

# Management Discussion and Analysis



## Prelude

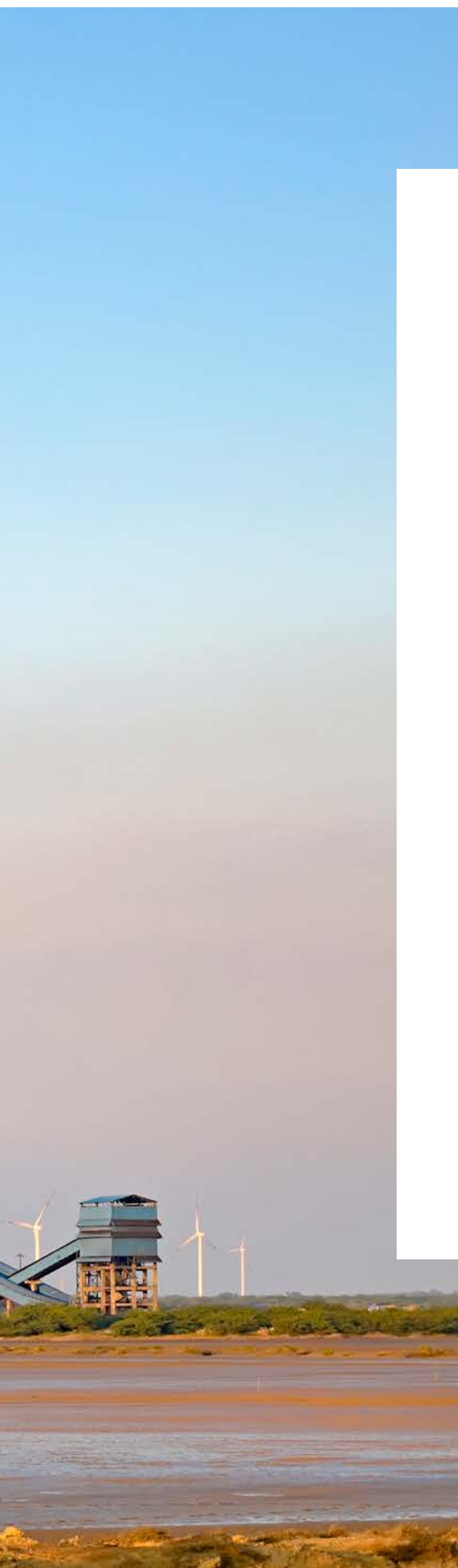
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Sanghi Industries Limited (SIL), a subsidiary of Ambuja Cements, has India's largest single-location integrated cement plant with a capacity of 6.1 MTPA.

Equipped with multi-fuel technology, it features a 143 MW power plant, all-weather port, and sea terminal. SIL holds one of India's largest limestone reserves, enabling seamless cement production at the lowest cost.

Committed to sustainability, it has transformed the surrounding arid landscape into a green zone while leveraging advanced manufacturing technology for high-quality cement production.

The Company achieved a remarkable turnaround post-acquisition by ACL, resolving liquidity challenges, reducing debt, and enhancing operational efficiency. The Master Supply Agreement with ACL and ACC, boosted capacity utilisation, driving growth. Now a key ACL and ACC supplier, SIL ensures steady demand for their products while advancing sustainability through eco-friendly practices.



Management Discussion and Analysis

Economic Scenario and Outlook

Economic performance during 2024 remained stable, with 3.3% growth in 2024, against 3.5% in 2023. The performance is supported by declining inflation, and easing of monetary policies. Global financial conditions were largely accommodative, though varied across geographies.

India's economy remained resilient, maintaining its decadal average annual growth of ~6%, supported by policy reforms and sustained government investments.

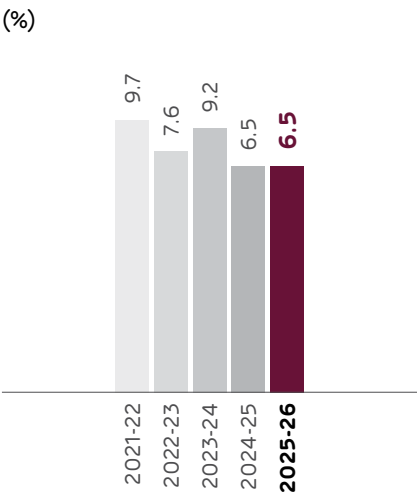


**3.3%**  
Global Economic Growth  
in 2024

In FY 2024–25, India witnessed key developments that shaped its economic trajectory, resulting in a GDP growth rate of 6.5%. Disinflation and rising disposable

incomes supported a recovery in urban demand, driving higher consumption. Meanwhile, strong rural demand was further boosted by the solid performance of the agriculture sector.

India's GDP Growth Trend



Outlook

India's economy is expected to grow moderately at 6.5% in FY 2025–26, underpinned by strong domestic demand, healthy rural and urban consumption, and continued infrastructure investments. A favourable monsoon and sustained focus on technology, innovation, and connectivity further strengthen this outlook.

