



# SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2019-20

28th January 2020

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

**Sub:** Regulation 33 of SEBI (LODR) Regulations 2015 – Furnishing of Un-audited Standalone and Consolidated Financial Results for the third quarter and nine months ended 31st December, 2019

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Further to our letter dated 30th December, 2019, we are pleased to forward herewith our un-audited standalone and consolidated financial results for the third quarter and nine months ended 31st December, 2019, which were approved and taken on record by our 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

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**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 NINE MONTHS ENDED DECEMBER 31, 2019**

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

Sl. No.	Particulars	Standalone						Consolidated					
		Quarter ended		Nine months ended		Year ended	Quarter ended		Nine months ended		Year ended		
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>												
	(a) Revenue from operations	18,585	19,213	23,236	63,234	63,375	90,201	26,210	26,528	31,911	87,158	85,171	1,21,755
	(b) Other income	362	300	385	1,127	1,113	1,506	47	(19)	81	173	199	288
	<b>Total income</b>	<b>18,947</b>	<b>19,513</b>	<b>23,621</b>	<b>64,361</b>	<b>64,488</b>	<b>91,707</b>	<b>26,257</b>	<b>26,509</b>	<b>31,992</b>	<b>87,331</b>	<b>85,370</b>	<b>1,22,043</b>
2	<b>Expenses</b>												
	(a) Cost of materials consumed	3,375	4,014	4,371	11,912	10,481	15,650	4,387	5,115	5,690	15,244	13,428	19,929
	(b) Purchase of stock-in-trade	563	1,804	1,032	3,431	2,472	3,701	557	930	611	2,551	1,811	2,595
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,911	(2,287)	1,355	(595)	2,011	1,744	2,082	(2,367)	691	(1,020)	1,273	1,356
	(d) Employee benefits expense	1,358	1,298	1,173	3,921	3,785	5,200	1,600	1,524	1,345	4,597	4,288	5,875
	(e) Finance costs	904	898	902	2,584	2,458	3,322	1,574	1,581	1,749	4,650	4,686	6,339
	(f) Depreciation and amortisation expense	1,458	1,343	1,186	4,013	3,216	4,410	2,046	1,925	1,753	5,751	4,830	6,570
	(g) Power and fuel expenses	4,170	6,062	6,324	16,549	18,229	25,408	6,273	8,321	9,939	23,290	26,392	36,276
	(h) Freight and forwarding	3,460	2,999	4,547	10,475	13,041	17,398	5,453	4,947	6,754	16,406	18,552	25,246
	(i) Other expenses	2,842	2,668	2,833	8,711	7,534	11,167	3,872	3,821	3,867	12,005	10,661	15,537
	<b>Total expenses</b>	<b>20,041</b>	<b>18,799</b>	<b>23,723</b>	<b>61,001</b>	<b>63,227</b>	<b>88,000</b>	<b>27,844</b>	<b>25,797</b>	<b>32,399</b>	<b>83,474</b>	<b>85,921</b>	<b>1,19,723</b>
3	<b>Profit/(loss) before tax (1 - 2)</b>	<b>(1,094)</b>	<b>714</b>	<b>(102)</b>	<b>3,360</b>	<b>1,261</b>	<b>3,707</b>	<b>(1,587)</b>	<b>712</b>	<b>(407)</b>	<b>3,857</b>	<b>(551)</b>	<b>2,320</b>
4	<b>Tax expense/ (benefit)</b>												
	(a) Current tax	(167)	484	(9)	629	289	874	(167)	484	(9)	629	289	874
	(b) Deferred tax	(483)	(382)	(97)	117	-	171	(512)	(264)	(101)	693	(324)	87
	<b>Total tax</b>	<b>(650)</b>	<b>102</b>	<b>(106)</b>	<b>746</b>	<b>289</b>	<b>1,045</b>	<b>(679)</b>	<b>220</b>	<b>(110)</b>	<b>1,322</b>	<b>(35)</b>	<b>961</b>
5	<b>Net profit/(loss) for the period (3 - 4)</b>	<b>(444)</b>	<b>612</b>	<b>4</b>	<b>2,614</b>	<b>972</b>	<b>2,662</b>	<b>(908)</b>	<b>492</b>	<b>(297)</b>	<b>2,535</b>	<b>(516)</b>	<b>1,359</b>
6	<b>Other comprehensive income</b>												
	(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
	<b>Total Other comprehensive income/ (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(165)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(186)</b>
7	<b>Total comprehensive income/ (loss) (5+6)</b>	<b>(444)</b>	<b>612</b>	<b>4</b>	<b>2,614</b>	<b>972</b>	<b>2,497</b>	<b>(908)</b>	<b>492</b>	<b>(297)</b>	<b>2,535</b>	<b>(516)</b>	<b>1,173</b>
8	<b>Profit/(loss) attributable to:</b>												
	Owners of the company							(907)	494	-	2,542	-	-
	Non-controlling interest							(1)	(2)	-	(7)	-	-
	<b>Total comprehensive income attributable to:</b>							<b>(908)</b>	<b>492</b>	<b>-</b>	<b>2,535</b>	<b>-</b>	<b>-</b>
9	<b>Equity attributable to shareholders of the Company</b>							(907)	494	-	2,542	-	-
	Non-controlling interest							(1)	(2)	-	(7)	-	-
	<b>Total comprehensive income attributable to equity shareholders</b>							<b>(908)</b>	<b>492</b>	<b>-</b>	<b>2,535</b>	<b>-</b>	<b>-</b>
8	<b>Paid up equity share capital (Face value of ₹ 10 per share)</b>						2,040						2,040
9	<b>Other equity</b>						88,129						82,343
10	<b>Earnings per share (Basic &amp; Diluted) of ₹ 10 each</b>	(2.02)	2.84	0.02	12.27	4.76	13.05	(4.14)	2.28	(1.46)	11.90	(2.53)	6.66
							(*)						(*)

