



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2022-23

20th July 2022

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, 2022

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Further to our letter dated 8th July, 2022, we are pleased to forward herewith our un-audited stand-alone and consolidated financial results for the first quarter ended 30th June, 2022, 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 2.30 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

Bāyyavaram 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

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 & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

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

Sl No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		June 30, 2022 (Unaudited)	March 31, 2022 (Refer note 9)	June 30, 2021 (Unaudited)	March 31, 2022 (Audited)	June 30, 2022 (Unaudited)	March 31, 2022 (Refer note 9)	June 30, 2021 (Unaudited)	March 31, 2022 (Audited)
1	Income								
	(a) Revenue from operations	48,406	47,084	39,355	1,56,786	55,772	50,172	39,757	1,59,687
	(b) Other income	1,840	1,538	488	2,691	1,244	417	476	1,342
	Total Income	50,246	48,622	39,843	1,59,477	57,016	50,589	39,733	1,61,029
2	Expenses								
	(a) Cost of materials consumed	7,098	6,845	6,526	25,556	8,466	6,478	6,526	25,512
	(b) Purchase of stock-in-trade	803	627	359	2,017	803	516	359	1,906
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	802	1,642	(1,628)	(3,447)	725	1,393	(1,628)	(4,886)
	(d) Employee benefits expense	2,190	2,367	1,875	8,101	2,544	2,660	1,907	8,555
	(e) Finance costs	2,337	3,011	1,102	6,934	4,808	4,713	1,577	9,248
	(f) Depreciation and amortisation expense	2,029	2,079	1,912	8,035	3,658	3,151	1,923	9,271
	(g) Power and fuel expenses	17,347	14,722	10,010	48,352	21,450	17,058	10,010	51,573
	(h) Freight and forwarding	8,236	8,196	6,706	27,253	9,469	8,749	6,706	27,855
	(i) Other expenses	5,067	5,751	4,725	20,345	6,212	7,209	4,666	21,595
	Total expenses	45,909	45,240	31,587	1,43,146	58,135	51,927	32,026	1,50,629
3	Profit/ (loss) before tax (1 - 2)	4,337	3,382	8,256	16,331	(1,119)	(1,338)	7,707	10,400
4	Tax expense								
	(a) Current tax	1,657	937	1,479	3,056	1,657	937	1,479	3,056
	(b) Deferred tax	(87)	814	1,503	2,897	(1,466)	(360)	1,370	1,429
	Total tax	1,570	1,751	2,982	5,953	191	577	2,849	4,485
5	Net profit/ (loss) for the period/ year (3 - 4)	2,767	1,631	5,274	10,378	(1,310)	(1,915)	4,858	5,915
6	Other Comprehensive Income								
	(i) Remeasurements gain on defined benefit plans	-	195	-	195	-	200	-	200
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(68)	-	(68)	-	(69)	-	(69)
	Total Other Comprehensive Income	-	127	-	127	-	131	-	131
7	Total Comprehensive Income/ (Loss) (5+6)	2,767	1,758	5,274	10,505	(1,310)	(1,784)	4,858	6,046
8	(Loss)/ profit attributable to:								
	Owners of the company					(722)	(1,151)	4,992	6,915
	Non-controlling interest					(588)	(764)	(134)	(1,000)
						(1,310)	(1,915)	4,858	5,915
9	Total comprehensive (loss)/ income attributable to:								
	Equity attributable to shareholders of the Company					(722)	(1,021)	4,992	7,045
	Non-controlling interest					(588)	(763)	(134)	(999)
						(1,310)	(1,784)	4,858	6,046
8	Paid up equity share capital (Face value of ₹ 2 per share) (Refer Note 6)				2,350				2,350
9	Other equity				1,27,061				1,23,193
10	Earnings per share (Basic & Diluted) of ₹ 2 each (Refer Note 6)	2.21	1.39	4.49	8.83	(1.04)	(1.63)	4.13	5.03
		(*)	(*)	(*)		(*)	(*)	(*)	

(*) - 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	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
1	Paid up equity share capital (₹ in lakhs)	2,614	2,350	2,350	2,350	2,614	2,350	2,350	2,350
2	Other equity (₹ in lakhs)	1,63,852	1,27,061	1,22,418	1,27,061	1,61,308	1,28,594	1,26,943	1,28,594
3	Net worth (₹ in lakhs) [Equity share capital + Other equity]	1,66,466	1,29,411	1,24,768	1,29,411	1,63,922	1,30,944	1,29,293	1,30,944
4	Paid up Debt Capital (₹ in lakhs) [Non Convertible Debentures]	31,548	32,702	9,231	32,702	31,548	32,702	9,231	32,702
5	Earnings per share (Basic & Diluted) of ₹ 2 each	2.21	1.39	4.49	8.83	(1.04)	(1.63)	4.13	5.03
6	Debt Equity Ratio (times) [Debt / Net Worth] [Debt: Non current borrowings + Current borrowings + Non current unsecured loans]	0.52	0.69	0.33	0.69	0.91	1.15	0.66	1.15
7	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)]	1.69	2.03	3.38	2.05	0.92	1.10	2.95	1.64
8	Interest Service Coverage Ratio (times) [Cash profit after adjusting depreciation / Finance cost] [Cash profit after adjusting depreciation: Profit After Tax + Finance cost + Depreciation]	3.05	2.23	7.52	3.66	1.62	1.26	5.36	2.64
9	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)]	1.33	3.38	1.38	3.38	2.00	3.87	2.95	3.87
10	Total debts to Total Assets ratio (%) [(Non current borrowings + Current borrowings) / Total Assets]	29%	33%	18%	33%	41%	45%	31%	45%
11	Current ratio (times) [Current Assets / Current Liabilities excl. Current borrowings]	2.75	1.67	1.53	1.67	2.81	1.92	1.59	1.92
12	Bad debts to Account receivable ratio (%) [Bad Debts / Average Trade Receivable]	6%	9%	7%	9%	6%	9%	7%	9%
13	Current liability ratio (%) [Current liabilities excl. Current borrowings / Total liabilities]	23%	24%	41%	24%	18%	18%	30%	18%
14	Debtors Turnover ratio (times) [(Sales of Products and Services / Average Trade Receivable)] - Annualised	10.57	15.32	10.55	12.79	12.24	16.60	10.77	13.22
15	Inventory Turnover ratio (times) [(Sales of Products and Services / Average Inventory)] - Annualised	10.15	12.58	9.78	10.50	9.55	11.59	9.73	9.23
16	Operating Margin (%) [(Profit before Depreciation, Interest, Tax and Exceptional item Less Other Income) / Sales of Products and Services]	14%	15%	27%	18%	11%	12%	27%	17%
17	Net Profit Margin (%) [Profit after tax / Sales of Products and Services]	6%	3%	13%	7%	(2)%	(4)%	12%	4%