The government remains committed to its vision of Viksit Bharat by 2047, which calls for consistent 8%+ GDP growth over the long

term. Reforms such as Ease of Doing Business 2.0 and strategic support for the SME sector aim to unlock growth potential and foster a more competitive business ecosystem.

Globally, steady economic recovery and easing inflation offer a supportive backdrop for India's growth ambitions. However, risks from trade limitations and rising geopolitical tensions, particularly developments involving India and Pakistan, could pose headwinds to the macroeconomic environment.

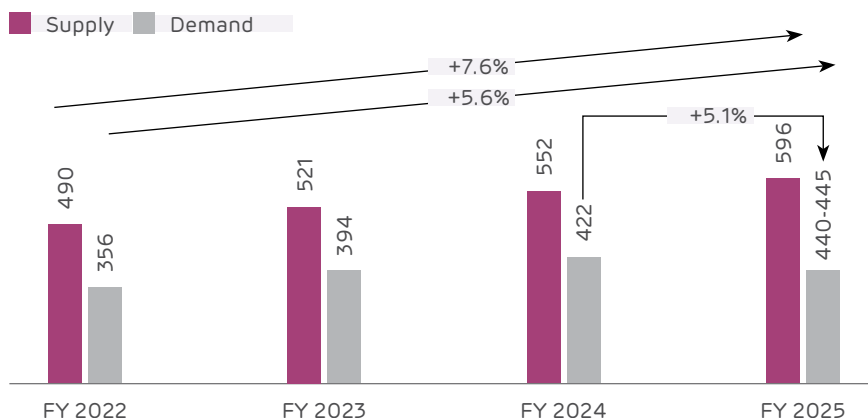
## Cement Industry

The cement industry is a key driver of economic growth, providing employment and supporting various sectors through its extensive forward and backward linkages. India is the world's second-largest cement-producing country.

In FY 2024-25, the industry grew by 5%, owing to slowdown in construction activities due to the general election and extreme heatwaves.

Meanwhile, the supply-side expanded through greenfield and brownfield projects driven by capacity expansions and Mergers and Acquisitions (M&A), with major players investing in new plants to meet rising demand from housing, infrastructure, and commercial sectors.

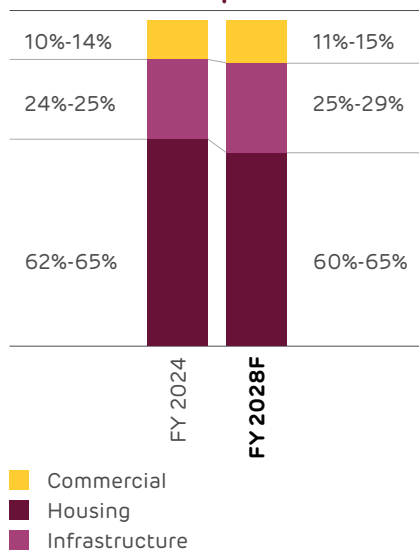
### Demand and Supply Trend



The Government of India is committed to pushing the country's infrastructure growth by allocating ₹ 11.21 trillion capital outlay. Key initiatives such as the ₹ 1 trillion Urban Challenge Fund and ₹ 150 billion SWAMIH Fund 2 aim to accelerate urban development and housing. Additionally, ₹ 1.5 trillion in 50-year interest-free loans to states, 6 lakhs permanent housing approval

in FY 2024-25 under Pradhan Mantri Awas Yojana – Urban (PMAY-U) 2.0, ₹ 2.77 lakhs crore allocated during FY 2022-26 under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme and projects worth ₹ 1.64 lakhs crore proposed till January 2025 under the Smart Cities Mission, will further drive cement demand.

### Sector-wise Share of Cement Consumption



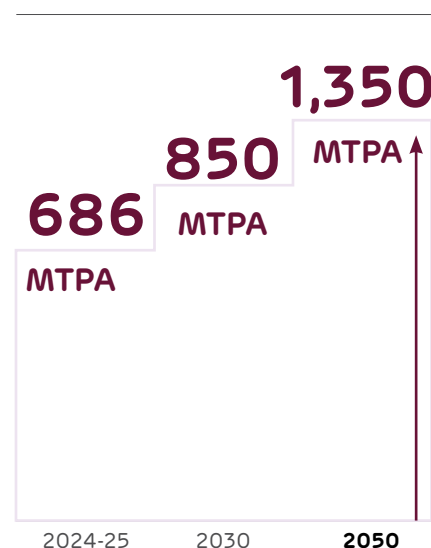
<sup>1</sup>CMA, <sup>2</sup>ICRA

### Outlook

India's cement industry is poised for sustained growth, driven by infrastructure projects, urban development, and strong economic fundamentals. Installed capacity is projected to reach 850 MTPA by 2030 and 1,350 MTPA by 2050, with a 6% CAGR<sup>1</sup> and utilisation nearing 70%<sup>2</sup>. Income tax cuts and capital expenditure will further boost housing and infrastructure demand.

