of our products carry safety information
Safe and responsible usage Recycling	
and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

Particulars	FY (2025-26)			FY (2024-25)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
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:**

Particulars	Number	Reasons for recall
Voluntary recalls 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.**

   Yes, https://sagarcements.in/wp-content/uploads/2025/09/Other-Corporate-Policies.pdf

   Our Company recognizes 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.

To the Members of Sagar Cements Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Sagar Cements Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recongition - Discounts and Rebates	
See Notes 20 and 38 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company recognises revenue from sale of goods on the transfer of control of goods to customers in accordance with Ind AS 115. Revenue is measured at the transaction price, including the impact of discounts and rebates, which represent variable consideration under the standard. The Company operates across multiple marketing regions and offers various discount and rebate schemes based on factors such as region, product, customer profile, volume, seasonality and market conditions. These schemes form an integral part of the transaction price. Revenue recognition requires careful evaluation due to the high volume of transactions, diverse discount and rebate structures, and the complexity of accurately identifying and applying the relevant schemes across multiple regions, with a combination of automated and manual processes. Considering the significance of revenue to the standalone financial statements and the risk of misstatement arising from incorrect application or computation of discounts and rebates, this matter was determined to be a key audit matter.	Our audit procedures included: • Assessing the compliance of the Company's accounting policies relating to discounts and rebates with applicable accounting standards. • Assessing the design and implementation and testing the operating effectiveness of general IT controls, key manual and application controls over provisions, approvals and settlement of discounts and rebates. • Performing substantive audit procedures by selecting statistical samples of discounts and rebates recorded during the year and matching key terms with approved schemes, underlying documents and credit notes issued by the Company. • Assessing the Company's computations for accrual of discounts and rebates, on a statistical sample basis, and comparing the year end accruals made with the approved schemes. • Comparing historical trends of discount and rebate payments and reversals with provisions recorded to assess the appropriateness of current-year accruals. In addition, performing substantive audit procedures by selecting all items from the reciprocal population and tracing these to revenue recognised and contract liabilities as at the reporting date to identify any unrecorded discounts or rebates. • Assessing the reasonableness of discounts and rebates recognised during the year by comparing expectations based on historical trends with actual amounts recognised and investigating any significant or unusual fluctuations. • Testing manual journal entries posted to revenue to identify unusual items. • Assessing the adequacy of related disclosures in the standalone financial statements.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report which includes statutory reports such as Management discussion and analysis, Business responsibility and sustainability report, Corporate governance and Board's report, but does not include the financial statements and 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 in the 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial 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, the 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

OTHER MATTER

The standalone financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor who had expressed an unmodified opinion on 12 May 2025.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2 A. As required by Section 143(3) of the Act, 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 except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 29(a) to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 46(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 46(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures 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 (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

i. In case of an accounting software used for general ledger, audit trail (edit log) facility was not enabled at the application level for certain fields relating to master data.

Further, the audit trail (edit log) facility at the database level was not enabled for certain fields in tables relating to books of account. Accordingly, we are unable to comment on whether there were any instances of the audit trail logs being tampered with.

ii. In the absence of an independent auditor's report from 1 January 2026 to 31 March 2026 in relation to controls at a service organization for an accounting software used for maintaining the books of account relating to leave records of employees, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled at the database level to log any direct data changes and operated from 1 January 2026 to 31 March 2026 for all relevant transactions recorded in the software. Further, as per the independent auditor's report for the period from 1 April 2025 to 31 December 2025, the feature of recording audit trail (edit log) facility was enabled at the database level from 3 April 2025.

Further, for the periods where the audit trail (edit log) facility was enabled and operated for the respective accounting software and except for sub-paragraph (i) above, we did not come across any instance of the audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN: 26218685ZIZVNN3947

Place: Hyderabad
Date: 13 May 2026

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right-of-Use Assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment and Right of Use assets by which all property, plant and equipment are verified in a phased manner over a period of three years and all Right of use assets are verified once in three years.. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company. Immovable properties of land whose title deeds have been pledged as security against loans, are held in the name of the Company based on the confirmations directly received by us from custodian.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts / delivery has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company granted loans to companies and other parties and provided guarantee to companies in respect of which the requisite information is as below. Further, the Company has not provided any guarantee to firms, limited liability partnership or other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood Corporate guarantee to any other entity as below:

(₹ In lakhs)

Particulars	Corporate Guarantees	Loans
Aggregate amount during the year		
Subsidiaries*	34,400	15,558
Others (Loan to Employees)	Not applicable	114
Balance outstanding as at balance sheet date		
Subsidiaries*	141,900	28,990
Others (Loan to Employees)	Not applicable	166

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are not prejudicial to the interest of the Company. Further, the Company has not made any investments, provided any security, or granted any advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment. The Company has not granted any advances in the nature of loans during the year.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any security as specified under Section 185 and Section 186 of the Companies Act, 2013 ("the Act"). In respect of the corporate guarantees provided and loans granted by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Goods and Service Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act (Referred to in paragraph 2(A)(i)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty	705 (84)#	March, 2011 to March, 2013 and April, 2016 to June, 2017	Customs Excise and Service Tax Appellate Tribunal (Hyderabad, Telangana)
Central Excise Act, 1944	Excise Duty and Penalty	41	February, 2015 to March, 2016	Commissioner of Customs and Central Tax (Appeals-I) (Hyderabad, Telangana)
Customs Act, 1962	Differential customs duty and Penalty	301 (4)#	March, 2012 to February, 2013	Customs Excise and Service Tax Appellate Tribunal (Hyderabad, Telangana)*
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	7 (4)#	2012-13, 2014-15 to 2015-16	High Court for the State of Telangana
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	66 (22)#	2016-17 and 2017-18 (Upto June, 2017)	High Court of Judicature at Hyderabad (For the State of Telangana and the State of Andhra Pradesh)
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	21 (7)#	2016-17	High Court of Judicature at Hyderabad (For the State of Telangana and the State of Andhra Pradesh)
Telangana Central Sales Tax Act, 1956	Central Sales Tax Act	157 (52)#	2017-18 and 2018-19	High Court for the State of Telangana
Andhra Pradesh General Sales Tax Act, 1957	Interest	15 (5)#	October, 1999 to December, 1999	High Court for the State of Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	Value added Tax and Penalty	86	2010-11 and 2008-09 to 2010-11	High Court for the State of Andhra Pradesh
Goods and Services Tax, 2017	Goods and Service Tax and Penalty	12 (1)#	2018-2019	Joint Commissioner of State Tax (Appeals) (Hyderabad, Telangana)
Goods and Services Tax, 2017	Goods and Service Tax and Penalty	24 (1)#	July 2017 to March, 2021	Additional Commissioner of Central Tax (Appeals) (Chennai, Tamil Nadu)
Goods and Services Tax, 2017	Goods and Service Tax and Penalty	21 (2)#	2018-2019	Joint/Additional Commissioner of State Tax (Appeals) (Hyderabad, Telangana)
Goods and Services Tax, 2017	Goods and Service Tax and Penalty	9 (1)#	2017-18	Joint/Additional Commissioner of Central Tax (Appeals) (Chennai, Tamil Nadu)
Goods and Services Tax, 2017	Goods and Service Tax and Penalty	36 (4)#	2020-21	Joint/Additional Commissioner of Central Tax (Appeals-II) (Pune, Maharashtra)
Goods and Services Tax, 2017	Interest and Penalty	17	2018-19	Joint / Additional Commissioner of Central Tax (Appeals) (Bangalore, Karnataka)**
Goods and Services Tax, 2017	Goods and Service Tax, Interest and Penalty	3 (*)#	July 2017 to December 2017	Commissioner of State Tax (Appeals), (Cuttack, Odisha)

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	75	2008-08 and 2009-10	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax and Interest	2 (1,208)	2015-16 and 2016-17	Commissioner of Income Tax (Appeals), Hyderabad
Income Tax Act, 1961	Income Tax and Interest	2,109 (157)	2011-12	Commissioner of Income Tax (Appeals), Bangalore
Telangana Motor Vehicles Taxation Act, 1963	Lifetime tax and Penalty	22 (26)#	2006-10, 2011 and 2012	High Court for the State of Telangana
The Mines and Minerals (Development and Regulation) Act, 1957	Cess on Laterite	474	May 2023 to April 2025	High Court for the State of Andhra Pradesh

* Remanded back to adjudication

** Pending for Cancellation order

Amounts in parenthesis represents payments made under protest/under court order. Above amounts are disclosed as per assessment/demand order and includes interest/penalty wherever specified in the order.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any securities in any joint ventures or associate company (as defined under the Act).

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any securities in any joint ventures or associate company (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act 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. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current year and has incurred cash losses of ₹ 940 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and 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 standalone financial statements, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The requirements as stipulated by the provisions of Section 135 (5) are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN: 26218685ZIZVNN3947

Place: Hyderabad
Date: 13 May 2026

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act (Referred to in paragraph 2(A)(i)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Sagar Cements Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to 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 (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 standalone 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 financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W

Amit Kumar Bajaj
Partner
Place: Hyderabad
Membership No.: 218685
Date: 13 May 2026
ICAI UDIN: 26218685ZIZVNN3947

STANDALONE BALANCE SHEET AS AT MARCH 31, 2026

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,32,178	1,40,090
(b) Capital work-in-progress	40	9,141	1,601
(c) Right-of-use assets	3	2,849	2,357
(d) Goodwill	4B	3,938	3,938
(e) Intangible assets			
(i) Mining rights	4A	1,514	1,682
(ii) Other Intangible assets	4A	24	29
(f) Financial assets			
(i) Investments	5	43,969	48,665
(ii) Loans	6	31,034	16,938
(iii) Other financial assets	7	3,433	2,823
(g) Other tax assets (net)	28	1,475	1,542
(h) Other non-current assets	8	683	527
Total Non-current assets		**2,30,238**	**2,20,192**
Current assets			
(a) Inventories	9	19,506	17,893
(b) Financial assets			
(i) Trade receivables	10	16,979	15,480
(ii) Cash and cash equivalents	11	328	6,658
(iii) Bank balances other than (ii) above	12	474	6,404
(iv) Loans	6	68	79
(v) Other financial assets	7	3,005	1,027
(c) Other tax assets (net)	28	371	-
(d) Other current assets	8	5,474	4,400
Total Current assets		**46,205**	**51,941**
TOTAL ASSETS		**2,76,443**	**2,72,133**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,614	2,614
(b) Other equity	14	1,61,867	1,58,522
Total Equity		**1,64,481**	**1,61,136**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	21,355	14,843
(ii) Lease liabilities	35	1,521	1,232
(iii) Other financial liabilities	16	10,811	9,502
(b) Provisions	17	1,970	1,636
(c) Deferred tax liabilities (net)	28	3,458	5,560
Total Non-current liabilities		**39,115**	**32,773**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15B	28,337	33,487
(ii) Lease liabilities	35	524	449
(ii) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises; and		3,208	2,104
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		14,662	13,399
(iv) Other financial liabilities	16	18,460	18,215
(b) Other current liabilities	19	6,971	9,590
(c) Provisions	17	685	385
(d) Current tax liabilities (net)	28	-	595
Total Current liabilities		**72,847**	**78,224**
Total Liabilities		**1,11,962**	**1,10,997**
TOTAL EQUITY AND LIABILITIES		**2,76,443**	**2,72,133**
Summary of material accounting policies	1		
The accompanying notes are an integral part of these standalone financial statements			

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685
Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113
Place: Hyderabad
Date: May 13, 2026

K. Prasad
Chief Financial Officer
Place: Hyderabad
Date: May 13, 2026

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from operations	20	1,76,830	1,56,664
II	Other income	21	6,499	2,663
III	**Total Income (I + II)**		**1,83,329**	**1,59,327**
IV	**Expenses**			
	(a) Cost of materials consumed	22	41,365	34,134
	(b) Purchases of stock-in-trade	23A	574	1,009
	(c) Changes in inventories of finished goods and work-in-progress	23B	716	1,668
	(d) Employee benefits expense	24	11,214	9,898
	(e) Finance costs	25	7,664	8,149
	(f) Depreciation and amortisation expenses	26	11,551	11,942
	(g) Power and fuel expense		52,966	51,156
	(h) Freight and forwarding expense		33,814	31,716
	(i) Other expenses	27	23,143	21,389
	Total Expenses		**1,83,007**	**1,71,061**
V	**Profit/ (loss) before exceptional items and tax (III - IV)**		**322**	**(11,734)**
VI	Exceptional Items	27A	-	2,091
VII	**Profit/ (loss) before tax (V - VI)**		**322**	**(13,825)**
VIII	**Tax expense**			
	(a) Current tax	28	(940)	-
	(b) Deferred tax	28	(2,095)	(5,277)
	Total Tax expense		**(3,035)**	**(5,277)**
IX	**Profit/ (loss) after tax (VII - VIII)**		**3,357**	**(8,548)**
X	**Other comprehensive income/(loss)**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefits plan	33	(19)	110
	(b) Income tax effect on above	28	7	(38)
	Other comprehensive income for the year, net of tax		**(12)**	**72**
XI	**Total comprehensive income/ (loss) (IX + X)**		**3,345**	**(8,476)**
XII	**Earnings per equity share (Face value of ₹ 2 each fully paid)**	36		
	(1) Basic (in ₹)		2.57	(6.54)
	(2) Diluted (in ₹)		2.57	(6.54)
	Summary of material accounting policies	1		
	The accompanying notes are an integral part of these standalone financial statements			

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 13, 2026

Place: Hyderabad
Date: May 13, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

All amounts are in ₹ Lakhs unless otherwise stated

A. EQUITY SHARE CAPITAL

Particulars	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid	
Balance as at March 31, 2024	2,614
Changes in equity share capital during the year	-
Balance as at March 31, 2025	**2,614**
Changes in equity share capital during the year	-
Balance as at March 31, 2026	**2,614**

B. OTHER EQUITY

Particulars	Reserves and surplus					Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurements of the net defined benefits plan	
Balance as at March 31, 2024	**35**	**88,351**	**3,598**	**76,094**	**(165)**	**1,67,913**
Total comprehensive income for the year ended March 31, 2025						
Loss for the year	-	-	-	(8,548)	-	(8,548)
Other comprehensive income for the year (net of tax)	-	-	-	-	72	72
Total comprehensive income for the year	**-**	**-**	**-**	**(8,548)**	**72**	**(8,476)**
Transactions with owners of the Company						
Dividend on equity shares (Refer note 39)	-	-	-	(915)	-	(915)
Total transactions with owners of the Company	**-**	**-**	**-**	**(915)**	**-**	**(915)**
Balance as at March 31, 2025	**35**	**88,351**	**3,598**	**66,631**	**(93)**	**1,58,522**
Total comprehensive income for the year ended March 31, 2026						
Profit for the year	-	-	-	3,357	-	3,357
Other comprehensive income for the year (net of tax)	-	-	-	-	(12)	(12)
Total comprehensive income for the year	**-**	**-**	**-**	**3,357**	**(12)**	**3,345**
Balance as at March 31, 2026	**35**	**88,351**	**3,598**	**69,988**	**(105)**	**1,61,867**
Summary of material accounting policies			1			
The accompanying notes are an integral part of these standalone financial statements						

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 13, 2026

Place: Hyderabad
Date: May 13, 2026

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
A Cash flow from operating activities				
Profit/ (loss) before tax for the year		**322**		**(13,825)**
Adjustments for				
Depreciation and amortisation expenses	11,551		11,942	
Finance costs	7,664		8,149	
Interest income	(2,210)		(2,465)	
Unwinding of guarantee obligation	(205)		(177)	
Liabilities no longer required written back	(73)		(1)	
Advances written off	2		5	
Gain on sale of investments (Refer note 5)	(3,676)		-	
Expected credit loss allowance/ (reversal) on trade receivables	331		(136)	
Provision for incentives receivable from government	-		750	
Allowance for credit losses on capital advances	(306)		46	
Allowance for credit losses on supplier advances	-		132	
Provision for inventory	-		111	
Unrealised gain on foreign currency transactions and translation	91		(20)	
Net (gain)/ loss on fair value change in financial instruments	(128)		56	
(Profit)/ loss on sale of property, plant and equipment (net)	(188)		5	
		12,853		18,397
Operating profit before working capital changes		**13,175**		**4,572**
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(1,830)		1,017	
Inventories	(1,613)		2,699	
Other financial assets	599		(63)	
Other assets	(1,339)		(50)	
		(4,183)		3,603
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	2,349		(2,715)	
Other financial liabilities	1,056		(1,225)	
Provisions	583		352	
Other liabilities	(2,619)		1,000	
		1,369		(2,588)
Cash generated from operating activities		**10,361**		**5,587**
Income tax paid, net		41		(414)
Net cash generated from operating activities		**10,402**		**5,173**

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
B Cash flow from investing activities				
Purchase of property, plant and equipment including capital work-in-progress, capital advances and capital creditors	(9,838)		(4,155)	
Deposits not considered as cash and cash equivalents				
- Placed	(7,284)		-	
- Matured	10,304		762	
Redemption in other bank balances	3		8	
Proceeds from sale of property, plant and equipment	209		25	
Proceeds from sale of equity instruments of a subsidiary (Refer note 5)	8,764		-	
Unsecured loans given to subsidiaries	(14,169)		(6,267)	
Proceeds from unsecured loans given to subsidiaries	2,040		1,165	
Loans given to employees	(112)		-	
Repayment of loans from employees	102		-	
Interest received	110		3,148	
Net cash used in investing activities		**(9,871)**		**(5,314)**
C Cash flow from financing activities				
Proceeds from non-current borrowings	12,588		88	
Repayment of non-current borrowings	(9,803)		(10,211)	
Loans given to employees (net)	-		24	
Proceeds/ (Repayment) from current borrowings (net)	(1,662)		10,658	
Payment of principal portion on lease liabilities	(356)		(399)	
Payment of interest on lease liabilities	(180)		-	
Interest paid	(7,448)		(8,029)	
Dividends paid	-		(915)	
Net cash generated used in financing activities		**(6,861)**		**(8,784)**
Net decrease in cash and cash equivalents (A+B+C)		**(6,330)**		**(8,925)**
Cash and cash equivalents at the beginning of the year		6,658		15,583
Cash and cash equivalents at the end of the year (Refer note 11)		**328**		**6,658**
Note:				
Cash and cash equivalents comprises of:				
Cash in hand		3		2
Balances with banks		325		107
Deposits with banks		-		6,549
Cash and cash equivalents (Refer note 11)		**328**		**6,658**

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2025	Cash flow changes		Liability related changes*	As at March 31, 2026
		Proceeds	Repayment		
Non-current borrowings (including current maturities of non-current borrowings)	23,211	12,588	(9,803)	239	26,235
Loan from related party and others	193	-	-	-	193
Interest accrued but not due	474	-	(7,448)	7,213	239
Lease liabilities	1,681	-	(536)	900	2,045
Current borrowings	25,119	-	(1,662)	-	23,457
Total liabilities from financing activities	**50,678**	**12,588**	**(19,449)**	**8,352**	**52,169**

Particulars	As at April 01, 2024	Cash flow changes		Liability related changes*	As at March 31, 2025
		Proceeds	Repayment		
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
Interest accrued but not due	460	-	(8,029)	8,043	474
Lease liabilities	107	-	(399)	1,973	1,681
Current borrowings	14,461	10,658	-	-	25,119
Total liabilities from financing activities	**48,555**	**10,746**	**(18,639)**	**10,016**	**50,678**

* Liability related changes includes
- interest expense on Non-current borrowings calculated using effective interest rate,
- interest accrued on all other borrowings for the period,
- interest on lease liability and initial recognition of lease liability for Right-of-use asset.

Summary of material accounting policies 1

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

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 13, 2026

Place: Hyderabad
Date: May 13, 2026

All amounts are in ₹ Lakhs unless otherwise stated

1. CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICES

(A) CORPORATE INFORMATION

Sagar Cements Limited ("the Company) is a public Company domiciled in India and incorporated in India having its registered office at Hyderabad, Telangana. The Company and its subsidiaries are engaged in the business of manufacture and sale of cement and generation of power for sale and captive consumption. The Company shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) of India Limited.

(B) BASIS OF PREPARATION

(i) Statement of Compliance

The Balance Sheet of the Company as at 31 March 2026, the related Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended 31 March 2026 and the material accounting policies (together referred to as 'Standalone Financial Statements') are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III notified under Section 133 of Companies Act, 2013 ("the Act'') and amendments thereto, other relevant provisions of the Act. These Financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on May 13, 2026.

(ii) Functional and Presentation currency

These Standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs (INR 00,000), except when otherwise indicated.

(iii) Basis of measurement

These Standalone financial statements have been prepared under the historical cost basis, except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Employee's Defined Benefit Plan as per actuarial valuation and
- Assets and liabilities, including goodwill acquired under Business Combination/ acquisition measured at fair value;
- Lease liability is measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. Right-to-use asset ('ROU') has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining 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.

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.

(iv) Use of estimates and judgements

In preparing these Standalone financial statements, management has made judgements and estimates that affect the application of the Company's accounting polices and the reported amounts of assets, liabilities, Income and expenses. Actual results may differ from them estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

- **Judgement**

  Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone financial statements is included in the following notes.

  - Note 28 – Recognition and measurement of deferred tax assets.
  - Note 35 – Lease term and classification.
  - Note 29 - Provisions, litigation and contingencies
  - Note 31 - Fair value measurement of financial instruments
  - Note 16 - Classification of Trade deposits.

- **Assumptions and estimation uncertainties:**

  Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

  - Note 2, 3, 4A – Useful lives of property, plant and equipment and intangible assets
  - Note 28 – Recognition and measurement of deferred tax assets.

All amounts are in ₹ Lakhs unless otherwise stated

- Note 33 - Measurement of defined benefit obligations.
- Note 29 - Provisions, litigation and contingencies.
- Note 31 - Fair value measurement of financial instruments
- Note 7,10 – Impairment of financial assets.
- Note 2, 3, 4A, 4B - Impairment of non-financial assets.
- Note 17 – Land restoration obligation.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Recognition and measurement of deferred tax assets and liabilities

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses including unabsorbed depreciation can be utilized. Judgement is involved in assessing the recoverability of deferred tax assets recognised in respect of carried forward tax losses, unabsorbed depreciation and other deductible temporary differences. It involves estimation in respect of future taxable income, projected profitability and timing of reversal of temporary differences.

Useful lives of property, plant and equipment and intangible assets

The Company uses technical expertise along with historical and industry trends for determining the economic life of an certain asset/component of an asset. The useful lives are reviewed by management yearly and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of defined benefit obligations

The cost of defined benefit gratuity plan and its present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, an employee benefit obligation is highly sensitive to changes in these assumptions particularly the discount rate and estimate of future salary increase. All assumptions are reviewed at each reporting date.

Impairment of financial assets

Impairment allowance for trade receivables and other financial assets is determined based on assumptions regarding expected default rates, historical loss experience and forward-looking information. If the financial condition of a customer deteriorates, additional allowances may be required.

Impairment of non-financial assets

Impairment of non-financial assets is assessed by comparing the carrying amount of an asset or cash generating unit with its recoverable amount, which is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal is estimated using market based evidence for similar assets and expected disposal costs. Value in use is determined using a Discounted Cash Flow (DCF) model, which requires key estimates and assumptions, including future cash flows, operating margins, production volumes, capacity utilisation, terminal growth rates, and discount rates. The Company reviews its non-financial assets at each reporting date to identify any indicators of impairment.

Land restoration obligation:

In determining the fair value of the land restoration obligation, assumptions and estimates are made in relation to discount rates, the expected cost of land restoration and the expected timing of those costs.

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 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.

Provisions, Litigation and contingencies:

The Company exercises judgement in assessing whether a present obligation exists arising from past events and whether the probability of outflow of economic resources requires recognition of a provision or disclosure as a contingent liability.

The measurement of provisions involves estimates relating to the expected timing and amount of outflows of economic resources required to settle the obligations.

All amounts are in ₹ Lakhs unless otherwise stated

Such estimates are based on management's assessment of the most likely outcome, past experience, legal advice and developments in the respective matters. Changes in facts and circumstances may result in revision to the estimates and carrying value of provisions recognised.

Lease term and classification:

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. It involves judgement in assessing whether the interest rate implicit in the lease is readily determinable and, where it is not available, in determining the appropriate basis for estimation of the incremental borrowing rate.

(C) CLASSIFICATION OF ASSETS AND LIABILITIES INTO CURRENT/ NON-CURRENT

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- It does not have the right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(D) MATERIAL ACCOUNTING POLICIES

Property, plant and equipment (PPE)

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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.

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Freehold Land and buildings are measured at historical cost less accumulated depreciation on buildings and impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone Statement of Profit and Loss when the asset is derecognised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

All amounts are in ₹ Lakhs unless otherwise stated

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the subsequent expenditure can be measured reliably.

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

Expenditure during construction period:

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current assets".

Depreciation

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
Plant and 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 Company follows the process of componentization for property, plant and equipment. Accordingly, the Company has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from that 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.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Cost of an item of intangible assets comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and the cost of the asset can be measured reliably.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A summary of the policies applied to the Company's intangible assets is, as follows:

Class of Intangible Asset	Useful Lives estimated by the management	Amortisation method used
Specialized Software	3 years	Amortised on a straight-line basis over the period of agreement
Mining Rights	10 to 50 years	Amortised on a straight-line basis over the period of licence / agreement (reflective of usages pattern)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone Statement of Profit and Loss when the assets is derecognised.

There are no Internally generated intangible assets by the Company.

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

Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset).

Lease liabilities are subsequently measured at amortised cost using the effective interest method.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short-term leases that have a lease term of 12 months or lower and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Standalone Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that

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previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Standalone Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Investments in subsidiaries

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.

Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Standalone Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted while calculating carrying amount of the asset. The grant is recognised in the Standalone Statement of Profit and Loss over the life of the depreciable asset as a reduced depreciation expense.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Standalone Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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.

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of goods:

Revenue from sale of goods is recognised on the basis of approved contracts regarding the transfer of control of promised goods to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which is generally on dispatch/ delivery of the goods.

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 and outgoing taxes on sale. The variable consideration includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Revenue from services contracts: It is recognised upon transfer of control of promised services to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue is recognised at point in time based on agreements / arrangements with the customers when the services are performed and there are no unfulfilled obligations.

Revenue from sale of power: It is recognised upon on transfer of control of electricity to the customer, typically upon transmission of power to the grid in accordance with the terms of the power purchase agreement. Power generated for captive consumption is not recognized as revenue. Revenue from sale of surplus power is measured at the tariff rates agreed under applicable arrangements.

Other operating revenue: It would include revenue arising from Company's operating activity i.e either its principal or ancillary revenue generating activities but which is not revenue activity from sale of goods or rendering of services.

Retirement and other employee benefits

Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. Retirement benefit in the form of Provident Fund, Employees State Insurance Corporation (ESIC) and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans:

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to remeasurements of the net defined benefits reserve under reserves and surplus, through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Standalone Statement Profit and Loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined plan when the settlement occurs.

Other long-term employee benefits:

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an right at the end of the reporting period to defer the settlement for at least twelve months after the reporting period. Where the Company has legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Standalone Statement of Profit and Loss and are not deferred.

