



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2019-20

21st October 2019

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th 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 30th September, 2019, we are pleased to forward herewith our un-audited stand-alone and consolidated financial results for the second quarter and six months ended 30th September 2019, 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

Phone : +91-40-23351571, 23356572 Fax : +91-40-23356573 info@sagarcements.in www.sagarcements.in CIN : L26942TG1981 PLC002887

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 AND SIX MONTHS ENDED SEPTEMBER 30, 2019

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

Sl. No.	Particulars	Standalone						Consolidated					
		Quarter ended			Six months ended		Year ended	Quarter ended			Six months ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income												
	(a) Revenue from operations	19,213	25,436	20,297	44,649	40,139	90,201	26,528	34,420	25,770	60,948	53,260	1,21,755
	(b) Other income	300	465	362	765	728	1,506	(19)	145	64	126	118	288
	Total income	19,513	25,901	20,659	45,414	40,867	91,707	26,509	34,565	25,834	61,074	53,378	1,22,043
2	Expenses												
	(a) Cost of materials consumed	4,014	4,523	3,734	8,537	6,110	15,650	5,115	5,742	4,326	10,857	7,738	19,929
	(b) Purchase of stock-in-trade	1,804	1,064	784	2,868	1,440	3,701	930	1,064	544	1,994	1,200	2,595
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,287)	(219)	(1,653)	(2,506)	656	1,744	(2,367)	(735)	(1,101)	(3,102)	582	1,356
	(d) Employee benefits expense	1,298	1,265	1,346	2,563	2,612	5,200	1,524	1,473	1,531	2,997	2,943	5,875
	(e) Finance costs	898	782	816	1,680	1,556	3,322	1,581	1,495	1,526	3,076	2,937	6,339
	(f) Depreciation and amortisation expense	1,343	1,212	1,188	2,555	2,030	4,410	1,925	1,780	1,714	3,705	3,077	6,570
	(g) Power and fuel expenses	6,062	6,317	7,096	12,379	11,905	25,408	8,321	8,696	8,897	17,017	16,453	36,276
	(h) Freight and forwarding	2,999	4,016	4,439	7,015	8,494	17,398	4,947	6,006	5,920	10,953	11,798	25,246
	(i) Other expenses	2,668	3,201	2,502	5,869	4,701	11,167	3,821	4,312	3,545	8,133	6,794	15,537
	Total expenses	18,799	22,161	20,252	40,960	39,504	88,000	25,797	29,833	26,902	55,630	53,522	1,19,723
3	Profit/ (loss) before tax (1 - 2)	714	3,740	407	4,454	1,363	3,707	712	4,732	(1,068)	5,444	(144)	2,320
4	Tax expense/ (benefit)												
	(a) Current tax	484	312	92	796	298	874	484	312	92	796	298	874
	(b) Deferred tax	(382)	982	53	600	97	171	(264)	1,469	(359)	1,205	(223)	87
	Total tax	102	1,294	145	1,396	395	1,045	220	1,781	(267)	2,001	75	961
5	Net profit/ (loss) for the period (3 - 4)	612	2,446	262	3,058	968	2,662	492	2,951	(801)	3,443	(219)	1,359
6	Other comprehensive income												
	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(253)	-	-	-	-	-	(286)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	88	-	-	-	-	-	100
	Total Other comprehensive income/ (loss)	-	-	-	-	-	(165)	-	-	-	-	-	(186)
7	Total comprehensive income/ (loss) (5+6)	612	2,446	262	3,058	968	2,497	492	2,951	(801)	3,443	(219)	1,173
8	Profit/ (loss) attributable to:												
	Owners of the company							494	2,955	-	3,449	-	-
	Non-controlling interest							(2)	(4)	-	(6)	-	-
								492	2,951	-	3,443	-	-
9	Total comprehensive income attributable to:												
	Equity attributable to shareholders of the Company							494	2,955	-	3,449	-	-
	Non-controlling interest							(2)	(4)	-	(6)	-	-
								492	2,951	-	3,443	-	-
8	Paid up equity share capital (Face value of ₹ 10 per share)						2,040						2,040
9	Other equity						88,129						82,343
10	Earnings per share (Basic & Diluted) of ₹ 10 each	2.84	11.99	1.28	14.57	4.75	13.05	2.28	14.47	(3.93)	16.41	(1.07)	6.66
							(*)						(*)

