



# SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2018-19

30th January 2019

The National Stock Exchange of India Ltd.,  
"Exchange Plaza", 5<sup>th</sup> Floor  
Bandra – Kurla Complex  
Bandra (East)  
**Mumbai – 400 051**

The Secretary  
BSE Limited  
P J Towers  
Dalal Street  
**Mumbai – 400 001**

**Symbol: SAGCEM**  
**Series: EQ**

**Scrip Code: 502090**

Dear Sirs

**Sub:** Regulation 33 of SEBI (LODR) Regulations 2015 – Furnishing of Un-audited Standalone and Consolidated Financial Results for the third quarter and nine months ended 31st December, 2018

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Further to our letter dated 21st January, 2019, we are pleased to forward herewith our un-audited standalone and consolidated financial results for the third quarter and nine months ended 31st December, 2018, which were approved and taken on record by our Board at its meeting held on today, after review by its Audit Committee. We are also forwarding herewith the Limited Review Report furnished by our Statutory Auditors, which was also taken on record by our Board at its said meeting.

Thanking you

Yours faithfully  
For Sagar Cements Limited

  
R. Soundararajan  
Company Secretary

Encl: 1. Results  
2. Auditors' Certificate (Standalone and Consolidated)



**SAGAR CEMENTS LIMITED**  
CIN No: L26942TG1981PLC002887  
Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033 Phone:+91 40 23351571 Fax:+91 40 23356573  
**STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

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

Sl. No.	Particulars	Standalone						Consolidated					
		Quarter ended		Nine months ended		Year ended	Quarter ended		Nine months ended		Year ended		
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	<b>Income</b>												
	(a) Revenue from operations (Refer note 4)	23,236	20,297	18,020	63,375	56,633	77,601	31,911	25,770	24,940	85,171	78,284	1,07,772
	(b) Other income	385	362	431	1,113	1,401	1,860	81	64	145	199	557	730
	<b>Total income</b>	<b>23,621</b>	<b>20,659</b>	<b>18,451</b>	<b>64,488</b>	<b>58,034</b>	<b>79,461</b>	<b>31,992</b>	<b>25,834</b>	<b>25,085</b>	<b>85,370</b>	<b>78,841</b>	<b>1,08,502</b>
2	<b>Expenses</b>												
	(a) Cost of materials consumed	4,371	3,734	2,830	10,481	7,867	10,713	5,690	4,326	3,752	13,428	10,315	14,194
	(b) Purchase of Stock-in-trade	1,032	784	291	2,472	1,333	1,726	611	544	291	1,811	1,333	1,726
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,355	(1,653)	99	2,011	(2,026)	(1,650)	691	(1,101)	8	1,273	(1,919)	(1,409)
	(d) Excise duty (Refer note 4)	-	-	-	-	2,802	2,802	-	-	-	-	3,963	3,983
	(e) Employee benefits expense	1,173	1,348	1,031	3,785	3,077	4,494	1,345	1,531	1,182	4,288	3,544	5,129
	(f) Finance costs	902	816	740	2,458	2,158	2,973	1,749	1,526	1,451	4,686	4,392	5,929
	(g) Depreciation and amortisation expense	1,186	1,188	833	3,216	2,424	3,330	1,753	1,714	1,348	4,830	3,945	5,362
	(h) Power and fuel expenses	6,324	7,098	5,177	18,229	16,483	22,687	9,939	8,897	7,810	26,392	24,311	33,138
	(i) Freight and forwarding	4,547	4,439	3,621	13,041	10,887	15,121	6,754	5,920	5,293	18,552	15,452	21,793
	(j) Other expenses	2,833	2,502	2,435	7,534	6,730	9,656	3,867	3,545	3,445	10,661	10,034	14,110
	<b>Total expenses</b>	<b>23,723</b>	<b>20,252</b>	<b>17,057</b>	<b>63,227</b>	<b>51,735</b>	<b>71,852</b>	<b>32,399</b>	<b>26,902</b>	<b>24,580</b>	<b>85,921</b>	<b>75,370</b>	<b>1,03,935</b>
3	<b>Profit/(Loss) before tax (1-2)</b>	<b>(102)</b>	<b>407</b>	<b>1,394</b>	<b>1,261</b>	<b>6,299</b>	<b>7,609</b>	<b>(407)</b>	<b>(1,068)</b>	<b>505</b>	<b>(551)</b>	<b>3,471</b>	<b>4,567</b>
4	<b>Tax expense</b>												
	(a) Current tax	(9)	92	152	289	1,199	1,641	(9)	92	152	289	1,199	1,841
	(b) Deferred tax	(97)	53	227	-	810	1,029	(101)	(359)	52	(324)	120	300
	<b>Total Tax</b>	<b>(106)</b>	<b>145</b>	<b>379</b>	<b>289</b>	<b>2,009</b>	<b>2,670</b>	<b>(110)</b>	<b>(267)</b>	<b>204</b>	<b>(35)</b>	<b>1,319</b>	<b>1,941</b>
5	<b>Net Profit/(Loss) for the period (3-4)</b>	<b>4</b>	<b>262</b>	<b>1,015</b>	<b>972</b>	<b>4,290</b>	<b>4,939</b>	<b>(297)</b>	<b>(801)</b>	<b>301</b>	<b>(516)</b>	<b>2,152</b>	<b>2,626</b>
6	<b>Other comprehensive income</b>												
	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(31)	-	-	-	-	-	(19)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	11	-	-	-	-	-	7
	<b>Total Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12)</b>
7	<b>Total comprehensive income (5+6)</b>	<b>4</b>	<b>262</b>	<b>1,015</b>	<b>972</b>	<b>4,290</b>	<b>4,919</b>	<b>(297)</b>	<b>(801)</b>	<b>301</b>	<b>(516)</b>	<b>2,152</b>	<b>2,614</b>
8	<b>Paid up Equity share capital (Face value of ₹ 10 per share)</b>						2,040						2,040
9	<b>Other Equity</b>						80,343						75,880
10	<b>Earnings per share (Basic &amp; Diluted) of ₹ 10 each</b>	0.02	1.28	4.98	4.76	21.03	24.21	(1.46)	(3.93)	1.48	(2.53)	10.55	12.87
							(*)						(*)

