



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2017-18

26th October 2017

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 Standalone and Consolidated Financial Results for the second quarter / half-year ended 30th September, 2017

...

Further to our letters dated 10th October, 2017 and 17th October, 2017, we are pleased to forward herewith our un-audited standalone and consolidated financial results for the second quarter / half-year ended 30th September, 2017, which were taken on record and approved by the Board at its 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 its 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

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

CIN : L26942TG1981PLC002887

SAGAR CEMENTS LIMITED
CIN No: L26942TG1981PLC002887

STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2017

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

Sl. No	Particulars	Standalone						Consolidated						
		Quarter ended			Six months ended			Quarter ended			Six months ended			Year ended
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Income													
	(a) Revenue from operations	17,112	21,501	13,827	38,613	29,604	62,000	23,505	29,839	22,083	53,344	44,940	94,159	
	(b) Other income	473	497	708	970	1,564	2,312	186	226	50	412	137	352	
	Total income	17,585	21,998	14,535	39,583	31,168	64,312	23,691	30,065	22,133	53,756	45,077	94,511	
2	Expenses													
	(a) Cost of materials consumed	2,623	2,414	1,826	5,037	3,646	7,214	3,437	3,126	2,627	6,563	5,184	10,310	
	(b) Purchase of stock-in-trade	717	325	-	1,042	-	-	717	325	-	1,042	-	-	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,013)	(112)	(1,716)	(2,125)	(842)	297	(2,167)	240	(1,765)	(1,927)	(1,261)	135	
	(d) Excise duty	-	2,802	1,805	2,802	3,941	8,424	-	3,963	2,975	3,963	6,090	12,775	
	(e) Employee benefits expense	1,078	968	905	2,046	1,804	3,635	1,261	1,101	1,095	2,362	2,149	4,311	
	(f) Finance costs	714	704	784	1,418	1,474	3,045	1,431	1,510	1,602	2,941	3,035	6,208	
	(g) Depreciation and amortisation expense	826	765	653	1,591	1,298	2,800	1,334	1,263	1,144	2,597	2,271	4,759	
	(h) Power and fuel expenses	5,784	5,522	5,003	11,306	9,152	17,589	8,311	8,190	7,062	16,501	13,522	27,189	
	(i) Freight and forwarding	3,612	3,654	2,467	7,266	4,846	10,091	5,026	5,133	3,843	10,159	7,135	15,112	
	(j) Other expenses	1,935	2,360	2,244	4,295	4,463	8,813	3,077	3,512	3,355	6,589	6,632	13,290	
	Total expenses	15,276	19,402	13,971	34,678	29,782	61,908	22,427	28,363	21,938	50,790	44,757	94,089	
3	Profit before tax (1-2)	2,309	2,596	564	4,905	1,386	2,404	1,264	1,702	195	2,966	320	422	
4	Tax expense													
	(a) Current Tax	493	554	180	1,047	377	469	493	554	180	1,047	376	469	
	(b) Deferred Tax	224	359	133	583	301	686	(83)	151	11	68	(34)	345	
	Total Tax	717	913	313	1,630	678	1,155	410	705	191	1,115	342	814	
5	Net Profit for the period (3-4)	1,592	1,683	251	3,275	708	1,249	854	997	4	1,851	(22)	(392)	
6	Other Comprehensive Income													
	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(7)	-	-	-	-	-	(36)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	3	-	-	-	-	-	13	
	Total Other Comprehensive Income	-	-	-	-	-	(4)	-	-	-	-	-	(23)	
7	Total Comprehensive Income (5+6)	1,592	1,683	251	3,275	708	1,245	854	997	4	1,851	(22)	(415)	
8	Earnings per share (Basic & Diluted) of ₹10 each	7.80	8.25	1.43	16.05	4.07	6.98	4.19	4.89	0.02	9.07	(0.13)	(2.19)	
							(*)						(*)	

(*) - Annualised

Notes:

- The above unaudited financial results were reviewed by the Audit Committee and later approved by the Board of Directors at their respective meetings held on October 26, 2017. 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 recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.



