



# SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2017-18

29th May 2017

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

The Secretary  
BSE Limited  
P J Towers  
Dalal Street  
**Mumbai – 400 001**

**Symbol: SAGCEM**  
**Series: EQ**

**Scrip Code: 502090**

Dear Sir,

**Audited Financial Results (Standalone and Consolidated) for the quarter / year ended  
March 31, 2017**

...

In continuation of our letter dated 11<sup>th</sup> May 2017, we wish to inform you that our Board of Directors at their meeting held today, approved the Audited Financial Results (Standalone and Consolidated) for the quarter / year ended March 31, 2017.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose the following:

- Statements showing the Audited Financial Results (Standalone and Consolidated) for the quarter / year ended March 31, 2017;
- Auditors' Report on the Audited Financial Results – Standalone and Consolidated.
- Declaration with regard to Auditor's Report, being an unmodified one.\

Further, we wish to inform you that our Board has recommended a dividend @ 15% (Re.1.50 per share) on the 2,04,00,000 equity shares of the Company for the year ended 31<sup>st</sup> March, 2017 for declaration at the ensuing Annual General Meeting.

The meeting of the Board of Directors commenced at 4.00 p.m. and concluded at 7.30 p.m.

We would request you to kindly take the above information / documents on record.

Thanking you

Yours faithfully  
For Sagar Cements Limited

R.Soundararajan  
Company Secretary

Encl: as above.



SAGAR CEMENTS LIMITED  
CIN No: L26942TGJ981PLC002887

Regd. Office: Plot No.111, Road No.40, Jubilee Hills, Hyderabad-500 033

STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

(In Indian ₹ lakhs, except per share data and unless otherwise stated)

Sl. No	Particulars	Consolidated					
		Standalone		Year ended		Quarter ended	
		March 31, 2017 (Audited) (Refer Note 13)	December 31, 2016 (Unaudited)	March 31, 2017 (Audited) (Refer Note 2)	March 31, 2017 (Audited) (Refer Note 13)	December 31, 2016 (Unaudited)	March 31, 2017 (Audited)
1	Income						
	(a) Revenue from operations (Refer Note 7)	18,241	14,155	17,870	70,811	27,084	94,159
	(b) Other income	455	292	2,312	2,828	122	352
	Total income	18,696	14,447	18,667	73,639	27,216	94,511
2	Expenses						
	(a) Cost of materials consumed	2,049	1,519	1,425	7,214	2,856	10,310
	(b) Purchase of stock-in-trade	-	-	0	6,484	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,261	(122)	(469)	297	1,886	(489)
	(d) Excise duty (Refer Note 7)	2,564	1,919	2,432	8,474	8,655	3,001
	(e) Employee benefits expense	907	924	1,258	3,653	1,192	970
	(f) Finance costs	774	797	887	3,045	1,538	4,311
	(g) Depreciation and amortisation expense	793	709	760	2,800	1,284	2,246
	(h) Power and Fuel expenses	4,766	3,671	5,334	17,137	7,613	6,208
	(i) Freight and Forwarding	2,807	2,438	2,950	10,091	4,080	4,759
	(j) Other expenses	2,114	2,236	2,419	8,813	3,474	15,112
	Total expenses	18,035	14,091	16,996	61,908	27,316	11,094
3	Profit before tax (1-2)	661	356	1,671	2,404	7,107	263
4	Tax expense/(benefit)	83	9	1,003	469	1,835	25
	(a) Current Tax	216	169	686	791	354	469
	(b) Deferred Tax	299	178	212	1,155	2,189	345
5	Net Profit/(Loss) for the period (3-4)	362	178	1,459	1,249	4,918	635
6	Other Comprehensive Income	(7)	-	75	(7)	(36)	(392)
	(i) Items that will not be reclassified to profit or loss	3	-	(22)	3	13	(36)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(4)	-	53	(4)	(23)	13
7	Total Comprehensive Income (5+6)	355	178	1,512	1,245	4,971	(23)
8	Earnings per share (Basic & Diluted) of ₹10 each (Not annualised)	1.88	1.01	8.39	6.98	28.28	(2.19)
	(*) - Annualised						

Notes:

1 The above results were reviewed by the Audit Committee and later approved by the Board of Directors at their respective meetings held on May 29, 2017. The Statutory Auditors have expressed an unmodified audit opinion on the financial results.

