



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2023-24

27th July 2023

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

Scrip Code: 502090

Series: EQ

Dear Sirs

Sub: Regulation 33 of SEBI (LODR) Regulations 2015 – Furnishing of Un-audited Standalone and Consolidated Financial Results for the first quarter ended 30th June, 2023

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Further to our letter dated 12th July, 2023, we are pleased to forward herewith our un-audited stand-alone and consolidated financial results for the first quarter ended 30th June, 2023, which were taken on record and approved by our Board at their meeting held on today, after review by the 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 the said meeting.

The above said meeting of the Board of Directors commenced at 4.00 p.m. and concluded at 5.30 p.m.

We would request you to kindly take the above information / documents on record.

Thanking you

Yours faithfully

For Sagar Cements Limited


R.Soundararajan
Company Secretary



Encl: as above



Registered Office : Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India.

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

CIN : L26942TG1981PLC002887 GSTIN : 36AACCS8680H2ZY

Factories : Mattampally, Via Huzurnagar, Suryapet-District, Telangana - 508204. Phone : 08683 - 247039 GSTIN : 36AACCS8680H1ZZ

Bayyavaram Village, Kasimkota Mandal, Visakhapatnam District, Andhra Pradesh - 531031. Phone : 08924-244550 Fax : 08924-244570 GSTIN : 37AACCS8680H1ZX

Gudipadu Village and Post, Yadiki Mandal, Ananthapur District, Andhra Pradesh - 515408. Phone: 08558-200272 GSTIN : 37AACCS8680H1ZX

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 of **SAGAR CEMENTS LIMITED** (the "Company"), for the quarter ended June 30, 2023 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 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 and Regulation 52 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)

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,

Email: investors@sagarcements.in, Website: www.sagarcements.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

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

Sl. No.	Particulars	Quarter ended			Year ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
		(Unaudited)	(Refer note 5)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	41,275	50,218	48,406	1,91,040
	(b) Other income	570	1,790	1,840	7,968
	Total income	41,845	52,008	50,246	1,99,008
2	Expenses				
	(a) Cost of materials consumed	7,767	9,253	7,098	31,486
	(b) Purchase of stock-in-trade	532	479	803	2,437
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(154)	425	802	2,259
	(d) Employee benefits expense	1,982	2,128	2,190	8,304
	(e) Finance costs	1,428	2,746	2,337	10,433
	(f) Depreciation and amortisation expense	2,053	2,162	2,029	8,490
	(g) Power and fuel expenses	15,562	19,474	17,347	74,390
	(h) Freight and forwarding expense	7,452	8,962	8,236	32,716
	(i) Other expenses	4,850	6,091	5,067	22,145
	Total expenses	41,472	51,720	45,909	1,92,660
3	Profit before tax (1 - 2)	373	288	4,337	6,348
4	Tax expense				
	(a) Current tax	194	264	1,657	2,654
	(b) Deferred tax	(77)	(104)	(87)	(228)
	Total tax expense	117	160	1,570	2,426
5	Net profit for the period/year (3 - 4)	256	128	2,767	3,922
6	Other Comprehensive Income				
	(i) Remeasurements gain on defined benefit plans	-	20	-	20
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(7)	-	(7)
	Total Other Comprehensive Income	-	13	-	13
7	Total Comprehensive Income (5+6)	256	141	2,767	3,935
8	Paid up equity share capital (Face value of ₹ 2 per share)				2,614
9	Other equity				1,64,105
10	Earnings per share of ₹ 2 each				
	(a) Basic (in ₹)	0.20	0.10	2.21	3.03
	(b) Diluted (in ₹)	0.20	0.10	2.21	3.03
		(*)	(*)	(*)	

