



# SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2019-20

29th May 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**

**Scrip Code: 502090**

**Series: EQ**

Dear Sirs

**Sub:** Regulation 33 of SEBI (LODR) Regulations 2015 – Furnishing of Audited Standalone and Consolidated Financial Results for the quarter and year ended 2020

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In continuation of our letter dated 21st May 2020, we wish to inform you that our Board of Directors at their meeting held on today took on record and approved the Audited Financial Results (Standalone and Consolidated) for the quarter / year ended March 31, 2020.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose the following:

- Statements showing the Audited Financial Results (Standalone and Consolidated) for the quarter / year ended March 31, 2020;
- Auditors' Report on the Financial Results – Standalone and Consolidated.
- Declaration with regard to Auditor's Report, being an unmodified one.

The above said meeting of the Board of Directors commenced at 12.00 Noon and concluded at 3.15 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 - 500 033

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Factory : Mattampally (Village & Mandal) - 508204, Suryapet - District. Phone : 08683 - 247039

CIN : L26942TG1981PLC002887

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

Sl. No.	Particulars	Standalone			Consolidated						
		Quarter ended		Year ended	Quarter ended		Year ended				
		March 31, 2020 (Refer note 9)	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)	March 31, 2020 (Refer note 9)	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)				
1	Income										
	(a) Revenue from operations	21,524	18,585	26,828	90,201	30,357	26,210	36,584	1,17,515	1,21,755	1,21,755
	(b) Other income	505	362	393	1,506	230	47	89	403	288	288
	<b>Total income</b>	<b>22,029</b>	<b>18,947</b>	<b>27,219</b>	<b>91,707</b>	<b>30,587</b>	<b>26,257</b>	<b>36,673</b>	<b>1,17,918</b>	<b>1,22,043</b>	<b>1,22,043</b>
2	Expenses										
	(a) Cost of materials consumed	4,071	3,375	5,169	15,963	5,229	4,387	6,501	20,473	19,929	19,929
	(b) Purchase of stock-in-trade	686	563	1,229	4,117	686	557	784	3,237	2,595	2,595
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(7)	1,911	(287)	(602)	38	2,082	83	(982)	1,356	1,356
	(d) Employee benefits expense	1,649	1,358	1,415	5,570	1,890	1,600	1,587	6,487	5,875	5,875
	(e) Finance costs	808	904	864	3,392	1,449	1,574	1,653	6,099	6,339	6,339
	(f) Depreciation and amortisation expense	1,484	1,458	1,194	5,507	2,136	2,046	1,740	7,887	6,570	6,570
	(g) Power and fuel expenses	5,126	4,170	7,179	21,675	7,628	6,273	9,884	30,918	36,276	36,276
	(h) Freight and forwarding	3,696	3,460	4,357	14,171	5,969	5,453	6,694	22,375	25,246	25,246
	(i) Other expenses	3,243	2,842	3,633	11,954	4,452	3,872	4,878	16,457	15,537	15,537
	<b>Total expenses</b>	<b>20,766</b>	<b>20,041</b>	<b>24,773</b>	<b>81,767</b>	<b>29,477</b>	<b>27,844</b>	<b>33,802</b>	<b>1,12,951</b>	<b>1,19,723</b>	<b>1,19,723</b>
3	Profit/(loss) before tax (1 - 2)	1,263	(1,094)	2,446	4,623	1,110	(1,587)	2,871	4,967	2,320	2,320
4	Tax expense/(benefit)										
	(a) Current tax	221	(167)	565	850	221	(167)	585	850	874	874
	(b) Deferred tax (net)	183	(483)	171	300	771	(512)	411	1,464	87	87
	<b>Total tax</b>	<b>404</b>	<b>(650)</b>	<b>736</b>	<b>1,150</b>	<b>992</b>	<b>(679)</b>	<b>996</b>	<b>2,314</b>	<b>961</b>	<b>961</b>
5	<b>Net profit/(loss) for the period (3 - 4)</b>	<b>859</b>	<b>(444)</b>	<b>1,690</b>	<b>3,473</b>	<b>116</b>	<b>(908)</b>	<b>1,875</b>	<b>2,653</b>	<b>1,359</b>	<b>1,359</b>
6	Other comprehensive income										
	(i) Remeasurement losses on defined benefit plans	(64)	-	(253)	(64)	(60)	-	(266)	(60)	(266)	(266)
	(ii) Income tax relating to items that will not be reclassified to profit or loss in subsequent periods	22	-	88	22	21	-	100	21	100	100
	<b>Total Other comprehensive loss</b>	<b>(42)</b>	<b>-</b>	<b>(165)</b>	<b>(42)</b>	<b>(39)</b>	<b>-</b>	<b>(166)</b>	<b>(39)</b>	<b>(166)</b>	<b>(166)</b>
7	<b>Total comprehensive income/(loss) (5+6)</b>	<b>817</b>	<b>(444)</b>	<b>1,525</b>	<b>3,431</b>	<b>79</b>	<b>(908)</b>	<b>1,689</b>	<b>2,614</b>	<b>1,173</b>	<b>1,173</b>
8	Profit/(loss) attributable to:										
	Owners of the company					129	(907)	-	2,671	-	-
	Non-controlling interest					(11)	(1)	-	(18)	-	-
	<b>Total comprehensive income/(loss) attributable to:</b>					<b>118</b>	<b>(908)</b>	<b>-</b>	<b>2,653</b>	<b>-</b>	<b>-</b>
9	Owners of the company					90	(907)	-	2,632	-	-
	Non-controlling interest					(11)	(1)	-	(18)	-	-
	<b>Total comprehensive income/(loss) attributable to:</b>					<b>79</b>	<b>(908)</b>	<b>-</b>	<b>2,614</b>	<b>-</b>	<b>-</b>
8	Paid up equity share capital (Face value of ₹ 10 per share)										
9	Other equity										
	Earnings per share (Basic & Diluted)	3.91	(2.02)	6.28	16.17	0.54	(4.14)	9.19	12.36	6.66	6.66
10											
	(*) - Annualised										