2 The Indian Accounting Standards (Ind AS), as notified under the Companies (Indian Accounting Standards) Rules, 2015, are applicable to Sagar Cements Limited (the Company) and its subsidiary for periods commencing on or after April 01, 2016. The consolidated and standalone financial results presented above are extracted from the audited consolidated and standalone financial statements respectively which are prepared in accordance with the prescribed Indian Accounting Standards (Ind AS). The standalone results for the quarter and year ended March 31, 2016 are in accordance with Ind AS.

3 Total Comprehensive Income reconciliation for the quarter and year ended March 31, 2016 is given below:

Particulars	Standalone		Consolidated	
	Quarter ended March 31, 2016	Year ended March 31, 2016	Quarter ended March 31, 2016	Year ended March 31, 2016
Net Profit reported for the period (published)	1,521	4,976	4,610	4,610
Reversals of defined benefit obligation recognised in other comprehensive income	(65)	(63)	(63)	(63)
Recognition of borrowings using effective interest rate	(23)	(12)	(12)	(8)
Fair value of corporate guarantee	4	4	-	-
Minor restoration cost	(2)	(9)	(9)	(10)
Amortization expense	-	-	-	(97)
Provision for Expected Credit loss	-	-	-	(27)
Deferred tax impact on the above	22	22	22	22
Total effect of transition to Ind AS	(62)	(60)	(60)	(183)
Profit for the year as per Ind AS	1,459	4,918	4,971	4,427
Other comprehensive income for the year	53	53	53	53
Total comprehensive income under Ind AS	1,512	4,971	4,971	4,480





Particulars	Standalone		Consolidated		
	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited) (Refer Note 2)	As at April 1, 2015 (Audited) (Refer Note 2)	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited) (Refer Note 2)
<b>ASSETS</b>					
Non-current assets					
(a) Property, Plant and Equipment	49,451	44,185	33,499	93,125	88,626
(b) Capital work-in-progress	5,165	1,298	11,219	5,534	1,519
(c) Goodwill	-	-	-	3,873	3,873
(d) Intangible Assets	16	15	19	3,057	3,222
(e) Financial Assets					
(i) Investments					
(a) Investment in Subsidiaries	25,759	8,219	-	-	-
(b) Other Investments	28	27	15	28	27
(ii) Loans	-	-	-	-	-
(iii) Other financial assets	1,589	17,200	3,947	1,924	4,416
(f) Deferred tax asset	-	4,065	-	2,465	2,113
(g) Advance income tax	100	209	208	100	225
(h) Other non-current assets	2,366	1,094	842	2,456	1,136
<b>Total Non-current Assets (1)</b>	<b>84,474</b>	<b>76,222</b>	<b>49,749</b>	<b>112,540</b>	<b>108,157</b>
Current assets					
(a) Inventories	7,296	6,570	6,231	11,035	9,052
(b) Financial Assets					
(i) Trade receivables	4,634	4,601	5,806	8,083	8,094
(ii) Cash and cash equivalents	16,116	17	21,669	16,178	297
(iii) Other bank balances	869	350	259	869	350
(iv) Loans	-	4,982	-	-	-
(v) Other Financial Assets	4,068	2,612	8,109	693	494
(c) Other current assets	4,227	2,455	5,624	3,922	3,367
<b>Total Current Assets (2)</b>	<b>37,220</b>	<b>21,567</b>	<b>47,698</b>	<b>40,780</b>	<b>21,654</b>
<b>Total Assets (1+2)</b>	<b>121,694</b>	<b>97,789</b>	<b>97,447</b>	<b>153,320</b>	<b>129,811</b>
<b>EQUITY AND LIABILITIES</b>					
Equity					
(a) Equity Share capital	2,040	1,739	1,739	2,040	1,739
(b) Other Equity	76,407	53,658	50,992	74,256	53,168
<b>Total Equity (1)</b>	<b>78,447</b>	<b>55,397</b>	<b>52,731</b>	<b>76,296</b>	<b>54,907</b>
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	14,829	10,565	12,113	34,967	29,535
(ii) Other financial liabilities	4,280	4,213	3,370	4,587	4,442
(b) Provisions	199	2,543	2,609	236	2,569
(c) Deferred tax liabilities (Net)	3,003	2,289	2,302	3,003	2,289
(d) Other non current liabilities	178	179	179	229	229
<b>Total Non - Current Liabilities (2)</b>	<b>22,489</b>	<b>19,789</b>	<b>20,573</b>	<b>43,022</b>	<b>39,064</b>
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	5,800	6,913	8,803	9,561	8,699
(ii) Trade payables	8,420	9,085	7,496	14,777	13,241
(iii) Other financial liabilities	2,940	2,400	4,397	5,079	5,739
(b) Provisions	156	139	92	208	180
(c) Current Tax Liabilities (Net)	62	479	986	62	479
(d) Other current liabilities	3,380	3,587	2,369	4,315	4,502
<b>Total Current Liabilities (3)</b>	<b>20,758</b>	<b>22,603</b>	<b>24,143</b>	<b>34,002</b>	<b>32,840</b>
<b>Total Equity and Liabilities (1+2+3)</b>	<b>121,694</b>	<b>97,789</b>	<b>97,447</b>	<b>153,320</b>	<b>129,811</b>