(\*) - Annualised

**Notes:**

1 The above standalone and consolidated unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 28, 2020. The statutory auditors have carried out a limited review of the financial results.

2 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").

3 The consolidated financial results includes the results of:  
a. Sagar Cements Limited, India (parent company).  
b. Sagar Cements (R) Limited (wholly owned subsidiary company)  
c. Jajpur Cements Private Limited (wholly owned subsidiary company)  
d. Satguru Cement Private Limited (subsidiary company)



**Notes:**

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 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			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment revenue</b>						
(a) Cement	26,210	26,493	31,693	87,091	84,643	1,21,220
(b) Power	906	1,227	2,376	4,008	6,287	8,377
<b>Total</b>	<b>27,116</b>	<b>27,720</b>	<b>34,069</b>	<b>91,099</b>	<b>90,930</b>	<b>1,29,597</b>
Less: Inter segment revenue	906	1,192	2,158	3,941	5,759	7,842
<b>Revenue from operations</b>	<b>26,210</b>	<b>26,528</b>	<b>31,911</b>	<b>87,158</b>	<b>85,171</b>	<b>1,21,755</b>
<b>2. Segment results Profit(+)/ Loss(-) before tax and interest</b>						
(a) Cement	(47)	2,261	1,395	8,517	4,416	9,051
(b) Power	(1)	(17)	(134)	(141)	(480)	(680)
<b>Total</b>	<b>(48)</b>	<b>2,244</b>	<b>1,261</b>	<b>8,376</b>	<b>3,936</b>	<b>8,371</b>
Less:						
(i) Interest expenses (finance costs)	1,574	1,581	1,749	4,650	4,686	6,339
(ii) Un-allocable income (Net of un-allocable expense)	(35)	(49)	(81)	(131)	(199)	(288)
<b>Total Profit before tax</b>	<b>(1,587)</b>	<b>712</b>	<b>(407)</b>	<b>3,857</b>	<b>(551)</b>	<b>2,320</b>

(₹ in lakhs)

Particulars	As at December 31, 2019	As at September 30, 2019	As at March 31, 2019	As at December 31, 2018
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
	<b>Segment assets</b>			
(a) Cement	1,66,645	1,66,894	1,52,305	1,52,615
(b) Power	12,029	12,134	13,270	12,557
(c) Unallocated	8,440	8,979	10,536	9,897
<b>Total assets</b>	<b>1,87,114</b>	<b>1,88,007</b>	<b>1,76,111</b>	<b>1,75,069</b>
<b>Segment liabilities</b>				
(a) Cement	32,153	29,224	32,955	53,969
(b) Power	143	94	1,082	1,114
(c) Unallocated	54,628	57,589	57,691	5,649
<b>Total liabilities</b>	<b>86,924</b>	<b>86,907</b>	<b>91,728</b>	<b>60,732</b>

- 5 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.
- 6 During the nine months ended December 31, 2019, the Company acquired 100% stake in Jaipur 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.

For Sagar Cements Limited



Place: Hyderabad  
Date: January 28, 2020



*Dr. S. Anand Reddy*

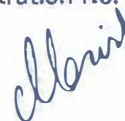
Dr. S. Anand Reddy  
(Managing Director)

## 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 nine months ended December 31, 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.
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)



**C. Manish Muralidhar**  
(Partner)  
(Membership No.213649)

Place: Hyderabad  
Date: January 28, 2020

UDIN: 20213649AAAAAW8752

## 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 nine months ended December 31, 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.
4. The Statement includes the results of the following entities:
  - a. Sagar Cements Limited, India (parent company).
  - b. Sagar Cements (R) Limited, India (wholly owned subsidiary),
  - c. Jajpur Cements Private Limited, India (wholly owned subsidiary),
  - d. Satguru Cement Private Limited, India (subsidiary),
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.

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6. The consolidated unaudited financial results includes the interim financial information / financial results of two subsidiaries, which have not been reviewed, whose interim financial information / financial results reflect total revenue of ₹ Nil and ₹ 88 lakhs for the quarter and nine months ended December 31, 2019, total loss after tax ₹ 10 lakhs and ₹ 69 lakhs for the quarter and nine months ended December 31, 2019 and total comprehensive loss of ₹ 10 lakhs and ₹ 69 lakhs for the quarter and nine months ended December 31, 2019, as considered in this statement. According to the information and explanations given to us by the Management, these interim financial information / financial results are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information / financial results certified by the Management.

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



**C. Manish Muralidhar**  
(Partner)  
(Membership No. 213649)

Place: Hyderabad  
Date: January 28, 2020

UDIN: 20213649AAAAAV1448