Taxes

Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, of and Contingent Assets.

Current Taxes: Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker to make decisions ("CODM") for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

Earnings per share

Basic -share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Land Restoration

An obligation for restoration, arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Standalone Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The costs are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Standalone Statement of Profit and Loss.

Contingent liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Standalone financial statements. It is reviewed at each balance sheet date.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and are also used for the purpose of Statement of Cash Flows, as these are considered an integral part of the Company's cash management.

Financial instruments

Recognition and initial measurement:

Trade receivables and debt securities issued are initially recognised when they are originated. Trade receivables that do not contain a significant financing component are measured at transaction price (net of variable consideration). All other financial assets and liabilities are recognised are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A Financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement:

Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets 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.

Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial

All amounts are in ₹ Lakhs unless otherwise stated

recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities - classification and subsequent measurement:

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the Standalone statement of profit and loss

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial instruments

Financial asset:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters transaction whereby it transfers assets recognised on its balance sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liability:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or the same expires.

The Company also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Standalone statement of profit and loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Fair value of financial instruments:

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the Standalone financial statements

All amounts are in ₹ Lakhs unless otherwise stated

cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment

Financial assets (other than at Fair value through profit and loss)

The Company assesses at each date of the balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables and contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

In addition to the provision matrix, the Company also performs individual assessment of credit risk for specific customers where there is objective evidence of increased credit risk. Where such individual assessment indicates that a trade receivable meets the criteria for being classified as credit impaired under Ind AS 109, the Company recognises a loss allowance based on lifetime ECL and discloses such credit impaired trade receivables separately in the Standalone balance sheet.

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

a. significant financial difficulty of the debtor
b. a breach of contract, such as a default or 3 years past due
c. it is probable that the debtor will enter bankruptcy or other financial reorganization
d. the disappearance of an active market for a security because of financial difficulties

The Company considers a financial asset to be in default when:

a. the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
b. the financial asset is more than 90 days past due

The ECL loss allowance (or reversal) during the year is recognised in the Standalone statement of profit and loss.

The Company write-off's the receivables only on completion of the legal proceedings or if it is certain that the balance will not be recoverable.

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 acquisitiondate 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.

Exceptional items

Exceptional items refer to items of income or expense within the Standalone statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

Statement of Cash Flows

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recognised using effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the Standalone Statement of Profit and Loss.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Recent pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

a. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The has reviewed the amendments and made appropriate disclosures in its financial statements including classification of current and non-current liabilities.

b. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier- finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and made appropriate disclosures in its financial statements.

c. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

The following are the notified amendments to the standards but not yet effective:

a. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2026 - when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

   This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

   The Company does not expect this amendment to have any significant impact in its financial statements.

All amounts are in ₹ Lakhs unless otherwise stated

2. PROPERTY, PLANT AND EQUIPMENT

Particulars	As at March 31, 2026	As at March 31, 2025
Freehold land	9,829	9,784
Land - restoration	166	180
Buildings	27,012	29,587
Plant and machinery	82,755	86,353
Furniture and fittings	136	162
Office and other equipment	2,360	2,858
Electrical installations and equipment	5,234	6,083
Computers	66	77
Vehicles	520	656
Railway sidings	4,100	4,350
Total	**1,32,178**	**1,40,090**

FOR THE YEAR 2025-26

Description of Assets	Freehold land	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations and equipment	Computers	Vehicles	Railway sidings	Total
Cost											
Opening Balance	**9,784**	**296**	**52,104**	**1,45,777**	**1,082**	**8,494**	**19,081**	**718**	**1,989**	**6,710**	**2,46,035**
Add: Additions	53	-	208	2,600	7	80	217	22	71	-	3,258
Less: Disposals	8	-	11	3	-	5	-	30	57	-	114
Balance as at March 31, 2026	**9,829**	**296**	**52,301**	**1,48,374**	**1,089**	**8,569**	**19,298**	**710**	**2,003**	**6,710**	**2,49,179**
Accumulated depreciation											
Opening Balance	**-**	**116**	**22,517**	**59,424**	**920**	**5,636**	**12,998**	**641**	**1,333**	**2,360**	**1,05,945**
Add: Depreciation	-	14	2,779	6,195	33	577	1,066	31	204	250	11,149
Less: Disposals	-	-	7	-	-	4	-	28	54	-	93
Balance as at March 31, 2026	**-**	**130**	**25,289**	**65,619**	**953**	**6,209**	**14,064**	**644**	**1,483**	**2,610**	**1,17,001**
Carrying value as at March 31, 2026	**9,829**	**166**	**27,012**	**82,755**	**136**	**2,360**	**5,234**	**66**	**520**	**4,100**	**1,32,178**
Carrying value as at March 31, 2025	9,784	180	29,587	86,353	162	2,858	6,083	77	656	4,350	1,40,090

All amounts are in ₹ Lakhs unless otherwise stated

FOR THE YEAR 2024-25

Description of Assets	Freehold land	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations and equipment	Computers	Vehicles	Railway sidings	Total
Cost											
Opening Balance	**9,703**	**229**	**51,568**	**1,43,157**	**1,036**	**8,301**	**18,565**	**687**	**2,048**	**6,684**	**2,41,978**
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**	**1,45,777**	**1,082**	**8,494**	**19,081**	**718**	**1,989**	**6,710**	**2,46,035**
Accumulated depreciation											
Opening Balance	**-**	**102**	**19,445**	**53,496**	**883**	**5,009**	**11,783**	**590**	**1,197**	**2,111**	**94,616**
Add: Depreciation	-	14	3,072	5,939	37	726	1,237	51	273	249	11,598
Less: Disposals	-	-	-	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**	**1,05,945**
Carrying value as at March 31, 2025	**9,784**	**180**	**29,587**	**86,353**	**162**	**2,858**	**6,083**	**77**	**656**	**4,350**	**1,40,090**
Carrying value as at March 31, 2024	9,703	127	32,123	89,661	153	3,292	6,782	97	851	4,573	1,47,362

Notes:

1. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.
2. For charge created on Property, plant and equipment of the Company towards borrowings, refer note 15A and 15B.
3. For disclosure on capital commitments, refer Note 29.

All amounts are in ₹ Lakhs unless otherwise stated

3. RIGHT OF USE ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Buildings	143	259
Leasehold land	533	541
Plant and machinery	2,173	1,557
Total	**2,849**	**2,357**

FOR THE YEAR 2025-26

Particulars	Buildings	Leasehold Land	Plant and machinery	Total
I. Gross block				
Opening Balance	**436**	**593**	**1,573**	**2,602**
Add: Additions	13	-	708	721
Less: Deletion	19	-	-	19
Balance as at March 31, 2026	**430**	**593**	**2,281**	**3,304**
II. Accumulated depreciation				
Opening Balance	**177**	**52**	**16**	**245**
Add: Depreciation	129	8	92	229
Less: Deletion	19	-	-	19
Balance as at March 31, 2026	**287**	**60**	**108**	**455**
Net block (I-II)				
Carrying value as at March 31, 2026	**143**	**533**	**2,173**	**2,849**
Carrying value as at March 31, 2025	259	541	1,557	2,357

FOR THE YEAR 2024-25

Particulars	Buildings	Leasehold 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: Depreciation	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

All amounts are in ₹ Lakhs unless otherwise stated

4A. INTANGIBLE ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Mining rights	1,514	1,682
Other intangible assets		
- Computer software	24	29
Total	**1,538**	**1,711**

FOR THE YEAR 2025-26

Particulars	Mining rights	Computer software	Total
Cost			
Opening Balance	3,276	440	3,716
Add: Additions	-	-	-
Balance as at March 31, 2026	**3,276**	**440**	**3,716**
Accumulated amortisation			
Opening Balance	1,594	411	2,005
Add: Amortisation	168	5	173
Balance as at March 31, 2026	**1,762**	**416**	**2,178**
Carrying value as at March 31, 2026	**1,514**	**24**	**1,538**
Carrying value as at March 31, 2025	1,682	29	1,711

FOR THE YEAR 2024-25

Particulars	Mining rights	Computer software	Total
Cost			
Opening Balance	3,276	440	3,716
Add: Additions	-	-	-
Balance as at March 31, 2025	**3,276**	**440**	**3,716**
Accumulated amortisation			
Opening Balance	1,426	402	1,828
Add: Amortisation	168	9	177
Balance as at March 31, 2025	**1,594**	**411**	**2,005**
Carrying value as at March 31, 2025	**1,682**	**29**	**1,711**
Carrying value as at March 31, 2024	1,850	38	1,888

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.

Particulars	As at April 01, 2025	Acquisition on account of Business Combination	Additions	Disposals	As at March 31, 2026
Goodwill	3,938	-	-	-	3,938

Particulars	As at April 01, 2024	Acquisition on account of Business Combination	Additions	Disposals	As at March 31, 2025
Goodwill	3,938	-	-	-	3,938

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, 2026	As at March 31, 2025
Gudipadu Unit	3,873	3,873
Jajpur Unit	65	65
Total	**3,938**	**3,938**

Goodwill arising out of business combinations has been allocated to the acquired businesses as Cash Generating Unit (CGU). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may 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.

All amounts are in ₹ Lakhs unless otherwise stated

The recoverable amount of the Goodwill has been determined as per value in use method using discounted cash flows. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources. The key assumptions used in the estimation of the recoverable amount as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate (pre tax)	17.36%	18.66%
Terminal value growth rate	4.00%	4.00%
Compounded annual revenue growth rate	8.15%	7.69%

As at March 31, 2026, the estimated cash flows for a period of 5 years were developed using internal forecasts, and the discount rate is a pre tax measure estimated for 5 years based on the historical industry weighted average cost of capital of ~ 17.36% (March 31, 2025: ~ 18.66%). The post tax discount rate is ~ 12.99% (March 31, 2025: ~ 12.14%). While determining the cashflows, Company has considered the factors such as cement sales volume growth, price per bag, input cost expectation etc. The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the respective cash-generating unit.

As per the current business operation, Company expects stable state on the factors and same is supported by the cement industry outlook. Based on the Company impairment testing, the recoverable amount of the CGU's exceeds its carrying amount including goodwill. Therefore, no impairment loss was recognized during the year ended March 31, 2026. Sensitivity analysis with 1% change in growth rate and weighted average cost of capital also indicates that no impairment required on carrying amount of goodwill.

5. INVESTMENTS IN SUBSIDIARIES (MEASURED AT COST)

Particulars	As at March 31, 2026		As at March 31, 2025	
	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, 2025: 65%) shareholding) (Refer note (i) below)	32,73,773	17,484	32,73,773	17,419
Investments in equity instruments (Quoted)				
Face Value of ₹ 10 each fully paid:				
Andhra Cements Limited (75%, (March 31, 2025: 90%) shareholding) (Refer note (ii), (v) below)	6,91,29,105	26,485	8,29,54,926	31,246
		43,969		**48,665**
Aggregate amount of unquoted investments		17,484		17,419
Aggregate amount of quoted investments		26,485		31,246
Market value of quoted investments		28,198		40,764

Notes:

(i) Includes investment of ₹ 535 (March 31, 2025: ₹ 470) on account of fair valuation of corporate guarantee given by the Company on behalf of Sagar Cements (M) Private Limited, a subsidiary Company.

(ii) Includes investment of ₹ 1,046 (March 31, 2025: ₹ 719) on account of fair valuation of corporate guarantee given by the Company on behalf of Andhra Cements Limited, a subsidiary Company.

(iii) 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.

(iv) 15,10,972 (as at March 31, 2025: 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, 2025: ₹ 7,823) and 2,18,90,883 (as at March 31, 2025: 2,18,90,883) number of shares held as investments in Andhra Cements Limited with carrying amount of ₹ 8,056 (as at March 31, 2025: ₹ 8,056) have been pledged with the lenders towards borrowings availed by the respective subsidiaries.

All amounts are in ₹ Lakhs unless otherwise stated

6. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2026	As at March 31, 2025
Measured at amortised cost		
Non-current		
Loans to Subsidiary Companies (Refer note 32 and 34)	30,936	16,861
Loans to employees	98	77
Total	**31,034**	**16,938**
Current		
Loans to employees	68	79
Total	**68**	**79**
Total loans	**31,102**	**17,017**

Notes:

(a) Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 31.

(b) No loans are due from directors or other officers of the Company either severally or jointly with any other person nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Security deposits	2,764	2,822
Bank deposits due to mature after twelve months of the reporting date (Including interest accrued thereon)	669	1
Total	**3,433**	**2,823**
Current		
Security deposits	228	449
Bank deposits with remaining maturity of less than twelve months of the reporting date (Including interest accrued thereon)	2,256	-
Derivative assets	128	-
Incentives receivable from government		
Unsecured, considered good	393	578
Considered doubtful	3,409	3,409
Less: Provision for incentives receivable from government	(3,409)	(3,409)
Total	**3,005**	**1,027**
Total other financial assets	**6,438**	**3,850**

Notes:

(a) Deposits for ₹ 2,925 (March 31, 2025: ₹ 1) are pledged with Government Departments/ Banks as security and other deposits earmarked for issue of letter of credit / Margin monies.

(b) Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 31.

8. OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Capital advances		
Unsecured considered good	34	143
Considered doubtful	141	446
Less: Loss allowance	(141)	(446)
	34	**143**
Advances to suppliers and service providers		
Unsecured considered good	-	-
Considered doubtful	71	71
Less: Loss allowance	(71)	(71)
	-	**-**
Prepaid expenses	308	187
Deposits against demand under dispute	341	197
Total	**683**	**527**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Advances to suppliers and service providers (Refer note below)		
Unsecured considered good	3,879	3,105
Considered doubtful	61	111
Less: Loss allowance	(61)	(111)
	3,879	**3,105**
Prepaid expenses	691	950
Balances with government authorities	692	74
Excise duty refund receivable	194	194
Advances to employees	18	77
Total	**5,474**	**4,400**
Total other assets	**6,157**	**4,927**

Notes:

(a) There are no other receivables due from directors or other officer of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member.

(b) Refer Note 34 for related party transactions.

9. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	1,577	1,427
Fuels	6,857	5,716
Work-in-progress	3,254	3,869
Stores and spares	4,501	4,398
Packing materials	440	521
Finished goods	1,616	1,717
Total (A)	**18,245**	**17,648**
Goods-in-transit:		
Raw materials	82	30
Fuels	1,143	102
Packing materials	36	36
Stores and spares	-	77
Total (B)	**1,261**	**245**
Total inventories (A+B)	**19,506**	**17,893**

Notes:

(a Inventories are pledged against the borrowings of the Company as referred in note 15A and 15B.

(b) Inventories of stores and spares have been reduced by ₹ 111 (March 31, 2025 : ₹ 111) as a result of provision on account of slow and non-moving inventory.

10. TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - Secured	3,001	3,035
Trade receivables considered good - Unsecured	15,427	13,563
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	131	131
Sub-total	**18,559**	**16,729**
Less: Loss allowance	(1,580)	(1,249)
Total trade receivables	**16,979**	**15,480**

Notes:

Trade receivables are pledged against the borrowings of the Company as referred in Note 15.

Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 31.

No trade 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 receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

The above secured trade receivables include receivables considered good in respect of which the Company holds guarantees from banks amounting to ₹ 1,929 (March 31, 2025: ₹ 2,205).

All amounts are in ₹ Lakhs unless otherwise stated

The expected credit loss allowance (ECL) 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 2025-26:

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	10,456	5,734	580	183	3	23	16,979
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	94	138	112	200	141	764	1,449
(ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	**10,550**	**5,872**	**692**	**383**	**144**	**918**	**18,559**

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	-	-	-	-	-	-	-
- credit impaired	56	69	101	16	273	603	1,118
(ii) 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**

There were no unbilled trade receivables as at March 31, 2026 and as at March 31, 2025, hence the same is not disclosed in the ageing breakup.

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.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

All amounts are in ₹ Lakhs unless otherwise stated

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.

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 2025-26:

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%	2%	16%	52%	98%	97%	9%
Estimated total gross carrying amount at default	10,550	5,872	692	383	144	918	18,559
Lifetime ECL	94	138	112	200	141	895	1,580

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

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, 2024	**1,254**	**131**	**1,385**
Loss allowance provided during the year	-	-	-
Reversal of loss allowance	136	-	136
Balance as at March 31, 2025	**1,118**	**131**	**1,249**
Loss allowance provided during the year	331	-	331
Reversal of loss allowance	-	-	-
Balance as at March 31, 2026	**1,449**	**131**	**1,580**

All amounts are in ₹ Lakhs unless otherwise stated

11. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	3	2
Balances with banks in current accounts	325	107
Deposits with banks with original maturity of less than three months	-	6,549
Total Cash and cash equivalents	**328**	**6,658**

12. OTHER BANK BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid dividend account (Earmarked for payment of unpaid dividend)	27	30
Deposit with original maturity of more than three months and less than twelve months (Refer note below)	447	6,374
Total other bank balances	**474**	**6,404**

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, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2025: Equity Shares of ₹ 2 each)	1,24,75,00,000	24,950	1,24,75,00,000	24,950
Preference share capital				
Authorised:				
Preference shares of ₹ 10 each (March 31, 2025: 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, 2025: Equity Shares of ₹ 2 each) (Refer note (a) below)	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, 2026		As at March 31, 2025	
	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**

(B) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO THE EQUITY SHARES:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend if issued. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to the share of paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

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, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 2 each fully paid				
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%	69,92,681	5.35%

(D) DETAILS OF SHARES HELD BY THE PROMOTERS IN THE COMPANY AND CHANGE DURING THE YEAR:

As at March 31, 2026

Promoter Name	As at March 31, 2026		As at March 31, 2025		
	No. of shares of ₹ 2 each	% of total shares	No. of shares of ₹ 2 each	% of total shares	% Change during the year
Equity shares of ₹ 2 each fully paid					
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%	-
Anand Reddy Sammidi	73,04,745	5.59%	73,04,745	5.59%	-
Sreekanth Reddy Sammidi	69,92,681	5.35%	69,92,681	5.35%	-
Rachana Sammidi	66,08,540	5.06%	66,08,540	5.06%	-
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%	-
Madhavi Nadikattu	14,69,000	1.12%	14,69,000	1.12%	-
Telangana State 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%	-

All amounts are in ₹ Lakhs unless otherwise stated

As at March 31, 2025

Promoter Name	As at March 31, 2025		As at March 31, 2024		
	No. of shares of ₹ 2 each	% of total shares	No. of shares of ₹ 2 each	% of total shares	% Change during the year
Equity shares of ₹ 2 each fully paid					
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%	-
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%	0.02%
Rachana Sammidi	66,08,540	5.06%	66,08,540	5.06%	-
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%	-
Madhavi Nadikattu	14,69,000	1.12%	14,69,000	1.12%	-
Telangana State 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.

(f) There are no employee stock options/ share purchase plan as on March 31, 2026 and March 31, 2025.

All amounts are in ₹ Lakhs unless otherwise stated

14. OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	35	35
Securities premium	88,351	88,351
General reserve	3,598	3,598
Retained earnings	69,988	66,631
Other items of other comprehensive income	(105)	(93)
Total other equity	**1,61,867**	**1,58,522**

MOVEMENT IN OTHER EQUITY IS AS FOLLOWS:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Capital reserve	35	35
(i) Opening balance		
(ii) Additions on acquisition		
(b) Securities premium	**88,351**	**88,351**
(c) General reserve	3,598	3,598
(d) Retained earnings		
(i) Opening balance	66,631	76,094
(ii) Profit/ (loss) for the year	3,357	(8,548)
(iii) Changes in ownership interest in subsidiary without loss of control	-	-
(iv) Effect of business combination (Refer note 40)	-	-
	69,988	**67,546**
Less: Appropriations		
(i) Dividend on equity shares (Refer note 39)	-	915
	69,988	**66,631**
(e) Remeasurements of the net defined benefits plan		
(i) Opening balance	(93)	(165)
(ii) Other comprehensive income for the year	(12)	72
	(105)	(93)
Total	**1,61,867**	**1,58,522**

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) Remeasurements of the net defined benefits plan

Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.

15A NON-CURRENT BORROWINGS* (SECURED, AT AMORTISED COST)

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans from banks (Refer note (i) below)	21,355	14,843
Total non current borrowings	**21,355**	**14,843**

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

All amounts are in ₹ Lakhs unless otherwise stated

Note (i):

AS AT MARCH 31, 2026:

Bank	Loan outstanding	Terms of repayment	Rate of interest
Axis Bank Limited (Refer note 9 below)	13,924	20 quarterly instalments	10.10%
CSB Bank Limited (Refer note 10 below)	5,202	108 monthly instalments	9.25%
RBL Bank Limited (Refer note 11 below)	6,829	15 quarterly instalments	9.45%
Vehicle loans from various banks (Refer note 12 below)	280	38 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(4,880)		
Total	**21,355**		

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 12 below)	494	23 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(7,215)		
Total	**14,843**		

Notes:

1. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future 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.
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 exclusive charge on Plant and machinery, equipment and other Fixed assets created out of our term loan. To fund the project cost of ₹ 80.40 crore to be incurred towards execution of Waste Heat Recovery System (WHRS) Power Generation project at Gudipadu Cement unit in Andhra Pradesh.

All amounts are in ₹ Lakhs unless otherwise stated

11. Term loan is secured by first pari-passu charge against all current assets, present and future, and Second pari-passu charge on property, plant and equipment (movable and immovable) excluding plant and equipment of grinding unit at Bayyavaram and plant and machinery of Waste heat recovery power plant at Mattampally unit of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director and negative lien on Jajpur unit.

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

13. The Company has not made defaults in repayment of principal and interest on the above loans. The Company has used the borrowings for the purposes for which it was taken.

14. Information about the Company's exposure to liquidity risk, market risk and fair value measurement is included in Note 31.

Note (ii):

For the year ended March 31, 2026, there has been a deviation with respect to certain financial ratios of the Company in comparison with the prescribed limits mentioned in the loan sanctioned letters disclosed under non current borrowings. Prior to the reporting date, the management has however obtained a waiver from the lenders on compliance with such financial ratios and that the existing repayment schedules as per the sanction terms would continue. Accordingly, borrowings continue to be classified in accordance with the terms of the repayment schedule agreed with the lenders.

15B CURRENT BORROWINGS (SECURED, AMORTISED AT COST)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans from banks		
Cash credit facilities (Refer notes below)	23,457	25,119
Current maturities of non-current borrowings (Refer note 15A)	4,880	7,215
Non-convertible debentures (Refer note 7 below)	-	1,153
Total current borrowings	**28,337**	**33,487**

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 @ 10.45% p.a. to 11.95% p.a. (2024-25: 9.40% p.a. to 10.45% 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 @ 8.95% p.a. to 9.70% p.a. (2024-25: 9.40% p.a. to 9.70% 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 @ 9.25% p.a. to 10.00% p.a. (2024-25: 8.45% p.a. to 10.01% p.a.).

4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. to 8.50% p.a. (2024-25: 8.50% p.a. to 9.10% p.a.).

5. The Company has used the borrowings for the purposes for which it was taken.

6. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

7. The Company has issued 1,500 unrated, listed, secured and redeemable non-convertible debentures of a face value of ₹ 10 lakhs each aggregating ₹ 15,000 lakhs on a private placement. These debentures carry a coupon rate of 11.60% p.a.. The Company has appointed IDBI Trusteeship Services Limited as Debenture Trustee which is also acting as the Security Trustee for aforesaid debenture Holders. The above listed and redeemable non-convertible debentures are secured by a first raking charge over: (a) 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. (b) Second charge on the current assets of the Company. (c) Guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. These debentures were redeemed during the year. The Loan is fully repaid during the year. Further, the charges against the Company's assets were satisfied as at March 31, 2026.

All amounts are in ₹ Lakhs unless otherwise stated

16. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Trade deposits	9,204	8,877
Guarantee obligation	567	432
Other payables	193	193
Liabilities under financial arrangement	847	-
Total	**10,811**	**9,502**
Current		
Trade deposits	304	266
Interest accrued but not due on borrowings	239	474
Unclaimed dividends (Refer note 1 below)	27	30
Capital creditors	941	395
Guarantee obligation	204	152
Supplier credit (Refer note 2 below)	16,442	16,806
Liabilities under financial arrangement	238	-
Others (Salaries, Wages, Bonus and Other Employee Payables, Derivative liability etc.,)	65	92
Total	**18,460**	**18,215**
Total other financial liabilities	**29,271**	**27,717**

Notes:

1. There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company as on March 31, 2026 and March 31, 2025."

2. The Company participates in a supplier finance arrangement under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Company and the Company repays the bank at a later date.

These arrangements provide the Company with extended payment terms, or the suppliers with early payment terms, compared to the related invoice payment due date.

From the Company's perspective, the arrangement extends payment terms beyond the normal terms agreed with other suppliers that are not participating and requires the Company to incur additional interest towards the bank on the amounts due to the suppliers. The Company therefore includes the amounts subject to the arrangement within other financial liability.

All payables under the arrangement are classified as current as at March 31, 2026 and March 31, 2025.

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of financial liabilities subject to supplier finance arrangement		
Presented within other financial liability	16,442	16,806
- of which suppliers have received the payment from the bank	16,442	*
Range of payment due dates		
Trade payables subject to supplier finance arrangement (days after invoice date)	Usance of upto 90 days from date of bill of exchange in case of domestic transactions and usance of upto 180 days from date of bill of exchange in case of import transactions.	*
Comparable trade payables (days after invoice date)	Upto 90 days	*

* The Company applied transitional relief available under Supplier Finance Arrangements (Amendments to Ind AS 7 and Ind AS 107) and has not provided comparative information in the first year of adoption.

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

4. Information about the Company's exposure to liquidity risk, market risk and fair value measurement is included in Note 31.

All amounts are in ₹ Lakhs unless otherwise stated

17. PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits:		
Gratuity (Refer note 33)	1,473	1,117
Compensated absences (Refer note 33)	825	579
Others:		
Liability for land restoration costs	357	325
Total provisions	**2,655**	**2,021**
Non-current		
Provision for employee benefits:		
Gratuity	1,157	886
Compensated absences	456	425
Others:		
Liability for land restoration costs	357	325
Total	**1,970**	**1,636**
Current		
Provision for employee benefits:		
Gratuity	316	231
Compensated absences	369	154
Total	**685**	**385**

PROVISION FOR LAND RESTORATION COSTS

The activities of the Company involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Company has assumed that the mine will be restored using technology and materials that are currently available. The provision has been calculated using a discount rate of 9.86% p.a. (March 31, 2025: 9.86% p.a), which is the risk-free rate. As per the requirement of Ind AS 37, the management has estimated such future expenses on a best judgment basis and provision thereof has been made in the accounts at their present value. The table below gives information about movement in land restoration cost provisions.

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	325	229
Add: Additions during the year	-	67
Add: Unwinding of discount	32	29
Less: Adjustment during the year	-	-
Less: Utilised during the year	-	-
Closing balance	**357**	**325**

18. TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 30)	3,208	2,104
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	14,662	13,399
Total trade payables	**17,870**	**15,503**

Note: Includes ₹ 1,016 (March 31, 2025: ₹ 1,094) trade payable and includes ₹ 12 (March 31, 2025: ₹ 12) rent payable to related party (Refer note 34).

