



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2016-17

25th January 2017

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

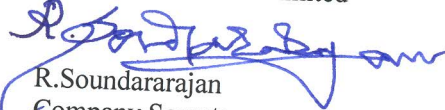
Dear Sirs

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

Further to our letter dated 10th January, 2017, we are pleased to forward herewith our un-audited financial results for the third quarter and nine months ended 31st December, 2016, 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 a Certificate from our Statutory Auditors, who had carried out a Limited Review of these results.

Thanking you

Yours faithfully
For Sagar Cements Limited


R. Soundararajan
Company Secretary

Encl: 1. Results
2. Auditors' Certificate



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 : L26942TG1981PLC002887

STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

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

Sl. No	Particulars	Standalone				Consolidated							
		Quarter ended		Nine months ended		Quarter ended		Nine months ended					
		December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2016	September 30, 2016	December 31, 2016	March 31, 2016				
1	Income from operations												
	(a) Net sales / Income from operations (Refer Note 6)	14,047.48	13,724.61	12,873.15	43,457.60	52,718.77	70,462.46	22,050.87	21,855.34	66,755.41	86,000.61		
	(b) Other operating income	107.39	102.38	164.74	300.99	222.39	348.76	74.04	227.19	309.69	241.41		
	Total income from operations (Net)	14,154.87	13,826.99	13,037.89	43,758.59	52,941.16	70,811.22	22,124.91	22,082.53	67,065.10	86,242.02		
2	Expenses												
	(a) Cost of materials consumed (Refer Note 7)	1,518.90	1,825.57	1,394.51	5,165.09	5,213.27	6,638.12	2,269.53	2,627.05	7,453.91	8,708.32		
	(b) Purchase of stock-in-trade	-	-	400.38	-	6,483.57	6,483.60	-	-	-	4,686.19		
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(121.95)	(1,715.79)	460.44	(964.20)	646.12	176.65	(489.30)	(1,764.78)	(1,750.67)	291.19		
	(d) Excise duty (Refer Note 6)	1,919.07	1,804.85	1,613.65	5,860.40	6,203.49	8,635.00	3,001.09	2,975.41	9,091.35	10,899.78		
	(e) Power and fuel expense	3,671.03	5,003.44	3,397.94	12,823.07	11,803.20	17,136.72	6,054.77	7,061.95	19,576.46	22,040.28		
	(f) Freight and forwarding expense	2,438.18	2,467.23	1,757.84	7,284.16	7,106.29	10,056.41	3,896.74	3,843.04	11,031.64	12,048.43		
	(g) Employee benefits expense	923.70	904.69	858.19	2,728.01	2,561.71	3,757.37	970.00	1,094.88	3,119.02	4,101.30		
	(h) Depreciation and amortisation expense	708.87	653.45	623.54	2,006.59	1,586.22	2,336.76	1,204.10	1,143.60	3,474.66	3,364.88		
	(i) Other expenses	2,236.55	2,244.49	1,768.57	6,699.75	5,904.87	8,323.89	3,474.18	3,354.82	10,106.46	11,065.79		
	Total expenses	13,294.35	13,187.93	12,275.06	41,602.87	47,508.74	63,544.52	20,381.11	20,335.97	62,102.83	77,206.16		
3	Profit from operations before other income, finance costs	860.52	639.06	762.83	2,155.72	5,432.42	7,266.70	1,743.80	1,746.56	4,962.27	9,035.86		
4	Other income	291.88	708.33	807.77	1,856.70	2,031.13	2,823.63	93.88	49.75	230.40	407.70		
5	Profit from ordinary activities before finance costs (3+4)	1,152.40	1,347.39	1,570.60	4,012.42	7,463.55	10,090.33	1,837.68	1,796.31	5,192.67	9,443.56		
6	Finance costs	796.79	783.89	1,069.54	2,270.68	2,027.97	2,903.49	1,634.99	1,601.57	4,669.73	4,176.67		
7	Profit from ordinary activities before tax (5-6)	355.61	563.50	501.06	1,741.74	5,435.58	7,186.84	202.69	194.74	522.94	5,266.89		
8	Tax expense/(benefit)	178.02	313.37	197.76	855.74	1,976.37	2,211.05	256.09	190.47	597.82	656.55		
9	Net Profit/(Loss) for the period (7-8)	177.59	250.13	303.30	886.00	3,459.21	4,975.79	(53.40)	4.27	(74.88)	4,610.34		
10	Paid-up equity share capital (face value ₹ 10 each)	1,800.00	1,738.80	1,738.80	1,800.00	1,738.80	1,738.80	1,800.00	1,738.80	1,800.00	1,738.80		
11	Reserves excluding revaluation reserve	-	-	-	5.08	19.89	28.62	(0.30)	0.02	(0.43)	26.51		
12	Earnings per share (Basic & Diluted) of ₹ 10 each [Not annualised]	1.01	1.43	1.74	5.08	19.89	28.62	(0.30)	0.02	(0.43)	26.51		

(*) - Annualised

Notes:

1 (a) The Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, are applicable to the Company and its subsidiary for periods commencing on or after April 01, 2016. The results for the quarter and nine months ended December 31, 2016 and quarter ended September 30, 2016 are as per the notified Ind AS.



(b) Pursuant to the SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016, the published figures for the Standalone financial results for the quarter and nine months ended December 31, 2015 have been recast to Ind AS to the extent applicable to the Company and have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015. They have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.