(\*) - Annualised

**Notes:**

1 The above standalone and consolidated unaudited financial results were reviewed by the Audit Committee and later approved by the Board of Directors at their respective meetings held on January 30, 2019. The statutory auditors have carried out a limited review of these financial results.

2 The standalone and consolidated financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").



3 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		Nine months ended		Year ended	
	December 31, 2018 (Unaudited)	September 30, 2018 (Unaudited)	December 31, 2017 (Unaudited)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)	March 31, 2018 (Audited)
<b>1. Segment revenue</b>						
(a) Cement	31,693	25,539	24,856	84,643	77,850	1,07,195
(b) Power	2,376	1,800	1,855	6,287	5,366	7,690
<b>Total</b>	<b>34,069</b>	<b>27,339</b>	<b>26,711</b>	<b>90,930</b>	<b>83,216</b>	<b>1,14,885</b>
Less: Inter segment revenue	2,158	1,569	1,771	5,759	4,932	7,113
<b>Revenue from operations</b>	<b>31,911</b>	<b>26,770</b>	<b>24,940</b>	<b>85,171</b>	<b>78,284</b>	<b>1,07,772</b>
<b>2. Segment results (Profit)/(*)/ Loss(-) before tax and</b>						
(a) Cement	1,395	691	2,021	4,416	7,801	10,263
(b) Power	(134)	(297)	(210)	(480)	(495)	(497)
<b>Total</b>	<b>1,261</b>	<b>394</b>	<b>1,811</b>	<b>3,936</b>	<b>7,306</b>	<b>9,766</b>
Less:						
(i) Interest expenses (finance costs)	1,749	1,526	1,451	4,686	4,392	5,929
(ii) Un-allocable income (Net of un-allocable expense)	(81)	(64)	(145)	(199)	(557)	(730)
<b>Total (Loss)/ Profit Before Tax</b>	<b>(407)</b>	<b>(1,068)</b>	<b>605</b>	<b>(651)</b>	<b>3,471</b>	<b>4,567</b>