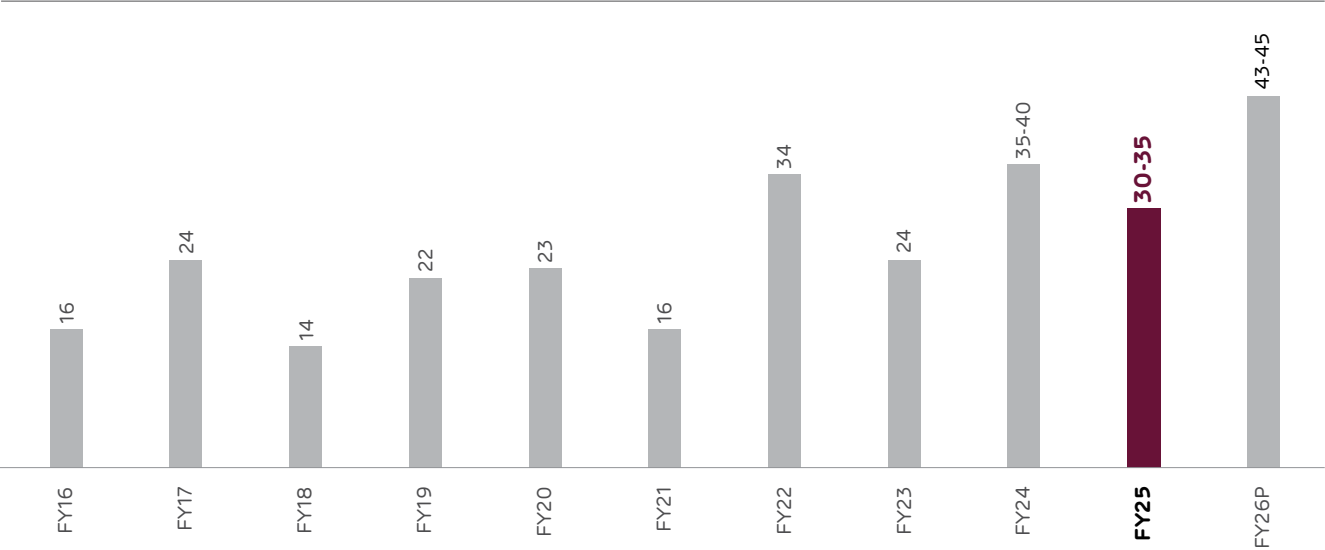
Capacity expansion and M&A will shape the sector's future, supported by the government's commitment to housing and infrastructure. To stay competitive, the industry must embrace innovation, enhance efficiency, and prioritise sustainability in an evolving landscape.

### India's Installed Cement Capacity Ambition



Management Discussion and Analysis

Cement Capacity Addition over the Decade (MTPA)



Key Demand Drivers of the Indian Cement Industry

Urbanisation and Infrastructure Development	Rural Development Investments	Technological Advancements and Innovation	Industry Consolidation
<p>Cement consumption as well as demand for residential, commercial, and infrastructure projects, is rising due to rapid urbanisation and government initiatives like Smart Cities Mission, PMAY and AMRUT.</p> <p><b>&gt;40%</b> of India's population expected to live in urban areas by 2030<sup>1</sup></p>	<p>Cement demand from rural areas is rising due to government projects for roads, schools, healthcare and sanitation, creating new market opportunities.</p> <p><b>62,500 km</b> of all-weather roads to be provided to unconnected habitats by FY 2028-29 under PMGSY - IV<sup>2</sup></p>	<p>Advanced manufacturing technologies and digitalisation drive efficiency, reduce costs and enhance product quality. Innovations like green cement, ready-mix concrete, and specialty cement support evolving construction needs and long-term sustainability.</p> <p><b>~₹ 1.25</b> <b>laks crore</b> Planned CAPEX of Indian cement makers between FY 2024-25 and FY 2026-27<sup>3</sup></p>	<p>Mergers and acquisitions (~200 MT in 10 years) have streamlined operations, optimised production, and enhanced economies of scale.</p> <p><b>~USD 4.5 billion</b> in M&amp;A deals by two leading players in 2024 and 2025<sup>4</sup></p>

<sup>1</sup>PIB | <sup>2</sup>Pradhan Mantri Gram Sadak Yojana (PMGSY) - IV | <sup>3</sup>CRISIL | <sup>4</sup>Moneycontrol



## Business Review

### Sustainable Development

SIL prioritises environmental stewardship with a focus on integrating alternative fuels, WHRS and renewables, circular economy, energy efficiency, while actively uplifting marginalised communities.

#### A. Environmental Policy and Management System

The Company follows a comprehensive environmental management system aligned with its parent company, Ambuja Cements' policies and practices. This approach enables SIL to proactively mitigate climate risks, minimise waste, promote recycling and adhere to water stewardship. The Company ensures compliance with environmental laws and has embraced ESG principles in its operations to enhance stakeholder value.