Note:

(i) Reconciliation of Equity attributable to the Equity Shareholders of the Company

Particulars	Standalone		Consolidated	
	As at March 31, 2016	As at April 1, 2015	As at March 31, 2016	As at March 31, 2016
Equity (shareholders' funds) under previous GAAP	55,328	52,133	54,962	54,962
Proposed dividend and related distribution tax	-	523	-	-
Recognition of borrowings using effective interest rate	30	63	35	35
Effect of measuring investments at fair value through OCI	24	12	24	24
Fair valuation of corporate guarantee	4	-	-	-
Mines Restoration expense	(9)	-	(10)	(10)
Amortization expense	-	-	(97)	(97)
Provision for expected credit loss	-	-	(27)	(27)
Equity under Ind AS GAAP	55,397	52,731	54,907	54,907

5

Segment information is presented for the consolidated financial results as permitted under the Ind AS 108 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Accounting Standard (AS) 17 'Segment Reporting' notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014

Particulars	Consolidated			
	Quarter ended March 31, 2017 (Audited) (Refer Note 13)	Quarter ended December 31, 2016 (Unaudited)	Year ended March 31, 2017 (Audited)	Year ended March 31, 2016 (Audited) (Refer Note 2)
<b>1. Segment Revenue</b>				
(a) Cement	26,748	21,885	92,701	81,606
(b) Power	1,675	1,594	6,160	6,782
Total	28,423	23,479	98,861	88,388
Less: Inter Segment Revenue	1,529	1,354	4,702	2,146
Net sales/Income From Operations	27,094	22,125	94,159	86,242
<b>2. Segment Results (Profit/(+)/ Loss(-) before tax and interest from each segment)</b>				
(a) Cement	1,484	1,808	6,136	7,908
(b) Power	(168)	(64)	142	932
Total	1,316	1,744	6,278	8,840
Less: Interest	1,538	1,635	6,208	4,186
(ii) Un-allocable income (Net of un-allocable expense)	(122)	(94)	(352)	(408)
Total Profit Before Tax	(100)	203	422	5,062
<b>3. Capital employed (Segment assets – Segment Liabilities)</b>				
As at March 31, 2017 (Audited)	As at December 31, 2016 (Unaudited)	As at March 31, 2016 (Audited)	As at March 31, 2016 (Audited)	As at March 31, 2016 (Audited)
Segment assets	129,354	113,226	105,400	105,400
(a) Cement	16,382	14,256	14,564	14,564
(b) Power	7,584	9,603	6,847	6,847
(c) Unallocated	153,320	137,185	126,811	126,811
Total Assets	31,359	28,999	31,896	31,896
Segment Liabilities	3,461	3,450	2,367	2,367
(a) Cement	3,107	5,280	2,913	2,913
(b) Power	37,927	37,729	37,176	37,176
(c) Unallocated				
Total				



