



SAGAR CEMENTS LIMITED

SCL:SEC:BSE:2016-17

26th October 2016

The National Stock Exchange of India Ltd.,
“Exchange Plaza”, 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

The Secretary
Bombay Stock Exchange Limited
P J Towers
Dalal Street
Mumbai – 400 001

Symbol: SAGCEM
Series: EQ

Scrip Code: 502090

Dear Sirs

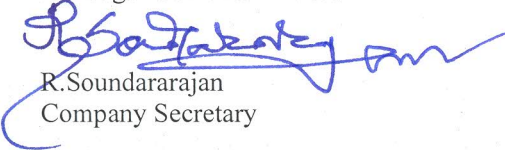
Sub: Regulation 33 of SEBI (LODR) Regulations 2015 – Furnishing of Un-audited Financial Results

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Further to our letter dated 17th October, 2016, we are pleased to forward herewith our un-audited standalone and consolidated financial results for the second quarter / half-year ended 30th September, 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 the Limited Review Report furnished by our Statutory Auditors, 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. Auditors' Certificate (Standalone and Consolidated)



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

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CIN : L26942TG1981PLC002887

SAGAR CEMENTS LIMITED
L26942TG1981PLC002887

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

STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

(In Indian ₹ 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, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016	September 30, 2016	June 30, 2016	September 30, 2016	March 31, 2016
		(Unaudited) (Refer Note 1)	(Unaudited) (Refer Note 1)	(Unaudited) (Refer Note 1(b))	(Unaudited) (Refer Note 1)	(Unaudited) (Refer Note 1(b))	(Audited) (Refer Note 1(d))	(Unaudited) (Refer Note 1)	(Unaudited) (Refer Note 1)	(Unaudited) (Refer Note 1)	(Audited) (Refer Note 1(d))
1	Income from operations										
	(a) Net sales / Income from operations (Refer Note 7)	13,724.61	15,685.51	18,749.55	29,410.12	39,843.65	70,462.46	21,855.34	22,849.20	44,704.54	86,000.61
	(b) Other operating income	102.38	91.22	30.13	193.60	57.65	348.76	227.19	8.46	235.65	241.41
	Total income from operations (Net)	13,826.99	15,776.73	18,779.68	29,603.72	39,901.30	70,811.22	22,082.53	22,857.66	44,940.19	86,242.02
2	Expenses										
	(a) Cost of materials consumed (Refer Note 8)	1,825.57	1,820.62	1,942.07	3,646.19	3,818.76	6,638.12	2,627.05	2,557.33	5,184.38	8,708.32
	(b) Purchase of stock-in-trade	-	-	4,195.84	-	6,083.19	6,483.60	-	-	-	4,686.19
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,715.79)	873.54	(438.80)	(842.25)	185.68	176.65	(1,764.78)	503.41	(1,261.37)	291.19
	(d) Excise duty (Refer Note 7)	1,804.85	2,136.48	1,965.78	3,941.33	4,589.85	8,635.00	2,975.41	3,114.85	6,090.26	10,899.78
	(e) Power and fuel expense	5,003.44	4,148.60	4,047.17	9,152.04	8,405.26	17,136.72	7,061.95	6,459.74	13,521.69	22,040.28
	(f) Freight and forwarding expense	2,467.23	2,378.75	2,296.16	4,845.98	5,348.45	10,056.41	3,843.04	3,291.86	7,134.90	12,048.43
	(g) Employee benefits expense	904.69	899.62	815.53	1,804.31	1,703.52	3,757.37	1,094.88	1,054.14	2,149.02	4,101.30
	(h) Depreciation and amortisation expense	653.45	644.27	404.70	1,297.72	962.68	2,336.76	1,143.60	1,126.96	2,270.56	3,364.88
	(i) Other expenses	2,244.49	2,218.71	2,169.18	4,463.20	4,134.33	8,323.89	3,354.82	3,277.46	6,632.28	11,065.79
	Total expenses	13,187.93	15,120.59	17,397.63	28,308.52	35,231.72	63,544.52	20,335.97	21,385.75	41,721.72	77,206.16
3	Profit from operations before other income, finance costs (1-2)	639.06	656.14	1,382.05	1,295.20	4,669.58	7,266.70	1,746.56	1,471.91	3,218.47	9,035.86
4	Other income	708.33	856.49	523.69	1,564.82	1,223.36	2,823.63	49.75	86.77	136.52	407.70
5	Profit from ordinary activities before finance costs (3+4)	1,347.39	1,512.63	1,905.74	2,860.02	5,892.94	10,090.33	1,796.31	1,558.68	3,354.99	9,443.56
6	Finance costs	783.89	690.00	631.34	1,473.89	958.42	2,903.49	1,601.57	1,433.17	3,034.74	4,176.67
7	Profit from ordinary activities before tax (5-6)	563.50	822.63	1,274.40	1,386.13	4,934.52	7,186.84	194.74	125.51	320.25	5,266.89
8	Tax expense/(benefit)	313.37	364.35	396.38	677.72	1,778.61	2,211.05	190.47	151.26	341.73	656.55
9	Net Profit/(Loss) for the period (7-8)	250.13	458.28	878.02	708.41	3,155.91	4,975.79	4.27	(25.75)	(21.48)	4,610.34
10	Paid-up equity share capital (face value ₹10 each)	1,738.80	1,738.80	1,738.80	1,738.80	1,738.80	1,738.80	1,738.80	1,738.80	1,738.80	1,738.80
11	Reserves excluding revaluation reserve	-	-	-	-	-	53,589.01	-	-	-	53,223.55
12	Earnings per share (Basic & Diluted) of ₹10 each [Not annualised]	1.43	2.64	5.05	4.07	18.15	28.62	0.02	(0.15)	(0.13)	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 six months ended September 30, 2016 and quarter ended June 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 six months ended September 30, 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 six months ended September 30, 2015 is given below