#### B. Climate and Energy

Aligning with the parent company, ACL, the Company is committed to reducing Scope 1 and Scope 2 GHG emissions through initiatives like alternative fuels, lower clinker factor, increased blended cement production, energy efficiency improvements, WHRS installation, and automation. It also addresses air pollutants like NO<sub>x</sub>, SO<sub>x</sub>, and particulate matter from fuel combustion.

Sustainability remains a priority, with a focus on minimising carbon and energy footprints.



#### C. Water Management

Water is one of the scarce natural resources and is one of SIL's primary material topics. The Company acknowledges the critical role of responsible water management in sustaining its operations and fulfilling the needs of local communities. The Company has implemented a robust water management system to ensure responsible management. The Company meets its water requirements from rainwater harvested in mine pits and from seawater and with zero reliance on competing water resources.

#### D. Circular Economy

The Company is committed to adopting a circular approach by integrating use of alternate fuels to reduce dependence on fossil fuels. It also uses waste materials like fly-ash to replace use of mined resources as part of its circular economy initiatives.

## Management Discussion and Analysis

### Performance Overview

Particulars	FY 2024-25	FY 2023-24
Sales Volumes (MT)	2.19	1.78
Revenue from Operations (₹ crore)	969	828
EBITDA before Exceptional Items (₹ crore)	106	(75)
EBITDA Margin (%)	11	(9)
PAT (₹ crore)	(498)	(449)

### Key Financial Ratios

Ratios	FY 2024-25	FY 2023-24	% Variance	Reason for Variance
Current Ratio (in times)	0.98	0.94	4%	Reduction in negative net working capital
Inventory Turnover Ratio (in times)	3.06	2.83	8%	Increase in cost of goods sold
Trade Receivables Turnover Ratio (in times)	33.23	31.72	5%	Mainly because of increase in sales
Trade Payables Turnover Ratio (in times)	11.19	4.57	145%	Due to reduction in average trade payables
Debt-to-Equity Ratio	4.06	1.87	117%	SILs holding company has infused additional funds in the Company by way of preference capital and Inter-Corporate Deposit (total borrowing is from the Company's Holding company) to support the Company's working capital requirement and improve operational efficiency. The other factor is the loss incurred by the Company reducing its equity.
Net Profit Ratio (%)	(52)%	(55)%	-5%	Due to higher Revenue
Operating EBITDA Margin (%)	7%	(10)%	17%	Due to operating EBITDA earned during the year
Return on Equity Ratio (%)	(58)%	(34)%	72%	Due to dip in equity led by losses during the year
Net Worth (₹ crore)	612	1,111	-45%	Due to loss incurred during the year

## On a Path to Recovery

The Company's shareholders, in their EGM held on February 8, 2024, approved Related Party Transactions (RPTs) with Adani Enterprises Limited (AEL), Ambuja Cements Limited (ACL), ACC Limited (ACC) and its wholly owned unlisted subsidiaries for FY 2024-25.

Given the benefits of these RPTs, the Audit Committee, Board of Directors and Shareholders have approved an extension of these RPTs upto March 31, 2026. To ensure transparency and compliance, the Audit Committee, comprising independent directors, reviews and approves transactions as per legal requirements, ensuring they are at arm's length and in the ordinary course of business.

### Approved RPTs with AEL, ACL and ACC

#### Acquisition of Solid Fuels

The Company encountered operational challenges, including delivery terms, supply delays, and quality issues when sourcing solid fuels from third-party vendors. To mitigate these, it entered into an agreement with AEL, an entity under common control, to procure solid fuels like coal for clinker production and captive thermal power plants. This ensures a steady supply of high-quality solid fuels, benefiting all stakeholders.

#### Shared Business Services

To enhance administrative efficiency, cost-effectiveness, and financial control, the Company will utilise AEL's shared business services, a standard offering across Adani Group companies.



Improved operational efficiency, consistent fuel quality, reduced logistics costs, and enhanced financial control – benefits of SIL and its stakeholders due to proposed transactions and shared business services with AEL.

#### Cement and Clinker

Pricing will be based on the previous quarter's cash cost of production with a 10% markup. ACL and ACC will purchase bulk clinker and cement from the Company. These prices for cement shall be reviewed after the quarter-end, substituting the previous quarter's cost with the current quarter's.

For any resultant shortage/excess, a debit or credit note will be issued.

#### Sale/Purchase of Raw Materials and Spare Parts

Pricing will be determined by either the replacement cost at the manufacturing location, considering market rates, or the landed cost plus a 10% annual carrying charge for the holding period. Quantities will be based on demand.

#### Availing/Rendering of Services

Each company will reimburse actual expenses incurred on its behalf by the other entity, ensuring liquidity and seamless business operations. Assurance of bulk purchases will help the Company manage overheads and working capital efficiently, preventing liquidity challenges.