- 6 Since the consolidated financial results were prepared for the first time for the year ended March 31, 2016, the figures for the quarter ended March 31, 2016 have not been presented.
- 7 Pursuant to clarification by SEBI regarding Revenue recognition and Excise Duty issued on September 20, 2016, the Revenue from operations have been disclosed inclusive of Excise Duty.
- 8 During the year the Company completed the acquisition of the assets of a cement grinding unit with a capacity of 1,81,500 Mts. at Bayyavaram village, Visakhapatnam district, Andhra Pradesh.
- 9 During the year the Company converted the balance of ₹ 17,200 lakhs against the loan given to its wholly owned subsidiary Sagar Cements (R) Limited (formerly known as BMM Cements) into 4,30,00,000 8% cumulative redeemable preference shares of ₹ 10 each at a premium of ₹ 30 each.
- 10 Pursuant to the approval accorded by the shareholders, during the year, the Company made a preferential allotment of 611,986 equity shares, of ₹ 10 each at a premium of ₹ 790 per share aggregating to ₹ 489,588,800 to the promoter & non promoter group.
- 11 Pursuant to the approval accorded by the shareholders, the Company raised a sum of ₹ 1,728,000,000 during the current quarter by allotment of 2,400,000 equity shares, of ₹ 10 each at a premium of ₹ 710 per share through Qualified Institutions Placement.
- 12 The Board of Directors have recommended a dividend of ₹1.50 per share (15%) on the 20,400,000 equity shares of face value of ₹10 each for the year 2016-17.
- 13 The figures for the quarter ended March 31, 2017 and March 31, 2016 are arrived at as difference between audited figures in respect of the full financial year and the published figures up to nine months of the relevant financial year.

Place: Hyderabad  
Date: May 29, 2017



For Sagar Cements Limited  
S. Venkatesh Reddy  
S. Venkatesh Reddy  
Managing Director

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **SAGAR CEMENTS LIMITED** ("the Company"), for the year ended March 31, 2017 ("the Statement") included in the accompanying Statement of Audited Standalone and Consolidated Financial Results, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and



- (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended March 31, 2017.
4. The Statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



**Ganesh Balakrishnan**  
Partner  
(Membership No. 201193)

Secunderabad, May 29, 2017

## **INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **SAGAR CEMENTS LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the year ended March 31, 2017 ("the Statement") included in the accompanying Statement of Audited Standalone and Consolidated Financial Results, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.


We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.





3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - a. includes the results of Sagar Cements(R) Limited (Formerly BMM Cements Limited)(Subsidiary of the Company);
  - b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, Total comprehensive loss and other financial information of the Group for the year ended March 31, 2017.
4. The Consolidated Results does not include the results for the quarter ended March 31, 2016 for the reasons stated in Note 6.
5. The Statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Ganesh Balakrishnan**  
Partner  
(Membership No. 201193)

Secunderabad, May 29, 2017



# SAGAR CEMENTS LIMITED

## DECLARATION

Pursuant to Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified on May 25, 2016, we hereby declare and confirm that Auditor's Report on Annual financial Results of the company for the quarter and year ended March 31, 2017 is an "unmodified opinion".

for Sagar Cements Limited

*S. Veera Reddy*  
**S. Veera Reddy**  
Managing Director



Place: Hyderabad  
Date : May 29, 2017



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