## Balance Sheet

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)	(Audited)	(Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	83,275	73,810	1,27,141	1,17,832
(b) Capital work-in-progress	1,983	10,728	10,799	11,005
(c) Right of use assets (Refer note 6)	130	-	1,176	-
(d) Goodwill	-	-	4,162	3,873
(e) Intangible assets				
Mining Rights	-	-	5,893	2,686
Other Intangible assets	13	14	23	24
(f) Financial assets				
(i) Investments	47,726	27,528	-	-
(ii) Loans	-	1,500	-	-
(iii) Other financial assets	1,381	1,883	1,659	2,084
(g) Income tax assets (net)	308	84	465	102
(h) Deferred tax assets (net)	-	-	2,119	3,284
(i) Other non-current assets	859	1,319	8,716	1,346
<b>Total Non-current assets (1)</b>	<b>1,35,675</b>	<b>1,16,866</b>	<b>1,62,153</b>	<b>1,42,236</b>
<b>Current assets</b>				
(a) Inventories	8,067	10,611	11,580	14,501
(b) Financial assets				
(i) Trade receivables	9,486	7,814	13,678	11,561
(ii) Cash and cash equivalents	171	1,784	290	1,791
(iii) Bank balances other than (ii) above	843	1,022	985	1,159
(iv) Loans	1,500	500	-	-
(v) Other financial assets	4,614	4,366	394	305
(c) Other current assets	7,258	7,245	4,795	4,558
<b>Total Current assets (2)</b>	<b>31,939</b>	<b>33,342</b>	<b>31,722</b>	<b>33,875</b>
<b>TOTAL ASSETS (1+2)</b>	<b>1,67,614</b>	<b>1,50,208</b>	<b>1,93,875</b>	<b>1,76,111</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	2,228	2,040	2,228	2,040
(b) Other equity	1,01,023	88,129	94,438	82,343
<b>Equity attributable to shareholders of the Company</b>	<b>1,03,251</b>	<b>90,169</b>	<b>96,666</b>	<b>84,383</b>
Non controlling interest	-	-	5,393	-
<b>Total Equity (1)</b>	<b>1,03,251</b>	<b>90,169</b>	<b>1,02,059</b>	<b>84,383</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	11,514	14,171	28,724	30,582
(ii) Lease liabilities (Refer note 6)	126	-	256	-
(iii) Other financial liabilities	8,683	4,098	7,016	5,459
(b) Provisions	843	627	970	730
(c) Deferred tax liabilities (net)	4,391	4,113	4,391	4,113
(d) Other non-current liabilities	179	179	229	229
<b>Total Non-current liabilities (2)</b>	<b>25,736</b>	<b>23,188</b>	<b>41,586</b>	<b>41,113</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	10,765	10,655	14,063	13,886
(ii) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises	125	25	148	45
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	16,729	14,987	22,152	20,339
(iii) Lease liabilities (Refer note 6)	10	-	22	-
(iv) Other financial liabilities	6,886	5,414	8,688	9,008
(b) Provisions	308	239	355	275
(c) Current tax liabilities (net)	602	756	602	756
(d) Other current liabilities	3,202	4,775	4,200	6,306
<b>Total Current liabilities (3)</b>	<b>38,627</b>	<b>36,851</b>	<b>50,230</b>	<b>50,615</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>	<b>1,67,614</b>	<b>1,50,208</b>	<b>1,93,875</b>	<b>1,76,111</b>