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Notes:

1. The above standalone and consolidated financial results of Sagar Cements Limited ("the Company") was reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 30, 2022. The Statutory auditors of the Company have carried out a limited review of the financial results.
2. 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
	June 30, 2022 (Unaudited)	March 31, 2022 (Refer note 9)	June 30, 2021 (Unaudited)	March 31, 2022 (Audited)
1. Segment revenue				
(a) Cement	55,305	49,976	39,238	1,58,976
(b) Power	3,985	3,890	2,830	13,143
Total	59,290	53,866	42,068	1,72,119
Less: Inter segment revenue	3,518	3,694	2,811	12,432
Revenue from operations	55,772	50,172	39,257	1,59,687
2. Segment results Profit (+) / Loss (-) before tax and interest				
(a) Cement	2,402	3,006	8,964	18,427
(b) Power	48	(21)	6	39
Total	2,450	2,985	8,970	18,466
Less:				
(j) Interest expenses (finance costs)	4,808	4,713	1,557	9,248
(ii) Un-allocable income (Net of un-allocable expense)	(1,239)	(390)	(294)	(1,182)
Total Profit before tax	(1,119)	(1,338)	7,707	10,400

(₹ in lakhs)

Particulars	As at June 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)	As at June 30, 2021 (Unaudited)
	Segment assets		
(a) Cement	2,53,844	2,38,622	2,19,566
(b) Power	31,028	30,424	30,824
(c) Unallocated	83,297	67,387	23,431
Total assets	3,68,169	3,36,433	2,73,821
Segment liabilities			
(a) Cement	41,645	41,964	47,901
(b) Power	368	222	98
(c) Unallocated	1,62,234	1,63,303	96,529
Total liabilities	2,04,247	2,05,489	1,44,528

3. 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").
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)
5. On July 12, 2021, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Sagar Cements (R) Limited (SCRL), a wholly owned subsidiary, with the Company with an appointed date of March 30, 2021. The scheme as approved by various regulatory authorities was sanctioned by Hyderabad bench of National Company Law Tribunal (NCLT) on March 15, 2022. The transaction being a common control business combination, merger accounting has been done under the Pooling of Interest Method. Accordingly, the assets and liabilities of SCRL are reflected in the standalone books of the Company at their respective carrying amounts and prior period amounts have been restated as if the business combination had occurred from the beginning of the preceding period. The impact of the said merger on the standalone and consolidated results is summarised below:

(₹ in lakhs)

Particulars	Quarter ended June 30, 2021	
	Standalone	Consolidated
Net Profit		
As per published results of the Company	4,336	5,009
Add: Net (loss)/ profit of SCRL	1,131	-
Less: Adjustment due to merger	(193)	(151)
Amalgamated Net Profit	5,274	4,858
Total Tax		
As per published results of the Company	2,227	2,680
Add: Tax charge of SCRL	586	-
Add: Adjustment due to merger	169	169
Tax charge on Amalgamated profits	2,982	2,849



- 6 The Board of Directors, at their meeting held on July 01, 2021, recommended for the sub-division of equity shares of the Company from the then existing face value of ₹ 10/- each into face value of ₹ 2/- each (i.e. split of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each), and the same was approved by the shareholders in the Annual General Meeting of the Company held on July 28, 2021. Accordingly, face value of the equity shares of the Company now stands at ₹ 2/- per share w.e.f the record date viz. August 18, 2021.
- 7 The Board of Directors at their meeting held on January 28, 2022, approved a proposal to merge its wholly owned subsidiary Jajpur Cements Private Limited with itself subject to necessary regulatory approvals to be obtained in due course. Pending such approvals, the standalone financial results of the company for the quarter ended June 30, 2022, quarter and year ended March 31, 2022 are presented without giving effect to the said proposed merger.
- 8 In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -I Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the Company increased from ₹ 23,50,00,000/- to ₹ 26,14,15,096/-, comprising of 13,07,07,548 equity shares of ₹ 2/- each.
- 9 The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published year to date figures up to third quarter ended December 31, 2021.
- 10 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not yet been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Place: Hyderabad
Date: July 20, 2022



For Sagar Cements Limited

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 Standalone Unaudited Financial Results of **SAGAR CEMENTS LIMITED** ("the Company"), for the quarter ended June 30, 2022 ("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. 08072S)



C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 22213649ANHMXQ5277)

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 Consolidated Unaudited 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, 2022 ("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. Jajpur Cements Private Limited (Wholly Owned Subsidiary) and
- c. Sagar Cements (M) Private Limited (Subsidiary) (formerly 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. 08072S)



C. Manish Muralidhar

Partner
(Membership No. 213649)
(UDIN: 22213649ANHNI5646)