(A) TRADE PAYABLES AGEING SCHEDULE FOR THE YEAR ENDED MARCH 31, 2026 AND MARCH 31, 2025:

FY 2025-26:

Particulars	Unbilled dues	Billed but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,564	643	1	-	-	3,208
(ii) Others	4,612	8,468	1,407	49	5	121	14,662
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**4,612**	**11,032**	**2,050**	**50**	**5**	**121**	**17,870**

All amounts are in ₹ Lakhs unless otherwise stated

FY 2024-25:

Particulars	Unbilled dues	Billed but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,410	694	-	-	-	2,104
(ii) Others	4,228	4,328	4,218	107	41	477	13,399
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**4,228**	**5,738**	**4,912**	**107**	**41**	**477**	**15,503**

(B) Information about the Company's exposure to liquidity risk, market risk and fair value measurement is included in Note 31.

19. OTHER LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Advance from customers (Refer note below)	4,162	4,818
Statutory Liabilities	844	3,325
Liability towards dealer incentive	1,965	1,447
Total	**6,971**	**9,590**
Total other liabilities	**6,971**	**9,590**

Note: Includes ₹ Nil (March 31, 2025: ₹ Nil) advance received from related party. Also refer note 34.

20. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised from contracts with customers		
Revenue from		
– Sale of cement and clinker (Refer note 38)	1,72,896	1,53,388
– Sale of power (Refer note 38)	208	647
– Sale of Services – Contract manufacturing (Refer note 38)	1,568	1,057
Other operating income		
– Income from trademark and staffing charges to subsidiary	843	741
– Sale of scrap	329	288
– Sale of coal (Refer note 34)	574	417
– Insurance claims	303	64
– Others	109	62
Total revenue from operations	**1,76,830**	**1,56,664**

21. OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income on financial assets at amortised cost	2,210	2,465
Unwinding of guarantee obligation	205	177
Unwinding of discount on Security deposit	-	-
Profit on sale of property, plant and equipments (net)	188	-
Gain on sale of Investments	3,676	-
Liabilities no longer required written back (net)	73	1
Net gain on fair value change in financial instruments	128	-
Miscellaneous income	19	20
Total other income	**6,499**	**2,663**

All amounts are in ₹ Lakhs unless otherwise stated

22. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening stock	1,427	950
Add: Purchases	41,515	34,611
Less: Closing stock	1,577	1,427
Total cost of materials consumed	**41,365**	**34,134**
Details of materials consumed:		
Limestone	7,223	7,154
Laterite	2,869	3,134
Iron-ore sludge	230	220
Gypsum	2,073	1,525
Fly ash	4,166	3,823
Clinker purchased	10,063	2,809
Slag	5,806	6,036
Others (includes internal clinker transportation charges)	9,027	9,523
Less: Captive consumption	(92)	(90)
Total	**41,365**	**34,134**

23A PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cement and Others	574	1,009
Total Purchase of stock-in-trade	**574**	**1,009**

23B CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year:		
Finished goods	1,717	1,505
Work-in-progress	3,869	5,749
	5,586	**7,254**
Inventories at the end of the year:		
Finished goods	1,616	1,717
Work-in-progress	3,254	3,869
	4,870	**5,586**
(Increase)/ decrease in inventory:		
Finished goods	101	(212)
Work-in-progress	615	1,880
Net decrease/(increase)	**716**	**1,668**

24 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages*	8,613	7,798
Contribution to provident and other funds (Refer note 33)*	1,064	975
Compensated absences*	408	228
Staff welfare expenses	1,129	897
Total employee benefits expense	**11,214**	**9,898**

* Refer Note 34 for Related party transactions

All amounts are in ₹ Lakhs unless otherwise stated

25. FINANCE COST

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on borrowings from banks and financial institutions (at amortised cost)	5,193	5,489
Interest on deposit from dealers (at amortised cost)	344	353
Interest on lease liability (Refer note 35)	180	77
Unwinding of discount on mine restoration provision	32	29
Other borrowing cost (Refer note 1 below)	2,040	2,201
	7,789	8,149
Less: Borrowing costs on qualifying assets capitalised (Included in above interest expense on borrowings)	(125)	-
Total finance cost	**7,664**	**8,149**

Notes:

1 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, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (Refer note 2)	11,149	11,598
Depreciation on right of use assets (Refer note 3 and 35)	229	167
Amortisation of intangible assets (Refer note 4A)	173	177
Total depreciation and amortisation	**11,551**	**11,942**

27. OTHER EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of packing materials	5,996	5,754
Consumption of Stores and spares	3,731	4,130
Repairs and maintenance		
- Plant and machinery	3,504	3,303
- Buildings	9	21
- Others	1,466	1,334
Sales promotion expenses	3,671	2,287
Expected credit loss allowance	331	(136)
Provision for incentives receivable from government	-	750
(Reversal)/ provision for impairment on capital advances	(306)	46
Provision for impairment on supplier advances	-	132
Advances written off	2	5
Rent (Refer note 35)	220	204
Insurance	396	369
Rates and taxes	1,102	256
Expenditure on corporate social responsibility (Refer note 37)	178	244
Payment to auditors (Refer note (i) below)	89	90
Travelling and conveyance	633	646
Security services	453	431
Donations and contributions	45	78
Legal and other professional charges	787	694
Administrative expenses	459	473
Printing and stationery	39	41
Communication	88	87
Net Loss on foreign currency transactions and translation	169	41
Net loss on fair value change in financial instruments	-	56
Directors sitting fees	37	30
Loss on sale of property, plant and equipments (net)	-	5
Miscellaneous expenses	44	18
Total other expenses	**23,143**	**21,389**

All amounts are in ₹ Lakhs unless otherwise stated

Note:

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
For audit	43	59
For limited reviews	33	12
For other services	5	16
Reimbursement of expenses	8	3
Total	**89**	**90**

27A EXCEPTIONAL ITEMS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
FPPCA charges (Refer note below)	-	2,091
Total exceptional items	**-**	**2,091**

Note: During the FY 2024-25, the Andhra Pradesh Electricity Regulatory Commission issued orders dated October 25, 2024 and 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) AMOUNTS RECOGNIZED IN THE STATEMENT OF PROFIT & LOSS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Amounts recognized in the statement of profit & loss		
Current tax:		
In respect of the current year	-	-
In respect of prior years	(940)	-
	(940)	**-**
Deferred tax		
In respect of current year origination and reversal of temporary differences	(2,095)	(5,277)
MAT Credit	-	-
	(2,095)	**(5,277)**
Total tax expense	**(3,035)**	**(5,277)**
(b) Amounts recognised in other comprehensive income		
Deferred tax income on remeasurements of defined benefit plans	7	(38)
Total	**7**	**(38)**

(B) RECONCILIATION OF EFFECTIVE TAX RATE:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/ (loss) before tax (A)	322	(13,825)
Enacted tax rates in India (B)	25.17%	34.94%
Expected tax expense (C = A*B)	81	(4,830)
Permanent difference		
Effect of non-deductible (income)/ expenses not taxable (net)	45	121
Effect of temporary differences for which no deferred tax is recognised previously	41	-
Effect on change in tax rate (Refer note (ii) below)	(3,985)	-
Recognition of previously unrecognised tax losses (net) (Refer note (i) below)	328	(21)
Current tax adjustments of earlier years	(940)	-
Derecognition of previously recognised tax credits	1,444	-
Others	(49)	(547)
Total	**(3,116)**	**(447)**
Total tax expense	**(3,035)**	**(5,277)**

All amounts are in ₹ Lakhs unless otherwise stated

(C) MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES FOR THE YEAR 2025-26:

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	21,428	(6,494)	-	-	14,934
Provision for employee benefits	(522)	(50)	(7)	-	(579)
Expected credit loss allowance	(436)	38	-	-	(398)
MAT credit entitlement	(8,708)	1,444	-	-	(7,264)
Right-of-use assets	(71)	524	-	-	453
Lease Liabilities	122	(393)	-	-	(271)
Carry forward business unabsorbed depreciation and business losses	(4,794)	2,479	-	-	(2,315)
Provision for impairment on other assets	(1,449)	494	-	-	(955)
Loans and borrowings	-	(38)	-	-	(38)
Others	(10)	(99)	-	-	(109)
Total Deferred tax liability (Net)	**5,560**	**(2,095)**	**(7)**	**-**	**3,458**

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)
Right-of-use assets	(51)	(20)	-	-	(71)
Lease Liabilities	54	68	-	-	122
Carry forward business unabsorbed depreciation and business losses	(89)	(4,705)	-	-	(4,794)
Provision for impairment on other assets	(1,086)	(363)	-	-	(1,449)
Others	(20)	10	-	-	(10)
Total Deferred tax liability (Net)	**10,799**	**(5,277)**	**38**	**-**	**5,560**

All amounts are in ₹ Lakhs unless otherwise stated

Note:

(i) The Company is carrying an amount of ₹ 9,579 (March 31, 2025: ₹ 13,502) as deferred tax assets on carry forward of business losses, unused tax credits and unabsorbed depreciation.
The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Based on the projections for future taxable income over the periods, the Company has recognised deferred tax assets as there is convincing evidence that sufficient taxable profit will be available against which the business loss, unused tax credits and unabsorbed depreciation can be utilised by the entity. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax assets.

(ii) During the year, the Company has exercised the option to be taxed under Section 115BAA of the Income-tax Act, 1961. Accordingly, deferred tax assets and liabilities have been remeasured using the tax rates expected to apply in the periods in which the temporary differences are anticipated to reverse. The consequential impact arising from such remeasurement has been recognised in the Statement of Profit and Loss.

(d) Income tax assets and liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax assets (Net of provision of ₹ 5,999 (2024-25: ₹ 5,999)	1,475	1,542
Income tax liabilities (Net of advance tax and TDS receivable of ₹ Nil (2024-25: ₹ 345)	-	(595)
Net Income tax liabilities	**1,475**	**947**

29. CONTINGENT LIABILITIES, CORPORATE GUARANTEES AND CAPITAL COMMITMENTS

A) CONTINGENT LIABILITIES:

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

i) Claims against the Company not acknowledged as debt:

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax	3,461	5,605
Indirect tax	3,560	1,716
Others	1,710	428

ii) The contingent liabilities disclosed above include, wherever applicable, the estimated interest amounting to ₹ 1,606 that may arise on the underlying obligations. The recognition and measurement of such interest have been considered in accordance with the principles outlined under Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, read with other relevant Ind AS guidance. The interest component included in the contingent liabilities is based on management's best estimate of the potential outflow of economic resources, considering the facts of each case, applicable contractual terms, and interpretations of relevant laws and regulations. Such estimates involve judgment, particularly with respect to the timing, applicability, and rate of interest under the respective statutes. The amounts disclosed are subject to inherent uncertainties and may vary based on the outcome of ongoing proceedings, changes in legal interpretations, or future judicial pronouncements.

iii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

B) CORPORATE GUARANTEES GIVEN TO SUBSIDIARY COMPANIES:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2026	As at March 31, 2025
Sagar Cements (M) Private Limited	Term loan from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	44,400	37,000
Andhra Cements Limited	Term loan and working capital facilities from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	97,500	70,500
Total			**1,41,900**	**1,03,500**

C) COMMITMENTS:

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,798	2,660

Refer note 33 for unconditional support letter to the Andhra Cements Limited, Subsidiary Company.

All amounts are in ₹ Lakhs unless otherwise stated

30. DISCLOSURES REQUIRED UNDER SECTION 22 (DUES TO MICRO AND SMALL) OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006:

This information has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	3,208	2,104
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.	-	-

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 recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xvii) to the financial statements.

(I) CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital (total equity) includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt-equity ratio, which is total debt less cash and cash equivalents and other bank balances divided by total equity

The Company's debt to equity ratio i.e. capital gearing ratio as at March 31, 2026 and March 31, 2025 is as follows:

Description	As at March 31, 2026	As at March 31, 2025
Debt (Refer Note below)	49,692	48,330
Cash and cash equivalents and Other bank balances	802	13,062
Net debt	48,890	35,268
Total equity	**1,64,481**	**1,61,136**
Net debt to equity ratio	0.30	0.22

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

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders to manage interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

(II) No interim or final dividends have been declared by the Company during the financial year ended March 31, 2026 and March 31, 2025.

All amounts are in ₹ Lakhs unless otherwise stated

Financial instruments:

a) Classification of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2026	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Totalw
Financial assets								
(i) Derivative asset	128	-	-	128	-	128	-	128
(ii) Loans	-	-	31,102	31,102	-	-	-	-
(iii) Trade receivables	-	-	16,979	16,979	-	-	-	-
(iv) Cash and cash equivalents	-	-	328	328	-	-	-	-
(v) Other bank balances	-	-	474	474	-	-	-	-
(vi) Other financial assets	-	-	6,310	6,310	-	-	-	-
Total Financial assets	**128**	**-**	**55,193**	**55,321**	**-**	**128**	**-**	**128**
Financial liabilities								
(i) Borrowings*	-	-	49,692	49,692	-	-	-	-
(ii) Trade payables	-	-	17,870	17,870	-	-	-	-
(iii) Lease liabilities	-	-	2,045	2,045	-	-	-	-
(iv) Other financial liabilities	-	-	29,271	29,271	-	-	-	-
Total Financial liabilities	**-**	**-**	**98,878**	**98,878**	**-**	**-**	**-**	**-**

All amounts are in ₹ Lakhs unless otherwise stated

As at March 31, 2025	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Totalw
Financial assets								
(i) Loans	-	-	17,017	17,017	-	-	-	-
(ii) Trade receivables	-	-	15,480	15,480	-	-	-	-
(iii) Cash and cash equivalents	-	-	6,658	6,658	-	-	-	-
(iv) Other bank balances	-	-	6,404	6,404	-	-	-	-
(v) Other financial assets	-	-	3,850	3,850	-	-	-	-
Total Financial assets	**-**	**-**	**49,409**	**49,409**	**-**	**-**	**-**	**-**
Financial liabilities								
(i) Derivative liability	66	-	-	66	-	66	-	66
(ii) Borrowings*	-	-	48,330	48,330	-	-	-	-
(iii) Trade payables	-	-	15,503	15,503	-	-	-	-
(iv) Lease liabilities	-	-	1,681	1,681	-	-	-	-
(v) Other financial liabilities	-	-	27,651	27,651	-	-	-	-
Total Financial liabilities	66	-	93,165	93,231	-	66	-	66

The Company has not disclosed the fair values of financial instruments such as trade receivables, loans, cash and cash equivalents, bank balances other than cash and cash equivalents, incentives receivable bank cash credits, payable for capital expenditure and trade payables, because their carrying amounts are a reasonable approximation of fair value.

* The amortised cost of long term borrowings with banks accounted using effective interest rate method are considered to be at their fair values.

All amounts are in ₹ Lakhs unless otherwise stated

b) Fair value measurements

Set out above, is the comparison of the fair values of the financial assets and liabilities included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques. The Company has established the following fair value hierarchy that categorises the values into 3 levels.

The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all securities which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date. The are no investments as on March 31, 2026 and March 31, 2025.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

c) Fair value hierarchy

Quantitative disclosures of fair value measurement hierarchy-Level 2 for financial instruments.

Particulars	Notes	As at March 31, 2026	As at March 31, 2025	Level	Valuation techniques and key inputs
Financial Assets					
Measured at fair value through profit and loss (FVTPL)					
Derivative asset	6	128	-	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

Particulars	Notes	As at March 31, 2026	As at March 31, 2025	Level	Valuation techniques and key inputs
Financial liabilities					
Measured at fair value through profit and loss (FVTPL)					
Derivative liability	16	-	66	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

Valuation inputs and relationships to fair value:

The Company enters into derivative financial instruments with various counterparties principally, banks with investment grade credit ratings. The following table summarises the valuation technique used in measuring the fair value of the financial instruments, as well as the significant unobservable inputs used.

Particulars	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in respective currencies.	Not applicable	Not applicable

There was no transfer between level 1 and level 2 fair value measurement for the years ended March 31, 2026 and March 31, 2025.

Financial risk management objectives:

The Company's financial liabilities primarily comprise borrowings, lease liabilities, security deposits, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets primarily include trade and other receivables, cash and cash equivalents and Investments.

All amounts are in ₹ Lakhs unless otherwise stated

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company has a Risk management policy, and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

The Company's exposure to the risk of changes in market rates relates primarily to the Company's non-current debt obligations with floating interest rates.

Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates.

The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company has not used any interest rate derivatives.

Exposure of Interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed-rate instruments		
Assets		
Fixed deposits	3,372	12,912
Liabilities		
Non-current borrowings	280	1,648
Variable-rate instruments		
Non-current borrowings (including current maturities of long term debt)	25,955	21,563
Current borrowings	23,457	25,119

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (increased)/ decreased loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Impact on profit or loss before tax	(494)	494	(467)	467
Impact on equity, net of tax	(370)	370	**(304)**	**304**

(ii) Foreign Currency risk:

The functional currency of Company is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are Indian Rupees. Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels (i.e. Coal) & spare parts and capital expenditure if any, when a derivative is entered into for the purpose of being a

All amounts are in ₹ Lakhs unless otherwise stated

hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments to hedge exposure to foreign currency risk.

Outstanding foreign currency exposure	As at March 31, 2026	As at March 31, 2025
Trade Payables		
USD	4,914	3.286
Capital Payables		
USD	300	135
Less: Derivatives – Foreign currency forward contracts	4,905	3,286
Net exposure in financial liabilities	309	135

Foreign currency sensitivity on unhedged exposure:
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. For 5% increase or decrease in foreign exchange rates will have the following impact on profit before tax and equity, net of tax.

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Strengthening	Weakening	Strengthening	Weakening
Impact on profit or loss before tax	15	(15)	7	(7)
Impact on equity, net of tax	12	(12)	**4**	**(4)**

Note: If the rate is decreased by 100 bps profit will decrease by an equal amount.

Credit risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks and investments in equity securities. The Company has no significant concentration of credit risk with any counterparty. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables: Customer credit risk is managed by the respective department subject to Company's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses. The Company does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Company's net sales. Refer Note 10 for disclosure related to Expected credit losses.

Cash and cash equivalents and deposits with banks: Credit Risk on cash and cash equivalent and term deposits is generally low as these are kept with banks who have been assigned high credit rating by international and domestic rating agencies. Investments of surplus funds are made only with Financial Institutions approved by Reserve Bank India. Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Loans: All of the Company's loans at amortised cost are considered to have low credit risk, and the loss allowance, if any, is limited to 12 months' expected losses. Management considers instruments to be low credit risk when they have a low risk of default, and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

Security deposits: It consists of rent, electricity and other deposits. The Group does not expect any financial loss as the said deposits are given only to credible vendors/ service providers.

Credit Risk on Derivative Instruments is generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

All amounts are in ₹ Lakhs unless otherwise stated

Liquidity risk:

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Company manages liquidity risk by maintaining adequate cash and cash equivalents, monitoring forecast and actual cash flows, and aligning the maturity profiles of financial assets and liabilities.

During the year ended March 31, 2026, there were deviations in compliance with certain financial ratios, under the Company's borrowing arrangements. These deviations did not result in any payment defaults. Prior to the reporting date, the Company has obtained appropriate waivers from its lenders for such non-compliances. Accordingly, the borrowings continue to be classified in accordance with their contractual terms of repayment.

The Management monitors the Company's liquidity position on an ongoing basis and believes that the Company has adequate resources, including expected cash flows from operations and available credit facilities, to meet its financial obligations as they fall due.

Maturity profile of financial liabilities:

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted cash.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2026 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	17,870	-	-
Other financial liabilities	18,460	1,070	9,741
Lease liabilities	649	502	1,567
Borrowings (including current maturities of non-current borrowings)	30,742	6,881	19,972

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	15,503	-	-
Other financial liabilities	18,215	756	8,746
Lease liabilities	469	461	1,532
Borrowings (including current maturities of non-current borrowings)	33,487	3,642	11,201

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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
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. (2024-25: 10% p.a.)	4,624	6,530	6,530	6,530
Andhra Cements Limited (For its requirement of implementation of resolution plan, capex and other general corporate purpose, carrying interest @ 10% p.a.) (2024-25: 10% p.a.)	26,312	9,502	26,312	9,502

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

All amounts are in ₹ Lakhs unless otherwise stated

33. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:

The employee benefit schemes are as under:

(I) DEFINED CONTRIBUTION PLAN:

Provident Fund

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 436 (2024–25: ₹ 414).

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 recognized during the year aggregated ₹ 86 (2024–25: ₹ 66).

Employee State Insurance

The Company makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognized during the year aggregated ₹ 2 (2024–25: ₹ 2).

(II) DEFINED BENEFIT PLAN:

Gratuity:

The Company has a defined retirement benefit gratuity plan. The gratuity plan is governed by the Code of Social Security, 2020. Under the Code of Social Security, 2020, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with insurance companies in the form of qualifying insurance policy for employees. The Gruity plan is administered by the Life Insurance Corporation of India (LIC) through trust.

The defined benefit plan exposes the Company to actuarial risk such as longevity risk, currency risk, interest rate risk and market risk.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as per actuarial valuation as at March 31, 2026 and March 31, 2025:

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discount rate	7.51%	6.83%
Rate of escalation in salary	9.61%	8.52%
Attrition rate	13.47%	10.92%

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, 2026	For the year ended March 31, 2025
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	284	296
Interest expense	109	116
Other adjustments	18	14
Expected return on plan assets	(55)	(65)
Defined benefit cost included in profit and loss	**356**	**361**
Amounts recognized in Other Comprehensive Income (OCI) are as follows:		
Remeasurements – Due to financial adjustments	44	(160)
Remeasurements – Due to demographic adjustments	(26)	15
Remeasurements – Due to experience adjustments	6	38
Return on plan assets (excluding interest income)	(5)	(3)
Components of defined benefit costs recognised in OCI	**19**	**(110)**

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of funded defined benefit obligations	2,279	1,987
Fair value of plan assets	(806)	(870)
Net liability arising from defined benefit obligation	1,473	1,117

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined benefit obligation at the beginning of the year	1,987	1,882
Current service cost	284	296
Interest cost	109	116
Remeasurements – Due to financial adjustments	44	(160)
Remeasurements – Due to demographic adjustments	(26)	15
Remeasurements – Due to experience adjustments	6	38
Benefits paid out of plan assets and by employer	(125)	(200)
Defined benefit obligation at the year end	**2,279**	**1,987**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Within 1 year	319	234
1 – 2 years	292	230
2 – 3 years	342	256
3 – 4 years	284	207
4 – 5 years	200	202
5 – 10 years	761	681

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening fair value of the plan assets	870	989
Expected return on plan assets	55	65
Benefits paid out of plan assets	(125)	(182)
Re-measurement – Return on Assets (excluding interest income)	5	3
Other adjustments	1	(5)
Fair value of plan asset at the year end	**806**	**870**

g) Sensitivity Analysis:

For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation presented under net defined liability. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

There was no change in the methods and assumptions used in the preparation of the sensitivity analysis from previous year.

Particulars	Defined Benefit Obligation			
	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,841	2,011	1,577	1,748
Effect of 1% change in assumed salary rate	2,020	1,831	1,745	1,575
Effect of 1% change in assumed attrition rate	1,913	1,932	1,651	1,666
Effect of 1% change in assumed mortality rate	1,922	1,923	1,658	1,658

The average duration of the benefit obligation at the end of the reporting period is 5 years (March 31, 2025: 6 years).

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Insurer managed funds (Funded with LIC)*	806	870

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

i) Asset Liability matching strategy: The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully refund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

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

All amounts are in ₹ Lakhs unless otherwise stated

Name	Relationship
Jens Van Nieuwenborgh	Nominee Director
John Eric Fernand Pascal Cesar Bertrand	Director (Upto October 21, 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
RV Consulting Services Private Limited	Enterprise in which KMP of the Company exercise control
Additional related parties – As per Companies Act, 2013	
Panchavati Polyfibres Limited	Enterprise in which KMP of the Company is a director or member
Sagar Power Limited	Enterprise in which KMP of the Company is a director or member
Sagarsoft (India) Limited	Enterprise in which KMP of the Company is a director or member
AVH Resources India Private Limited	Enterprise in which KMP of the Company is a director or member

SUMMARY OF THE TRANSACTIONS WITH THE ABOVE PARTIES ARE AS FOLLOWS:

Nature of transaction	Party Name	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of packing materials	Panchavati Polyfibres Limited	4,021	4,805
Purchase of property, plant and equipment	Andhra Cements Limited	-	10
	RV Consulting Services Private Limited	2,036	-
	Total	**2,036**	**10**
Sale of property, plant and equipment	Sagar Cements (M) Private Limited	3	-
Purchase of spares	Andhra Cements Limited	8	-
Rent expenses paid	Dr. S. Anand Reddy	47	45
	S. Sreekanth Reddy	47	45
	S. Vanajatha	47	45
	Total	**141**	**135**
Legal and professional expenses	Sagarsoft (India) Limited	78	78
Income from services	Sagar Cements (M) Private Limited	287	236
	Andhra Cements Limited	557	505
	Total	**844**	**741**
Sale of Coal	Andhra Cements Limited	574	417
Sale of spares	Andhra Cements Limited	28	7
Purchase of clinker	Andhra Cements Limited	10,108	2,525
Reimbursement of expenses received	Sagarsoft (India) Limited	11	10
	RV Consulting Services Private Limited	-	7
	Sagar Power Limited	1	2
	Panchavati Polyfibres Limited	2	10
	Andhra Cements Limited	2	2
	Total	**16**	**31**

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party Name	For the year ended March 31, 2026	For the year ended March 31, 2025
Financial assets – Loan given	Andhra Cements Limited	14,998	3,702
	Sagar Cements (M) Private Limited	560	2,565
	K. Prasad	-	80
	J. Raja Reddy	20	-
	Total	**15,578**	**6,347**
Financial assets – Repayment of loan given	Andhra Cements Limited	-	200
	Sagar Cements (M) Private Limited	2,600	965
	K. Prasad	5	50
	J. Raja Reddy	3	-
	Total	**2,608**	**1,215**
Corporate guarantee given	Andhra Cements Limited	27,000	4,000
	Sagar Cements (M) Private Limited	7,400	-
	Total	**34,400**	**4,000**
Interest income on loan	Sagar Cements (M) Private Limited	497	530
	Andhra Cements Limited	1,093	683
	Total	**1,590**	**1,213**
Payment of salary	S. Siddarth Reddy	31	26
Dividend paid	S. Vanajatha	-	35
	RV Consulting Services Private Limited	-	85
	S. Siddarth	-	29
	Panchavati Polyfibres Limited	-	1
	AVH Resources India Private Limited	-	180
	Dr. S. Anand Reddy	-	51
	S. Sreekanth Reddy	-	49
	Rachana Sammidi	-	46
	Total	**-**	**476**

COMPENSATION TO KEY MANAGERIAL PERSONNEL IS AS FOLLOWS:

Nature of transaction	Party Name	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term benefits	MD, JMD, CS and CFO	1,161	939
Post-employment benefits	MD, JMD, CS and CFO	156	223
Other long term employment benefits	MD, JMD, CS and CFO	15	-
Sitting fee	Chairman and Directors	37	31

OUTSTANDING BALANCES:

Nature of the balance	Party Name	As at March 31, 2026	As at March 31, 2025
Financial assets - Loan	Sagar Cements (M) Private Limited	4,490	6,530
	Andhra Cements Limited	24,500	9,502
	K. Prasad	25	30
	J. Raja Reddy	17	-
	Total	**29,032**	**16,062**
Other financial assets - Advances	RV Consulting Services Private Limited	-	27
	Andhra Cements Limited	-	2,155
	Total	**-**	**2,182**
Interest accrued but not due	Sagar Cements (M) Private Limited	134	-*
	Andhra Cements Limited	1,812	829
	Total	**1,946**	**829**
Rent Payable	Dr. S. Anand Reddy	4	4
	S. Sreekanth Reddy	4	4
	S. Vanajatha	4	4
	Total	**12**	**12**

All amounts are in ₹ Lakhs unless otherwise stated

Nature of the balance	Party Name	As at March 31, 2026	As at March 31, 2025
Trade payables	Panchavati Polyfibres Limited	841	1,080
	Sagarsoft (India) Limited	7	7
	Andhra Cements Limited	159	-
	John Eric Fernand Pascal Cesar Bertrand	4	4
	Jens Van Nieuwenborgh	5	3
	Total	**1,016**	**1,094**
Trade Receivable	Sagar Cements (M) Private Limited	37	26
Capital Payables	RV Consulting Services Private Limited	55	-
Corporate guarantee (Refer Note 29)	Sagar Cements (M) Private Limited	44,400	37,000
	Andhra Cements Limited	97,500	70,500
	Total	**1,41,900**	**1,07,500**

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

During the year, the Company has provided an unconditional support letter to the Andhra Cements Limited, Subsidiary Company.