(*) - Not Annualised



Additional disclosure as per clause 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Particulars	Quarter ended			Year ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
1	Net worth (₹ in Lakhs) [Equity share capital + Other equity]	1,66,975	1,66,719	1,66,466	1,66,719
2	Earnings per share (Basic & Diluted) of ₹ 2 each	0.20	0.10	2.21	3.03
3	Debt Equity Ratio (times) [Debt / Net Worth] [Debt: Non current borrowings + Current borrowings + Non current unsecured loans]	0.23	0.24	0.52	0.24
4	Debt Service Coverage Ratio (times) [Earnings before depreciation, interest and tax / (Finance cost + Principal repayment (excluding refinanced debt) for all the loan funds during the period)]	1.00	0.11	1.69	0.37
5	Interest Service Coverage Ratio (times) [Cash profit after adjusting depreciation / Finance cost] [Cash profit after adjusting depreciation: Profit After Tax + Finance cost + Depreciation]	2.62	1.83	3.05	2.19
6	Long term Debt to Working Capital (times) [(Non-Current Borrowings + Current maturities of long term debt + Non current unsecured loans) / (Net working capital excl. Current borrowings)]	0.89	0.92	1.33	0.92
7	Total debts to Total Assets ratio (%) [(Non current borrowings + Current borrowings) / Total Assets]	15%	15%	29%	15%
8	Current ratio (times) [Current Assets / Current Liabilities excl. Current borrowings]	1.62	1.78	2.75	1.78
9	Bad debts to Account receivable ratio (%) [Bad Debts / Average Trade. Receivable]	7%	9%	6%	9%
10	Current liability ratio (%) [Current liabilities excl. Current borrowings / Total liabilities]	40%	36%	23%	36%
11	Debtors Turnover ratio (times) [(Sales of Products and Services / Average Trade Receivable)] - Annualised	8.36	13.23	10.57	12.61
12	Inventory Turnover ratio (times) [(Sales of Products and Services / Average Inventory)] - Annualised	7.76	10.29	10.15	9.81
13	Operating Margin (%) [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income) / Sales of Products and Services]	8%	7%	14%	9%
14	Net Profit Margin (%) [Profit after tax / Sales of Products and Services]	1%	0%	6%	2%



Notes:

- 1 The above standalone financial results of Sagar Cements Limited ("the Company") as reviewed by the Audit Committee have been approved by the Board of Directors at its meeting held on July 27, 2023. The statutory auditors of the Company has issued an unmodified conclusion in respect of the limited review of the quarter ended June 30, 2023.
- 2 The Company is engaged in manufacture and sale of "cement and cement related products" which constitutes a single reportable business segment as per Ind AS 108 - 'Operating Segments'.
- 3 The standalone 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").
- 4 The Board of Directors of the Company in their meeting on January 28, 2022 approved the proposed Scheme of Amalgamation of its wholly owned subsidiary Jajpur Cements Private Limited (JCPL) with the Company subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Merger application has been filed with the Hon'ble National Company Law Tribunal on July 06, 2023. Upon approval of the Scheme from the concerned authorities, the undertakings of Jajpur Cements Private Limited shall get transferred to and vested in the Company with the Appointed Date of April 01, 2022 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval, the standalone financial results of the Company for the quarter ended June 30, 2023, quarter ended June 30, 2022 and quarter and year ended March 31, 2023 and are presented without giving effect to the said merger.
- 5 The figures for the quarter ended March 31, 2023 are the balancing figures of the audited financials for the year ended March 31, 2023 and unaudited the year to date published results for the nine months ended December 31, 2022, which were subject to limited review by the statutory auditors.

Place: Hyderabad
Date: July 27, 2023



For Sagar Cements Limited

ANS

Dr. S. Anand Reddy
(Managing Director)

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 ended June 30, 2023 (the "Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 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 (Parent Company)
 - b. Andhra Cements Limited (Subsidiary) (w.e.f March 18, 2023)
 - c. Jajpur Cements Private Limited (Wholly Owned Subsidiary) and
 - d. Sagar Cements (M) Private Limited (Subsidiary) (formerly known as Satguru Cement Private Limited)
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 and Regulation 52 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)

