



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2019-20

29th July 2020

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, 2020

Further to our letter dated 15th July, 2020, we are pleased to forward herewith our un-audited stand-alone and consolidated financial results for the first quarter ended 30th June, 2020, which were taken on record and approved by the Board at their meeting held on today, after review by its 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 their said meeting.

The above said meeting of the Board of Directors commenced at 3.30 p.m. and concluded at 5.00 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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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 ENDED JUNE 30, 2020

(₹ 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, 2020	March 31, 2020	June 30, 2019	March 31, 2020	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(unaudited)	(Refer Note 8)	(unaudited)	(Audited)	(unaudited)	(Refer Note 8)	(unaudited)	(Audited)
1	Income								
	(a) Revenue from operations	19,485	21,524	25,436	84,758	26,412	30,357	34,420	1,17,515
	(b) Other income	428	505	465	1,632	79	230	145	403
	Total income	19,913	22,029	25,901	86,390	26,491	30,587	34,565	1,17,918
2	Expenses								
	(a) Cost of materials consumed	2,438	4,071	4,523	15,983	3,153	5,229	5,742	20,473
	(b) Purchase of stock-in-trade	499	686	1,064	4,117	499	686	1,064	3,237
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	802	(7)	(219)	(602)	1,304	38	(735)	(982)
	(d) Employee benefits expense	1,240	1,649	1,265	5,570	1,454	1,890	1,473	6,487
	(e) Finance costs	682	808	782	3,392	1,281	1,449	1,495	6,099
	(f) Depreciation and amortisation expense	1,390	1,494	1,212	5,507	1,995	2,136	1,780	7,887
	(g) Power and fuel expenses	3,155	5,126	6,317	21,675	4,455	7,628	8,696	30,918
	(h) Freight and forwarding	2,674	3,696	4,016	14,171	3,912	5,969	6,006	22,375
	(i) Other expenses	1,960	3,243	3,201	11,954	2,934	4,452	4,312	16,457
	Total expenses	14,840	20,766	22,161	81,767	20,987	29,477	29,833	1,12,951
3	Profit before tax (1 - 2)	5,073	1,263	3,740	4,623	5,504	1,110	4,732	4,967
4	Tax expense/ (benefit)								
	(a) Current tax	892	221	811	850	892	221	811	850
	(b) Deferred tax (net)	782	183	483	300	1,012	771	970	1,464
	Total tax	1,674	404	1,294	1,150	1,904	992	1,781	2,314
5	Net profit for the period (3 - 4)	3,399	859	2,446	3,473	3,600	118	2,951	2,653
6	Other comprehensive income								
	(i) Remeasurement losses on defined benefit plans	-	(64)	-	(64)	-	(60)	-	(60)
	(ii) Income tax relating to items that will not be reclassified to profit or loss in subsequent periods	-	22	-	22	-	21	-	21
	Total Other comprehensive loss	-	(42)	-	(42)	-	(39)	-	(39)
7	Total comprehensive income (5+6)	3,399	817	2,446	3,431	3,600	79	2,951	2,614
8	Profit attributable to:								
	Owners of the company					3,613	129	2,955	2,671
	Non-controlling interest					(13)	(11)	(4)	(18)
						3,600	118	2,951	2,653
9	Total comprehensive income attributable to:								
	Owners of the company					3,613	90	2,955	2,632
	Non-controlling interest					(13)	(11)	(4)	(18)
						3,600	79	2,951	2,614
8	Paid up equity share capital (Face value of ₹ 10 per share)								
					2,228				2,228
9	Other equity								
					1,01,023				94,438
10	Earnings per share (Basic & Diluted)								
		15.26	3.91	11.99	16.17	16.16	0.54	14.47	12.36
					(*)				(*)

(*) - Annualised



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.