35. LEASE

The Company has lease contracts for various items of plant and machinery, Leasehold land and buildings used in its operations with lease terms between 2 and 69 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of buildings with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases. There are no low-value or variable lease expenses for the Company.

For building leases, the Company has used an incremental borrowing rate determined based on its average borrowing cost adjusted for lease specific factors.

For certain plant and machinery leases, where the fair value or cost of the underlying asset and lease payment structure are available in the lease arrangement, the interest rate implicit in the lease has been determined and used for measurement of the lease liability.

Following are the movement in the carrying value of right of use assets during the year:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	2,357	584
Additions	721	1,940
Depreciation	(229)	(167)
Closing balance	**2,849**	**2,357**

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

The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31, 2025:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	1,681	107
Additions	720	1,896
Interest expense	180	77
Payments including Interest expense	(536)	(399)
Closing balance	**2,045**	**1,681**

The following is the break-up of current and non-current lease liabilities as at March 31, 2026 and March 31, 2025:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Non-current	1,521	1,232
Current	524	449
Total	**2,045**	**1,681**

All amounts are in ₹ Lakhs unless otherwise stated

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on undiscounted basis

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	649	469
After one year but not more than five years	1,805	1,416
More than 5 years	264	577

Amount recognised in statement of profit and loss account:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Amortization of right of use assets	229	167
Interest on lease liability	180	77
Expense relating to short term lease (included in other expenses)	220	204

Impact on statement of cash flows:

Particulars	As at March 31, 2026	As at March 31, 2025
Payment of principal portion of lease liabilities	356	399
Payment of interest portion of lease liabilities	180	-
Payment of short term lease	220	204

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

36. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(Loss)/ profit after tax (₹ in lakhs)	3,357	(8,548)
Weighted average number of equity shares outstanding (Refer Note 13(a))	13,07,07,548	13,07,07,548
Earnings per share:		
Basic (in ₹)	2.57	(6.54)
Diluted (in ₹)	2.57	(6.54)

37. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

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, 2026	For the year ended March 31, 2025
Amount required to be spent by the company during the year	Not applicable	96
Amount approved by the board to be spent during the year	178	244
Amount of expenditure incurred during the year on:		
– Construction/acquisition of any asset	-	-
– On purposes other than above	178	244
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Not applicable	Not applicable
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	Not applicable	Not applicable
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	Not applicable	Not applicable

There are no ongoing projects as on March 31, 2026 and 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, 2026	For the year ended March 31, 2025
Revenue as per contracted price	2,01,624	1,76,901
Less: Discounts and incentives	(26,952)	(21,809)
Total revenue from contracts with customers	**1,74,672**	**1,55,092**

- The Company is primarily in the business of manufacture and sale of cement and cement related products. The product shelf life being short, all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery.
- Contract price is determined as per terms agreed with the customer adjusted for discounts and rebates as applicable.
- 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.
- Company's contracts for the sale of goods are typically short-term in nature, with a duration of less than one year. Accordingly, the Company has applied the practical expedient provided under Ind AS 115 and has not disclosed the transaction price allocated to remaining performance obligations.

(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, 2026	For the year ended March 31, 2025
Goods transferred at a point in time	1,73,104	1,54,035
Services transferred at a point in time	1,568	1,057

(C) MOVEMENT IN CONTRACT LIABILITIES:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	4,818	3,413
Movement during the year, net	(656)	1,405
Closing balance	4,162	4,818

The amount of revenue recognised during the year against the advance from customers outstanding at the beginning of the year is ₹ 4,075 (March 31, 2025: ₹ 2,659). 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 dividend recognized as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Final dividend for FY 2023-24 (₹ 0.70 per equity share of ₹ 2 each)	-	915

All amounts are in ₹ Lakhs unless otherwise stated

40. CAPITAL WORK-IN-PROGRESS:

(A) MOVEMENT OF CAPITAL WORK-IN-PROGRESS (CWIP):

Particulars	Amount (₹)
Balance as on April 01, 2024	**1,440**
Add: Additions during the year (net)	4,450
Less: Capitalised	4,289
Balance as on March 31, 2025	**1,601**
Add: Additions during the year (net)	10,793
Less: Capitalised	3,258
Balance as on March 31, 2026	**9,141**

(B) CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE:

Ageing for capital work-in-progress as at March 31, 2026 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	8,085	285	81	690	9,141

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

There are no projects where activity has been suspended during the year.

Notes:

a. The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

b. There are no suspended projects as at March 31, 2026 and March 31, 2025.

41. RELATIONSHIP WITH STRUCK OFF COMPANIES:

Name of Struck off Company	Nature of transactions	Balance outstanding as at March 31, 2026 *	Balance outstanding as at March 31, 2025 *
Marble Estate India Limited	Customer	(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.

All amounts are in ₹ Lakhs unless otherwise stated

42. KEY FINANCIAL RATIOS:

Ratio	Numerator	Denominator	For the year ended March 31, 2026	For the year ended March 31, 2025	% of Variance	Refer Note
Current Ratio (times)	Current Assets	Current Liabilities excl. Current Borrowings	1.04	1.16	(11%)	-
Debt-Equity Ratio (times)	Debt [1]	Net Worth [2]	0.30	0.29	3%	-
Debt Service Coverage Ratio (times)	Earnings before exceptional items, depreciation, interest and tax	Interest expense + Principal repayment [3]	1.12	0.46	156%	1
Return on Equity Ratio (ROE) (times)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.02	(0.05)	140%	1
Inventory turnover ratio (times)	Sales of Products and Services	Average Inventory [4]	9.34	8.04	16%	-
Trade Receivables turnover ratio (times)	Sales of Products and Services	Average Trade Receivable [5]	9.90	9.00	10%	-
Trade payables turnover ratio (times)	Purchase	Average Trade Payables [6]	8.11	5.18	57%	1
Net capital turnover ratio (times)	Sales of Products and Services	current assets - current liabilities	(6.56)	(5.90)	11%	-
Net profit ratio (%)	Profit after tax	Sales of Products and Services	1.92%	(5.51%)	135%	1
Return on Capital employed (times)	Earnings before interest and taxes	Average Capital Employed [7]	0.04	(0.03)	238%	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

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

1. During the financial year ended March 31, 2026, there had been an increase in the sales price when compared to the previous financial year, this resulted in an increase in the operating margins, resulting into variations in ratios as reported above.

43. Operating segments are components of the Company that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete information is available. The management has considered that the Company has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further, the Company is engaged in single product line of manufacturing and selling cement and its customers and non-current assets are located in India only.

44. On November 21, 2025, the Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as "the Labour Codes"), subsuming the existing labour laws. Further, the Ministry of Labour and Employment has notified the Rules under the said Codes on May 8, 2026.

The Company has assessed the potential impact of the aforesaid Labour Codes based on the provisions notified, the Rules framed thereunder, related clarifications and legal opinion obtained, in accordance with the guidance issued by the Institute of Chartered Accountants of India.

Based on such assessment, there is no incremental impact identified on the Company's obligations towards gratuity and compensated absences as at the reporting date.

45. The Board of Directors of the Company in their meeting on March 30, 2026 has accorded in-principle approval for the proposed merger of its subsidiary Andhra Cements Limited (ACL) with the Company subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013.

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 and 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.

All amounts are in ₹ Lakhs unless otherwise stated

47. PREVIOUS PERIOD FIGURES HAVE BEEN REGROUPED/RECLASSIFIED TO CONFORM TO CURRENT YEAR'S CLASSIFICATION AS UNDER:

Note No	Note Description	Previously Reported Amount	Revised Amount	Change	Particular
6	Loans - Non-current	16,109	16,938	829	Reclassification of Interest accrued but not due on loans given to subsidiaries of ₹ 829 from Other financial assets - Current.
7	Other financial assets - Current	1,367	1,027	(340)	(i) Reclassification of Advance to employees of ₹ 77 to Other assets - Current. (ii) Reclassification of Interest accrued but not due of ₹ 996 from Other financial assets - Current to below: a) Interest accrued but not due on power deposits of ₹ 155 included in the Security deposits reported in Other financial assets - Current. b) Interest accrued but not due on other bank balance deposits of ₹ 12 to Other bank balances and included in the Margin Money deposits. c) Interest accrued but not due on loans given to subsidiaries of ₹ 829 to Loans - Non-current and included in the Loans to Subsidiary Companies. (iii) Reclassification of Incentives receivable from government of ₹ 578 from Other assets - Current.
8	Other assets - Current	4,901	4,400	(501)	(i) Reclassification of Incentives receivable from government of ₹ 578 to Other financial assets - Current. (ii) Reclassification of Advance to employees of ₹ 77 from Other financial assets - Current.
12	Other bank balances	6,392	6,404	12	Reclassification of Interest accrued but not due on other bank balance deposits of ₹ 12 from Other financial assets - Current and included in Margin money deposits.
16	Other financial liabilities - Current	1,409	18,215	16,806	Reclassification of Supplier finance credit of ₹ 16,806 from Trade Payables - Current.
17	Provisions - Non-current	1,311	1,636	325	Reclassification of Liability for mining restoration costs of ₹ 325 from Other liabilities - Non-current.
18	Trade Payables - Current	33,756	15,503	(18,253)	(i) Reclassification of Supplier finance credit of ₹ 16,806 to Other financial liabilities - Current. (ii) Reclassification of Liability towards dealer incentive of ₹ 1,447 to Other liabilities - Current.
19	Other liabilities – Non-current	325	-	(325)	Reclassification of Liability for mining restoration costs of ₹ 325 to Provisions - Non-current.
19	Other liabilities - Current	8,143	9,590	1,447	Reclassification of Liability towards dealer incentive of ₹ 1,447 from Trade Payables - Current.

48. These financial statements were approved by the Company's Board of Directors on May 13, 2026.

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 13, 2026

Place: Hyderabad
Date: May 13, 2026

To the Members of Sagar Cements Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Sagar Cements Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, 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.

Revenue Recongition - Discounts and Rebates	
See Notes 19 and 40 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group recognises revenue from sale of goods on the transfer of control of goods to customers in accordance with Ind AS 115. Revenue is measured at the transaction price, including the impact of discounts and rebates, which represent variable consideration under the standard. The Group operates across multiple marketing regions and offers various discount and rebate schemes based on factors such as region, product, customer profile, volume, seasonality and market conditions. These schemes form an integral part of the transaction price. Revenue recognition requires careful evaluation due to the high volume of transactions, diverse discount and rebate structures, and the complexity of accurately identifying and applying the relevant schemes across multiple regions, with a combination of automated and manual processes. Considering the significance of revenue to the consolidated financial statements and the risk of misstatement arising from incorrect application or computation of discounts and rebates, this matter was determined to be a key audit matter.	Our audit procedures included: • Assessing the compliance of the Group's accounting policies relating to discounts and rebates with applicable accounting standards. • Assessing the design and implementation and testing the operating effectiveness of general IT controls, key manual and application controls over provisions, approvals and settlement of discounts and rebates. • Performing substantive audit procedures by selecting statistical samples of discounts and rebates recorded during the year and matching key terms with approved schemes, underlying documents and credit notes issued by the Group. • Assessing the Group's computations for accrual of discounts and rebates, on a statistical sample basis, and comparing the year end accruals made with the approved schemes. • Comparing historical trends of discount and rebate payments and reversals with provisions recorded to assess the appropriateness of current year accruals. In addition, performing substantive audit procedures by selecting all items from the reciprocal population and tracing these to revenue recognised and contract liabilities as at the reporting date to identify any unrecorded discounts or rebates. • Assessing the reasonableness of discounts and rebates recognised during the year by comparing expectations based on historical trends with actual amounts recognised and investigating any significant or unusual fluctuations. • Testing manual journal entries posted to revenue to identify unusual items. • Assessing the adequacy of related disclosures in the consolidated financial statements.

Recoverability of Deferred Tax Assets	
See Note 28 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
Deferred tax assets as at March 31, 2026 include an amount of ₹ 32,357 lakhs pertaining to Andhra Cements Limited ("ACL"), one of the subsidiaries of the Group. Recognition of deferred tax assets in accordance with Ind AS 12 requires management to assess whether it is probable that sufficient future taxable profits will be available to utilise carried forward unused tax losses and unabsorbed depreciation within the prescribed time limits under the Income tax act. This assessment involves significant judgement and estimation, particularly in forecasting future taxable profits based on assumptions relating to revenue growth, capacity utilisation, gross margin, etc. Considering the significance of the deferred tax asset balance, the history of losses, and the judgement and complexity involved in evaluating future taxable profits and the recoverability of deferred tax assets, the matter is considered to be a key audit matter.	Our audit procedures included: • Assessing the design and implementation and testing the operating effectiveness of management review controls over key inputs and assumptions used in preparing projections of future taxable profits. • Evaluating the reasonableness of management's projections by comparing historical forecasts with actual results and assessing consistency with approved budgets and business plans. • Reading minutes of meetings to verify approval of budgets by the Board of Directors. • Performing sensitivity analysis on key assumptions to assess the impact of reasonably possible changes on recoverability of deferred tax assets. • Testing the accuracy of deferred tax computations, including applicable tax rates, utilisation periods and reconciliation with tax records. • Assessing the adequacy of related disclosures in the consolidated financial statements.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report which includes statutory reports such as Management discussion and analysis, Business responsibility and sustainability report, Corporate governance and Board's report, but does not include the financial statements and auditor's reports 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 in the 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and 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 each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated 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 Management and Board of Directors of the Holding Company, 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 each company 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 intends to liquidate the Company 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 responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES 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 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 judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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.

We communicate with those charged with governance of the Holding Company 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2025 were audited by the predecessor auditor who had expressed an unmodified opinion on 12 May 2025.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, 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.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Holding Company on 01 April 2026 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group. Refer Note 29(a) to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2026.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2026. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India during the year ended 31 March 2026.

d (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 49(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 Holding Company or any of such subsidiary companies 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 Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 49(v) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures 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 (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instances mentioned below, the Group has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

i. In case of an accounting software used for general ledger, audit trail (edit log) facility was not enabled at the application level for certain fields relating to master data.

Further, the audit trail (edit log) facility at the database level was not enabled for certain fields in tables relating to books of account. Accordingly, we are unable to comment on whether there were any instances of the audit trail logs being tampered with.

ii. In the absence of an independent auditor's report from 1 January 2026 to 31 March 2026 in relation to controls at a service organization for an accounting software used for maintaining the books of account relating to leave records of employees, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled at the database level to log any direct data changes and operated from 1 January 2026 to 31 March 2026 for all relevant transactions recorded in the software. Further, as per the independent auditor's report for the period from 1 April 2025 to 31 December 2025, the feature of recording audit trail (edit log) facility was enabled at the database level from 3 April 2025.

Further, for the periods where the audit trail (edit log) facility was enabled and operated for the respective accounting software and except for sub-paragraph (i) above, we did not come across any instance of the audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Group as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN: 26218685JLVFGM2103

Place: Hyderabad
Date: 13 May 2026

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by us under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Sagar Cements Limited	L26942TG1981PLC002887	Holding Company	Clause (vii)(a)
2.	Sagar Cements Limited	L26942TG1981PLC002887	Holding Company	Clause (vii)(b)
3.	Andhra Cements Limited	L26942AP1936PLC002379	Subsidiary	Clause (vii)(a)
4.	Andhra Cements Limited	L26942AP1936PLC002379	Subsidiary	Clause (xvii)
5.	Andhra Cements Limited	L26942AP1936PLC002379	Subsidiary	Clause (xix)

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN: 26218685JLVFGM2103

Place: Hyderabad
Date: 13 May 2026

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act
(Referred to in paragraph 2(A)(i)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Sagar Cements Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 consolidated 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 financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN: 26218685JLVFGM2103

Place: Hyderabad
Date: 13 May 2026

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	3,05,498	2,95,720
(b) Capital work-in-progress	43	11,577	12,324
(c) Right-of-use assets	3	5,406	2,794
(d) Goodwill	4B	4,162	4,162
(e) Intangible assets			
(i) Mining rights	4A	7,761	8,132
(ii) Other Intangible assets	4A	33	44
(f) Financial assets			
(i) Loans	5	98	77
(ii) Other financial assets	6	5,220	5,029
(g) Deferred tax assets (net)	28	22,629	15,458
(h) Other tax assets (net)	28	1,475	1,542
(i) Other non-current assets	7	10,675	2,741
Total Non-current assets		**3,74,534**	**3,48,023**
Current assets			
(a) Inventories	8	31,271	27,360
(b) Financial assets			
(i) Trade receivables	9	22,594	20,417
(ii) Cash and cash equivalents	10	352	7,049
(iii) Bank balances other than (ii) above	11	1,517	9,376
(iv) Loans	5	68	79
(v) Other financial assets	6	12,514	1,324
(c) Other tax assets (net)	28	487	83
(d) Other current assets	7	7,190	3,949
Total Current assets		**75,993**	**69,637**
TOTAL ASSETS		**4,50,527**	**4,17,660**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	2,614	2,614
(b) Other equity	13A	1,66,678	1,69,667
Equity attributable to owners of the Company		**1,69,292**	**1,72,281**
Non-controlling interests	13B	16,800	7,152
Total Equity		**1,86,092**	**1,79,433**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14A	1,22,978	99,151
(ii) Lease liabilities	35	2,744	1,318
(iii) Other financial liabilities	15	11,616	9,936
(b) Provisions	16	3,059	2,355
(c) Deferred tax liabilities (net)	28	3,458	5,560
Total Non-current liabilities		**1,43,855**	**1,18,320**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14B	44,221	43,649
(ii) Lease liabilities	35	892	462
(ii) Trade payables	17		
(a) total outstanding dues of micro enterprises and small enterprises; and		7,143	3,208
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		27,457	29,543
(iv) Other financial liabilities	15	29,297	28,803
(b) Other current liabilities	18	10,731	13,160
(c) Provisions	16	839	487
(d) Current tax liabilities (net)	28	-	595
Total Current liabilities		**1,20,580**	**1,19,907**
Total Liabilities		**2,64,435**	**2,38,227**
TOTAL EQUITY AND LIABILITIES		**4,50,527**	**4,17,660**
Summary of material accounting policies	1		
The accompanying notes are an integral part of these consolidated financial statements			

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 13, 2026

Place: Hyderabad
Date: May 13, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from operations	19	2,65,002	2,25,764
II	Other income	20	2,155	2,143
III	**Total Income (I + II)**		**2,67,157**	**2,27,907**
IV	**Expenses**			
	(a) Cost of materials consumed	21	48,318	42,430
	(b) Purchase of stock-in-trade	22	-	592
	(c) Changes in inventories of finished goods and work-in-progress	23	2,047	56
	(d) Employee benefits expense	24	14,919	13,308
	(e) Finance costs	25	19,695	18,813
	(f) Depreciation and amortisation expenses	26	23,965	23,075
	(g) Power and fuel expense		85,737	79,696
	(h) Freight and forwarding expense		51,741	45,885
	(i) Other expenses	27	33,041	29,688
	Total Expenses		**2,79,463**	**2,53,543**
V	**Loss before exceptional items and tax (III - IV)**		**(12,306)**	**(25,636)**
VI	Exceptional Items	47	-	2,717
VII	**Loss before tax (V - VI)**		**(12,306)**	**(28,353)**
VIII	**Tax expense**			
	(a) Current tax	28	(940)	-
	(b) Deferred tax		(11,293)	(6,685)
	Total Tax expense		**(12,233)**	**(6,685)**
IX	**Loss after tax (VII - VIII)**		**(73)**	**(21,668)**
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefits plan	32	(12)	81
	(b) Income tax effect on above	28	5	(34)
	Other comprehensive income for the year, net of tax		**(7)**	**47**
XI	**Total comprehensive income/ (loss) for the year (IX + X)**		**(80)**	**(21,621)**
	Profit/ (loss) for the year attributable to;			
	Owners of the Company		(1,107)	(20,979)
	Non controlling interests		1,034	(689)
			(73)	**(21,668)**
	Other comprehensive income for the year attributable to;			
	Owners of the Company		(7)	53
	Non controlling interests		-	(6)
			(7)	**47**
	Total comprehensive income/ (loss) for the year attributable to;			
	Owners of the Company		(1,114)	(20,926)
	Non controlling interests		1,034	(695)
			(80)	**(21,621)**
XII	**Earnings per equity share (Face value of ₹ 2 each fully paid)**	36		
	(1) Basic (in ₹)		(0.06)	(16.58)
	(2) Diluted (in ₹)		(0.06)	(16.58)
	Summary of material accounting policies	1		
	The accompanying notes are an integral part of these consolidated financial statements			

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 13, 2026

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 13, 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

All amounts are in ₹ Lakhs unless otherwise stated

A. EQUITY SHARE CAPITAL

Particulars	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid	
Balance as at March 31, 2024	2,614
Changes in equity share capital during the year	-
Balance as at March 31, 2025	**2,614**
Changes in equity share capital during the year	-
Balance as at March 31, 2026	**2,614**

B. OTHER EQUITY

Particulars	Attributable to owners of the Company						Non-controlling interests	Total other equity
	Reserves and surplus					Total other equity attributable to owners of the Company		
	Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurements of the net defined benefits plan			
Balance as at March 31, 2024	**37,551**	**88,351**	**3,598**	**62,165**	**(157)**	**1,91,508**	**7,847**	**1,99,355**
Total comprehensive income for the year ended March 31, 2025								
Loss for the year	-	-	-	(20,979)	-	(20,979)	(689)	(21,668)
Other comprehensive income for the year (net of tax)	-	-	-	-	53	53	(6)	47
Total comprehensive income for the year	**-**	**-**	**-**	**(20,979)**	**53**	**(20,926)**	**(695)**	**(21,621)**
Transactions with owners of the Company								
Dividend on equity shares (Refer note 41)	-	-	-	(915)	-	(915)	-	(915)
Total transactions with owners of the Company	**-**	**-**	**-**	**(915)**	**-**	**(915)**	**-**	**(915)**
Balance as at March 31, 2025	**37,551**	**88,351**	**3,598**	**40,271**	**(104)**	**1,69,667**	**7,152**	**1,76,819**
Total comprehensive income for the year ended March 31, 2026								
(Loss)/ profit for the year	-	-	-	(1,107)	-	(1,107)	1,034	(73)
Other comprehensive income for the year (net of tax)	-	-	-	-	(7)	(7)	-	(7)
Total comprehensive income for the year	**-**	**-**	**-**	**(1,107)**	**(7)**	**(1,114)**	**1,034**	**(80)**
Transactions with owners of the Company								
Changes in ownership interest in subsidiary without loss of control (Refer note 46)	(1,988)	-	-	113	-	(1,875)	8,614	6,739
Total transactions with owners of the Company	**(1,988)**	**-**	**-**	**113**	**-**	**(1,875)**	**8,614**	**6,739**
Balance as at March 31, 2026	**35,563**	**88,351**	**3,598**	**39,277**	**(111)**	**1,66,678**	**16,800**	**1,83,478**
Summary of material accounting policies					1			

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

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 13, 2026

Place: Hyderabad
Date: May 13, 2026

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
A Cash flow from operating activities				
Loss before tax for the year		**(12,306)**		**(28,353)**
Adjustments for:				
Depreciation and amortisation expenses	23,965		23,075	
Finance costs	19,695		18,813	
Interest income	(1,052)		(1,590)	
Unwinding of discount on Security deposit	(6)		-	
Liabilities no longer required written back	(268)		(2)	
Expected credit loss allowance/ (reversal) on trade receivables	396		(130)	
Provision for incentives receivable from government	-		750	
(Reversal)/ allowance for credit losses on capital advances	(306)		46	
Allowance for credit losses on supplier advances	-		132	
Provision for inventory	-		111	
Unrealised loss/ (gain) on foreign currency transactions and translation	97		(29)	
Net (gain)/ loss on fair value change in financial instruments	(132)		85	
Profit on sale of property, plant and equipment (net)	(678)		(514)	
Advances written off	2		5	
		41,713		40,752
Operating profit before working capital changes		**29,407**		**12,399**
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(2,573)		485	
Inventories	(3,911)		3,283	
Other financial assets	(2,774)		(347)	
Other assets	(3,972)		1,790	
		(13,230)		5,211
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	2,020		6,036	
Other financial liabilities	5,106		(1,286)	
Provisions	674		418	
Other liabilities	(2,429)		1,056	
		5,371		6,224
Cash generated from operating activities		**21,548**		**23,834**
Income tax paid, net		8		(441)
Net cash generated from operating activities		**21,556**		**23,393**

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
B Cash flow from investing activities				
Purchase of property, plant and equipment including capital work-in-progress, capital advances and capital creditors	(42,331)		(13,815)	
Deposits not considered as cash and cash equivalents				
- Placed	(10,566)		(499)	
- Matured	10,317		670	
Redemption in other bank balances	3		8	
Proceeds from disposal of property, plant and equipment	721		822	
Loans given to employees	(112)		-	
Repayment of loans from employees	102		-	
Interest received	651		1,481	
Net cash used in investing activities		**(41,215)**		**(11,333)**
C Cash flow from financing activities				
Proceeds from non-current borrowings	39,723		4,588	
Repayment of non-current borrowings	(16,003)		(15,880)	
Proceeds from sale of equity instruments of a subsidiary (Refer note 46)	8,764		-	
Loans given to employees (net)	-		24	
Repayment of loan from related party	-		(91)	
Payment of principal portion on lease liabilities	(1,024)		(430)	
Payment of interest on lease liabilities	(259)		-	
Proceeds/ (Repayment) from current borrowings (net)	(63)		10,188	
Interest paid	(18,176)		(19,213)	
Dividend paid	-		(915)	
Net cash generated from/ (used in) financing activities		**12,962**		**(21,729)**
Net decrease in cash and cash equivalents (A+B+C)		**(6,697)**		**(9,669)**
Cash and cash equivalents at the beginning of the year		7,049		16,718
Cash and Cash equivalents at the end of the year (Refer note 10)		**352**		**7,049**
Note:				
Cash and cash equivalents comprises of:				
Cash in hand		4		3
Balances with banks		348		497
Deposits with banks		-		6,549
Cash and cash equivalents (Refer note 10)		**352**		**7,049**

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2025	Cash flow changes		Liability related changes*	As at March 31, 2026
		Proceeds	Repayment		
Non-current borrowings (including current maturities of non-current borrowings)	1,13,462	39,723	(16,003)	742	1,37,924
Interest accrued but not due	998	-	(18,176)	18,630	1,452
Loan from related party and others	193	-	-	-	193
Lease liabilities	1,780	-	(1,283)	3,139	3,636
Current borrowings	29,338	-	(63)	-	29,275
Total liabilities from financing activities	**1,45,771**	**39,723**	**(35,525)**	**22,511**	**1,72,480**

Particulars	As at April 01, 2024	Cash flow changes		Liability related changes*	As at March 31, 2025
		Proceeds	Repayment		
Non-current borrowings (including current maturities of non-current borrowings)	1,24,754	4,588	(15,880)	-	1,13,462
Interest accrued but not due	1,555	-	(19,213)	18,656	998
Loan from related party and others	284	-	(91)	-	193
Lease liabilities	220	-	(430)	1,990	1,780
Current borrowings	19,150	10,188	-	-	29,338
Total liabilities from financing activities	**1,45,963**	**14,776**	**(35,614)**	**20,646**	**1,45,771**

* Liability related changes includes
- interest expense on Non-current borrowings calculated using effective interest rate,
- interest accrued on all other borrowings for the period,
- interest on lease liability and initial recognition of lease liability for Right-of-use asset

Summary of material accounting policies

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

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 13, 2026

Place: Hyderabad
Date: May 13, 2026

1. CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICES

(A) CORPORATE INFORMATION

Sagar Cements Limited ("the Company/Parent Company") is a public Company domiciled in India and incorporated in India having its registered office at Hyderabad, Telangana. The Holding Company and its subsidiaries are engaged in the business of manufacture and sale of cement and generation of power for sale and captive consumption. The Consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries, namely Sagar Cements (M) Private Limited and Andhra Cements Limited (collectively referred to as "the Group"). The Parent Company and Subsidiary Company (Andhra Cements Limited) shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) of India Limited.