## Management Discussion and Analysis

### Key Benefits of Transactions with Ambuja Cements

- Synergies and economies of scale, optimising capacity utilisation, and lowering operational costs
- Strengthened business sustainability, including environmental conservation
- Cost optimisation and improved ESG (Environmental, Social and Governance) performance
- Maximised plant capacity utilisation, addressing financial constraints that have limited operations to ~25% in the past couple of years

### Master Supply Agreement and Master Service Agreement

Following its acquisition by ACL, the Company has entered into a Master Supply Agreement and Master Service Agreement (collectively, 'MSA') with Ambuja Cements Limited and ACC. The MSA governs the purchase and sale of raw materials, spare parts, and service transactions. Under this agreement, ACL and ACC will bulk purchase clinker and cement produced by the Company, which will be marketed under the Ambuja and ACC brands.

### Expected Benefits

- **Capacity Utilisation and EBITDA Growth:** The Company aims to improve capacity utilisation and has turned EBITDA (without exceptional items) positive in FY 2024-25 with operating EBITDA of ₹ 67 crore against negative EBITDA of ₹ 81 crore

in FY 2023-24, strengthening operating cash flow

- **Financial Stability:** These transactions are expected to ease financial constraints, benefiting creditors, governments, shareholders, and employees
- **Elimination of Financial Constraints:** Agreements with ACL and ACC are designed to prevent future financial challenges
- **EBITDA Improvement:** Operating EBITDA margin (without exceptional items) rose to 6.9% in FY 2024-25 from -9.8% in FY 2023-24
- **Financial Assistance:** ACL invested

₹ 2,200 crore in 8% Non-Convertible Redeemable Preference Shares in July 2024, issued in five tranches. These funds were used to partly prepay Inter-Corporate Deposits (ICD) from ACL and for working capital and corporate purposes. The ICD balance as of March 31, 2025 stands at ₹ 285 crore.

Overall, these RPTs and financial assistance from AEL and ACL are expected to enhance financial stability, improve EBITDA, and address liquidity needs in alignment with market standards.



## Quality Management

The Company prioritises efficiency and precision in its operations through automation. SIL implements rigorous quality checks at every stage to maintain superior product standards. It utilises stackers and reclaimers for raw material homogenisation and employs centralised manufacturing process controls to ensure seamless production workflows. SIL's NABL-accredited laboratories uphold stringent quality standards, further reinforced by accreditations from the Bureau of Indian Standards (BIS) and BS-EN, underscoring its commitment to industry benchmarks and operational excellence.



### Certifications

- **ISO 9001:2015** (Quality management systems)
- **ISO 14001:2015** (Environmental management systems)
- **ISO 45001:2018** (Occupational health and safety management systems)
- **ISO/IEC 17025:2017** (National Accreditation Board for Testing and Calibration Laboratories' accreditation for chemical and mechanical testing)

## Digitalisation at SIL

SIL acknowledges digitalisation as a key driver of sustainable business growth. The Company has progressively integrated digital technologies across critical functions such as sales, logistics, material management, manufacturing, control systems, and technology operations. With a structured digital transformation strategy, SIL focuses on improving process efficiency, optimising resource utilisation, and ensuring regulatory compliance. By aligning with Industry 4.0 principles and making substantial investments in digital initiatives, SIL strengthens its competitive position in the Indian cement manufacturing sector.



## Management Discussion and Analysis

### Strengthening Cybersecurity

To ensure the Confidentiality, Integrity, and Availability of its digital infrastructure, SIL has enhanced its security framework by implementing IT-OT network segregation. This ensures secure data transition and communication between Information Technology (IT) and Operational Technology (OT) systems. Additionally, the deployment of an advanced OT observability solution enables real-time visibility and threat detection, strengthening cybersecurity and improving the reliability of industrial operations.

### Legacy SAP Migration to SAP HANA (High-performance Analytic Appliance)

Committed towards innovation and operational agility, SIL successfully migrated from its legacy SAP system to SAP Suite on HANA in just six weeks. Aiming towards enhanced operational resilience, this transformation included establishing a robust data recovery system, transitioning to the Azure data centre, and implementing a comprehensive Business Continuity Plan.

### Strengthening Network Infrastructure

Recognising the critical role of a robust digital infrastructure, SIL has implemented SD-WAN (Software-defined Wide Area Network) technology, reducing network deployment times by 50% and enhancing operational efficiency and security. The Wi-Fi modernisation project has extended coverage across multiple sites, facilitating seamless communication and improving productivity.



### Application Modernisation

#### Enhancing Procurement Efficiency with the eNFA Portal

SIL has streamlined its procurement process by introducing the Note for Approval (NFA) portal aligned with its parent Ambuja Cements Limited. This centralised system enhances approval workflows, boosting efficiency through features, such as real-time tracking, traceability, and seamless document retrieval. Its swift adoption has significantly improved productivity, and planned upgrades will further strengthen procurement operations, reinforcing SIL's commitment to digital transformation.