Particulars	Consolidated			
	Quarter ended			Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
(unaudited)	(Refer Note 8)	(unaudited)	(Audited)	
1. Segment revenue				
(a) Cement	26,412	30,273	34,388	1,17,364
(b) Power	1,444	4,693	1,875	8,701
Total	27,856	34,966	36,263	1,26,065
Less: Inter segment revenue	1,444	4,609	1,843	8,550
Revenue from operations	26,412	30,357	34,420	1,17,515
2. Segment results Profit(+)/ Loss(-) before tax and interest				
(a) Cement	6,809	2,555	6,303	11,072
(b) Power	(58)	(4)	(123)	(145)
Total	6,751	2,551	6,180	10,927
Less:				
(i) Interest expenses (finance costs)	1,281	1,449	1,495	6,099
(ii) Un-allocable income (Net of un-allocable expense)	(34)	(8)	(47)	(139)
Total Profit before tax	5,504	1,110	4,732	4,967

(₹ in lakhs)

Particulars	As at June 30, 2020	As at March 31, 2020	As at June 30, 2019
	(Unaudited)	(Audited)	(Unaudited)
Segment assets			
(a) Cement	1,56,347	1,52,738	1,71,318
(b) Power	32,373	33,234	12,436
(c) Unallocated	8,239	7,903	9,419
Total assets	1,96,959	1,93,875	1,93,173
Segment liabilities			
(a) Cement	34,393	35,117	33,653
(b) Power	159	946	517
(c) Unallocated	56,748	55,753	57,065
Total liabilities	91,300	91,816	91,235

- 2 The above standalone and 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 29, 2020. The statutory auditors have carried out a limited review of these financial results.
- 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 The consolidated financial results include the results of:
- Sagar Cements Limited (parent company).
 - Sagar Cements (R) Limited (wholly owned subsidiary company)
 - Jajpur Cements Private Limited (wholly owned subsidiary company)
 - Satguru Cement Private Limited (subsidiary company)
- 5 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 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 results in determining the possible effects on the carrying amounts of investments made in the 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 that 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.
- 6 The Board has recommended a final dividend of ₹ 2.50 per equity share of ₹ 10 each (25%) on the 2,35,00,000 equity shares for the year ended March 31, 2020. The dividend is subject to approval of the shareholders in the Annual General Meeting.
- 7 The Board has resolved to convene the 39th Annual General Meeting ("AGM") of the Company on Wednesday, September 09, 2020 at 3.00 p.m. IST through video conferencing/ other audio visual means.
- 8 The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published year to date figures up to the third quarter ended December 31, 2019.

For Sagar Cements Limited



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 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, 2020 ("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:

Sagar Cements Limited, India (Parent Company)
Sagar Cements (R) Limited, India (Wholly Owned Subsidiary)
Jajpur Cements Private Limited, India (Wholly Owned Subsidiary) and
Satguru Cements 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.



**Deloitte
Haskins & Sells**

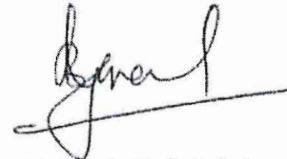
6. We draw your attention to Note 5 of the statement, which describes that certain estimates and judgments were made related to the COVID-19 pandemic, wherein, the eventual outcome of the impact of this global health pandemic may be different from those estimated by the management.

Our opinion is not modified in respect of this matter.

7. The consolidated unaudited financial results includes the financial information / financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial information / financial results reflect total revenue of ₹ 4 Lakhs and total loss after tax of ₹ 77 Lakhs for the quarter ended June 30, 2020 and total comprehensive loss of ₹ 77 Lakhs for the quarter ended June 30, 2020, as considered in the 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 / results certified by the Management.

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



Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN: 20201193AAAADU9242)

Place: Hyderabad
Date: July 29, 2020

**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, 2020 ("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.

**Deloitte
Haskins & Sells**

5. We draw your attention to Note 5 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.

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



Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN:20201193AAAADT3954)

Place: Hyderabad
Date: July 29, 2020