(B) BASIS OF PREPARATION

(i) Statement of Compliance

The Consolidated Balance Sheet of the Group as at 31 March 2026, the related Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year ended 31 March 2026 and the material accounting policies (together referred to as 'Consolidated Financial Statements') are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III notified under Section 133 of Companies Act, 2013 ("the Act'') and amendments thereto, other relevant provisions of the Act. These Ind AS Consolidated financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on May 13, 2026.

(ii) Functional and Presentation currency

These Consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakhs (INR 00,000), except when otherwise indicated.

(iii) Basis of measurement

These Consolidated financial statements have been prepared under the historical cost basis, except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Employee's Defined Benefit Plan as per actuarial valuation and
- Assets and liabilities, including goodwill acquired under Business Combination/ acquisition measured at fair value;
- Lease liability is measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. Right-to-use asset ('ROU') has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining 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.

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.

(iv) Use of estimates and judgements

In preparing these Consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting polices and the reported amounts of assets, liabilities, Income and expenses. Actual results may differ from them estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

- **Judgement**

  Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated financial statements is included in the following notes.

  - Note 28 – Recognition and measurement of deferred tax assets.
  - Note 35 – Lease term and classification.
  - Note 29 - Provisions, litigation and contingencies
  - Note 32 - Fair value measurement of financial instruments
  - Note 15 - Classification of Trade deposits

All amounts are in ₹ Lakhs unless otherwise stated

- **Assumptions and estimation uncertainties:**

  Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

  - Note 2, 3, 4A – Useful lives of property, plant and equipment and intangible assets
  - Note 28 – Recognition and measurement of deferred tax assets.
  - Note 32 - Measurement of defined benefit obligations.
  - Note 29 - Provisions, litigation and contingencies.
  - Note 32 - Fair value measurement of financial instruments
  - Note 5,9 – Impairment of financial assets.
  - Note 2, 3, 4A, 4B - Impairment of non-financial assets.
  - Note 16 – Land restoration obligation.

  Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Recognition and measurement of deferred tax assets and liabilities

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses including unabsorbed depreciation can be utilized. Judgement is involved in assessing the recoverability of deferred tax assets recognised in respect of carried forward tax losses, unabsorbed depreciation and other deductible temporary differences. It involves estimation in respect of future taxable income, projected profitability and timing of reversal of temporary differences.

Useful lives of property, plant and equipment and intangible assets

The Group uses technical expertise along with historical and industry trends for determining the economic life of an certain asset/component of an asset. The useful lives are reviewed by management yearly and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of defined benefit obligations

The cost of defined benefit gratuity plan and its present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, an employee benefit obligation is highly sensitive to changes in these assumptions particularly the discount rate and estimate of future salary increase. All assumptions are reviewed at each reporting date.

Impairment of financial assets

Impairment allowance for trade receivables and other financial assets is determined based on assumptions regarding expected default rates, historical loss experience and forward-looking information. If the financial condition of a customer deteriorates, additional allowances may be required.

Impairment of non-financial assets

Impairment of non-financial assets is assessed by comparing the carrying amount of an asset or cash generating unit with its recoverable amount, which is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal is estimated using market based evidence for similar assets and expected disposal costs. Value in use is determined using a Discounted Cash Flow (DCF) model, which requires key estimates and assumptions, including future cash flows, operating margins, production volumes, capacity utilisation, terminal growth rates, and discount rates. The Company reviews its non-financial assets at each reporting date to identify any indicators of impairment.

Land restoration obligation:

In determining the fair value of the land restoration obligation, assumptions and estimates are made in relation to discount rates, the expected cost of land restoration and the expected timing of those costs.

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 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.

Provisions, Litigation and contingencies:

The Group exercises judgement in assessing whether a present obligation exists arising from past events and whether the probability of outflow of economic resources requires recognition of a provision or disclosure as a contingent liability.

All amounts are in ₹ Lakhs unless otherwise stated

The measurement of provisions involves estimates relating to the expected timing and amount of outflows of economic resources required to settle the obligations.

Such estimates are based on management's assessment of the most likely outcome, past experience, legal advice and developments in the respective matters. Changes in facts and circumstances may result in revision to the estimates and carrying value of provisions recognised.

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 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.

Lease term and classification:

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. It involves judgement in assessing whether the interest rate implicit in the lease is readily determinable and, where it is not available, in determining the appropriate basis for estimation of the incremental borrowing rate.

Classification of Trade deposits

The Group receives security deposits from dealers under dealership agreements, which are primarily intended to support long-term business relationships and are therefore held for long-term purposes.

The agreements may be cancelled at the discretion of the Group or, in limited force majeure circumstances, at the dealer's request. However, even in cases of early termination of the contract, such deposits are generally not refundable or are refundable only at the discretion of the Group. Accordingly, dealers do not have an unconditional right to immediate refund. The Management has exercised judgement in classifying these deposits as non-current liabilities, as settlement is not expected within twelve months from the reporting date, based on contractual terms, the nature of dealership arrangements, and historical experience. Deposits expected to be settled within twelve months are classified as current liabilities. Upon cancellation, the deposits are adjustable against outstanding balances and are refundable only after completion of all requisite adjustments and internal processes.

(C) CLASSIFICATION OF ASSETS AND LIABILITIES INTO CURRENT/ NON-CURRENT

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- It does not have the right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(D) MATERIAL ACCOUNTING POLICIES

Basis of consolidation

(i) Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the Consolidated financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between Group companies are

All amounts are in ₹ Lakhs unless otherwise stated

eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(ii) Subsidiaries considered in the Consolidated financial statements (Ownership interest %)

Name of the Group	Country	As at March 31, 2026	As at March 31, 2025
Andhra Cements Limited	India	75%	90%
Sagar Cements (M) Private Limited	India	65%	65%

Principles of consolidation:

These Consolidated financial Statements have been prepared by consolidation of the financial statements of the Group and its subsidiaries on a line-by-line basis after fully eliminating the inter-Group transactions.

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March 2026.

Non-controlling interests ("NCI")

NCI are initially measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Property, plant and equipment (PPE)

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Freehold Land and buildings are measured at historical cost less accumulated depreciation on buildings and impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the subsequent expenditure can be measured reliably.

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

Expenditure during construction period:

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current assets".

All amounts are in ₹ Lakhs unless otherwise stated

Depreciation

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
Plant and 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 componentization 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 that 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.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Cost of an item of intangible assets comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and the cost of the asset can be measured reliably.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A summary of the policies applied to the Group's intangible assets is, as follows:

Class of Intangible Asset	Useful Lives estimated by the management	Amortisation method used
Specialized Software	3 years	Amortised on a straight-line basis over the period of agreement
Mining Rights	10 to 50 years	Amortised on a straight-line basis over the period of licence / agreement (reflective of usages pattern)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the assets is derecognised.

There are no Internally generated intangible assets by the Group.

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

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease

All amounts are in ₹ Lakhs unless otherwise stated

liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset).

Lease liabilities are subsequently measured at amortised cost using the effective interest method.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU and lease liabilities for short-term leases that have a lease term of 12 months or lower and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that arne largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

All amounts are in ₹ Lakhs unless otherwise stated

Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted while calculating carrying amount of the asset. The grant is recognised in the Consolidated Statement of Profit and Loss over the life of the depreciable asset as a reduced depreciation expense.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Consolidated Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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.

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of goods:

Revenue from sale of goods is recognised on the basis of approved contracts regarding the transfer of control of promised goods to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which is generally on dispatch/ delivery of the goods.

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 and outgoing taxes on sale. The variable consideration includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Revenue from services contracts: It is recognised upon transfer of control of promised services to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those services. Revenue is recognised at point in time based on agreements / arrangements with the customers when the services are performed and there are no unfulfilled obligations.

Revenue from sale of power: It is recognised upon on transfer of control of electricity to the customer, typically upon transmission of power to the grid in accordance with the terms of the power purchase agreement. Power generated for captive consumption is not recognized as revenue. Revenue from sale of surplus power is measured at the tariff rates agreed under applicable arrangements.

Other operating revenue: It would include revenue arising from Group's operating activity i.e either its principal or ancillary revenue generating activities but which is not revenue activity from sale of goods or rendering of services.

Retirement and other employee benefits

Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. Retirement benefit in the form of Provident Fund, Employees State Insurance Corporation (ESIC) and Superannuation Schemes are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to the scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans:

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to remeasurements of the net defined benefits reserve under reserves and surplus, through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Consolidated Statement Profit and Loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined plan when the settlement occurs.

Other long-term employee benefits:

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an right at the end of the reporting period to defer the settlement for at least twelve months after the reporting period. Where the Group has legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

Taxes

Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, of and Contingent Assets.

Current Taxes: Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Segment reporting:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker to make decisions ("CODM") for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

Earnings per share

Basic -share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Provisions

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Land Restoration

An obligation for restoration, arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Consolidated Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The costs are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Consolidated Statement of Profit and Loss.

Contingent liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the Consolidated financial statements. It is reviewed at each balance sheet date.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and are also used for the purpose of Statement of Cash Flows, as these are considered an integral part of the Group's cash management.

Financial instruments

Recognition and initial measurement:

Trade receivables and debt securities issued are initially recognised when they are originated. Trade receivables that do not contain a significant financing component are measured at transaction price (net of variable consideration). All other financial assets and liabilities are recognised are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A Financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement:

Financial assets at amortised cost:
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets 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.

Financial assets at fair value through other comprehensive income:
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

Financial assets at fair value through profit or loss:
Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities - classification and subsequent measurement:

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL:
Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the Consolidated statement of profit and loss.

Derivative financial instruments:
The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial instruments

Financial asset:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters transaction whereby it transfers assets recognised on its balance sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liability:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or the same expires.

The Group also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Consolidated statement of profit and loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Group has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Fair value of financial instruments:

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the Consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment

Financial assets (other than at Fair value through profit and loss)

The Group assesses at each date of the balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses (‘ECL’) to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables and contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

In addition to the provision matrix, the Group also performs individual assessment of credit risk for specific customers where there is objective evidence of increased credit risk. Where such individual assessment indicates that a trade receivable meets the criteria for being classified as credit impaired under Ind AS 109, the Group recognises a loss allowance based on lifetime ECL and discloses such credit impaired trade receivables separately in the consolidated balance sheet.

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

a. significant financial difficulty of the debtor
b. a breach of contract, such as a default or 3 years past due
c. it is probable that the debtor will enter bankruptcy or other financial reorganization
d. the disappearance of an active market for a security because of financial difficulties

The Group considers a financial asset to be in default when:

a. the customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
b. the financial asset is more than 90 days past due

The ECL loss allowance (or reversal) during the year is recognised in the consolidated statement of profit and loss.

The Group write-off's the receivables only on completion of the legal proceedings or if it is certain that the balance will not be recoverable.

Goodwill

Goodwill is measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment atleast annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. Any impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Exceptional items

Exceptional items refer to items of income or expense within the Consolidated statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

Statement of Cash Flows

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Other income

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 recognised using effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Recent pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

a. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has reviewed the amendments and made appropriate disclosures in its financial statements including classification of current and non-current liabilities.

b. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier- finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and made appropriate disclosures in its financial statements.

c. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

The following are the notified amendments to the standards but not yet effective:

a. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2026 - when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

   This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

   The Group does not expect this amendment to have any significant impact in its financial statements.

All amounts are in ₹ Lakhs unless otherwise stated

2. PROPERTY, PLANT AND EQUIPMENT

Particulars	As at March 31, 2026	As at March 31, 2025
Freehold land	44,683	44,597
Land - restoration	697	462
Buildings	44,634	49,294
Plant and machinery	1,92,737	1,79,303
Furniture and fittings	248	1,130
Office and other equipment	3,901	3,352
Electrical installations and equipment	13,762	12,269
Computers	85	112
Vehicles	651	668
Railway sidings	4,100	4,533
Total	**3,05,498**	**2,95,720**

FOR THE YEAR 2025-26

Description of Assets	Freehold land	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations and equipment	Computers	Vehicles	Railway sidings	Total
Cost											
Opening balance	**44,597**	**664**	**82,493**	**2,90,360**	**2,126**	**9,467**	**32,001**	**796**	**2,219**	**6,893**	**4,71,616**
Add: Additions	100	293	613	27,633	51	1,411	3,799	31	254	-	34,185
Less: Disposals	14	-	11	8	867	5	49	42	61	183	1,240
Balance as at March 31, 2026	**44,683**	**957**	**83,095**	**3,17,985**	**1,310**	**10,873**	**35,751**	**785**	**2,412**	**6,710**	**5,04,561**
Accumulated depreciation											
Opening Balance	**-**	**202**	**33,199**	**1,11,057**	**996**	**6,115**	**19,732**	**684**	**1,551**	**2,360**	**1,75,896**
Add: Depreciation	-	58	5,269	14,191	66	861	2,262	44	264	250	23,265
Less: Disposals	-	-	7	-	-	4	5	28	54	-	98
Balance as at March 31, 2026	**-**	**260**	**38,461**	**1,25,248**	**1,062**	**6,972**	**21,989**	**700**	**1,761**	**2,610**	**1,99,063**
Carrying value as at March 31, 2026	**44,683**	**697**	**44,634**	**1,92,737**	**248**	**3,901**	**13,762**	**85**	**651**	**4,100**	**3,05,498**
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

All amounts are in ₹ Lakhs unless otherwise stated

FOR THE YEAR 2024-25

Description of Assets	Freehold land	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations and equipment	Computers	Vehicles	Railway sidings	Total
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**
Accumulated depreciation											
Opening Balance	**-**	**144**	**28,829**	**1,01,100**	**936**	**5,374**	**18,223**	**623**	**1,330**	**2,294**	**1,58,853**
Add: Depreciation	-	58	5,954	12,396	68	901	2,425	81	358	249	22,490
Less: Disposals	-	-	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**
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:

1. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.
2. For charge created on Property, plant and equipment of the Company towards borrowings, refer note 14A and 14B.
3. For disclosure on capital commitments, refer note 29.

All amounts are in ₹ Lakhs unless otherwise stated

3. RIGHT OF USE ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Buildings	173	266
Leasehold land	1,098	971
Plant and machinery	4,135	1,557
Total	**5,406**	**2,794**

FOR THE YEAR 2025-26

Particulars	Buildings	Leasehold land	Plant and machinery	Total
Gross Block				
Opening Balance	**446**	**1,067**	**1,573**	**3,086**
Add: Additions	66	141	2,723	2,930
Less: Deletion	25	-	-	25
Balance as at March 31, 2026	**487**	**1,208**	**4,296**	**5,991**
Accumulated depreciation				
Opening Balance	**180**	**96**	**16**	**292**
Add: Depreciation	159	14	145	318
Less: Deletion	25	-	-	25
Balance as at March 31, 2026	**314**	**110**	**161**	**585**
Net block (I-II)				
Carrying value as at March 31, 2026	**173**	**1,098**	**4,135**	**5,406**
Carrying value as at March 31, 2025	266	971	1,557	2,794

FOR THE YEAR 2024-25

Particulars	Buildings	Leasehold 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: Depreciation	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

All amounts are in ₹ Lakhs unless otherwise stated

4A. INTANGIBLE ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Mining rights	7,761	8,132
Other Intangible assets		
- Computer software	33	44
Total	**7,794**	**8,176**

FOR THE YEAR 2025-26

Particulars	Mining rights	Computer software	Total
Cost			
Opening Balance	**10,226**	**367**	**10,593**
Add: Additions	-	-	-
Balance as at March 31, 2026	**10,226**	**367**	**10,593**
Accumulated amortisation			
Opening Balance	**2,094**	**323**	**2,417**
Add: Amortisation	371	11	382
Balance as at March 31, 2026	**2,465**	**334**	**2,799**
Carrying value as at March 31, 2026	**7,761**	**33**	**7,794**
Carrying value as at March 31, 2025	8,132	44	8,176

FOR THE YEAR 2024-25

Particulars	Mining rights	Computer software	Total
Cost			
Opening Balance	**10,226**	**367**	**10,593**
Add: Additions	-	-	-
Balance as at March 31, 2025	**10,226**	**367**	**10,593**
Accumulated amortisation			
Opening Balance	**1,723**	**304**	**2,027**
Add: Amortisation	371	19	390
Balance as at March 31, 2025	**2,094**	**323**	**2,417**
Carrying value as at March 31, 2025	**8,132**	**44**	**8,176**
Carrying value as at March 31, 2024	8,503	63	8,566

4B. GOODWILL:

Particulars	As at April 01, 2025	Acquisition on account of Business Combination	Additions	Disposals	As at March 31, 2026
Goodwill	4,162	-	-	-	4,162

Particulars	As at April 01, 2024	Acquisition on account of Business Combination	Additions	Disposals	As at March 31, 2025
Goodwill	4,162	-	-	-	4,162

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, 2026	As at March 31, 2025
Gudipadu Unit of Sagar Cements Limited	3,873	3,873
Jajpur Unit of Sagar Cements Limited	65	65
Sagar Cements (M) Private Limited, Subsidiary Company	224	224
Total	**4,162**	**4,162**

Goodwill arising out of business combinations has been allocated to the acquired businesses as Cash Generating Unit (CGU). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may 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.

All amounts are in ₹ Lakhs unless otherwise stated

The recoverable amount of the Goodwill has been determined as per value in use method using discounted cash flows. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources. The key assumptions used in the estimation of the recoverable amount as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate (pre tax)	17.36%	18.66%
Terminal value growth rate	4.00%	4.00%
Compounded annual revenue growth rate	8.15%	7.69%

As at March 31, 2026, the estimated cash flows for a period of 5 years were developed using internal forecasts, and the discount rate is a pre tax measure estimated for 5 years based on the historical industry weighted average cost of capital of ~ 17.36% (March 31, 2025: ~ 18.66%). The post tax discount rate is ~ 12.99% (March 31, 2025: ~ 12.14%). While determining the cashflows, Group has considered the factors such as cement sales volume growth, price per bag, input cost expectation etc. The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the respective cash-generating unit.

As per the current business operation, Group expects stable state on the factors and same is supported by the cement industry outlook. Based on the Group impairment testing, the recoverable amount of the CGU's exceeds its carrying amount including goodwill. Therefore, no impairment loss was recognized during the year ended March 31, 2026. Sensitivity analysis with 1% change in growth rate and weighted average cost of capital also indicates that no impairment required on carrying amount of goodwill.

5. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2026	As at March 31, 2025
Measured at amortised cost		
Non-current		
Loans to employees	98	77
Total	**98**	**77**
Current		
Loans to employees	68	79
Total	**68**	**79**
Total loans	**166**	**156**

Notes:

(a) Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 31.

(b) No loans are due from directors or other officers of the Company either severally or jointly with any other person nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

All amounts are in ₹ Lakhs unless otherwise stated

6. OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Security deposits	4,529	4,459
Bank deposits due to mature after twelve months of the reporting date (Including interest accrued thereon)	691	570
Total	**5,220**	**5,029**
Current		
Security deposits	304	737
Bank deposits with remaining maturity of less than twelve months of the reporting date (Including interest accrued thereon)	8,185	-
Derivative assets	132	-
Incentives receivable from government		
Unsecured, considered good	3,893	587
Considered doubtful	3,409	3,409
Less: Provision for incentives receivable from government	(3,409)	(3,409)
Total	**12,514**	**1,324**
Total other financial assets	**17,734**	**6,353**

Notes:

(a) Deposits for ₹ 8,876 (March 31, 2025: ₹ 570) are pledged with Government Departments/ Banks as security and other deposits earmarked for issue of letter of credit / Margin monies.

(b) Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 31.

7. OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Capital advances (Refer note (b) below)		
Unsecured considered good	8,082	879
Considered doubtful	141	446
Less: Loss allowance	(141)	(446)
	8,082	**879**
Advances to suppliers and service providers		
Unsecured considered good	-	-
Considered doubtful	71	71
Less: Loss allowance	(71)	(71)
	-	**-**
Prepaid expenses	2,152	1,665
Deposits against demand under dispute		
Unsecured, considered good	441	197
Considered doubtful	179	179
Less: Loss allowance	(179)	(179)
	441	197
Total	**10,675**	**2,741**
Current		
Advances to suppliers and service providers (Refer note (b) below)		
Unsecured considered good	4,738	1,525
Considered doubtful	61	111
Less: Loss allowance	(61)	(111)
	4,738	**1,525**
Prepaid expenses	1,149	1,831
Balances with government authorities	1,085	313
Excise duty refund receivable	194	194
Advances to employees	24	86
Total	**7,190**	**3,949**
Total other assets	**17,865**	**6,690**

Notes:

(a) There are no other receivables due from directors or other officer of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private limited companies respectively in which any director is a partner or a director or a member.

(b) Refer Note 34 for related party transactions.

All amounts are in ₹ Lakhs unless otherwise stated

8. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	1,910	1,838
Fuels	10,631	6,545
Work-in-progress	7,384	8,998
Stores and spares	6,490	6,404
Packing materials	600	664
Finished goods	2,122	2,555
Total (A)	**29,137**	**27,004**
Goods-in-transit:		
Raw materials	83	41
Fuels	1,922	165
Packing materials	95	46
Stores and spares	34	104
Total (B)	**2,134**	**356**
Total inventories (A+B)	**31,271**	**27,360**

Notes:

(a) Inventories are pledged against the borrowings of the Company as referred in note 14A and 14B.

(b) Inventories of stores and spares have been reduced by ₹ 210 (March 31, 2025 : ₹ 292) as a result of provision on account of slow and non-moving inventory.

9. TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - Secured	3,442	3,752
Trade receivables considered good - Unsecured	20,684	17,801
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	131	131
Sub-total	**24,257**	**21,684**
Less: Loss allowance	(1,663)	(1,267)
Total trade receivables	**22,594**	**20,417**

Notes:

Trade receivables are pledged against the borrowings of the Group as referred in Note 14.

Information about the Group's exposure to credit risk, market risk and fair value measurement is included in Note 31.

No trade 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 receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

The above secured trade receivables include receivables considered good in respect of which the Group holds guarantees from banks amounting to ₹ 2,328 (March 31, 2025: ₹ 2,824).

All amounts are in ₹ Lakhs unless otherwise stated

The expected credit loss allowance (ECL) 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 2025-26:

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	13,554	8,096	661	258	1	24	22,594
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	94	138	114	206	203	777	1,532
(ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	**13,648**	**8,234**	**775**	**464**	**204**	**932**	**24,257**

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	-	-	-	-	-	-	-
- credit impaired	56	70	101	21	273	615	1,136
(ii) 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**

There were no unbilled trade receivables as at March 31, 2026 and as at March 31, 2025, hence the same is not disclosed in the ageing breakup.

The Group 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.

As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

All amounts are in ₹ Lakhs unless otherwise stated

The Group 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.

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 2025-26:

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%	2%	15%	44%	100%	97%	7%
Estimated total gross carrying amount at default	13,648	8,234	775	464	204	932	24,257
Lifetime ECL	94	138	114	206	203	908	1,663

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

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, 2024	**1,266**	**131**	**1,397**
Loss allowance provided during the year	-	-	-
Reversal of loss allowance	130	-	130
Balance as at March 31, 2025	**1,136**	**131**	**1,267**
Loss allowance provided during the year	396	-	396
Reversal of loss allowance	-	-	-
Balance as at March 31, 2026	**1,532**	**131**	**1,663**

All amounts are in ₹ Lakhs unless otherwise stated

10. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	4	3
Balances with banks in current accounts	348	497
Deposits with banks with original maturity of less than three months	-	6,549
Total Cash and cash equivalents	**352**	**7,049**

11. OTHER BANK BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid dividend account (Earmarked for payment of unpaid dividend)	27	30
Deposit with original maturity of more than three months and less than twelve months (Refer note below)	1,490	9,346
Total Other bank balances	**1,517**	**9,376**

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

12. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2025: Equity Shares of ₹ 2 each) (Refer note (f) below)	1,24,75,00,000	24,950	1,24,75,00,000	24,950
Preference share capital				
Authorised:				
Preference shares of ₹ 10 each (March 31, 2025: 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, 2025: 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, 2026		As at March 31, 2025	
	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**

(B) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO THE EQUITY SHARES:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend if issued. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to the share of paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

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, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 2 each fully paid				
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%	69,92,681	5.35%

(D) DETAILS OF SHARES HELD BY THE PROMOTERS IN THE COMPANY AND CHANGE DURING THE YEAR:

As at March 31, 2026

Promoter Name	As at March 31, 2026		As at March 31, 2025		
	No. of shares of ₹ 2 each	% of total shares	No. of shares of ₹ 2 each	% of total shares	% Change during the year
Equity shares of ₹ 2 each fully paid					
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%	-
Anand Reddy Sammidi	73,04,745	5.59%	73,04,745	5.59%	-
Sreekanth Reddy Sammidi	69,92,681	5.35%	69,92,681	5.35%	-
Rachana Sammidi	66,08,540	5.06%	66,08,540	5.06%	-
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%	-
Madhavi Nadikattu	14,69,000	1.12%	14,69,000	1.12%	-
Telangana State 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%	-

All amounts are in ₹ Lakhs unless otherwise stated

As at March 31, 2025

Promoter Name	As at March 31, 2025		As at March 31, 2024		
	No. of shares of ₹ 2 each	% of total shares	No. of shares of ₹ 2 each	% of total shares	% Change during the year
Equity shares of ₹ 2 each fully paid					
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%	-
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%	0.02%
Rachana Sammidi	66,08,540	5.06%	66,08,540	5.06%	-
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%	-
Madhavi Nadikattu	14,69,000	1.12%	14,69,000	1.12%	-
Telangana State 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.