(c) A reconciliation between the standalone profits as reported earlier and the Ind AS recast profits for the Standalone financial results for the quarter and nine months ended December 31, 2015 is given below:

Particulars	₹ in lakhs	
	Quarter ended December 31, 2015	Nine months ended December 31, 2015
Net Profit reported for the period (published)	312.13	3,454.36
Add: On account of interest	(6.59)	11.56
Add: On account of mines restoration provision adjustment	(2.24)	(6.71)
Net Profit recast to Ind AS for the quarter and nine months ended December 31, 2015	303.30	3,459.21

(d) Submission of the Ind AS compliant financial results for the year ended March 31, 2016 not being mandatory are in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules 2006 and are as reported earlier.

2 The above financial results were reviewed and recommended by the Audit Committee and later approved by the Board of Directors of the Company at their respective meetings held on January 25, 2017. The statutory auditors have carried out a limited review of the financial results.

3 The unaudited consolidated financial results of the Company and its subsidiary (BMM Cements Limited) for the quarter and nine months ended December 31, 2016 have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements" notified under the Companies (Indian Accounting Standards) Rules, 2015.

4 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	₹ in lakhs			
	Quarter ended December 31, 2016 (Unaudited) (Refer Note 1)	Quarter ended September 30, 2016 (Unaudited) (Refer Note 1)	Nine months ended December 31, 2016 (Unaudited) (Refer Note 1)	Year ended March 31, 2016 (Audited) (Refer Note 1(d))
Consolidated				
1. Segment Revenue				
(a) Cement	21,811.28	21,695.23	65,643.37	81,364.68
(b) Power	1,593.57	1,434.10	4,485.43	6,781.99
Total	23,404.85	23,129.33	70,128.80	88,146.67
Less: Inter Segment Revenue	1,353.98	1,273.99	3,373.39	2,146.06
Net sales/Income From Operations	22,050.87	21,855.34	66,755.41	86,000.61
2. Segment Results (Profit)/(+) / Loss(-) before tax and interest from each segment				
(a) Cement	1,807.97	1,535.91	4,651.66	8,103.86
(b) Power	(64.17)	210.65	310.61	932.00
Total	1,743.80	1,746.56	4,962.27	9,035.86
Less: Interest	1,634.99	1,601.57	4,669.73	4,176.67
(ii) Un-allocable income (Net of un-allocable income)	(93.88)	(49.75)	(230.40)	(407.70)
Total Profit Before Tax	202.69	194.74	522.94	5,266.89
3. Capital employed (Segment assets – Segment Liabilities)				
As at December 31, 2016 (Unaudited) (Refer Note 1)				
Segment assets				
(a) Cement	113,326.36	113,326.36	109,772.07	101,754.02
(b) Power	14,256.63	14,256.63	14,760.58	14,563.57
(c) Unallocated	9,602.45	9,602.45	10,023.19	12,818.66
Total Assets	137,185.44	137,185.44	134,555.84	129,136.25
Segment Liabilities				
(a) Cement	28,999.39	28,999.39	33,171.83	31,713.91
(b) Power	3,450.05	3,450.05	1,314.00	2,366.99
(c) Unallocated	5,279.49	5,279.49	5,591.98	5,365.30
Total	37,728.93	37,728.93	40,077.81	39,446.20


[Handwritten Signature]



- 5 In the corresponding quarter and nine months ended of the previous year, the Company did not publish consolidated financial results and hence comparative figures for consolidated results has not been presented.
- 6 Pursuant to clarification by SEBI regarding Revenue recognition and Excise Duty issued on September 20, 2016, the 'Income from operations' have been disclosed inclusive of Excise Duty.
- 7 Cost of materials consumed for the quarter and nine months ended December 31, 2015 includes provision amounting to ₹ 95.81 lakhs and ₹ 453.48 lakhs respectively in the unaudited standalone results made towards amounts payable as additional royalty to the National Mineral Exploration Trust ("NMET") and the District Mineral B170Foundation ("DMF") in accordance with the provisions of the "The Mines and Minerals (Development and Regulation) Amendment Act, 2015". No such provision is required to be made during the quarter and nine months ended December 31, 2016.
- 8 There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017 due to change in financial reporting requirements arising from new or revised standards or interpretations issued by MCA/ICAI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS 101.
- 9 During the quarter 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 from Toshali Cements Private Limited.
- 10 During the quarter the Company converted the outstanding loan balance of ₹ 17,200 lakhs given to its wholly owned subsidiary BMM Cements Limited, into 43,000,000 8% cumulative redeemable preference shares of ₹ 10 each at a premium of ₹ 30 each.
- 11 Pursuant to the approval accorded by the shareholders, during the quarter, the Company made a preferential allotment of 61,986 equity shares, of ₹ 10 each at a premium of ₹ 790 per share aggregating ₹ 489,588,800 to promoter & non promoter group.
- 12 Corresponding previous periods figures have been regrouped/reclassified, wherever considered necessary to correspond with the current period's grouping.

Place: Hyderabad
Date: January 25, 2017



For Sagor Cements Limited

 Dr. S. Anand Reddy
 Joint Managing Director

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


TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED

1. We have reviewed the Standalone Financial Results ("Results") of **SAGAR CEMENTS LIMITED** ("the Company") for the quarter and nine months ended December 31, 2016 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 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 accompanying 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)

SECUNDERABAD, January 25, 2017

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 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 and nine months ended December 31, 2016 ("the Statement") 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 BMM Cements Limited (Subsidiary of the Company).
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying 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.



5. The Consolidated Results does not include the results for the quarter and nine months ended December 31, 2015 for the reasons stated in Note 5.

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


Ganesh Balakrishnan
Partner
(Membership No. 201193)

SECUNDERABAD, January 25, 2017