Capital employed (Segment assets - Segment liabilities)	As at			
	December 31, 2018 (Unaudited)	September 30, 2018 (Unaudited)	As at March 31, 2018 (Audited)	As at December 31, 2017 (Unaudited)
<b>Segment assets</b>				
(a) Cement	1,52,615	1,46,424	1,30,858	1,31,338
(b) Power	12,557	12,979	12,853	13,010
(c) Unallocated	9,897	9,673	13,349	15,885
<b>Total assets</b>	<b>1,75,069</b>	<b>1,69,076</b>	<b>1,57,060</b>	<b>1,60,233</b>
<b>Segment liabilities</b>				
(a) Cement	53,969	48,041	37,029	41,213
(b) Power	1,114	494	735	452
(c) Unallocated	5,649	6,120	5,069	4,459
<b>Total liabilities</b>	<b>60,732</b>	<b>54,655</b>	<b>42,833</b>	<b>46,124</b>

4 The Government of India has introduced the Goods and Services Tax (GST) with effect from July 01, 2017. Accordingly, in compliance with Indian Accounting Standards, Revenue from operations for the quarter and nine months ended December 31, 2018, quarter ended September 30, 2018 and quarter ended December 31, 2017 is net of GST. For the nine months ended December 31, 2017 and year ended March 31, 2018, Revenue from operations included excise duty for the period April 01, 2017 to June 30, 2017, which is now subsumed in GST.

5 The consolidated financial results include the results of the wholly owned subsidiary, Sagar Cements (R) Limited.

6 Pursuant to the approval accorded by the shareholders in the Extraordinary General Meeting held on January 08, 2019, the Company made a preferential allotment of 31,00,000 convertible warrants of ₹ 10 each at a premium of ₹ 720 per warrant aggregating to ₹ 22,630 lakhs to promoter and non-promoter entities on January 24, 2019.

The proceeds of the above issue are proposed to be utilized for the company's proposed investments in Satguru Cements Private Limited and Jajpur Cements Private Limited for setting up a green field integrated cement plant of 1 million MTPA capacity along with a provision for Waste Heat Recovery power plant at Indore and for setting up of a cement grinding plant of 1.5 million MTPA at Odisha respectively and for other general corporate purposes.

7 Corresponding previous period's figures have been regrouped/reclassified, wherever necessary.

Place: Hyderabad  
Date: January 30, 2019.



For Sagar Cements Limited

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

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

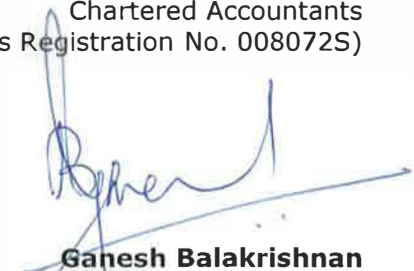
### TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED

1. We have reviewed the Standalone Unaudited Financial Results ("Results") of **SAGAR CEMENTS LIMITED** ("the Company") for the quarter and nine months ended December 31, 2018 included in the accompanying Statement of Unaudited Standalone and Consolidated Financial Results ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the 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 issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with the aforesaid 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, 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)



**Ganesh Balakrishnan**  
Partner  
(Membership No. 201193)

Hyderabad, January 30, 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

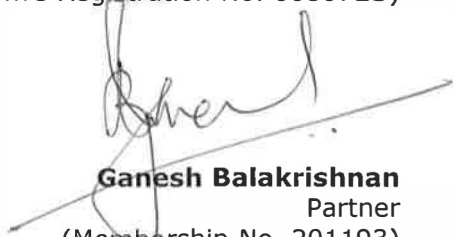
### TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED

1. We have reviewed the Consolidated Unaudited Financial Results ("Consolidated Results") of **SAGAR CEMENTS LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter and nine months ended December 31, 2018 included in the accompanying Statement of Unaudited Standalone and Consolidated Financial Results ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Consolidated Results includes the results of the Sagar Cements (R) Limited (Subsidiary of the Parent).
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with the aforesaid 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, 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)

  
**Ganesh Balakrishnan**  
Partner  
(Membership No. 201193)

Hyderabad, January 30, 2019