(₹ in lakhs)

## Statement of cash flows for the year ended March 31, 2020

Particulars	Stangalone		Consolidated	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Cash flow from operating activities</b>				
Profit after tax		3,473		2,653
Adjustments for:				
Tax expense	1,150		2,314	961
Depreciation and amortization expense	5,507	1,045	7,887	6,570
Finance costs	3,392	3,322	6,099	6,339
Interest income	(1,447)	(1,452)	(139)	(198)
Liabilities no longer required/written back	(22)	(2)	(52)	(38)
Advances written off	25	-	150	-
Expected credit loss allowance	215	332	278	332
Unrealised loss on foreign currency transactions and translation	169	(158)	220	(158)
Net gain on fair value change in financial instruments	(125)	-	(172)	-
(Profit)/Loss on sale of property, plant and equipment (net)	(33)	4	(33)	60
Incentives from government	(1,072)	(473)	(1,072)	(473)
		7,759		15,480
Operating profit before working capital changes		11,232		9,690
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(1,887)	(2,299)	(2,003)	(2,635)
Inventories	2,544	(3,854)	2,921	(5,010)
Other financial assets	(51)	(418)	(196)	(503)
Other assets	1,060	(1,137)	1,998	(15)
		1,666	(7,708)	2,720
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	1,695	7,331	1,086	6,899
Other financial liabilities	1,234	(326)	1,343	(505)
Provisions	221	85	260	97
Other liabilities	(1,573)	233	(2,345)	599
		1,577	7,323	344
Cash generated from operating activities		14,475		9,305
Less: Income tax paid		(1,004)		(363)
Net cash generated from operating activities		13,471		8,942
				20,205
<b>B Cash flow from Investing activities</b>				
Capital expenditure on property, plant and equipment including capital advances	(6,682)	(16,892)	(22,786)	(19,537)
Deposits not considered as cash and cash equivalents				
- Placed	(1,760)	(651)	(2,317)	(2,252)
- Matured	2,166	1,147	2,654	2,747
Proceeds from disposal of plant and equipment	66	7	66	26
Investments made during the year	(12,800)	-	(444)	-
Interest received	153	335	129	334
Net cash used in investing activities		(18,857)		(16,054)
				(22,698)
<b>C Cash flow from financing activities</b>				
Proceeds from issue of share warrants	10,266	5,658	10,266	5,658
Proceeds from non-current borrowings	12,394	4,087	19,590	4,234
Repayment of non-current borrowings	(15,326)	(2,933)	(21,870)	(3,524)
Repayment of unsecured loans from related party	500	500	38	1,000
Repayment of loan from related party	-	-	-	(100)
Proceeds from current borrowings (net)	110	1,078	(27)	2,360
Repayment of lease liabilities	(117)	-	(142)	-
Finance costs	(3,439)	(3,173)	(6,248)	(6,184)
Dividends paid including tax	(615)	(371)	(815)	(371)
Net cash generated from financing activities		3,773		4,846
				992
Net increase in cash and cash equivalent (A+B+C)		(1,613)		(2,266)
Cash and cash equivalent at the beginning of the year		1,784		4,050
Cash and cash equivalent at the end of the year		171		1,784
				290
				1,791



