



# SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2018-19

19th July 2018

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 Sirs

**Regulation 33 of SEBI (LODR) Regulations 2015 – Furnishing of Un-audited Financial Results**

Further to our letter dated 4th July, 2018, we are pleased to forward herewith our un-audited stand-alone and consolidated financial results for the first quarter ended 30<sup>th</sup> June, 2018, which were taken on record and approved by the Board at their meeting held on today, after review by its Audit Committee. We are also forwarding herewith the Limited Review Report furnished by our Statutory Auditors on the above financial results, which was also taken on record by our Board at their said meeting.

Thanking you

Yours faithfully  
For Sagar Cements Limited

  
R. Soundararajan  
Company Secretary

- Encl: 1. Results  
2. Limited Review Certificate (Stand-alone and Consolidated)



Registered Office : Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500 033

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CIN : L26942TG1981PLC002887

**SAGAR CEMENTS LIMITED**  
CIN No: L26942TG1981PLC002887

Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad - 500 033, Phone: +91 40 23351571 Fax: +91 40 23356573  
**STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018**

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

Sl. No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		June 30, 2018	March 31, 2018 (Refer Note 9)	June 30, 2017	March 31, 2018	June 30, 2018	March 31, 2018 (Refer Note 9)	June 30, 2017	March 31, 2018
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
<b>1</b>	<b>Income</b>								
	(a) Revenue from operations (Refer Note 4)	19,842	20,968	21,501	77,601	27,490	29,488	29,839	107,772
	(b) Other income	366	459	497	1,860	54	173	226	730
	<b>Total income</b>	<b>20,208</b>	<b>21,427</b>	<b>21,998</b>	<b>79,461</b>	<b>27,544</b>	<b>29,661</b>	<b>30,065</b>	<b>108,502</b>
<b>2</b>	<b>Expenses</b>								
	(a) Cost of materials consumed	2,376	2,846	2,414	10,713	3,412	3,879	3,126	14,194
	(b) Purchase of stock-in-trade	656	393	325	1,726	656	393	325	1,726
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,309	376	(112)	(1,650)	1,683	510	240	(1,409)
	(d) Excise duty (Refer Note 4)	-	-	2,802	2,802	-	-	3,963	3,963
	(e) Employee benefits expense	1,266	1,417	968	4,494	1,412	1,585	1,101	5,129
	(f) Finance costs	740	815	704	2,973	1,411	1,537	1,510	5,929
	(g) Depreciation and amortisation expense	842	906	765	3,330	1,363	1,417	1,263	5,362
	(h) Power and fuel expenses	4,809	6,204	5,522	22,687	7,556	8,827	8,190	33,138
	(i) Freight and forwarding	4,055	4,234	3,654	15,121	5,878	6,341	5,133	21,793
	(j) Other expenses	2,199	2,926	2,360	9,656	3,249	4,076	3,512	14,110
	<b>Total expenses</b>	<b>19,252</b>	<b>20,117</b>	<b>19,402</b>	<b>71,852</b>	<b>26,620</b>	<b>28,565</b>	<b>28,363</b>	<b>103,935</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>956</b>	<b>1,310</b>	<b>2,596</b>	<b>7,609</b>	<b>924</b>	<b>1,096</b>	<b>1,702</b>	<b>4,567</b>
<b>4</b>	<b>Tax expense</b>								
	(a) Current tax	206	442	554	1,641	206	442	554	1,641
	(b) Deferred tax	44	219	359	1,029	136	180	151	300
	<b>Total Tax</b>	<b>250</b>	<b>661</b>	<b>913</b>	<b>2,670</b>	<b>342</b>	<b>622</b>	<b>705</b>	<b>1,941</b>
<b>5</b>	<b>Net profit for the period (3-4)</b>	<b>706</b>	<b>649</b>	<b>1,683</b>	<b>4,939</b>	<b>582</b>	<b>474</b>	<b>997</b>	<b>2,626</b>
<b>6</b>	<b>Other Comprehensive Income</b>								
	(i) Items that will not be reclassified to profit or loss	-	(31)	-	(31)	-	(19)	-	(19)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	11	-	11	-	7	-	7
	<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>(12)</b>	<b>-</b>	<b>(12)</b>
<b>7</b>	<b>Total Comprehensive Income (5+6)</b>	<b>706</b>	<b>629</b>	<b>1,683</b>	<b>4,919</b>	<b>582</b>	<b>462</b>	<b>997</b>	<b>2,614</b>
<b>8</b>	Paid up Equity share capital (Face value of ₹ 10 per share)				2,040				2,040
<b>9</b>	Other Equity				80,343				75,880
<b>10</b>	Earnings per share (Basic & Diluted) of ₹ 10 each	3.46	3.18	8.25	24.21	2.85	2.26	4.89	12.81
					(*)				(*)

(\*) - Annualised

**Notes:**

- The above standalone and consolidated unaudited financial results were reviewed by the Audit Committee and later approved by the Board of Directors at their respective meetings held on July 19, 2018. The statutory auditors have carried out a limited review of the financial results.
- The standalone and consolidated financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").



3 Consolidated Segment information

Based on the "management approach" as defined in IND AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on analysis of various performance indicators by the business segments. Accordingly, information has been presented along these business segments. The accounting principles used in presentation of financial statements are consistently applied to record revenue and expenditure in individual segments.