SAGAR CEMENTS LIMITED
CIN No: L26942TG1981PLC002887

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

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

Sl. No.	Particulars	Quarter ended			Year ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
		(Unaudited)	(Refer note 7)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	53,967	62,154	55,772	2,22,954
	(b) Other income	391	18,104	1,244	22,270
	Total income	54,358	80,258	57,016	2,45,224
2	Expenses				
	(a) Cost of materials consumed	10,198	11,814	8,466	38,035
	(b) Purchase of stock-in-trade	532	479	803	2,437
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(737)	133	725	1,745
	(d) Employee benefits expense	2,684	2,584	2,544	9,934
	(e) Finance costs	4,367	5,191	4,808	20,164
	(f) Depreciation and amortisation expense	4,959	4,155	3,658	15,577
	(g) Power and fuel expenses	20,930	24,182	21,450	89,353
	(h) Freight and forwarding expense	10,171	11,313	9,469	38,887
	(i) Other expenses	7,141	7,763	6,212	27,245
	Total expenses	60,245	67,614	58,135	2,43,377
3	(Loss)/ profit before tax (1 - 2)	(5,887)	12,644	(1,119)	1,847
4	Tax expense				
	(a) Current tax	194	556	1,657	2,946
	(b) Deferred tax	(1,858)	2,290	(1,466)	(1,949)
	Total tax expense	(1,664)	2,846	191	997
5	Net (loss)/ profit for the period/ year (3 - 4)	(4,223)	9,798	(1,310)	850
6	Other Comprehensive Income				
	(i) Remeasurements gain on defined benefit plans	-	22	-	22
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(7)	-	(7)
	Total Other Comprehensive Income	-	15	-	15
7	Total Comprehensive (loss)/ Income (5+6)	(4,223)	9,813	(1,310)	865
8	Profit/ (loss) attributable to:				
	Equity holders of the company	(3,977)	10,053	(722)	2,904
	Non-controlling interest	(246)	(255)	(588)	(2,054)
		(4,223)	9,798	(1,310)	850
9	Total comprehensive (loss)/ Income attributable to:				
	Equity holders of the company	(3,977)	10,068	(722)	2,919
	Non-controlling interest	(246)	(255)	(588)	(2,054)
		(4,223)	9,813	(1,310)	865
10	Paid up equity share capital (Face value of ₹ 2 per share)				2,614
11	Other equity				1,61,135
12	Earnings per share of ₹ 2 each				
	(a) Basic (in ₹)	(3.23)	7.50	(1.04)	0.66
	(b) Diluted (in ₹)	(3.23)	7.50	(1.04)	0.66
		(*)	(*)	(*)	

(*) - Not Annualised



Additional disclosure as per clause 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Particulars	Quarter ended			Year ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
1	Net worth (₹ in Lakhs) [Equity share capital + Other equity]	1,64,670	1,68,893	1,63,922	1,68,893
2	Earnings per share (Basic & Diluted) of ₹ 2 each	(3.23)	7.50	(1.04)	0.66
3	Debt Equity Ratio (times) [Debt / Net Worth] [Debt: Non current borrowings + Current borrowings + Non current unsecured loans]	0.92	0.87	0.91	0.87
4	Debt Service Coverage Ratio (times) [Earnings before depreciation, interest and tax / (Finance cost + Principal repayment (excluding refinanced debt) for all the loan funds during the period)]	0.44	0.43	0.92	0.44
5	Interest Service Coverage Ratio (times) [Cash profit after adjusting depreciation / Finance cost] [Cash profit after adjusting depreciation: Profit After Tax + Finance cost + Depreciation]	1.17	4.06	1.62	1.98
6	Long term Debt to Working Capital (times) [(Non-Current Borrowings + Current maturities of long term debt + Non current unsecured loans) / (Net working capital excl. Current borrowings)]	4.84	4.21	2.00	4.21
7	Total debts to Total Assets ratio (%) [(Non current borrowings + Current borrowings) / Total Assets]	39%	39%	41%	39%
8	Current ratio (times) [Current Assets / Current Liabilities excl. Current borrowings]	1.53	1.68	2.81	1.68
9	Bad debts to Account receivable ratio (%) [Bad Debts / Average Trade. Receivable]	8%	10%	6%	10%
10	Current liability ratio (%) [Current liabilities excl. Current borrowings / Total liabilities]	23%	21%	18%	21%
11	Debtors Turnover ratio (times) [(Sales of Products and Services / Average Trade Receivable)] - Annualised	11.83	17.79	12.24	15.96
12	Inventory Turnover ratio (times) [(Sales of Products and Services / Average Inventory)] - Annualised	7.79	10.07	9.55	9.04
13	Operating Margin (%) [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income) / Sales of Products and Services]	6%	6%	11%	7%
14	Net Profit Margin (%) [Profit after tax / Sales of Products and Services]	(8)%	16%	(2)%	0%