3 Statement of Assets and Liabilities is as follows:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	As at September 30, 2017	As at March 31, 2017	As at September 30, 2017	As at March 31, 2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	55,658	49,451	98,948	93,125
(b) Capital work-in-progress	3,765	5,165	4,025	5,534
(c) Intangible Assets	14	16	2,959	3,057
Goodwill	-	-	3,873	3,873
(d) Financial Assets				
(i) Investments				
(a) Investment in subsidiaries	26,178	25,759	-	-
(b) Other investments	28	28	28	28
(ii) Other financial assets	1,448	1,589	1,816	1,924
(e) Deferred tax asset	-	-	2,978	2,463
(f) Advance Income tax	100	100	100	100
(g) Other non-current assets	3,441	2,366	3,625	2,436
Total Non-current Assets (1)	90,632	84,474	118,352	112,540
Current assets				
(a) Inventories	8,034	7,296	12,348	11,035
(b) Financial Assets				
(i) Trade receivables	9,084	4,634	12,562	8,083
(ii) Cash and cash equivalents	5,164	16,116	5,224	16,178
(iii) Other bank balances	4,862	869	4,862	869
(iv) Loans	2,500	-	-	-
(v) Other Financial Assets	4,240	4,068	723	693
(c) Other current assets	4,226	4,237	5,216	3,922
Total Current Assets (2)	38,110	37,220	40,935	40,780
Total Assets (1+2)	128,742	121,694	159,287	153,320
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	2,040	2,040	2,040	2,040
(b) Other Equity	79,314	76,407	75,736	74,256
Total Equity (1)	81,354	78,447	77,776	76,296
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14,585	14,829	34,287	34,967
(ii) Other financial liabilities	4,619	4,280	5,009	4,587
(b) Provisions	240	199	285	236
(c) Deferred tax liabilities (net)	3,586	3,003	3,586	3,003
(d) Other non current liabilities	179	178	229	229
Total Non - Current Liabilities (2)	23,209	22,489	43,396	43,022
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	8,009	5,800	12,410	9,561
(ii) Trade payables	9,347	8,420	16,859	14,777
(iii) Other financial liabilities	3,503	2,940	4,583	5,079
(b) Provisions	196	156	232	208
(c) Current tax liabilities (net)	745	62	745	62
(d) Other current liabilities	2,379	3,380	3,286	4,315
Total Current Liabilities (3)	24,179	20,758	38,115	34,002
Total Equity and Liabilities (1+2+3)	128,742	121,694	159,287	153,320



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4 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 an analysis of various performance indicators by the business segments. Accordingly, information has been presented along these business segments. The accounting principles used in preparation 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 March 31, 2017 (Audited)
	September 30, 2017 (Unaudited)	June 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)	September 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)	
1. Segment revenue						
(a) Cement	23,374	29,620	21,923	52,994	44,067	92,701
(b) Power	1,669	1,842	1,434	3,511	2,892	6,160
Total	25,043	31,462	23,357	56,505	46,959	98,861
Less: Inter segment revenue	1,538	1,623	1,274	3,161	2,019	4,702
Revenue from operations	23,505	29,839	22,083	53,344	44,940	94,159
2. Segment results Profit before tax and interest from each segment)						
(a) Cement	2,676	3,104	1,536	5,780	2,843	6,136
(b) Power	(167)	(118)	211	(285)	375	142
Total	2,509	2,986	1,747	5,495	3,218	6,278
Less:						
(i) Interest	1,431	1,510	1,602	2,941	3,035	6,208
(ii) Un-allocable income (Net of un-allocable expense)	(186)	(226)	(50)	(412)	(137)	(352)
Total Profit Before Tax	1,264	1,702	195	2,966	320	422

(₹ in lakhs)

Capital employed (Segment assets – Segment liabilities)	As at September 30, 2017 (Unaudited)	As at June 30, 2017 (Unaudited)	As at March 31, 2017 (Audited)	As at September 30, 2016 (Unaudited)
Segment assets				
(a) Cement	127,744	121,792	129,354	109,772
(b) Power	13,868	14,412	16,382	14,761
(c) Unallocated	17,675	17,125	7,584	10,023
Total assets	159,287	153,329	153,320	134,556
Segment liabilities				
(a) Cement	37,355	32,157	31,359	33,172
(b) Power	2,250	3,089	3,461	1,314
(c) Unallocated	4,696	3,792	3,107	5,592
Total liabilities	44,301	39,038	37,927	40,078

- 5 The Board of Directors has announced an interim dividend at ₹ 2.50 per share on the 2,04,00,000 equity shares of ₹ 10/- each of the company and has fixed 8th November, 2017 as the "record date" for the purpose.
- 6 Revenue from operations for the current quarter are not comparable with previous quarters/periods, as revenues are presented net of Goods & Services Tax (GST) whereas excise duties were included in revenues with corresponding disclosure under 'Expenses'.
- 7 The consolidated financial results includes the results of its wholly owned subsidiary, namely Sagar Cements (R) Limited (formerly known as BMM Cements Limited).
- 8 Corresponding previous periods figures have been regrouped/reclassified, wherever considered necessary, to correspond with the current period's grouping.



Place: Hyderabad
Date: October 26, 2017



For Sagar 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 six months ended September 30, 2017 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 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. 0080725)


Ganesh Balakrishnan
Partner
(Membership No. 201193)

Secunderabad, October 26, 2017

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 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 six months ended September 30, 2017 included in the accompanying Statement of Standalone and Consolidated Unaudited 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 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 (Formerly known as 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.

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


Ganesh Balakrishnan
Partner
(Membership No. 201193)

Secunderabad, October 26, 2017