(f) There are no employee stock options/ share purchase plan as on March 31, 2026 and March 31, 2025.

All amounts are in ₹ Lakhs unless otherwise stated

13A OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	35,563	37,551
Securities premium	88,351	88,351
General reserve	3,598	3,598
Retained earnings	39,277	40,271
Remeasurements of the net defined benefits plan	(111)	(104)
Total other equity	**1,66,678**	**1,69,667**

MOVEMENT IN OTHER EQUITY IS AS FOLLOWS:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Capital Reserve		
(i) Opening Balance	37,551	37,551
(ii) Changes in ownership interest in subsidiary without loss of control	(1,988)	-
	35,563	**37,551**
(b) Securities premium	**88,351**	**88,351**
(c) General Reserve	**3,598**	**3,598**
(d) Retained earnings		
(i) Opening balance	40,271	62,165
(ii) Loss for the year	(1,107)	(20,979)
(iii) Changes in ownership interest in subsidiary without loss of control	113	-
	39,277	**41,186**
Less: Appropriations		
(i) Dividend on equity shares (Refer note 41)	-	915
	39,277	**40,271**
(e) Remeasurements of the net defined benefits plan		
(i) Opening Balance	(104)	(157)
(ii) Other comprehensive income	(7)	53
	(111)	(104)
Total	**1,66,678**	**1,69,667**

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) Remeasurements of the net defined benefits plan

Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.

All amounts are in ₹ Lakhs unless otherwise stated

13B NON-CONTROLLING INTERESTS ('NCI')

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	7,152	7,847
Total comprehensive income/ (loss) for the year attributable to NCI	1,034	(695)
Changes in ownership interest in subsidiary without loss of control (Refer note 46)	8,614	-
Balance at end of the year	**16,800**	**7,152**

NON-CONTROLLING INTEREST IN SUBSIDIARIES:

March 31, 2026	Andhra Cements Limited	Sagar Cements (M) Private Limited
Accumulated balance at beginning of the year	3,468	3,684
(Loss)/ profit for the year attributable to NCI	(792)	1,826
Other comprehensive income attributable to NCI	1	(1)
Changes in ownership interest in subsidiary without loss of control (Refer note 46)	8,614	-
Accumulated balances of non-controlling interest	**11,291**	**5,509**

March 31, 2025	Andhra Cements Limited	Sagar Cements (M) Private Limited
Accumulated balance at beginning of the year	4,991	2,856
(Loss)/ profit for the year attributable to NCI	(1,521)	832
Other comprehensive income attributable to NCI	(2)	(4)
Accumulated balances of non-controlling interest	**3,468**	**3,684**

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, 2026	As at March 31, 2025
Sagar Cements (M) Private Limited	India	35%	35%
Andhra Cements Limited	India	25%	10%

THE FOLLOWING TABLE SUMMARISES THE INFORMATION RELATING TO EACH OF THE GROUP'S SUBSIDIARIES THAT HAS MATERIAL NCI, BEFORE ANY INTRAGROUP ELIMINATIONS:

March 31, 2026	Andhra Cements Limited	Sagar Cements (M) Private Limited
Non-current assets	1,23,073	55,470
Current assets	18,933	11,255
Non-current liabilities	1,05,478	30,765
Current liabilities	28,454	19,679
Revenue	44,249	55,457
(Loss)/ profit for the year	(6,716)	5,216
Total comprehensive (loss)/ income	(6,708)	5,213
Cash flows (used in)/from operating activities	(2,515)	13,669
Cash flows used in investment activities	(24,833)	(10,232)
Cash flows from/ (used in) financing activities	27,350	(3,806)

March 31, 2025	Andhra Cements Limited	Sagar Cements (M) Private Limited
Non-current assets	1,01,783	50,394
Current assets	12,658	7,481
Non-current liabilities	70,905	31,106
Current liabilities	29,081	15,766
Revenue	27,405	45,378
(Loss)/ profit for the year	(15,211)	2,377
Total comprehensive (loss)/ income	(15,226)	2,367
Cash flows from operating activities	5,955	12,265
Cash flows used in investment activities	(8,059)	(1,165)
Cash flows from/ (used in) financing activities	1,052	(10,792)

All amounts are in ₹ Lakhs unless otherwise stated

14A NON CURRENT BORROWINGS* (AT AMORTISED COST)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Term loans from banks (Refer note (i) below)	1,06,047	94,651
Term loans from financial institutions (Refer note (i) below)	4,931	-
Unsecured		
Loan from related parties (Refer note (iii) below)	5,000	2,500
Loan from others (Refer note (iv) below)	7,000	2,000
Total non-current borrowings	**1,22,978**	**99,151**

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

Note (i):

AS AT MARCH 31, 2026:

Bank	Name of the Company	Loan outstanding	Terms of repayment	Rate of interest
Axis Bank Limited (Refer note 9 below)	Sagar Cements Limited	13,700	20 quarterly instalments	10.10%
CSB Bank Limited (Refer note 10 below)	Sagar Cements Limited	5,199	108 monthly instalments	9.25%
RBL Bank Limited (Refer note 11below)	Sagar Cements Limited	6,817	15 quarterly instalments	9.45%
Yes Bank Limited (Refer note 12 below)	Sagar Cements (M) Private Limited	10,427	22 quarterly instalments	10.97%
State Bank of India (Refer note 13 below)	Sagar Cements (M) Private Limited	13,530	22 quarterly instalments	10.65%
Axis Finance Limited (Refer note 13 below)	Sagar Cements (M) Private Limited	4,931	27 quarterly instalments	10.25%
State Bank of India (Refer note 14 below)	Andhra Cements Limited	55,851	31 quarterly instalments	9.80%
Union Bank of India (Refer note 14 below)	Andhra Cements Limited	8,414	34 quarterly instalments	9.95%
Yes Bank Limited (Refer note 14 below)	Andhra Cements Limited	6,033	34 quarterly instalments	10.01%
Vehicle loans from various banks/financial institutions (Refer note 15 below)	Sagar Cements Limited	280	38 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings		(14,946)		
		1,10,978		

AS AT MARCH 31, 2025:

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

Notes:

1. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future 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.

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 and 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 exclusive charge on Plant and machinery, equipment and other Fixed assets created out of our term loan. To fund the project cost of ₹ 80.40 crore to be incurred towards execution of Waste Heat Recovery System (WHRS) Power Generation project at Gudipadu Cement unit in Andhra Pradesh.

11. Term loan is secured by first pari-passu charge against all current assets, present and future, and Second pari-passu charge on property, plant and equipment (movable and immovable) excluding plant and equipment of grinding unit at Bayyavaram and plant and machinery of Waste heat recovery power plant at Mattampally unit of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director and negative lien on Jajpur unit.

12. 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.

13. 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.

14. This term loan is secured by first pari-passu charge on all the immovable fixed assets (present and 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 the Andhra Cements Limited in favour of Axis Trustee Services Limited by Sagar Cements Limited and corporate guarantee of Sagar Cements Limited.

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

Note (ii):

The Company had availed unsecured loan of ₹ 5,000 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. (2024-25: 14.50% p.a.).

Note (iii):

The Company had availed unsecured loan of ₹ 7,000 from Savyasachi Constructions Private Limited to meet its capital expenditure for the modernization/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. (2024-25: 14.50% p.a.).

Note (iv):

The Group has not made defaults in repayment of principal and interest on the above loans. The Group has used the borrowings for the purposes for which it was taken.

Note (v):

For the year ended March 31, 2026, there has been a deviation with respect to certain financial ratios of the Parent company and Andhra Cements Limited, subsidiary in comparison with the prescribed limits mentioned in the loan sanctioned letters disclosed under non current borrowings. Prior to the reporting date, the management has however obtained a waiver from the lenders on compliance with such financial ratios and that the existing repayment schedules as per the sanction terms would continue. Accordingly, borrowings continue to be classified in accordance with the terms of the repayment schedule agreed with the lenders.

Note (vi):

Information about the Group's exposure to liquidity risk, market risk and fair value measurement is included in Note 31.

14B CURRENT BORROWINGS (AT AMORTISED COST)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans from banks		
Cash credit facilities (Refer notes below)	29,275	29,338
Current maturities of non-current borrowings (Refer note 14A and notes below)	14,946	13,158
Non-convertible debentures (Refer note 11 below)	-	1,153
Total secured borrowings	**44,221**	**43,649**

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 @ 10.45% p.a. to 11.95% p.a. (2024-25: 9.40% p.a. to 10.45% 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 @ 8.95% p.a. to 9.70% p.a. (2024-25: 9.40% p.a. to 9.70% 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 @ 9.25% p.a. to 10.00% p.a. (2024-25: 8.45% p.a. to 10.01% p.a.).

4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. to 8.50% p.a. (2024-25: 8.50% p.a. to 9.10% p.a.).

5. 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 @ 9.05% p.a. to 10.55% p.a. (2024-25: 9.55% p.a. to 10.85% p.a.).

6. 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 @ 10.20% p.a. to 11.70% p.a. (2024-25: 9.40% p.a. to 9.95% 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 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 @ 10.85% p.a. to 11.25% p.a. (2024-25: 9.35% p.a. to 11.25% p.a.).

8. 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 pasu 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 @ 9.05% p.a. to 10.80% p.a. (2024-25: 10.55% p.a. to 10.75% p.a.).

9. The Company has used the borrowings for the purposes for which it was taken.

10. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

11. The Company has issued 1,500 unrated, listed, secured and redeemable non-convertible debentures of a face value of ₹ 10 lakhs each aggregating ₹ 15,000 lakhs on a private placement. These debentures carry a coupon rate of 11.60% p.a.. The Company has appointed IDBI Trusteeship Services Limited as Debenture Trustee which is also acting as the Security Trustee for aforesaid debenture Holders. The above listed and redeemable non-convertible debentures are secured by a first raking charge over: (a) 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. (b) Second charge on the current assets of the Company. (c) Guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. These debentures were redeemed during the year. The Loan is fully repaid during the year. Further, the charges against the Company's assets were satisfied as at March 31, 2026.

15. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Trade deposits	10,423	9,743
Other payables	193	193
Liabilities under financial arrangement	847	-
Interest accrued but not due on borrowings	153	-
Total	**11,616**	**9,936**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Trade deposits	420	326
Interest accrued but not due on borrowings	1,299	998
Unclaimed dividends (Refer note (i) below)	27	30
Capital creditors	1,199	4,585
Supplier credit (Refer note (ii) below)	26,010	22,699
Liabilities under financial arrangement	238	-
Others (Salaries, Wages, Bonus and Other Employee Payables, Derivative liability etc.,)	104	165
Total	**29,297**	**28,803**
Total other financial liabilities	**40,913**	**38,739**

Notes:

(i) There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Group as on March 31, 2026 and March 31, 2025.

(ii) The Group participates in a supplier finance arrangement under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date.

These arrangements provide the Group with extended payment terms, or the suppliers with early payment terms, compared to the related invoice payment due date.

From the Group's perspective, the arrangement extends payment terms beyond the normal terms agreed with other suppliers that are not participating and requires the Group to incur additional interest towards the bank on the amounts due to the suppliers. The Group therefore includes the amounts subject to the arrangement within other financial liability.

All payables under the arrangement are classified as current as at March 31, 2026 and March 31, 2025.

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of financial liabilities subject to supplier finance arrangement		
Presented within other financial liability	26,010	22,699
- of which suppliers have received the payment from the bank	26,010	*
Range of payment due dates		
Trade payables subject to supplier finance arrangement (days after invoice date)	Usance of upto 90 days from date of bill of exchange in case of domestic transactions and usance of upto 180 days from date of bill of exchange in case of import transactions.	*
Comparable trade payables (days after invoice date)	Upto 90 days	*

* The Group applied transitional relief available under Supplier Finance Arrangements (Amendments to Ind AS 7 and Ind AS 107) and has not provided comparative information in the first year of adoption.

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

(iv) Information about the Group's exposure to liquidity risk, market risk and fair value measurement is included in Note 31.

All amounts are in ₹ Lakhs unless otherwise stated

16. PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits:		
Gratuity (Refer note 32)	1,727	1,351
Compensated absences (Refer note 32)	1,029	719
Others:		
Liability for land restoration costs	1,142	772
Total provisions	**3,898**	**2,842**
Non-current		
Provision for employee benefits:		
Gratuity	1,356	1,066
Compensated absences	561	517
Others:		
Liability for land restoration costs	1,142	772
Total	**3,059**	**2,355**
Current		
Provision for employee benefits:		
Gratuity	371	285
Compensated absences	468	202
Total	**839**	**487**

PROVISION FOR LAND RESTORATION COSTS

The activities of the Group involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the mine will be restored using technology and materials that are currently available. The provision has been calculated using a discount rate of 10.11% p.a. (March 31, 2025: 9.94% p.a), which is the risk-free rate. As per the requirement of Ind AS 37, the management has estimated such future expenses on a best judgment basis and provision thereof has been made in the accounts at their present value. The table below gives information about movement in land restoration cost provisions.

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	772	636
Add: Additions during the year	293	67
Add: Unwinding of discount	77	69
Less: Adjustment during the year	-	-
Less: Utilised during the year	-	-
Closing balance	**1,142**	**772**

17. TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 30)	7,143	3,208
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	27,457	29,543
Total trade payables	**34,600**	**32,751**

Note: Includes ₹ 1,110 (March 31, 2025: ₹ 1,221) trade payable and includes ₹ 12 (March 31, 2025: ₹ 12) rent payable to related party (Refer note 34).

(A) TRADE PAYABLES AGEING SCHEDULE FOR THE YEAR ENDED MARCH 31, 2026 AND MARCH 31, 2025:

FY 2025-26:

Particulars	Unbilled dues	Billed but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	5,431	1,710	2	-	-	7,143
(ii) Others	7,740	12,634	6,894	60	6	123	27,457
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**7,740**	**18,065**	**8,604**	**62**	**6**	**123**	**34,600**

All amounts are in ₹ Lakhs unless otherwise stated

FY 2024-25:

Particulars	Unbilled dues	Billed but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,341	867	-	-	-	3,208
(ii) Others	6,387	8,036	13,124	1,475	42	479	29,543
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**6,387**	**10,377**	**13,991**	**1,475**	**42**	**479**	**32,751**

(B) Information about the Group's exposure to liquidity risk, market risk and fair value measurement is included in Note 31.

18. OTHER LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Advance from customers	6,367	6,451
Statutory Liabilities	1,281	4,329
Liability towards dealer incentive	3,083	2,380
Total	**10,731**	**13,160**
Total other liabilities	**10,731**	**13,160**

19. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised from contracts with customers		
Revenue from		
– Sale of cement and clinker (Refer note 40)	2,55,556	2,18,053
– Sale of power (Refer note 40)	208	647
– Sale of Services – Contract manufacturing (Refer note 40)	1,568	1,057
Other operating income		
– Sale of scrap	446	439
– Incentives received from government (Refer note 49)	6,791	4,605
– Insurance claims	311	69
– Others	122	894
Total revenue from operations	**2,65,002**	**2,25,764**

20. OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income on financial assets at amortised cost	1,052	1,590
Unwinding of guarantee obligation	6	-
Profit on sale of property, plant & equipment (net)	678	519
Liabilities no longer required written back (net)	268	2
Net gain on foreign currency transactions and translation	-	12
Net gain on fair value change in financial instruments	132	-
Miscellaneous income	19	20
Total other income	**2,155**	**2,143**

All amounts are in ₹ Lakhs unless otherwise stated

21. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening stock	1,838	1,331
Add: Purchases	48,390	42,937
Less: Closing stock	1,910	1,838
Total cost of materials consumed	**48,318**	**42,430**
Details of materials consumed		
Limestone	14,435	12,768
Laterite	5,004	4,843
Iron-ore sludge	357	257
Gypsum	3,998	3,087
Flyash	6,553	5,622
Clinker Purchased	10,063	2,809
Slag	5,896	6,176
Others (includes internal clinker transportation charges)	9,211	9,658
Less: Captive consumption	(7,199)	(2,790)
Total	**48,318**	**42,430**

22. PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cement	-	592
Total Purchase of stock-in-trade	**-**	**592**

23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year:		
Finished goods	2,555	2,147
Work-in-progress	8,998	9,462
	11,553	**11,609**
Inventories at the end of the year:		
Finished goods	2,122	2,555
Work-in-progress	7,384	8,998
	9,506	**11,553**
(Increase)/ decrease in inventory:		
Finished goods	433	(408)
Work-in-progress	1,614	464
Net decrease/(increase)	**2,047**	**56**

24. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	11,603	10,581
Contribution to provident and other funds (Refer note 32)	1,347	1,222
Compensated absences	509	284
Staff welfare expenses	1,460	1,221
Total employee benefits expense	**14,919**	**13,308**

All amounts are in ₹ Lakhs unless otherwise stated

25. FINANCE COST

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on borrowings (at amortised cost)		
- Banks and financial institutions	15,688	15,257
- Others	1,645	66
Interest on deposit from dealers (at amortised cost)	388	391
Interest on lease liability (Refer note 35)	259	87
Unwinding of discount on mine restoration provision	77	69
Other borrowing cost (Refer note 1 below)	2,987	2,943
	21,044	18,813
Less: Borrowing costs on qualifying assets capitalised (Included in above interest expense on borrowings)	(1,349)	-
Total finance cost	**19,695**	**18,813**

Notes:

1 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, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (Refer note 2)	23,265	22,490
Depreciation on right of use assets (Refer note 3 and 35)	318	195
Amortisation of intangible assets (Refer note 4A)	382	390
Total depreciation and amortisation	**23,965**	**23,075**

27. OTHER EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of packing materials	8,150	7,549
Consumption of Stores and spares	5,603	6,037
Repairs and maintenance		
- Plant and machinery	5,191	4,717
- Buildings	48	36
- Others	2,180	1,933
Sales promotion expenses	4,615	2,993
Expected credit loss allowances	396	(130)
Provision for incentives receivable from government	-	750
(Reversal)/ provision for impairment on capital advances	(306)	46
Provision for impairment on supplier advances	-	132
Advances written off	2	5
Rent (Refer note 35)	288	270
Insurance	644	581
Rates and taxes	1,740	419
Expenditure on corporate social responsibility	178	244
Payment to Auditors	140	145
Travelling and conveyance	861	850
Security services	844	768
Donations and contributions	59	92
Legal and other professional	1,282	1,194
Administrative expenses	554	540
Printing and stationery	52	59
Communication	117	110
Net Loss on foreign currency transactions and translation	228	41
Net loss on fair value change in financial instruments	-	85
Directors sitting fees	75	67
Miscellaneous expenses	100	150
Loss on sale of property, plant and equipments (net)	-	5
Total other expenses	**33,041**	**29,688**

All amounts are in ₹ Lakhs unless otherwise stated

28. INCOME TAX EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Amounts recognized in the statement of profit & loss		
Current tax:		
In respect of the current year	-	-
In respect of prior years	(940)	-
	(940)	**-**
Deferred tax		
In respect of current year origination and reversal of temporary differences (Refer note (i) below)	(11,293)	(6,685)
	(11,293)	**(6,685)**
Total tax expense	**(12,233)**	**(6,685)**
(b) Amounts recognised in other comprehensive income		
Deferred tax income on remeasurements of defined benefit plans	5	(34)
Total	**5**	**(34)**
(c) Amounts recognised in equity		
Deferred tax adjustments in ownership interest in subsidiary without loss of control (Refer note 46)	2,025	-
Total	**2,025**	**-**

RECONCILIATION OF EFFECTIVE TAX RATE:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/ (Loss) before tax (A)	(12,306)	(28,353)
Enacted tax rates in India (B)	25.17%	34.94%
Expected tax expense (C = A*B)	(3,097)	(9,907)
Effect of non-deductible (income) / expenses not taxable (net)	201	134
Effect of temporary differences for which no deferred tax is recognised previously	(56)	-
Recognition of previously unrecognised tax losses (net) (Refer note (i) below)	(8,287)	3,453
Effect on change in tax rate (Refer note (ii) below)	(360)	-
Effect of tax paid at a lower rate	-	316
Changes in ownership interest in subsidiary without loss of control (Refer note 46)	(1,100)	-
Current tax adjustments of earlier years	(940)	-
Derecognition of previously recognised tax credits	1,444	-
Others	(38)	(681)
Total	**(9,136)**	**3,222**
Total tax expense	**(12,233)**	**(6,685)**

All amounts are in ₹ Lakhs unless otherwise stated

MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES FOR THE YEAR 2025-26:

Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	Recognized through other comprehensive income	Amounts recognised equity	Closing balance
Property, plant and equipment and intangible assets	39,728	(10,966)	-	-	28,762
Provision for employee benefits	(645)	(44)	(5)	-	(694)
Expected credit loss allowance	(441)	22	-	-	(419)
MAT credit entitlement	(8,708)	1,444	-	-	(7,264)
Carry forward unabsorbed depreciation and business losses	(38,559)	(2,158)	-	2,025	(38,692)
Right-of-use assets	(71)	1,045	-	-	974
Lease Liabilities	122	(794)	-	-	(672)
Provision for impairment on other assets	(1,449)	424	-	-	(1,025)
Loans and borrowings	135	(167)	-	-	(32)
Others	(10)	(99)	-	-	(109)
Total Deferred tax liability (Net)	**(9,898)**	**(11,293)**	**(5)**	**2,025**	**(19,171)**

MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES FOR THE YEAR 2024-25:

Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	Recognized through other comprehensive income	Amounts recognised equity	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)
Right-of-use assets	(51)	(20)	-	-	(71)
Lease Liabilities	54	68	-	-	122
Provision for impairment on other assets	(1,086)	(363)	-	-	(1,449)
Loans and borrowings	163	(28)	-	-	135
Others	(20)	10	-	-	(10)
Total Deferred tax liability (Net)	**(3,247)**	**(6,685)**	**34**	**-**	**(9,898)**

Note:

(i) The Group is carrying an amount of ₹ 45,956 (March 31, 2025: ₹ 47,267) as deferred tax assets on carry forward of business losses, unused tax credits and unabsorbed depreciation.

The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Based on the projections for future taxable income over the periods, the Group has recognised deferred tax assets as there is convincing evidence that sufficient taxable profit will be available against which the business loss, unused tax credits and unabsorbed depreciation can be utilised by the entity. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax assets.

All amounts are in ₹ Lakhs unless otherwise stated

(ii) During the year, the Group has exercised the option to be taxed under Section 115BAA of the Income-tax Act, 1961. Accordingly, deferred tax assets and liabilities have been remeasured using the tax rates expected to apply in the periods in which the temporary differences are anticipated to reverse. The consequential impact arising from such remeasurement has been recognised in the Statement of Profit and Loss.

(iii) The Group has not recognised a deferred tax liability on temporary differences of ₹ 29,618 (March 31, 2025: ₹ 35,541) arising from the capital reserve recognised on acquisition of subsidiary namely, Andhra Cements limited pursuant to a business combination as the Group does not intend to dispose of these investments in the near future and does not expect these temporary differences to reverse in the near future.

GROSS DEFERRED TAX ASSETS AND LIABILITIES ARE AS FOLLOWS:

As at March 31, 2026	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(13,828)	14,934	28,762
Provision for employee benefits	115	(579)	(694)
Expected credit loss allowance	21	(398)	(419)
MAT credit entitlement	-	(7,264)	(7,264)
Carry forward business losses and depreciation	36,377	(2,315)	(38,692)
Right-of-use assets	(521)	453	974
Lease Liabilities	401	(271)	(672)
Provision for impairment on other assets	70	(955)	(1,025)
Loans and borrowings	(6)	(38)	(32)
Others	-	(109)	(109)
Total	**22,629**	**3,458**	**(19,171)**

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)
Right-of-use assets	-	(71)	(71)
Lease Liabilities	-	122	122
Provision for impairment on other assets	-	(1,449)	(1,449)
Loans and borrowings	(135)	-	135
Others	-	(10)	(10)
Total	**15,458**	**5,560**	**(9,898)**

Income tax assets and liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax assets	1,962	1,625
Income tax liabilities	-	595
Net Income tax liabilities	**1,962**	**1,030**

29. CONTINGENT LIABILITIES, CORPORATE GUARANTEES AND CAPITAL 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, 2026	As at March 31, 2025
Income tax	3,461	5,605
Indirect tax	3,560	1,716
Others	1,910	428

ii) The contingent liabilities disclosed above include, wherever applicable, the estimated interest amounting to ₹ 1,606 that may arise on the underlying obligations. The recognition and measurement of such interest have been considered in accordance with the principles outlined under Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, read with other relevant Ind AS guidance. The interest component included in the contingent liabilities is based on management's best estimate of the potential outflow of economic resources, considering the facts of each case, applicable contractual terms, and interpretations of relevant laws and regulations. Such estimates involve judgment, particularly with respect to the timing, applicability, and rate of interest under the respective statutes. The amounts disclosed are subject to inherent uncertainties and may vary based on the outcome of ongoing proceedings, changes in legal interpretations, or future judicial pronouncements.

iii) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

All amounts are in ₹ Lakhs unless otherwise stated

B) COMMITMENTS:

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	17,447	35,925

30. DISCLOSURES REQUIRED UNDER SECTION 22 (DUES TO MICRO AND SMALL) OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006:

This information has been determined to the extent such parties have been identified on the basis of information available with the Group. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	7,143	3,208
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.	-	-

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 recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xx) to the financial statements.

(I) CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital (total equity) includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using debt-equity ratio, which is total debt less cash and cash equivalents and other bank balances divided by total equity.

The Group's debt to equity ratio i.e. capital gearing ratio as at March 31, 2026 and March 31, 2025 is as follows:

Description	As at March 31, 2026	As at March 31, 2025
Debt (Refer Note below)	1,67,392	1,42,993
Cash and cash equivalents and Other bank balances	1,869	16,425
Net debt	1,65,523	1,26,568
Total equity	**1,86,092**	**1,79,433**
Net debt to equity ratio	0.89	0.71

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

In addition, the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders to manage interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Group.