Notes:

- 1 The above consolidated financial results of Sagar Cements Limited ("the Company") as reviewed by the Audit Committee have been approved by the Board of Directors at its meeting held on July 27, 2023. The statutory auditors of the Company has issued an unmodified conclusion in respect of the limited review of the quarter ended June 30, 2023.
- 2 The Group is engaged in manufacture and sale of "cement and cement related products" which constitutes a single reportable business segment as per Ind AS 108 - 'Operating Segments'.
- 3 The 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").
- 4 The consolidated financial results includes the results of the Parent and its subsidiaries together referred to as "the Group":
 - a. Sagar Cements Limited (Parent company).
 - b. Jajpur Cements Private Limited (wholly owned subsidiary company)
 - c. Sagar Cements (M) Private Limited (formerly Satguru Cement Private Limited) (subsidiary company)
 - d. Andhra Cements Limited (subsidiary company) (w.e.f. March 18, 2023) (Refer note 6)
- 5 The Board of Directors of the Company in their meeting on January 28, 2022 approved the proposed Scheme of Amalgamation of its wholly owned subsidiary Jajpur Cements Private Limited (JCPL) with the Company subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Merger application has been filed with the Hon'ble National Company Law Tribunal on July 06, 2023. Upon approval of the Scheme from the concerned authorities, the undertakings of Jajpur Cements Private Limited shall get transferred to and vested in the Company with the Appointed Date of April 01, 2022 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval, the consolidated financial results of the Company for the quarter ended June 30, 2023, quarter ended June 30, 2022 and quarter and year ended March 31, 2023 and are presented without giving effect to the said merger.
- 6 The National Company Law Tribunal, Amaravati Bench, approved the terms of the Resolution Plan submitted by the Company to acquire Andhra Cements Limited ("ACL") on February 16, 2023 pursuant to a Corporate Insolvency Resolution Process implemented under the Insolvency and Bankruptcy Code 2016 (the "Resolution Plan"), and the terms of the Resolution Plan are now binding on the Company.

Pursuant to the Resolution Plan, the Company has subscribed to 95% of the reconstituted paid-up share capital of ACL for an aggregate amount of ₹ 32,223 Lakhs and remaining 5% of the reconstituted paid-up share capital of ACL continue to be held by the existing public shareholders. Consequently, the Company acquired control w.e.f. March 18, 2023.

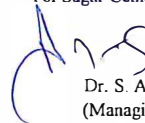
In accordance with Ind AS 103 "Business Combination", purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of assets and liabilities acquired. Accordingly, the Company had recognized its capital reserve amounting to ₹ 1,914 Lakhs in the previous quarter ended March 31, 2023.

Consequent to the above acquisition, the consolidated results of the current quarter/year are strictly not comparable to the previous quarter/year.
- 7 The figures for the quarter ended March 31, 2023 are the balancing figures of the audited financials for the year ended March 31, 2023 and unaudited the year to date published results for the nine months ended December 31, 2022, which were subject to limited review by the statutory auditors.

Place: Hyderabad
Date: July 27, 2023



For Sagar Cements Limited


Dr. S. Anand Reddy
(Managing Director)