### Optimising Invoicing with ePOD

SIL has transformed its invoicing process with the Electronic Proof of Delivery (ePOD) system, ensuring greater accuracy and efficiency. Equipped with secure login authentication, an intuitive interface, and real-time status updates, the system allows transporters to generate and submit invoices effortlessly. By minimising human errors, expediting invoice processing by 30%, and reducing physical document management costs by 40%, ePOD has significantly enhanced operational efficiency and customer satisfaction.

[Read more on 48](#)



## Internal Control Systems and Adequacy

The Company has strong internal control systems and best-in-class processes commensurate with its size and scale of operations. There are well formulated policies and procedures for all major activities. These procedures facilitate effective business operations with governance.

Well-defined delegation of power with authority limits are in place for approving revenue as well as capex expenditure at level of organisational hierarchy. This enables ease of decision-making in day-to-day affairs as well as long-term and short-term business plans.

Financial control is effectively managed through the Annual Budgeting process and its monitoring is conducted through monthly reviews for all operating and service functions.

The Company has a state-of-the-art ERP system to record data for accounting, consolidation and management information purposes and connects to various locations for efficient exchange of information. It continues its efforts to align all its processes and controls with global best practices.

The Company has a well-established online Compliance Management System in which technology is seamlessly integrated with laws. The system provides comprehensive covering across all laws applicable on the business and its compliance update at each of operating units through the management dashboard.



There is a well-established multidisciplinary Management Audit & Assurance Services (MA&AS) that consists of professionally qualified accountants, engineers and SAP experienced executives who carry out extensive audit throughout the year across all functional areas and submits reports to Management and the Audit Committee about the compliance with internal controls and efficiency and effectiveness of operations and key process risks.

Internal Audit in collaboration with the Digital Team has rolled out several dashboards of critical audit exceptions which are of a recurring nature. This helps in identifying audit exceptions in real time basis.

MA&AS follows Risk Based Annual Internal audit plan. The audit plan and its scope are reviewed and approved by the Audit Committee of the Board.

Internal audit is conducted in accordance with auditing standards to review design effectiveness of internal control system and procedures to manage risks, operation of monitoring control, compliance with relevant policies and procedure, and recommend improvement in processes and procedures.

The Audit Committee of the Board regularly reviews the execution of audit plan, the adequacy and effectiveness of internal audit systems, and monitors the implementation of internal audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

In terms of governance, there are independent Committees in place for monitoring and governance over efficiency and effective internal controls:

### Risk Management Committee

The Company's risk management framework provides a process of identifying, assessing, monitoring, reporting, and mitigating various risks at all levels at periodic intervals. Under the framework, the Company has constituted a Risk Management Committee to continuously monitor, report and mitigate various risks faced. The outcome of this process is reported to the Audit Committee and to the Board on a quarterly basis.



## Management Discussion and Analysis

### Human Resources

The Company nurtures a workplace culture that supports individual potential while aligning with organisational goals. Aligned with the parent company, Ambuja Cements and guided by its six core pillars, SIL cultivates a resilient, adaptive, and inclusive environment where every team member feels valued and empowered. With these principles, the Company seamlessly integrates growth and achievement, enabling employees to thrive while driving its collective success.

#### Employee Care and Wellness

The Company has implemented various initiatives to enhance employee well-being, including health and wellness programmes, mental health support, and benefits that promote work-life balance. It actively empowers employees through a range of health-focused initiatives. Additionally, SIL has introduced the Adani Security Helpline to ensure employee safety and security.

#### M&A Seamless Integration

This year saw major mergers and acquisitions, with extensive efforts to seamlessly integrate them into the Adani Group's cement business. The process included leadership transitions, role realignments, skill gap assessments, and targeted training programmes. To support this, Leadership Connect sessions were conducted, keeping all stakeholders engaged and informed.



#### Performance and Productivity

SIL is enhancing employee performance and productivity through advanced strategies and digital tools. Performance management systems and productivity-enhancing solutions streamline operations, while the Cement Network Operating Centre (CNOC) dashboard leverages advanced analytics to optimise efficiency. Additionally, digital initiatives like the OneConnect app provide real-time workforce visibility, enabling proactive decision-making and effective resource allocation.

#### Aligning with Strategic Objectives

SIL sets goals in alignment with its parent company, Ambuja Cements' strategic objectives, ensuring that every employee's efforts contribute to Adani's broader mission and vision. The goal-setting process involves identifying key performance indicators (KPIs) critical to the organisation's success. This collaborative approach, involving managers and employees, ensures that goals are realistic, achievable, and aligned with individual roles and capabilities, fostering a sense of ownership and commitment. Performance management at SIL goes beyond annual reviews, incorporating continuous feedback and development. Managers provide regular guidance, helping employees recognise their strengths and areas for improvement.