(II) No interim or final dividends have been declared by the holding company during the financial year ended March 31, 2026 and March 31, 2025.

All amounts are in ₹ Lakhs unless otherwise stated

Financial instruments:

a) Classification of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2026	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Totalw
Financial assets								
(i) Derivative asset	132	-	-	132	-	132	-	132
(ii) Loans	-	-	166	166	-	-	-	-
(iii) Trade receivables	-	-	22,594	22,594	-	-	-	-
(iv) Cash and cash equivalents	-	-	352	352	-	-	-	-
(v) Other bank balances	-	-	1,517	1,517	-	-	-	-
(vi) Other financial assets	-	-	17,602	17,602	-	-	-	-
Total Financial assets	**132**	**-**	**42,231**	**42,363**	**-**	**132**	**-**	**132**
Financial liabilities								
(i) Borrowings*	-	-	1,67,199	1,67,199	-	-	-	-
(ii) Trade payables	-	-	34,600	34,600	-	-	-	-
(iii) Lease liabilities	-	-	3,636	3,636	-	-	-	-
(iv) Other financial liabilities	-	-	40,913	40,913	-	-	-	-
Total Financial liabilities	**-**	**-**	**2,46,348**	**2,46,348**	**-**	**-**	**-**	**-**

All amounts are in ₹ Lakhs unless otherwise stated

As at March 31, 2025	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Totalw
Financial assets								
(i) Loans	-	-	156	156	-	-	-	-
(ii) Trade receivables	-	-	20,417	20,417	-	-	-	-
(iii) Cash and cash equivalents	-	-	7,049	7,049	-	-	-	-
(iv) Other bank balances	-	-	9,376	9,376	-	-	-	-
(v) Other financial assets	-	-	6,353	6,353	-	-	-	-
Total Financial assets	**-**	**-**	**43,351**	**43,351**	**-**	**-**	**-**	**-**
Financial liabilities								
(i) Derivative liability	95	-	-	95	-	95	-	95
(ii) Borrowings*	-	-	1,42,800	1,42,800	-	-	-	-
(iii) Trade payables	-	-	32,751	32,751	-	-	-	-
(iv) Lease liabilities	-	-	1,780	1,780	-	-	-	-
(v) Other financial liabilities	-	-	38,644	38,644	-	-	-	-
Total Financial liabilities	**95**	**-**	**2,15,975**	**2,16,070**	**-**	**95**	**-**	**95**

The Group has not disclosed the fair values of financial instruments such as trade receivables, loans, cash and cash equivalents, bank balances other than cash and cash equivalents, incentives receivable bank cash credits, payable for capital expenditure and trade payables, because their carrying amounts are a reasonable approximation of fair value.

* The amortised cost of long-term borrowings with banks accounted using effective interest rate method are considered to be at their fair values.

All amounts are in ₹ Lakhs unless otherwise stated

b) Fair value measurements

Set out above, is the comparison of the fair values of the financial assets and liabilities included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques. The Group has established the following fair value hierarchy that categorises the values into 3 levels.

The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all securities which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date. The are no investments as on March 31, 2026 and March 31, 2025.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Group specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

c) Fair value hierarchy

Quantitative disclosures of fair value measurement hierarchy-Level 2 for financial instruments.

Particulars	Notes	As at March 31, 2026	As at March 31, 2025	Level
Financial Assets				
Measured at fair value through profit and loss (FVTPL)				
Derivative asset	5	132	-	2
Financial liabilities				
Measured at fair value through profit and loss (FVTPL)				
Derivative liability	15	-	95	2

Valuation inputs and relationships to fair value:

The Group enters into derivative financial instruments with various counterparties principally, banks with investment grade credit ratings. The following table summarises the valuation technique used in measuring the fair value of the financial instruments, as well as the significant unobservable inputs used.

Particulars	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in respective currencies.	Not applicable	Not applicable

There was no transfer between level 1 and level 2 fair value measurement for the years ended March 31, 2026 and March 31, 2025.

Financial risk management objectives:

The Group's financial liabilities primarily comprise borrowings, lease liabilities, security deposits, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets primarily include trade and other receivables, cash and cash equivalents and Investments.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group has a Risk management policy, and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Group. The Risk management committee provides assurance to the Group's management that the Group's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

All amounts are in ₹ Lakhs unless otherwise stated

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

The Group's exposure to the risk of changes in market rates relates primarily to the Group's non-current debt obligations with floating interest rates.

Moreover, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates.

The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Group has not used any interest rate derivatives.

Exposure of Interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed-rate instruments		
Assets		
Fixed deposits	10,366	16,465
Liabilities		
Non-current borrowings	12,280	6,147
Variable-rate instruments		
Non-current borrowings (including current maturities of long term debt)	1,25,644	1,07,315
Current borrowings	29,275	29,338

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (increased)/ decreased loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Impact on profit or loss before tax	(1,549)	1,549	(1,367)	1,367
Impact on equity, net of tax	(1,159)	1,159	(889)	889

(ii) Foreign Currency risk:

The functional currency of Group is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are Indian Rupees. Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the import of fuels (i.e. Coal) & spare parts and capital expenditure if any, when a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments to hedge exposure to foreign currency risk.

Outstanding foreign currency exposure	As at March 31, 2026	As at March 31, 2025
Trade Payables		
USD	4,914	4,694
Capital Payables		
USD	888	152
Less: Derivatives – Foreign currency forward contracts	4,914	4,694
Net exposure in financial liabilities	888	152

All amounts are in ₹ Lakhs unless otherwise stated

Foreign currency sensitivity on unhedged exposure:

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. For 5% increase or decrease in foreign exchange rates will have the following impact on profit before tax and equity, net of tax.

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Strengthening	Weakening	Strengthening	Weakening
Impact on profit or loss before tax	44	(44)	8	(8)
Impact on equity, net of tax	11	(11)	8	(8)

Note: If the rate is decreased by 100 bps profit will decrease by an equal amount.

Credit risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks and investments in equity securities. The Group has no significant concentration of credit risk with any counterparty. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables: Customer credit risk is managed by the respective department subject to Group's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored. The Group does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Group's net sales. Refer Note 9 for disclosure related to Expected credit losses.

Cash and cash equivalents and deposits with banks: Credit Risk on cash and cash equivalent and term deposits is generally low as these are kept with banks who have been assigned high credit rating by international and domestic rating agencies. Investments of surplus funds are made only with Financial Institutions approved by Reserve Bank India. Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Loans: All of the Group's loans at amortised cost are considered to have low credit risk, and the loss allowance, if any, is limited to 12 months' expected losses. Management considers instruments to be low credit risk when they have a low risk of default, and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

Credit Risk on Derivative Instruments is generally low as Group enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

Security deposits: It consists of rent, electricity and other deposits. The Group does not expect any financial loss as the said deposits are given only to credible vendors/ service providers.

There are no investments as on March 31, 2026 and March 31, 2025.

Liquidity risk:

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Group manages liquidity risk by maintaining adequate cash and cash equivalents, monitoring forecast and actual cash flows, and aligning the maturity profiles of financial assets and liabilities.

During the year ended March 31, 2026, there were deviations in compliance with certain financial ratios, under the Group's borrowing arrangements. These deviations did not result in any payment defaults. Prior to the reporting date, the Group has obtained appropriate waivers from its lenders for such non-compliances. Accordingly, the borrowings continue to be classified in accordance with their contractual terms of repayment.

The Management monitors the Group's liquidity position on an ongoing basis and believes that the Group has adequate resources, including expected cash flows from operations and available credit facilities, to meet its financial obligations as they fall due.

All amounts are in ₹ Lakhs unless otherwise stated

Maturity profile of financial liabilities:

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted cash.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2026 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	34,600	-	-
Other financial liabilities	29,297	1,054	10,562
Lease liabilities	1,097	921	3,070
Borrowings (including current maturities of non-current borrowings)	56,437	27,040	1,34,977

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	32,751	-	-
Other financial liabilities	28,803	737	9,199
Lease liabilities	483	472	2,015
Borrowings (including current maturities of non-current borrowings)	43,649	13,268	85,883

32. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:

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 recognized during the year aggregated ₹ 623 (2024-25: ₹ 587).

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 recognized during the year aggregated ₹ 86 (2024–25: ₹ 66).

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 recognized during the year aggregated ₹ 3 (2024–25: ₹ 5).

(II) DEFINED BENEFIT PLAN:

Gratuity:

The Group has a defined retirement benefit gratuity plan. The gratuity plan is governed by the Code of Social Security, 2020. Under the Code of Social Security, 2020, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with insurance companies in the form of qualifying insurance policy for employees. The Gruity plan is administered by the Life Insurance Corporation of India (LIC) through trust.

The defined benefit plan exposes the Group to actuarial risk such as longevity risk, currency risk, interest rate risk and market risk.

All amounts are in ₹ Lakhs unless otherwise stated

The following table sets out the funded status of the gratuity plan and the amounts to be recognized in the financial statements as per actuarial valuation as at March 31, 2026 and March 31, 2025:

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discount rate	7.51% - 7.69%	6.83% - 6.96%
Rate of escalation in salary	8.56% - 9.61%	7.71% - 8.52%
Attrition rate	11.93% - 29.34%	10.92% - 25.95%

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	339	345
Interest expense	127	131
Interest income on plan assets	(1)	(2)
Other adjustments	12	16
Expected return on plan assets	(58)	(67)
Defined benefit cost included in profit and loss	**419**	**423**
Amounts recognized in Other Comprehensive Income (OCI) are as follows:		
Remeasurements – Due to financial adjustments	35	(151)
Remeasurements – Due to demographic adjustments	(25)	1
Remeasurements – Due to experience adjustments	7	73
Return on plan assets (excluding interest income)	(5)	(4)
Components of defined benefit costs recognized in OCI	**12**	**(81)**

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of funded defined benefit obligations	2,595	2,276
Fair value of plan assets	(868)	(925)
Net liability arising from defined benefit obligation	1,727	1,351

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined benefit obligation at the beginning of the year	2,276	2,105
Current service cost	339	345
Interest cost	127	131
Remeasurements – Due to financial adjustments	35	(151)
Remeasurements – Due to demographic adjustments	(25)	1
Remeasurements – Due to experience adjustments	7	73
Benefits paid out of plan assets and by employer	(164)	(228)
Defined benefit obligation at the year end	**2,595**	**2,276**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Within 1 year	375	291
1 – 2 years	339	275
2 – 3 years	400	302
3 – 4 years	321	246
4 – 5 years	245	235
5 – 10 years	875	784

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, 2026	For the year ended March 31, 2025
Opening fair value of the plan assets	925	1,039
Expected return on plan assets	59	69
Contributions from the employer	43	28
Benefits paid out of plan assets	(164)	(210)
Other adjustments	1	(5)
Re-measurement – Return on Assets (excluding interest income)	4	4
Fair value of plan asset at the year end	**868**	**925**

g) Sensitivity Analysis:

For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation presented under net defined liability. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

There was no change in the methods and assumptions used in the preparation of the sensitivity analysis from previous year.

Particulars	Defined Benefit Obligation			
	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	2,144	2,343	1,855	2,051
Effect of 1% change in assumed salary rate	2,353	2,132	2,049	1,851
Effect of 1% change in assumed attrition rate	2,227	2,250	1,940	1,958
Effect of 1% change in assumed mortality rate	2,239	2,240	1,948	1,948

The average duration of the benefit obligation at the end of the reporting period is 4 to 6 years (March 31, 2025: 5 to 6 years).

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Insurer managed funds (Funded with LIC)*	868	925

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

i) Asset Liability matching strategy: The money contributed by the Group to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Group to fully refund the liability of the Plan. The Group's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

33. SEGMENT REPORTING:

Operating segments are components of the Group that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete information is available. The management has considered that the Group has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further, the Group is engaged in single product line of manufacturing and selling cement and its customers and non-current assets are located in India only.

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
Jens Van Nieuwenborgh	Nominee Director
John Eric Fernand Pascal Cesar Bertrand	Director (Upto October 21, 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
RV Consulting Services Private Limited	Enterprise in which KMP of the Company exercise control
Additional related parties – As per Companies Act, 2013	
Panchavati Polyfibres Limited	Enterprise in which KMP of the Company is a director or member
Sagar Power Limited	Enterprise in which KMP of the Company is a director or member
Sagarsoft (India) Limited	Enterprise in which KMP of the Company is a director or member
AVH Resources India Private Limited	Enterprise in which KMP of the Company is a director or member

SUMMARY OF THE TRANSACTIONS WITH THE ABOVE PARTIES ARE AS FOLLOWS:

Nature of transaction	Party Name	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of packing materials	Panchavati Polyfibres Limited	4,983	5,688
Purchase of property, plant and equipment	RV Consulting Services Private Limited	17,604	8,861
Rent expenses paid	Dr. S. Anand Reddy	52	50
	S. Sreekanth Reddy	52	50
	S. Vanajatha	52	50
	Total	**156**	**150**
Sale of scrap	RV Consulting Services Private Limited	15	18
Financial assets – Loan given	K. Prasad	-	80
	J. Raja Reddy	20	-
	Total	**20**	**80**
Financial assets – Repayment of loan given	K. Prasad	5	50
	J. Raja Reddy	3	-
	Total	**8**	**50**
Legal and professional expenses	Sagarsoft (India) Limited	78	78
Loans taken	RV Consulting Services Private Limited	2,500	2,500
Interest expense on unsecured loan	RV Consulting Services Private Limited	677	19
Reimbursement of expenses received	Sagarsoft (India) Limited	11	10
	RV Consulting Services Private Limited	5	15
	Panchavati Polyfibres Limited	2	10
	Sagar Power Limited	1	2
	Total	**19**	**37**

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party Name	For the year ended March 31, 2026	For the year ended March 31, 2025
Payment of salary	S. Siddarth Reddy	31	26
Dividend paid	S. Vanajatha	-	35
	RV Consulting Services Private Limited	-	85
	S. Siddarth	-	29
	Panchavati Polyfibres Limited	-	1
	AVH Resources India Private Limited	-	180
	Dr. S. Anand Reddy	-	51
	S. Sreekanth Reddy	-	49
	Rachana Sammidi	-	46
	Total	**-**	**476**

COMPENSATION TO KEY MANAGERIAL PERSONNEL:

Nature of transaction	Party Name	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term benefits	MD, JMD, CS and CFO	1,161	939
Post-employment benefits	MD, JMD, CS and CFO	156	223
Other long term employment benefits	MD, JMD, CS and CFO	15	-
Sitting fee	Chairman, MD, JMD and Directors	66	53

OUTSTANDING BALANCES:

Nature of the balance	Party Name	As at March 31, 2026	As at March 31, 2025
Other financial assets - Advances	RV Consulting Services Private Limited	-	27
Trade payables	Panchavati Polyfibres Limited	1,094	1,207
	Sagarsoft (India) Limited	7	7
	John Eric Fernand Pascal Cesar Bertrand	4	4
	Jens Van Nieuwenborgh	5	3
	Total	**1,110**	**1,221**
Payable on purchase of property, plant and equipment	RV Consulting Services Private Limited	55	3,478
Capital advances	RV Consulting Services Private Limited	7,400	427
Trade receivables	RV Consulting Services Private Limited	-	44
Loans taken	RV Consulting Services Private Limited	5,000	2,500
Interest accrued but not due on loan taken	RV Consulting Services Private Limited	55	17
Financial assets - Loan	K. Prasad	25	30
	J. Raja Reddy	17	-
	Total	**42**	**30**
Rent Payable	Dr. S. Anand Reddy	4	4
	S. Sreekanth Reddy	4	4
	S. Vanajatha	4	4
	Total	**12**	**12**

All amounts are in ₹ Lakhs unless otherwise stated

35. LEASE

The Group has lease contracts for various items of plant and machinery, Leasehold land and buildings used in its operations with lease terms between 2 and 99 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases. There are no low-value or variable lease expenses for the Group.

For building leases, the Group has used an incremental borrowing rate determined based on its average borrowing cost adjusted for lease specific factors.

For certain plant and machinery leases, where the fair value or cost of the underlying asset and lease payment structure are available in the lease arrangement, the interest rate implicit in the lease has been determined and used for measurement of the lease liability.

Following are the movement in the carrying value of right of use assets during the year:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	2,794	1,042
Additions	2,930	1,947
Depreciation	(318)	(195)
Closing balance	**5,406**	**2,794**

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

The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31, 2025:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	1,780	220
Additions	2,880	1,903
Interest expense	259	87
Payments including Interest expense	(1,283)	(430)
Closing balance	**3,636**	**1,780**

The following is the break-up of current and non-current lease liabilities as at March 31, 2026 and March 31, 2025:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Non-current	2,744	1,318
Current	892	462
Total	**3,636**	**1,780**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	1,097	483
After one year but not more than five years	3,076	1,452
More than 5 years	915	1,035

All amounts are in ₹ Lakhs unless otherwise stated

Amount recognised in statement of profit and loss account:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Amortization of right of use assets	318	195
Interest on lease liability	259	87
Expense relating to short term lease (included in other expenses)	288	270

Impact on statement of cash flows:

Particulars	As at March 31, 2026	As at March 31, 2025
Payment of principal portion of lease liabilities	906	430
Payment of interest portion of lease liabilities	259	-
Payment of short term lease	288	270

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

36. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after tax (₹ in lakhs)	(73)	(21,668)
Weighted average number of equity shares outstanding (Refer Note 12(a))	13,07,07,548	13,07,07,548
Earnings per share:		
Basic (in ₹)	(0.06)	(16.58)
Diluted (in ₹)	(0.06)	(16.58)

37. Disclosure requirements relating to provisions of Section 135 of Companies Act, 2013 are not required to be presented in the consolidated financial statements.

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, 2026	As at March 31, 2025
Sagar Cements (M) Private Limited	Subsidiary	India	Sagar Cements Limited	65%	65%
Andhra Cements Limited	Subsidiary	India	Sagar Cements Limited	75%	90%

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, 2026:

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)	88%	1,64,481	(4,599%)	3,357	171%	(12)	(4,599%)	3,345
Sagar Cements (M) Private Limited (Subsidiary)	9%	16,281	(7,145%)	5,216	43%	(3)	(7,145%)	5,213
Andhra Cements Limited (Subsidiary)	4%	8,074	9,200%	(6,716)	(114%)	8	9,200%	(6,708)
Adjustments arising out of consolidation	8%	14,056	4,060%	(2,964)	-	-	4,060%	(2,964)
Non-controlling interests	(9%)	(16,800)	(1,416%)	1,034	-	-	(1,416%)	1,034
Total	**100%**	**1,86,092**	**100%**	**(73)**	**100%**	**(7)**	**100%**	**(80)**

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)**

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 inter-company 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.

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, 2026	For the year ended March 31, 2025
Revenue as per contracted price	2,95,344	2,48,597
Less: Discounts and incentives	(38,012)	(28,840)
Total revenue from contracts with customers	**2,57,332**	**2,19,757**

- The Group is primarily in the business of manufacture and sale of cement and cement related products. The product shelf life being short, all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery.
- Contract price is determined as per terms agreed with the customer adjusted for discounts and rebates as applicable.
- 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.
- Group's contracts for the sale of goods are typically short-term in nature, with a duration of less than one year. Accordingly, the Group has applied the practical expedient provided under Ind AS 115 and has not disclosed the transaction price allocated to remaining performance obligations.

(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, 2026	For the year ended March 31, 2025
Goods transferred at a point in time	2,55,764	2,18,700
Services transferred at a point in time	1,568	1,057

(C) MOVEMENT IN CONTRACT LIABILITIES:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	6,451	4,582
Movement during the year, net	(84)	1,869
Closing balance	6,367	6,451

The amount of revenue recognised during the year against the advance from customers outstanding at the beginning of the year is ₹ 5,618 (March 31, 2025: ₹ 3,785). 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 dividend recognized as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Final dividend for FY 2023-24 (₹ 0.70 per equity share of ₹ 2 each)	-	915

42. CAPITAL WORK-IN-PROGRESS:

(A) MOVEMENT OF CAPITAL WORK-IN-PROGRESS (CWIP):

Particulars	Amount (₹)
Balance as on April 01, 2024	**1,470**
Add: Additions during the year (net)	17,910
Less: Capitalised	7,056
Balance as on March 31, 2025	**12,324**
Add: Additions during the year (net)	33,146
Less: Capitalised	33,893
Balance as on March 31, 2026	**11,577**

All amounts are in ₹ Lakhs unless otherwise stated

(B) CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE:

Ageing for capital work-in-progress as at March 31, 2026 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	10,096	710	81	690	11,577

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

There are no projects where activity has been suspended during the year.

Notes:

a. The Group does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

b. There are no suspended projects as at March 31, 2026 and March 31, 2025.

43. RELATIONSHIP WITH STRUCK OFF COMPANIES:

Name of Struck off Company	Nature of transactions	Balance outstanding as at March 31, 2026 *	Balance outstanding as at March 31, 2025*
Marble Estate India Limited	Customers of Parent Company	(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	Shareholders of Andhra Cements Limited	46 No's	46 No's
Ninad Holding Pvt Ltd		125 No's	125 No's
Fairgrowth Investments Limited		34 No's	34 No's
Cosmat Investments Private Limited		20 No's	20 No's
Skyline Promoters Private Limited		15 No's	15 No's
LYNX Mutual Funds Limited		13 No's	13 No's
Rockland Leasing Limited		11 No's	11 No's
Baps (India) Trading Private Limited		11 No's	11 No's
Micronet Software Services Private Limited	Shareholders of Andhra Cements 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		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
Balbir Leasing Private Limited		1 No	1 No
Kay Bee Finvest Private Limited		1 No	1 No

* Negative amount indicates payable.

All amounts are in ₹ Lakhs unless otherwise stated

44. On November 21, 2025, the Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as "the Labour Codes"), subsuming the existing labour laws. Further, the Ministry of Labour and Employment has notified the Rules under the said Codes on May 8, 2026.

The Group has assessed the potential impact of the aforesaid Labour Codes based on the provisions notified, the Rules framed thereunder, related clarifications and legal opinion obtained, in accordance with the guidance issued by the Institute of Chartered Accountants of India.

Based on such assessment, there is no incremental impact identified on the Group's obligations towards gratuity and compensated absences as at the reporting date.

45. The Board of Directors of the Parent Company in their meeting on March 30, 2026 has accorded in-principle approval for the proposed merger of its subsidiary Andhra Cements Limited (ACL) with the Company subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013.

46. The Parent Company has made Offer For Sale (OFS) through stock exchange mechanism for its investment in Andhra Cements Limited (ACL) to meet the final requirement of Minimum Public Shareholding (MPS) by ACL. Accordingly, the shareholding of the Parent Company in ACL reduced from 90% to 75%. Consequently, an amount of ₹ 8,614 representing 15.00% dilution in parent's interest has been transferred to Non-controlling interests ('NCI'). Further, tax impact of the said transaction has been recorded in the consolidated statement of profit and loss and other equity.

47. 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, 2026	For the year ended March 31, 2025
Fuel & Power Cost Adjustment (Refer note (i) below)	-	2,717

Notes:

(i) During the financial year 2024-25, the Andhra Pradesh Electricity Regulatory Commission issued orders dated October 25, 2024 and 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 financial year 2024-25.

48. 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 ₹ 6,791 (March 31, 2025: ₹ 4,605) under "Other operating income" during the financial year.

49. 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 and 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.

(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.

All amounts are in ₹ Lakhs unless otherwise stated

50. PREVIOUS PERIOD FIGURES HAVE BEEN REGROUPED/RECLASSIFIED TO CONFORM TO CURRENT YEAR'S CLASSIFICATION AS UNDER:

Note No	Note Description	Previously Reported Amount	Revised Amount	Change	Particular
6	Other financial assets - Non-current	4,920	5,029	109	Reclassification of Interest accrued but not due on non-current margin money deposits of ₹ 109 from Other financial assets - Current and included in Deposit with banks with original maturity for more than 12 months at amortised cost.
6	Other financial assets - Current	985	1,324	339	(i) Reclassification of Advance to employees of ₹ 86 to Other assets - Current. (ii) Reclassification of Interest accrued but not due of ₹ 378 from Other financial assets - Current to below: a) Interest accrued but not due on power deposits of ₹ 216 included in the Security deposits reported in Other financial assets - Current. b) Interest accrued but not due on other bank balance deposits of ₹ 53 to Other bank balances and included in the Margin Money deposits. c) Interest accrued but not due on non-current margin money deposits of ₹ 109 to Other financial assets - Non-current and included in Deposit with banks with original maturity for more than 12 months at amortised cost. (iii) Reclassification of Incentives receivable from government of ₹ 587 from Other assets - Current.
7	Other assets - Current	4,450	3,949	(501)	(i) Reclassification of Incentives receivable from government of ₹ 587 to Other financial assets - Current. (ii) Reclassification of Advance to employees of ₹ 86 from Other financial assets - Current.
11	Other bank balances	9,323	9,376	53	Reclassification of Interest accrued but not due on other bank balance deposits of ₹ 53 from Other financial assets - Current and included in Margin money deposits.
15	Other financial liabilities - Current	6,104	28,803	22,699	Reclassification of Supplier finance credit of ₹ 22,699 from Trade Payables - Current.
16	Provisions - Non-current	1,583	2,355	772	Reclassification of Liability for mining restoration costs of ₹ 772 from Other liabilities - Non-current.
17	Trade Payables - Current	57,830	32,751	(25,079)	(i) Reclassification of Supplier finance credit of ₹ 22,699 to Other financial liabilities - Current. (ii) Reclassification of Liability towards dealer incentive of ₹ 2,380 to Other liabilities - Current.
18	Other liabilities – Non-current	772	-	(772)	Reclassification of Liability for mining restoration costs of ₹ 772 to Provisions - Non-current.
18	Other liabilities – Current	10,780	13,160	2,380	Reclassification of Liability towards dealer incentive of ₹ 2,380 from Trade Payables - Current.

51. These consolidated financial statements were approved by the Company's Board of Directors on May 13, 2026.

As per our report of even dated attached.

For **B S R and Co**
Chartered Accountants
Firm Registration No: 128510W

Amit Kumar Bajaj
Partner
Membership No: 218685

Place: Hyderabad
Date: May 13, 2026

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870
Place: New Delhi
Date: May 13, 2026

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889
Place: Chicago, USA
Date: May 13, 2026

J. Raja Reddy
Company Secretary
M. No. A31113
Place: Hyderabad
Date: May 13, 2026

K. Prasad
Chief Financial Officer
Place: Hyderabad
Date: May 13, 2026

Notice is hereby given that the 45th Annual General Meeting of the Members of Sagar Cements Limited will be held on Thursday, the 25th June, 2026 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, 2026 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, 2026 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, 2026 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 Dr. S. Anand Reddy (DIN: 00123870), 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** Dr. S. Anand Reddy (DIN: 00123870) 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."

SPECIAL BUSINESS

4. **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, 2027 be and is hereby ratified."

5. **Approval of material related party transactions**

   To consider and, if thought fit, to pass the following resolution as an Special Resolution.