Particulars	₹ in lakhs	
	Quarter ended September 30, 2015	Six months ended September 30, 2015
Net Profit reported for the period (published)	872.45	3,142.23
Add: On account of interest	7.81	18.15
Less: On account of mines restoration provision adjustment	2.24	4.47
Net Profit recast to Ind AS for the quarter and six months ended September 30, 2015	878.02	3,155.91

- (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 October 26, 2016. 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 six months ended September 30, 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 Statement of Assets and Liabilities is as follows:

Particulars	Standaone		Consolidated	
	As at September 30, 2016	As at March 31, 2016	As at September 30, 2016	As at March 31, 2016
	(Unaudited) (Refer Note 1)	(Audited) (Refer Note 1(d))	(Unaudited) (Refer Note 1)	(Audited) (Refer Note 1(d))
EQUITY AND LIABILITIES				
Share holders' Funds				
(a) Share Capital	1,738.80	1,738.80	1,738.80	1,738.80
(b) Reserves and Surplus	54,374.73	53,589.01	53,173.23	53,223.55
	56,113.53	55,327.81	54,912.03	54,962.35
Non-Current Liabilities				
(a) Long - term Borrowings	13,776.64	10,565.26	34,293.67	29,535.26
(b) Deferred tax Liabilities (Net)	5,042.42	4,741.06	5,042.42	4,741.06
(c) Other - Long term Liabilities	3,883.05	3,815.73	4,383.98	4,441.69
(d) Long - term provisions	391.51	2,543.12	447.96	2,568.65
	23,093.62	21,665.17	44,168.03	41,286.66
Current Liabilities				
(a) Short - term borrowings	6,428.50	6,912.65	9,209.70	8,698.97
(b) Trade payables	10,005.61	9,084.55	16,292.45	13,240.64
(c) Other Current Liabilities	4,770.68	6,038.00	9,251.22	10,288.93
(d) Short - term Provisions	669.96	618.03	722.41	658.70
	21,874.75	22,653.23	35,475.78	32,887.24
TOTAL	101,081.90	99,646.21	134,555.84	129,136.25
ASSETS				
Non-current Assets				
(a) Fixed Assets				
Tangible Assets	42,909.75	44,015.07	86,908.49	88,405.77
Intangible Assets	14.23	15.30	3,134.27	42.53
Capital Work - in- Progress	2,788.52	1,297.70	3,142.89	1,519.47
Goodwill			3,873.34	7,148.89
(b) Non - Current Investments	8,221.68	7,820.59	2.65	2.65
(c) Deferred tax asset (Net)	-	-	2,448.54	2,112.55
(d) Long - term Loans and Advances	24,756.05	24,430.50	7,666.14	7,726.72
(e) Other non-current assets	296.80	291.51	618.42	291.51
	78,987.03	77,870.67	107,794.74	107,250.09
Current Assets				
(a) Inventories	7,743.59	6,569.85	11,457.87	9,052.43
(b) Trade receivables	4,742.06	4,601.06	8,153.68	8,121.32
(c) Cash and Cash Equivalents	1,796.33	366.82	2,095.27	647.46
(d) Short- term Loans and Advances	3,664.92	7,365.60	3,895.49	2,909.16
(e) Other current Assets	4,147.97	2,872.21	1,158.79	1,155.79
	22,094.87	21,775.54	26,761.10	21,886.16
TOTAL	101,081.90	99,646.21	134,555.84	129,136.25