### Performance Management System (PMS)

SIL has a comprehensive Performance Management System (PMS) to streamline goal setting and performance evaluations. The PMS includes tools for tracking goals, performance reviews, and feedback, ensuring transparency and consistency in assessments. Adani Group remains committed to recognising and rewarding employees for their contributions. The performance management process identifies high performers and provides appropriate recognition and incentives, fostering motivation and a culture of excellence. To support employees in achieving their goals, SIL offers various training and development programmes designed to enhance skills and capabilities, promoting continuous learning and professional growth.

### Digital Dexterity

SIL prioritises continuous learning and development through diverse training programmes, workshops, and initiatives. The Skill Development Centre plays a vital role in delivering high-quality training to rural youth. Additionally, the Company offers Digital Dexterity Certification Programmes through the Adani Institute of Digital Technology Management (AIDTM), covering key areas such as IoT, AI, and cloud computing.

### Saksham

The Saksham initiative empowers employees and managers by leveraging technology. SIL utilises Oracle Fusion to streamline processes, enhance efficiency, and enable better decision-making. Recognised for its innovative approach to digital transformation, this initiative is further supported by various training programmes designed to strengthen its impact.

### Global Capability Centre

The establishment of the Global Capability Centre (GCC) is a strategic move by SIL's parent company, Ambuja Cements to strengthen operational capabilities, drive innovation, and create a dynamic workplace. Supporting global operations, the GCC integrates decision-enabling analytics through digital tools, enhancing efficiency and effectiveness across the organisation.



### Harmonious and Productive Employee Relations

SIL fosters positive and productive employee-management relationships through various initiatives and programmes. The 'Career Conversations' initiative enables employees to engage with leadership on rewards, role clarity, and career development. Additionally, workshops and training sessions are conducted to enhance communication and collaboration across teams.

## Management Discussion and Analysis

### Community Development



Sanghi Industries Limited (SIL) undertakes its community development initiatives under the aegis of the Adani Foundation. Since 1996, the Adani Foundation, the Adani Group's community outreach arm, has driven strategic social investments for sustainable impact nationwide. Its initiatives in education, health, livelihoods, skill development, and community infrastructure align with national priorities and UN SDGs. Known for its innovative problem-solving, the Foundation challenges norms to deliver lasting change. The Company remains fully committed to the Foundation's philosophy and priorities, actively implementing them in communities around its operations.

#### Bridging Healthcare Gaps in Underserved Communities

The Adani Foundation launched specialty health camps, offering free consultations, check-ups, and medicines, benefiting needy villages. The Adani Medical Centre in Sanghipuram, a state-of-the-art facility, is transforming healthcare with trauma care, diagnostics, and ambulance services. Specialised camps, TB screenings, and a flu relief drive provided critical medical aid, ensuring timely treatment, awareness and support for rural communities.

#### Key Highlights

- 29,004 beneficiaries reached through community health initiatives
- 1,300+ patients served in 13 villages through health camps
- 26,402 Outpatient consultations at Adani Medical Centre
- 1,185 patients received specialised care
- 7 TB cases diagnosed and treated
- 500 households supported during the flu epidemic

### Enhancing Livelihoods through Sustainable Cattle Care

The Adani Foundation is addressing veterinary care gaps by launching vaccination and deworming drives, benefiting cattle and farmers across multiple villages. Partnering with the Animal Husbandry Department, it honoured farmers for contributions to cattle development. To boost livestock productivity, NB 21 fodder cultivation and organic farming training were introduced, ensuring better nutrition and sustainability.

#### Key Highlights

- 5,779 cattle vaccinated and 4,315 among them were dewormed
- 550 cattle owners reached in 10 villages
- 90 farmers honoured for cattle development
- 45 farmers provided with 500 NB 21 off-suits
- 848 beneficiaries impacted through Sustainable Livelihood Development

### Empowering Education through Project Utthan

On its 28<sup>th</sup> anniversary, the Adani Foundation launched Project Utthan, enhancing education at the Sanghi site. Utthan Sahayaks support students in high schools, while Adani Evening Coaching Centres provide additional learning in key subjects. A dedicated transport service ensures uninterrupted schooling. Smart classes, new infrastructure, and educational kits enrich learning experiences, supporting academic excellence in rural communities.

#### Key Highlights

- 4 Utthan Sahayaks supporting 157 students
- 284 Students benefitting from evening coaching
- 65 students accessing school via transport service
- 10 primary schools equipped with smart classes
- 15 schools upgraded with new infrastructure & BALA paintings
- 1,150 students received educational kits
- 1,656 beneficiaries impacted through education initiatives

### Strengthening Water Security through Climate Action

The Adani Foundation has deepened and desilted ponds, enhancing irrigation and sustainable water management. This initiative has significantly improved water storage capacity, benefitting local farmers and ensuring better agricultural productivity.

#### Key Highlights

- 16 ponds deepened and desilted
- 1,06,250 CUM additional water storage capacity created
- 750 acres of land irrigated
- 4,000+ beneficiaries impacted through climate action initiatives

### Community Development

969 individuals linked to government schemes through 'Meri Sangini Meri Margdarshika', a community development initiative.