## Notes:

## 1 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			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Refer note 9)	(Unaudited)	(Refer note 9)	(Audited)	(Audited)
<b>1. Segment revenue</b>					
(a) Cement	30,273	26,210	36,577	117,364	121,220
(b) Power	4,693	906	2,090	6,701	6,377
<b>Total</b>	<b>34,966</b>	<b>27,116</b>	<b>38,667</b>	<b>126,065</b>	<b>129,597</b>
Less: Inter segment revenue	4,609	908	2,083	8,550	7,842
<b>Revenue from operations</b>	<b>30,357</b>	<b>26,210</b>	<b>36,584</b>	<b>117,515</b>	<b>121,755</b>
<b>2. Segment results Profit(+)/ Loss(-) before tax and interest</b>					
(a) Cement	2,555	(47)	4,635	11,072	9,051
(b) Power	(4)	(1)	(200)	(145)	(660)
<b>Total</b>	<b>2,551</b>	<b>(48)</b>	<b>4,435</b>	<b>10,927</b>	<b>8,371</b>
Less:					
(i) Interest expenses (finance costs)	1,449	1,574	1,653	6,099	6,339
(ii) Un-allocable income (Net of un-allocable expense)	(8)	(35)	(89)	(139)	(288)
<b>Total Profit before tax</b>	<b>1,110</b>	<b>(1,587)</b>	<b>2,871</b>	<b>4,967</b>	<b>2,320</b>

(₹ in lakhs)

Particulars	As at March 31, 2020	As at December 31, 2019	As at March 31, 2019
	(Audited)	(Unaudited)	(Audited)
	<b>Segment assets</b>		
(a) Cement	152,738	166,845	152,305
(b) Power	33,234	12,029	13,270
(c) Unallocated	7,903	8,440	10,538
<b>Total assets</b>	<b>193,875</b>	<b>187,114</b>	<b>176,111</b>
<b>Segment liabilities</b>			
(a) Cement	35,117	32,153	32,955
(b) Power	946	143	1,082
(c) Unallocated	55,753	54,828	57,691
<b>Total liabilities</b>	<b>91,816</b>	<b>86,924</b>	<b>91,728</b>

- 2 The above standalone and consolidated financial results of Sagar Cements Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on May 29, 2020. The results for the year ended March 31, 2020 have been audited and for the quarter ended March 31, 2020 have been reviewed by our statutory auditors. The statutory auditors of the Company have expressed an unmodified opinion thereon.
- 3 These standalone and consolidated financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- 4 During the year, the Company acquired 100% stake in Jajpur 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.
- 5 The consolidated financial results includes the results of:
- Sagar Cements Limited, India (parent company)
  - Sagar Cements (R) Limited (wholly owned subsidiary company)
  - Jajpur Cements Private Limited (wholly owned subsidiary company)
  - Satguru Cement Private Limited (subsidiary company)
- 6 Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' which replaces Ind AS 17 'Leases'. The Company has applied Modified retrospective method as per 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. During the quarter and year ended, at standalone the Company has recognised interest expense on lease amounting to ₹ 1 lakhs, ₹ 10 lakhs and depreciation on right-of-use assets amounting to ₹ 40 lakhs, ₹ 112 lakhs respectively. During the quarter and year ended, at consolidated the Group has recognised interest expense on lease amounting to ₹ 7 lakhs, ₹ 24 lakhs and depreciation on right-of-use assets amounting to ₹ 51 lakhs, ₹ 139 lakhs respectively. The effect of adopting this standard is not material on the net profit for the period.
- 7 COVID-19 is an infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the World Health Organisation declared COVID-19 a pandemic.
- The Government of India, declared a lockdown on March 23, 2020 in the light of the outbreak of COVID-19, on account of which the Company suspended its operations from March 23, 2020. The Company has been taking various precautionary measures to protect its employees and their families from the COVID-19 pandemic. Operations have been resumed, subsequent to the year end, from May 04, 2020, wherein the Company has taken all necessary safety measures as laid down by the government for the purpose.
- The Company has considered internal and certain external sources of information, including economic forecasts and industry reports, up to the date of approval of the financial statements in determining the possible effects on the carrying amounts of investments in subsidiaries/Goodwill on consolidation, inventories, receivables, deferred tax assets and other current assets, that may result from the COVID-19 pandemic. The Company has used the elements of prudence in applying the judgments and assumptions, including sensitivity analysis, and based on current estimates expects the carrying amount of these assets will be recovered. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.
- 8 During the year ended March 31, 2020, the Company converted 18,75,000 warrants into equal number of equity shares. Consequently, the paid up share capital of the Company as on March 31, 2020 increased to ₹ 2,226 lakhs. As at March 31, 2020 the Company had 12,25,000 warrants outstanding.
- 9 The figures for the current quarter and quarter ended March 2019 are the balancing figures between the audited figures in respect of the full financial year ended March 2020 and March 2019, respectively and published year to date figures up to third quarter ended December 31, 2019 and December 31, 2018, respectively.