   "**Resolved that** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the Company's Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to execute contract(s) / arrangement(s) / transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with one of the Subsidiary companies viz., Andhra Cements Limited ("ACL"), a related party under Regulation 2(1)(zb) of the Listing Regulations, on such terms and conditions as may be agreed between the Company and ACL, for an aggregate value up to ₹500 crores for a period of one year from the date of approval of this resolution for the transactions as detailed in the explanatory statement, provided that such transactions are carried out in the ordinary course of business and on an arm's length basis.

Resolved further that pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 ("said Section"), the consent of the members of the Company be and is hereby accorded to provide loan up to ₹150 crores to Andhra Cements Limited, a subsidiary and related party of the company on such terms and conditions including rate of interest, repayment etc. to be decided by the Board of Directors of the company in its interest from time to time.

Resolved Further that the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved Further that any Board of directors of the company or Company Secretary of the company be and is 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

Hyderabad
May 13, 2026

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, 09/2024 dated 19.09.2024 and 03/2025 dated 22.09.2025 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 45th 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 15th April, 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 ("KFIN"), Registrar and Transfer Agent of the Company, as the authorized 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/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution/Authorization 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 **investors@sagarcements.in**.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the special business under Item No(s). 4 and 5 of the accompanying Notice, is given in the **Annexure-1.** The Board of Directors of the Company at its meeting held on May 13, 2026 considered all the businesses mentioned in the notice of the AGM as being unavoidable and needed to be transacted at the 45th 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 - 500032.
8. **Attendance at the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFIN. Members may access the same at https://emeetings.kfintech.com 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 1000 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 (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 facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFIN in respect of the business to be transacted at the 45th AGM and facility for those Members to participate in the AGM

to cast vote through e-voting system during the AGM. Kindly refer Note No.19 below for detailed instruction for remote e-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 KFIN 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 18, 2026 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 19, 2026 to June 25, 2026 (both days inclusive).

16. In compliance with the provisions of the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Integrated Report for the financial year ended March 31, 2026 is being sent only through email to those Members whose email IDs are registered with KFIN, Registrar and Share Transfer Agent ("RTA") of the Company, National Securities Depository Limited ("NSDL") and/or Central Depository Services (India) Limited ("CDSL") (collectively referred to as Depositories or NSDL/CDSL) as at close of business hours on Thursday, June 18, 2026 ("cut-off date"). For members whose email addresses are not registered, the Company is sending a physical letter containing a web link to access the Annual Report as permitted under Regulation 36 of the Listing Regulations. 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 KFIN at their website address at https://evoting.kfintech.com.

17. **Registration of e-mail ID**

    Members who have not registered their email IDs are requested to comply with the following procedure for updation of their email IDs at the earliest.

    Members holding shares in:

    - **Electronic mode** can register their email ID by contacting their respective Depository Participant(s) ("DP").
    - **Physical mode** can register their email ID with the Company or KFIN. Requests can be emailed to **investors@sagarcements.in** or **einward.ris@kfintech.com** or by registering with the first holder PAN at https://kprism.kfintech.com/signup. Existing users can login through KPRISM (https://kprism.kfintech.com). All updation has to be done through ISR Forms as prescribed by SEBI.

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 KFIN. 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 email-id i.e., **investors@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. Shareholders 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 **investors@sagarcements.in**.

19. **Instructions for members for remote e-voting**

i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Regulation 44 of the Listing Regulations, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time 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 KFIN ('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. The instructions for e-voting are provided as part of this Notice.

ii. 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.

iii. 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.

Facility to exercise vote through remote e-voting will be available during the following period:

Commencement of Remote e-voting	End of Remote e-voting
Sunday, June 21, 2026 (9.00 a.m. IST)	Wednesday, June 24, 2026 (5.00 p.m. IST)

iv. The voting rights of Members/beneficiary owners holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date being June 18, 2026. During the above period, Members of the Company who are holding shares either in physical form or in dematerialised form, as on the cut-off date, may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

v. The Company is sending through email, the AGM Notice and the Integrated Report to the shareholders whose name is recorded as on May, 29, 2026 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, 29, 2026 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 18, 2026, 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 DP ID 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 KFIN's Toll free number 1800-3094-001. Member may also send an e-mail request to **evoting@kfintech.com**.

vi. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFIN upon expiry of aforesaid period.

vii. **Details of person to be contacted for issues relating to e-voting:**

Shri. S.R. Ramesh, Deputy Vice President - 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.

viii. **Details of Scrutinizer:** Shri S.Srikanth, Practicing Company Secretary (M. No.22119), Partner representing M/s. B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.

ix. 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.

x. 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.

xi. A Member can opt only for single mode of voting i.e., through remote e-voting or voting at the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

xii. The voting rights for the shares of the Company are one vote per equity share, registered in the name of the member.

xiii. Any person holding shares in physical form as of the cut-off date, may obtain the login ID and password by sending a request at **evoting@kfintech.com**.

xiv. **The process and manner for remote e-voting is as under:**

a. Individual demat account holders would be able to cast their vote without having to register again with the ESP thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

b. The process and manner of remote e-voting is explained below:

i. Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

ii. Access to KFIN's e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

i. **Access to Depositories e-voting system in case of individual Members holding shares in demat mode.**

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	**1. For OTP based login** i. You can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. ii. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. iii. Enter the OTP received on registered email id/mobile number and click on login. iv. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. v. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users:** i. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv. Click on company name i.e., **'Sagar Cements Limited'** or ESP i.e. KFIN. v. Members will be re-directed to KFIN's website for casting their vote during the remote e-voting period. **3. Those not registered under IDeAS:** i. Visit https://eservices.nsdl.com for registering. ii. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Visit the e-voting website of NSDL https://www.evoting.nsdl.com. iv. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen. vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. vii. Click on company name i.e., **'Sagar Cements Limited'** or ESP name i.e., KFIN after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. viii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Type of Member	Login Method
Individual Members holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access To Securities Information ("Easi/Easiest") facility:** i. Visit https://web.cdslindia.com/myeasitoken/Home/Login Or https://www.cdslindia.com. ii. Click on New System Myeasi. iii. Login to Myeasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFIN e-voting portal and will be redirected to the e-voting page of KFIN to cast their vote without any further authentication. **2. User not registered for Easi/Easiest** i. Visit https://web.cdslindia.com/myeasitoken/Home/EasiRegistration Or https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration for registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. **3. Alternatively, by directly accessing the e-voting website of CDSL** i. Visit https://www.cdslindia.com ii. Provide demat account number and PAN. iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. **'Sagar Cements Limited'** or select KFIN. v. Members will be re-directed to the e-voting page of KFIN to cast their vote without any further authentication.
Individual Members login through their demat accounts/ website of DPs	i. Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility. ii. Once logged-in, Members will be able to view e-voting option. iii. Upon clicking on e-voting option, Members will be redirected to the NSDL/CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv. Click on options available against **'Sagar Cements Limited'** or 'KFIN'. v. Members will be redirected to e-voting website of KFIN for casting their 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 Members 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 102 0990** and **1800 22 4430**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at **022-62343625**, **022-62343626**, **022-62343259**

ii. **Access to KFIN e-voting system in case of members holding shares in physical and non-individual members holding shares in demat mode.**

Members whose e-mail DP's are registered with the Company/DPs, will receive an e-mail from KFIN which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com.

ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 9740, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFIN for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail 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.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., **'Sagar Cements Limited'** and click on "Submit".

vii. 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.

viii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date i.e., June 18, 2026 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

x. 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.

xi. You may then cast your vote by selecting an appropriate option and click on "Submit".

xii. A confirmation box will be displayed. Click on "OK" to confirm else Click on "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote.

xiii. During the voting period, Members can login any number of times till they have voted on the resolution.

xiv. 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 Scrutinizer at e-mail ID: **cs@bssandassociates.com** with a copy to **evoting@kfintech.com** and **investors@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."

xv. 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. S R Ramesh, Deputy Vice President-Corporate Registry of KFIN at 1800- 3094-001 (toll free).

xvi. 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.

xvii. The Scrutinizer's decision on the validity of the vote shall be final.

xviii. The Scrutinizer 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 scrutinizer's report after scrutinizing 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 to any other person authorized by the Chairman of the Company in writing, within two working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

xix. The Results declared along with the Scrutinizer's Report shall be hosted on the website of the Company i.e. https://sagarcements.in and on the website of KFIN i.e. https://evoting.kfintech.com immediately after the declaration of Results by the Chairman or a person authorized by him. 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.

xx. 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.

i. 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.

ii. 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.

iii. 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 1, 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 1, 2024.

    Any service request shall be entertained by KFIN only upon registration of the PAN, KYC details and the nomination. Further, in absence of the above information on or after October 1, 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 No(s): SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 20, 2023, the Company has registered on the 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 utilize 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.mca.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
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	2nd 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 KFIN, 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 Final Dividend issued for the financial year 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, SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 and SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, 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 KFIN, 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 KFIN.

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., KFIN (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, SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 and SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 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., KFIN 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 dematerializing 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: **investors@sagarcements.in**.

31. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 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.

    A Special Window has been opened for a period of 6 months from July 07, 2025 to January 06, 2026 by SEBI vide its circular dated SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 to facilitate re-lodgement of transfer requests of physical shares which was subsequently extended by SEBI allowing shareholders to transfer or dematerialize shares for a period of one more year from February 05, 2026 to February 04, 2027 vide its circular dated HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026. The facility is available for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/returned/not attended due to deficiency in the documents/process/ or otherwise.

    Investors who have missed the March 31, 2021 & January 06, 2026 deadlines for lodgement of transfer documents are encouraged to avail advantage of this opportunity by furnishing the necessary documents to the Company's Registrar & Transfer Agent M/s. KFin Technologies Limited at the address mentioned in Note No. 7.

32. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized 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, SEBI/HO/MIRSD/POD-1/P/CIR/2024/37

dated May 07, 2024 and HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 January 30, 2026) 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 dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice for dematerializing the same. Members may also contact the Company or its Registrars and Transfer Agents, KFIN 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 18, 2026 through email to **investors@sagarcements.in** for seeking information, If any, and the same will be replied by the Company suitably.

34. During the 45th 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.

35. Members may note that the Integrated Report for the year 2025-26 is also available on the Company's website https://sagarcements.in for their download.

36. The transcript of this meeting shall be made available on the website of the company.

37. 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

Hyderabad
May 13, 2026

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 45th 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 and 5 of the accompanying Notice dated May 13, 2026.

ON ITEM NO.4

The Board at its meeting held on May 13, 2026, 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 FY 2026-27 and payment of remuneration to the said Cost Auditors as mentioned in the resolution for the FY 2026-27.

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.4 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.5

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year exceeds 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company and shall require prior approval of shareholders by means of special resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the company concerned and at an arm's length basis. Further, Regulation 2(1)(zb) of the Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the Listing Regulations has enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, as well as (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not. It is in the above context that, Item No. 5 is placed for the approval of the Shareholders of the Company.

Andhra Cements Limited (ACL), being one of the subsidiary companies of Sagar Cements Limited and a "related party". The Company proposes to enter into transactions with ACL for Sale and Purchase of Goods and Services, providing inter corporate loans. The Management has provided the Audit Committee with the relevant details of proposed RPTs including rationale, material terms and basis of pricing. The Audit Committee, after discussion and deliberation, has granted approval for RPTs by entering into the transactions with ACL for an aggregate value of up to ₹500 Crores.

The granting of loans 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 proposal to provide loan to ACL triggers applicability of Section 185 of the Companies Act, 2013, and ACL being a related party and the transactions entered/to be entered are deemed to be material in nature and require specific approval from the shareholders under Regulation 23 (4) and other applicable Listing Regulations. The management of Sagar Cements Limited ("SGC") has provided the Audit Committee with all the requisite details of said proposed transactions with ACL.

The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business. As the current proposal is to approve the material related party transactions which require specific approval from the shareholders under Regulation 23(4) and other applicable Listing Regulations. The Audit Committee has reviewed the certificates furnished by the Joint Managing Director and the Chief Financial Officer as required under the Industry Standards.

The Board has also recommended entering into above said material related party transaction with ACL.

In terms of SEBI Circular dated June 26, 2025 on Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards"), the disclosures in respect of Related Party Transactions are as below:

DETAILS RELATING TO SALE AND PURCHASE OF GOODS AND SERVICES AND PROVIDING INTER CORPORATE LOANS BY SAGAR CEMENTS LIMITED ("SGC") TO ANDHRA CEMENTS LIMITED ("ACL")

S. No.	Particulars of the information	Information provided by the management
A.	**Basic details of the related party**	
1.	Name of the related party	Andhra Cements Limited (ACL)
2.	Country of incorporation of the related party	India
3.	Nature of business of the related party	Cement Manufacturing Company
B.	**Relationship and ownership of the related party**	
1.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:	ACL is Subsidiary of SGC
a)	Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party. *Explanation:* Indirect shareholding shall mean shareholding held through any person, over which the listed entity or subsidiary has control.	SGC directly holds 75% Shareholding in ACL
b)	Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).	Not Applicable
c)	Shareholding of the related party, whether direct or indirect, in the listed entity/subsidiary (in case of transaction involving the subsidiary). *Explanation:* Indirect shareholding shall mean shareholding held through any person, over which the related party has control. While calculating indirect shareholding, shareholding held by relatives shall also be considered.	% Shareholding - Nil
C.	**Details of previous transactions with the related party**	
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during last financial year. Note: Details need to be disclosed separately for listed entity and its subsidiary.	Transactions entered during last financial year are given below: ₹ in Lakhs

Nature of Transaction	FY26
Purchase of Clinker	10,108
Loans given	14,998
Corporate guarantee given	27,000
Sale of Coal	574
Interest income on unsecured loan	1,093
Income from services	557
Purchase of Spares	8
Sale of Spares	28
Reimbursement of expenses received	2
Total	**54,368**

S. No.	Particulars of the information	Information provided by the management
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Nil
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	No

S. No.	Particulars of the information	Information provided by the management
D.	**Amount of the proposed transaction(s)**	
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	₹500 Crores
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	18.87%
4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)	NA
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	113%
6.	Financial performance of the related party for the immediately preceding financial year: *Explanations:* The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis.	Details of ACL on standalone basis for FY 2025-2026: **Particulars** / **Rupees in Lakhs** Turnover: 44,249 Net Worth: 8,074 Net Profit: (6,716)
E.	**Basic details of the proposed transactions**	
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	(a) Sale and Purchase of Goods and Services; and (b) Providing loan
2.	Details of each type of the proposed transaction	(a) Sale and Purchase of Goods & Services not exceeding ₹350 Crores; and (b) Inter Corporate Loan: ₹150 Crores
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	(a) Sale and Purchase of Goods and Services is for 1 year for the date of approval. (b) The inter-corporate loan shall be repayable within 3 years from the date of disbursement, along with applicable interest.
4.	Whether omnibus approval is being sought?	Yes
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	₹500 Crores
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	The proposed transactions are with the subsidiary (Andhra Cements Limited) and they are in the interest of the Company as they enhance operational efficiency, ensure cost optimization, and are undertaken at arm's length in the ordinary course of business, thereby creating value for the Company.
7.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. Explanation: Indirect interest shall mean interest held through any person over which an individual has control	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, also hold directorships in ACL. Shri. K. Prasad, CFO, holds the position of CFO in ACL.

S. No.	Particulars of the information	Information provided by the management
	a. Name of the director / KMP	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, also hold directorships in ACL. Shri K. Prasad, CFO, holds the position of CFO in ACL.
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	Dr. S. Anand Reddy, Shri S. Sreekanth Reddy and Smt S. Rachana, Common Directors, being the Promoters of the Company and the indirect beneficial owner of the related party, are considered to be interested in the transaction.
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not Applicable
9.	Other information relevant for decision making.	None
F.	**Additional disclosure only in case of transactions relating to loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary**	
1.	Source of funds in connection with the proposed transaction. Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/housing finance companies.	Internal accruals
2.	Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following: Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies. a. Nature of indebtedness b. Total cost of borrowing c. Tenure d. Other details	Not Applicable
3.	Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers/other lenders. Note: (1) This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies. (2) Disclosure shall be made of borrowings undertaken by the listed entity with a comparable maturity profile to the loan/ICD being granted by the listed entity.	The bank interest rate for the recent term loan is 9.45% p.a.
4.	Proposed interest rate to be charged by listed entity or its subsidiary from the related party.	10% p.a.
5.	Maturity / due date	Repayable within 3 years from the date of disbursement
6.	Repayment schedule & terms	Repayable within 3 years from the date of disbursement
7.	Whether secured or unsecured?	Unsecured
8.	If secured, the nature of security & security coverage ratio	NA
9.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.	To fund the modernization and expansion project to increase cement grinding capacity from 1.82 MTPA to 3.00 MTPA, and for other general corporate purposes.
10.	Latest credit rating of the related party Note: Standalone rating to be provided while option to provide structured obligation rating (SO rating) and credit enhancement rating (CE rating), if any	IND BBB/Negative

S. No.	Particulars of the information	Information provided by the management
11.	Default in relation to borrowings, if any, made during the last three financial years, by the related party from the listed entity or any other person. Note: This information may be provided to the extent it is available in the public domain or as may be provided by the related party upon request. In addition, state the following: a) Whether the account of the related party has been classified as a non-performing asset (NPA) by any of its bankers and whether such status is currently subsisting; b) Whether the related party has been declared a "willful defaulter" by any of its bankers and whether such status is currently subsisting; c) Whether the related party is undergoing or facing any application for commencement of an insolvency resolution process or liquidation; d) Whether the related party, not being an MSME, suffers from any of the disqualifications specified under Section 29A of the Insolvency and Bankruptcy Code, 2016. Note: Past defaults that are no longer subsisting and have been cured or regularized need not be disclosed.	Not Applicable
	FY 2025-2026	NA
	FY 2024-2025	NA
	FY 2023-2024	NA
G.	**Additional disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances**	
1.	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	No bidding or other process applied
2.	Basis of determination of price.	Arm's length price
3.	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:	Not Applicable
	a. Amount of Trade advance	
	b. Tenure	
	c. Whether same is self-liquidating?	

The material Related Party Transactions have been approved by the Audit Committee, and the Board of Directors recommends the proposed transaction for approval by the shareholders.

Accordingly, the necessary special resolution is submitted in Item No.5 of the Notice and your Board recommend the same for approval of the shareholders.

The Members may please note that in terms of provisions of the Listing Regulations, none of the related party(ies) (whether such related party(ies) are a party to the proposed transactions or not), shall vote to approve the special resolution as specified in Item No. 5 of the Notice.

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. Shri 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 special resolution, except to the extent of their designations and shareholding, if any, in SGC and in ACL.

By Order of the Board of Directors

Hyderabad
May 13, 2026

J. Raja Reddy
Company Secretary
M.No. A31113

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

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	Dr. S. Anand Reddy	Smt S. Rachana
DIN	00123870	01590516
Date of birth	June 10, 1964	July 04, 1975
Age	61 years	50 years
Qualification	M.B.B.S.	B. Sc.
Experience in specific functional areas	Corporate Executive	Corporate Executive
Date of first appointment on the Board	November 23, 1991	March 18, 2015
Nature of Appointment	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	Appointment as a director subject to retire 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 Power Limited 2. Sagar Priya Housing & Industrial Enterprises Limited 3. Super Hydro Electric Private Limited 4. Sagar Cements (M) Private Limited	R V Consulting Services Private Limited
Directorships in other Listed Companies	Andhra Cements Limited	Andhra Cements Limited
Names of Listed Companies from which he has resigned in the past three years	NA	NA
Membership/Chairmanship of Committees of other Boards	Member in Stakeholders Relationship Committee of Andhra Cements Limited	Nil
Membership of Audit / Stakeholders Relationship Committees of Public Limited Companies	Chairman of the Audit Committee in Sagar Power Limited	Nil
No. of shares held including shareholding as a beneficial owner in Sagar Cements Limited	73,04,745 (5.59%)	1,86,86,665 (14.30%)
Number of Board Meetings attended during the year	6	6
Details of Remuneration last drawn	An amount of ₹5,25,00,000/- was paid towards remuneration as Managing Director during the FY2026.	No remuneration was paid except the sitting fee
Remuneration sought to be paid	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	Related to Shri S. Sreekanth Reddy, Joint Managing Director	Related to Shri S. Sreekanth Reddy, Joint Managing Director

Name of the Director	Dr. S. Anand Reddy	Smt S. Rachana
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Dr. S. Anand Reddy as Managing Director in the Company since 2018 and having ample experience in the Cement Industry. The Company believes that his skills, knowledge and experience on the Board will complement the effective functioning of the Company.	Smt S. Rachana plays a key role in upholding the company's vision and values, while contributing to effective board deliberations and compliance with regulatory requirements.
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 20th June, 2018.	We affirm that Dr. S. Anand 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 Dr. S. Anand 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 directors by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company have also verified that Smt S. Rachana is not debarred from holding the office of director pursuant to any SEBI Order.

By Order of the Board of Directors

Hyderabad
May 13, 2026

J. Raja Reddy
Company Secretary
M.No. A31113

Registered Office:
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500 033, Telangana.

(E)	Estimated figure
<IR>	Integrated Reporting
ACS	Associate Company Secretary
AFR	Alternative Fuels and Raw Material
AI	Artificial intelligence
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
AP&T	Andhra Pradesh and Telangana
APIDC	Andhra Pradesh Industrial Development Corporation Limited
ASCO	Assurances Continentales
BDM	Bracht Deckers & Mackelbert
BOI	Bank of India
C&F	Clearing and Forwarding
CAGR	Compound Annual Growth Rate
CC	Concrete canvas
CCS	Carbon capture and storage
CCU	Carbon capture and utilisation
CEMS	Community of European Management Schools
CEO	Chief Executive Officer
CFD	Computational Fluid Dynamics
CFO	Chief Financial Officer
CII	Confederation of Indian Industries
CMA	Cement Manufacturers Association
CO_2/Tonne	Carbon dioxide Per Tonne
CPCB	Central Pollution Control Board
CPP	Captive Power Plant
CSR	Corporate Social Responsibility
EBITDA	Earnings Before interest, Taxes, Depreciation and Amortisation
ECLGS	Emergency Credit Linked Guarantee Scheme
EHS	Environment, Health and Safety
eNPS	Employer Net Promoter Scores
EPS	Earnings Per Share
eq	Equivalent
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance

ESP	Electrostatic Precipitator
E-waste	Electronic Waste
FTE	Full-Time Equivalent
FY	Financial Year
GBC	Guntur Branch Canal
GGBS	Ground Granulated Blast Furnace Slag
GHG	Greenhouse Gas
GPAP	Group Personal Accident Policy
GRI	Global Reporting Initiative
GST	Goods and Services Tax
GTLI	Group Term Life Insurance
HDP	High Density Polyethylene
HIRA	Hazard Identification and Risk Assessment
ICAI	Institute of Chartered Accountants of India
ICC	Internal Complaints Committee
ICSI	Institute of Company Secretaries of India
IESBA	International Ethics Standards Board for Accountants
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
IND ASI	Indian Accounting Standard
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature
KCal	Kilocalorie
kL	Kilolitre
km	Kilometer
kWh/t	Kilowatt Hour Per Tonne
LIS	Lock-in-sula
LTI	Lost Time Injuries
LTIFR	Lost Time Injury Frequency Rate
Ltr/Ton	Litre Per Tonne
M.B.B.S	Bachelor of Medicine and Bachelor of Surgery
mg/nm_3	Miligrams Per Cubic Metre
ML	Machine Learning
MoEFCC	Ministry of Environment, Forest and Climate Change

MT	Million Tonnes
MTPA	Million Tonnes Per Annum
MW	Megawatts
MWh	Megawatt Hour
NBM	National Institute of Bank Management
NCLT	National Company Law Tribunal
NOx	Nitrogen Oxides
OPC	Ordinary Portland Cement
PAT	Profit After tax
PGNAA	Prompt Gamma Neutron Activation Analysis Analyzer
PMAY	Pradhan Mantri Awas Yojana
PPC	Portland Pozzolana Cement
PSC	Portland Slag Cement
PTFE	Polytetrafluoroethylene
RABH	Reverse Air Bag House
RBI	Reserve Bank of India
RDF	Refuse Derived Fuel
RE	Renewable Energy
RO	Reverse osmosis
RoCE	Return on Capital Employed
RoE	Return on Equity
RTM	Risks that Matter
SASB	Sustainability Accounting Standards Board
SGC	Sagar Cements Limited
SCPL	Satguru Cement Private Limited
SCRL	Sagar Cements (R) Limited
SEBI	Securities and Exchange Board of India
SOx	Sulphur Oxides
SRC	Sulphate Resistant Cement
STP	Sewage Treatment Plant
T	Tonnes
tCO_2e	Tonnes of carbon dioxide equivalent
TJ	Tera joule or one trillion joules
TPA	Tonnes Per Annum

TPD	Tonnes Per Day
TSIDC	Telangana State Industrial Development Corporation Limited
TSR	Thermal Substitution Rate
TUVI	Technischer Überwachungsverein India
UCL	University of Louvain
VFDs	Variable Frequency Drives
WHRS	Waste Heat Recovery System
YoY	Year-on-Year
AP	Andhra Pradesh
KA	Karnataka
TN	Tamil Nadu
TG	Telangana
KE	Kerala
OD	Odisha
MH	Maharashtra
MP	Madhya Pradesh
GJ	Gujarat
RJ	Rajasthan
WB	West Bengal
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. Jens Van Nieuwenborgh
Nominee Director

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
Asst. Vice President (F&A) and
Chief Risk Officer

Shri. M. V. Ramana Murthy
Sr. Vice President – Mattampally Plant

Shri. E. P. Ranga Reddy
Vice President – Gudipadu Plant

Shri. Ch. Subba Rao
Vice President – Dachepalli Plant

Shri. Niraj Kumar Shrivastava
Vice President – Jeerabad Plant

Shri. Venkat Prasad Rao Nelluri
General Manager – Bayyavaram Plant

Shri. I.P. Shrivastava
General Manager – Jajpur Plant

Auditors

B S R and Co.
Chartered Accountants (FR No. 128510W)
Salarpuria Knowledge City, Orwell
B Wing, 6th Floor, Unit-3, Sy. No. 83/1
Plot No.2, Raidurg
Hyderabad - 500 081

Secretarial Auditors

B S S & Associates
Company Secretaries (FR No. 3744)
Flat No. 5A, Parameswara Apts.,
Anand Nagar, Khairatabad,
Hyderabad – 500 004

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: **investors@sagarcements.in**

Corporate Identity Number

L26942TG1981PLC002887

Bankers

Debenture Trustee

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400 001,
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 – 515 408
   Tel: 08558 – 200272
3. Sri Durgapuram, Srinagar Post,
   Dachepalli Mandal, Palnadu District,
   Andhra Pradesh – 522 414.
4. Karondiya (Village),
   Post-Jeerabad, Tehsil-Gandhwani,
   Dhar District,
   Madhya Pradesh – 454 446.
5. Bayyavaram Village, Kasimkota Mandal
   Visakhapatnam District,
   Andhra Pradesh – 531 031
   Tel: 08924 – 244098 / 244550
6. Kalinga Nagar Industrial Complex,
   Tehsil-Dangadi, Jajpur District,
   Odisha – 755 026

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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