### Enhancing Sustainability & Community Resilience

The Adani Foundation continues its commitment to environmental sustainability and disaster relief. Tree plantation efforts are improving biodiversity, while post-cyclone rehabilitation has helped families rebuild their homes, ensuring stability and security.

#### Key Highlights

- 1,200 native trees planted across 1.5 acres
- 55 households supported with roofing materials
- 337 cement roof sheets and 2,000 Mangalore tiles provided for home restoration



## Management Discussion and Analysis

### Risk Management




SIL's Enterprise Risk Management (ERM) is an annual process that identifies risks and opportunities, promoting a sustainable business and risk-aware ecosystem.

Risks are assessed using a 3x3 matrix (High, Medium, Low) based on severity and probability. A functional approach ensures each function evaluates current and future risks, which are then consolidated for an organisation-wide view.

Critical risks have mitigation plans monitored by senior management to ensure operational efficiency and regulatory compliance. ERM enables proactive decision-making, helping the Company navigate market uncertainties while strengthening resilience and sustainability.

#### Key Risks Identified for FY 2024-25

Key Risks	Description	Mitigation
 <b>Market Volatility</b>	<p>India's cement industry faces market volatility, economic uncertainty, demand-supply imbalances, and geopolitical shifts. Changes in government policies, economic cycles, and global trends influence the cement market and further contribute to short-term business uncertainty.</p>	<p>Future opportunities can help offset economic and market volatility. India's growing infrastructure, construction, and manufacturing sectors, supported by 'Make in India,' drive cement demand. Improved ease of doing business, industrial infrastructure, and FDI inflows further strengthen growth prospects. A stable government and pro-reform policies boost demand, benefitting the industry and the Company.</p> <p>We remain focused on infrastructure and housing projects, leveraging market growth for expansion. SIL's customer-centric initiatives, innovative products, and sustainable practices help reduce its carbon footprint and conserve natural resources and remain competitive.</p>
 <b>Competitive Environment</b>	<p>India's cement industry is highly competitive, with big and small players battling for market share, leading to price wars, squeezed profitability, and challenges for smaller firms. Rapid capacity expansion and consolidation are reshaping the landscape, making it crucial for the Company to defend its market position.</p>	<p>Amid shifting market dynamics, the Company remains committed to bold transformation for long-term sustainability. Since H2 2022, the Group's growth was driven by acquisitions and expansions, reaching nearly 100 MTPA. Now, the Company is also focusing on organic growth to meet Group's target capacity of 140 MTPA by FY 2027-28, enhancing capacity, Group's market share, and cost leadership. Aligned with the Group's ambition, SIL produces superior grades of cement while maintaining the lowest cost of production.</p>

Key Risks	Description	Mitigation
 <b>Environmental Regulations</b>	Stricter environmental regulations and global standards pose reputational and financial risks, demanding significant investments in cleaner technologies and sustainable practices for compliance.	To tackle business challenges and meet environmental regulations, SIL drives transformation through innovation and upgrades. SIL's parent company Ambuja Cements Limited is the first signatory to the Alliance of Industry Decarbonization (AFID) and is committed to accelerating the Net Zero transition. With a bold 2050 Net-Zero target, the cement business of the Group has pledged ₹ 100 billion toward renewable energy and WHRS projects.
 <b>Sustainability - Climate Change</b>	As a significant contributor to GHG emissions, the cement industry faces climate risks, making sustainability essential. Cement companies must adopt greener practices to reduce emissions and align with global climate goals.	<p>With a philosophy of 'Growth with Goodness', the Company drives sustainable and stakeholder-centric growth. It is advancing its decarbonisation, reducing environmental impact, and making significant strides in renewable energy.</p> <p>Operating in the hard-to-abate cement industry, the Company is committed to achieving Net Zero by 2050, with targets validated by SBTi. The cement business of the Group plans to invest ₹ 100 billion in 1 GW of renewable energy and 376 MW from WHRS, aiming to power 60% of its expanded capacity with green energy by FY 2027-28. This initiative will significantly cut SIL's carbon footprint while delivering strong economic benefits.</p>
 <b>Cyber Security</b>	The Company enhances construction efficiency with digital innovation, leveraging secure, ISO 27k-certified cybersecurity and advanced technologies for customer-centric solutions and best-in-class products.	The Company proactively mitigates cybersecurity risks by blocking data leakage threats and ensuring a secure AI environment. Robust backups, firewalls, and regular system upgrades provide protection, while periodic policy updates and user training further reduce risks.
 <b>Health and Safety</b>	Health and safety of the employees are paramount to the Company's business.	SIL prioritises employee well-being through strict safety measures, regular training on hazard mitigation, and investments in advanced safety technology. Routine health check-ups and wellness programmes support both physical and mental well-being. Additionally, a Scaffolding Inspector Training programme by the Scaffold Training Institute (STI) enhanced employees' safety awareness, competency, and inspection skills. It invests in employee skills and knowledge to ensure a safer, more efficient workplace.