(*) - Annualised



Balance Sheet

(₹ In lakhs)

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	September 30, 2019	March 31, 2019	September 30, 2019	March 31, 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	83,480	73,810	1,27,900	1,17,832
(b) Capital work-in-progress	2,205	10,728	5,077	11,005
(c) Right of use assets	185	-	250	-
(d) Goodwill	-	-	8,886	3,873
(e) Intangible assets	14	14	23	24
Mining Rights	-	-	2,604	2,686
(f) Financial assets				
(i) Investments	46,301	27,528	-	-
(ii) Loans	1,500	1,500	-	-
(iii) Other financial assets	1,444	1,883	1,700	2,084
(g) Advance income tax	84	84	84	102
(h) Deferred tax assets (net)	-	-	2,678	3,284
(i) Other non-current assets	613	1,319	3,278	1,346
Total Non-current assets (1)	1,35,826	1,16,866	1,52,480	1,42,236
Current assets				
(a) Inventories	10,056	10,611	13,389	14,501
(b) Financial assets				
(i) Trade receivables	10,357	7,814	14,896	11,561
(ii) Cash and cash equivalents	93	1,784	446	1,791
(iii) Bank balances other than (ii) above	1,111	1,022	1,546	1,159
(iv) Loans	500	500	-	-
(v) Other financial assets	4,519	4,366	348	305
(c) Other current assets	7,943	7,245	4,902	4,558
Total Current assets (2)	34,579	33,342	35,527	33,875
TOTAL ASSETS (1+2)	1,70,405	1,50,208	1,88,007	1,76,111
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	2,195	2,040	2,195	2,040
(b) Other equity	98,903	88,129	93,510	82,343
Equity attributable to shareholders of the Company	1,01,098	90,169	95,705	84,383
Non controlling interest	-	-	5,395	-
Total Equity (1)	1,01,098	90,169	1,01,100	84,383
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12,574	14,171	27,556	30,582
(ii) Other financial liabilities	17,373	4,098	7,013	5,459
(b) Provisions	627	627	729	730
(c) Deferred tax liabilities (net)	4,713	4,113	4,713	4,113
(d) Other non-current liabilities	179	179	229	229
Total Non-current liabilities (2)	35,466	23,188	40,240	41,113
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	12,121	10,655	15,855	13,886
(ii) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises	160	25	179	45
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	13,420	14,987	17,636	20,339
(iii) Other financial liabilities	4,534	5,414	8,381	9,008
(b) Provisions	305	239	341	275
(c) Current tax liabilities (net)	942	756	942	756
(d) Other current liabilities	2,359	4,775	3,333	6,306
Total Current liabilities (3)	33,841	36,851	46,667	50,615
TOTAL EQUITY AND LIABILITIES (1+2+3)	1,70,405	1,50,208	1,88,007	1,76,111

Notes:

- The above standalone and consolidated unaudited financial results were recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 21, 2019. 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 as 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").
- The consolidated financial results include the results of:
 - Sagar Cements Limited, India (parent company).
 - Sagar Cements (R) Limited (wholly owned subsidiary company)
 - Jajpur Cements Private Limited (wholly owned subsidiary company)
 - Satguru Cement Private Limited (subsidiary company)



(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Six months ended September 30, 2019	Six months ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018
A. Cash flow from operating activities				
Profit before taxes	4,454	1,363	5,444	(144)
Operating profit before working capital changes	8,018	4,243	12,237	5,774
Net cash generated from operating activities	2,199	3,993	8,704	5,654
B. Cash used in investing activities	(9,936)	(11,367)	(13,895)	(13,572)
C. Cash flow from financing activities	6,046	3,347	3,846	3,846
Net cash outflow during the period	(1,691)	(4,027)	(1,345)	(4,072)

The Statement of cashflows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Director's, but have not been subjected to review.