For Sagar Cements Limited



*(Signature)*  
Dr. S. Anand Reddy  
(Managing Director)

Place: Hyderabad  
Date: May 29, 2020

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
SAGAR CEMENTS LIMITED**

**Opinion and Conclusion**

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and;

(b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us,

both ((a) and (b)) included in the accompanying "Statement of Audited Standalone Financial Results for the year ended March 31, 2020 and Unaudited Standalone Financial Results for the quarter ended March 31, 2020" of **SAGAR CEMENTS LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020**

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

We draw your attention to Note 7 of the statement, which describes that certain estimates and judgments were made related to the COVID-19 pandemic, wherein, the eventual outcome of the impact of this global health pandemic may be different from those estimated by the management.

Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Statement**

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities**

#### **(a) Audit of the Standalone Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **Deloitte Haskins & Sells**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 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 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 SAs specified under section 143(10) of the Act 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.

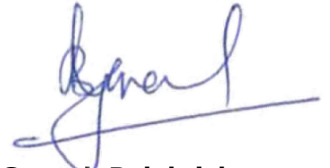


**Other Matters**

- As stated in Note 9 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019.
- The Statement includes the results for the Quarter ended Month 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report on the Statement is not modified in respect of these matter.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Ganesh Balakrishnan**  
(Partner)  
(Membership No. 201193)  
(UDIN: 20201193AAAACH2395)

Place: Hyderabad  
Date: May 29, 2020

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
SAGAR CEMENTS LIMITED**

**Opinion and Conclusion**

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and;

(b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us,

both ((a) and (b)) included in the accompanying "Statement of Audited Consolidated Financial Results for the Year Ended March 31, 2020 and Unaudited Consolidated Financial Results for the quarter ended March 31, 2020" of **SAGAR CEMENTS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), ("the statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Consolidated Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Results for the year ended March 31, 2020:

- i. 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)
- ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2020.

**(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2020**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

We draw your attention to Note 7 of the statement, which describes that certain estimates and judgments were made related to the COVID-19 pandemic, wherein, the eventual outcome of the impact of this global health pandemic may be different from those estimated by the management.

Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the consolidated net profit and consolidated other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities**

**(a) Audit of the Consolidated Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial Information of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

## **Deloitte Haskins & Sells**

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 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 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 SA specified under section 143(10) of the Act 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.

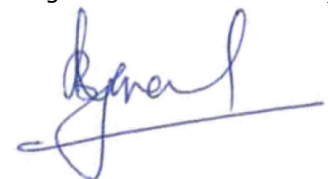
The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

### **Other Matters**

- As stated in Note 9 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report is not modified in respect of this matter.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**Ganesh Balakrishnan**  
(Partner)  
(Membership No. 201193)  
(UDIN: 20201193AAAACG2222)

Place: Hyderabad  
Date: May 29, 2020



## DECLARATION

Pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified on May 25, 2016, we hereby declare and confirm that Auditors' Reports on the Standalone and Consolidated Annual financial Results of the company for the quarter and year ended March 31, 2020 are "unmodified opinions".

for Sagar Cements Limited

**Dr.S.Anand Reddy**  
**Managing Director**

Place: Hyderabad

Date : May 29, 2020



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CIN : L26942TG1981PLC002887