(₹ in lakhs)

Particulars	Consolidated			
	Quarter ended		Year ended	
	June 30, 2018	March 31, 2018 (Refer Note 9)	June 30, 2017	March 31, 2018
	Unaudited	Audited	Unaudited	Audited
<b>1. Segment revenue</b>				
(a) Cement	27,411	29,400	29,620	107,195
(b) Power	2,111	2,269	1,842	7,690
<b>Total</b>	<b>29,522</b>	<b>31,669</b>	<b>31,462</b>	<b>114,885</b>
Less: Inter segment revenue	2,032	2,181	1,623	7,113
<b>Revenue from operations</b>	<b>27,490</b>	<b>29,488</b>	<b>29,839</b>	<b>107,772</b>
<b>2. Segment results (Profit (+)/ Loss (-) before tax and interest)</b>				
(a) Cement	2,330	2,462	3,104	10,263
(b) Power	(49)	(2)	(118)	(497)
<b>Total</b>	<b>2,281</b>	<b>2,460</b>	<b>2,986</b>	<b>9,766</b>
Less:				
(i) Interest expenses (finance costs)	1,411	1,537	1,510	5,929
(ii) Un-allocable income (Net of un-allocable expense)	(54)	(173)	(226)	(730)
<b>Total Profit before tax</b>	<b>924</b>	<b>1,096</b>	<b>1,702</b>	<b>4,567</b>

(₹ in lakhs)

Capital employed (Segment assets – Segment liabilities)	As at	As at	As at
	June 30, 2018	March 31, 2018	June 30, 2017
	Unaudited	Audited	Unaudited
<b>Segment assets</b>			
(a) Cement	141,578	131,069	121,792
(b) Power	13,010	12,853	14,412
(c) Unallocated	9,244	13,138	17,125
<b>Total assets</b>	<b>163,832</b>	<b>157,060</b>	<b>153,329</b>
<b>Segment liabilities</b>			
(a) Cement	41,778	36,754	32,157
(b) Power	1,823	1,985	3,089
(c) Unallocated	4,701	4,094	3,792
<b>Total liabilities</b>	<b>48,302</b>	<b>42,833</b>	<b>39,038</b>

- 4 The Government of India has introduced the Goods and Services Tax (GST) with effect from July 01, 2017. Accordingly, in compliance with the Indian Accounting Standards, Revenue from operations for the quarter ended June 30, 2018, and quarter/ year ended March 31, 2018 is net of GST. Revenue from operations for the quarter ended June 30, 2017 included excise duty.
- 5 The consolidated financial results include the results of the wholly-owned subsidiary, Sagar Cements (R) Limited.
- 6 Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the financial statements of the Company.
- 7 During the quarter, the company completed the expansion of capacity of its grinding unit at Bayyavaram to 1.5 million metric tons capacity.
- 8 Effective April 05, 2018, pursuant to an Asset Purchase Agreement with Sagar Power Limited (SPL), the Company has acquired the assets of two hydel power plants of SPL having a combined capacity of 8.3 MW for its captive consumption and accordingly the accounting for acquisition of assets have been given effect to in the books of accounts for the quarter ended June 30, 2018.
- 9 The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the published year to date figures up to the third quarter ended December 31, 2017.
- 10 Corresponding previous period's figures have been regrouped/reclassified, wherever necessary.

Place: Hyderabad  
Date: July 19, 2018



For Sagar Cements Limited  
Dr. S. Anand Reddy  
(Joint Managing Director)

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS**

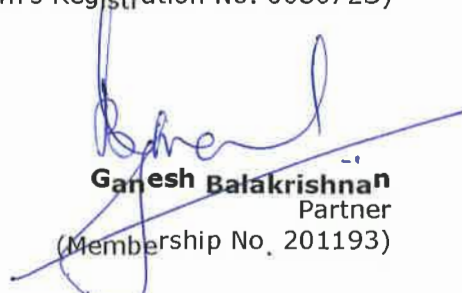
**TO THE BOARD OF DIRECTORS OF  
SAGAR CEMENTS LIMITED**

1. We have reviewed the Standalone Unaudited Financial Results ("Results") of **SAGAR CEMENTS LIMITED** ("the Company") for the quarter ended June 30, 2018 included in the accompanying Statement of Unaudited Standalone and Consolidated Financial Results ("the Statement"), 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 prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

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

Hyderabad, July 19, 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED

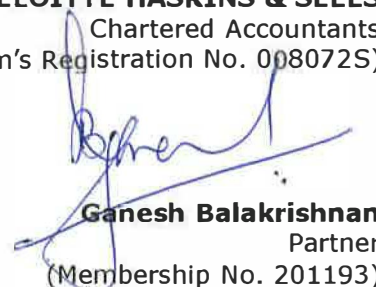
1. We have reviewed the Consolidated Unaudited Financial Results ("Consolidated Results") of **SAGAR CEMENTS LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter ended June 30, 2018 included in the accompanying Statement of Unaudited Standalone and Consolidated Financial Results ("the Statement") 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 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Consolidated Results includes the results of the Sagar Cements (R) Limited (Subsidiary of the Parent).
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 008072S)



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

Hyderabad, July 19, 2018