5 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		Six months ended			Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Cement	26,493	34,388	25,539	60,881	52,950	1,21,220
(b) Power	1,227	1,875	1,800	3,102	3,911	8,377
Total	27,720	36,263	27,339	63,983	56,861	1,29,597
Less: Inter segment revenue	1,192	1,843	1,569	3,035	3,601	7,842
Revenue from operations	26,528	34,420	25,770	60,948	53,260	1,21,755
2. Segment results Profit(+)/ Loss(-) before tax and interest						
(a) Cement	2,261	6,303	691	8,564	3,021	9,051
(b) Power	(17)	(123)	(297)	(140)	(346)	(680)
Total	2,244	6,180	394	8,424	2,675	8,371
Less:						
(i) Interest expenses (finance costs)	1,581	1,495	1,526	3,076	2,937	6,339
(ii) Un-allocable income (Net of un-allocable expense)	(49)	(47)	(64)	(96)	(118)	(288)
Total Profit before tax	712	4,732	(1,068)	5,444	(144)	2,320

(₹ in lakhs)

Particulars	As at September 30, 2019	As at June 30, 2019	As at March 31, 2019	As at September 31, 2018
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
Segment assets				
(a) Cement	1,66,894	1,71,318	1,52,305	1,46,424
(b) Power	12,134	12,436	13,270	12,979
(c) Unallocated	8,979	9,419	10,536	9,673
Total assets	1,88,007	1,93,173	1,76,111	1,69,076
Segment liabilities				
(a) Cement	29,224	33,653	32,955	48,041
(b) Power	94	517	1,082	494
(c) Unallocated	57,589	57,065	57,691	6,120
Total liabilities	86,907	91,235	91,728	54,655

6 Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' which replaces Ind AS 17 'Leases'. The Company has applied Ind AS 116 in accordance with para C5(b) of the standard. Right-of-use assets as at April 01, 2019 for leases classified as operating leases were recognised and measured at an amount equal to the lease liability (adjusted for any related prepayments/ accruals). As a result, the comparative information has not been restated. The effect of adopting this standard is not material on the net profit for the period.

7 During the six months ended September 30, 2019, the Company acquired 100% stake in Jajpur Cements Private Limited, 65% stake in Satguru Cement Private Limited and consolidated these entities with effect from May 02, 2019 and May 08, 2019 respectively. As at the reporting period end, the fair valuation of assets and liabilities has not been finalised and therefore the accounting for acquisition of these subsidiaries has been determined provisionally.



Place: Hyderabad
Date: October 21, 2019



For Sagar Cements Limited

Dr. S. Anand Reddy
(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 accompanying Statement of Unaudited Standalone Financial Results ("Results") of **SAGAR CEMENTS LIMITED** ("the Company") for the quarter and six months ended September 30, 2019 ("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 amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 4 of the Statement which states that the statement of cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 amended, 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)

Place: Hyderabad
Date: October 21, 2019

UDIN: 19201193AAAADV1477

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 accompanying Statement of Unaudited Consolidated Financial Results of **SAGAR CEMENTS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and six months ended September 30, 2019 ("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 amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 4 to the Statement which states that the statement of consolidated cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review.

4. The Statement includes the results of the following entities:

Sagar Cements (R) Limited (wholly owned subsidiary), India
Satguru Cement Private Limited (subsidiary), India and
Jajpur Cements Private Limited (wholly owned subsidiary), India

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 amended, 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)

Place: Hyderabad
Date: October 21, 2019
UDIN: 19201193AAAADU1400