- 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

₹ in lakhs

Particulars	Consolidated			
	Quarter ended September 30, 2016 (Unaudited) (Refer Note 1)	Quarter ended June 30, 2016 (Unaudited) (Refer Note 1)	Six months ended September 30, 2016 (Unaudited) (Refer Note 1)	Year ended March 31, 2016 (Audited) (Refer Note 1(d))
1. Segment Revenue				
(a) Cement	21,695.23	22,136.86	43,832.09	81,364.08
(b) Power	1,434.10	1,457.76	2,891.86	6,781.99
Total	23,129.33	23,594.62	46,723.95	88,146.07
Less: Inter Segment Revenue	1,273.99	745.42	2,019.41	2,146.06
Net sales/Income From Operations	21,855.34	22,849.20	44,704.54	86,000.01
2. Segment Results (Profit)(+)/ Loss(-) before tax and interest from each segment)				
(a) Cement	1,535.91	1,307.78	2,843.69	8,103.86
(b) Power	210.65	164.13	374.78	932.00
Total	1,746.56	1,471.91	3,218.47	9,035.86
Less:				
i) Interest	1,601.57	1,433.17	3,034.74	4,176.67
(ii) Un-allocable income (Net of un-allocable income)	(49.75)	(86.77)	(136.52)	(407.70)
Total Profit Before Tax	194.74	125.51	320.25	5,266.89
3. Capital employed (Segment assets – Segment Liabilities)		As at September 30, 2016 (Unaudited) (Refer Note 1)	As at June 30, 2016 (Unaudited) (Refer Note 1)	As at March 31, 2016 (Audited) (Refer Note 1(d))
Segment assets				
(a) Cement		109,772.07	103,725.94	101,754.02
(b) Power		14,760.58	15,133.03	14,563.57
(c) Unallocated		10,023.19	9,666.96	12,818.66
Total Assets		134,555.84	128,525.93	129,136.25
Segment Liabilities				
(a) Cement		33,171.83	31,703.82	31,713.91
(b) Power		1,314.00	2,737.19	2,366.99
(c) Unallocated		5,591.98	5,459.13	5,365.30
Total		40,077.81	39,900.14	39,446.20

6 In the corresponding quarter and six 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.

7 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

8 Cost of materials consumed for the quarter and six months ended September 30, 2015 in the standalone financial results includes provision amounting to ₹ 357.67 lakhs made towards amounts payable as additional royalty to the National Mineral Exploration Trust ("NMET") and the District Mineral Foundation ("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 six months ended September 30, 2016.

9 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.

10 Corresponding previous periods figures have been regrouped/reclassified, wherever considered necessary to correspond with the current period's grouping.

Place: Hyderabad
Date: October 26, 2016



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

INDEPENDENT AUDITORS' 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 six months ended September 30, 2016 and Standalone Unaudited Balance Sheet as at September 30, 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.

The 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 Results 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, October 26, 2016

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED**

1. We have reviewed the accompanying Consolidated Financial Results ("Consolidated Results") of **SAGAR CEMENTS LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter and six months ended September 30, 2016 and the Consolidated Unaudited Balance Sheet as at September 30, 2016 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.

The Consolidated Results included in the Statement, which is the responsibility of the Holding 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 Consolidated Results based on our review.

2. We conducted our review of the Consolidated Results 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 Holding 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. 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 Consolidated Results, 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 six months ended September 30, 2015 for the reasons stated in Note 6.

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


Ganesh Balakrishnan
Partner
(Membership No. 201193)

SECUNDERABAD, October 26, 2016