



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2022-23

23rd January 2023

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

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

Symbol SAGCEM
Series EQ
ISIN INE 229C01021

Scrip Code: 502090

Symbol SAGCEM
Series DEBT
ISIN INE433R07016

Dear Sirs

Sub: Regulation 33 of SEBI (LODR) Regulations 2015 – Furnishing of Un-audited Stand-alone and Consolidated Financial Results for the third quarter and nine months period ended 31st December, 2022

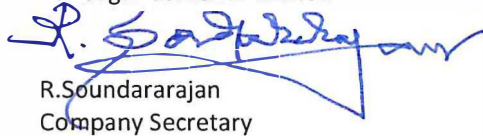
Further to our letter dated 9th January, 2023, we are pleased to forward herewith our un-audited stand-alone and consolidated financial results for the third quarter and nine months period ended 31st December, 2022, which were taken on record and approved by our Board at their meeting held on today, 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 4.00 p.m. and concluded at 6.15 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 - 500033, Telangana, India.

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

CIN : L26942TG1981PLC002887 GSTIN : 36AACCS8680HZZY

Factories : Mattampally, Via Huzurnagar, Suryapet-District, Telangana - 508204. Phone : 08683 - 247039 GSTIN : 36AACCS8680HIZZ

Bayyavaram Village, Kasimkota Mandal, Visakhapatnam District, Andhra Pradesh - 531031. Phone : 08924-244550 Fax : 08924-244570 GSTIN : 37AACCS8680HIZX

Gudipadu Village and Post, Yadiki Mandal, Ananthapur District, Andhra Pradesh - 515408. Phone: 08558-200272 GSTIN : 37AACCS8680HIZX

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

TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **SAGAR CEMENTS LIMITED** (the "Company"), for the quarter and nine months ended December 31, 2022 (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



C Manish Muralidhar
(Partner)
(Membership No. 213649)

Place: Hyderabad
Date: January 23, 2023
UDIN: 23213649BGVBUP5730

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

TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **SAGAR CEMENTS LIMITED** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), for the quarter and nine months ended December 31, 2022 (the "Statement") being submitted by the Parent pursuant to the requirements 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. 008072S)



C Manish Muralidhar
Partner
(Membership No. 213649)

Place: Hyderabad
Date: January 23, 2023
UDIN: 23213649BGVBUQ1875

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 AND NINE MONTHS ENDED DECEMBER 31, 2022

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

Sl. No.	Particulars	Standalone						Consolidated						
		Quarter ended			Nine months ended			Quarter ended			Nine months ended			Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022	
(Unaudited)	(Unaudited)	(Unaudited) (Refer note 5)	(Unaudited)	(Unaudited) (Refer note 5)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 5)	(Unaudited)	(Unaudited) (Refer note 5)	(Audited)			
1	Income													
	(a) Revenue from operations	49,525	42,891	33,119	1,40,822	1,09,702	1,56,786	57,573	47,455	33,365	1,60,800	1,09,515	1,59,687	
	(b) Other income	2,232	2,106	390	6,178	1,153	2,691	1,429	1,493	192	4,166	925	1,342	
	Total income	51,757	44,997	33,509	1,47,000	1,10,855	1,59,477	59,002	48,948	33,557	1,64,966	1,10,440	1,61,029	
2	Expenses													
	(a) Cost of materials consumed	7,803	7,332	5,834	22,233	18,711	25,556	9,416	8,339	6,133	26,221	19,034	25,512	
	(b) Purchase of stock-in-trade	470	685	618	1,958	1,390	2,017	470	685	618	1,958	1,390	1,906	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,671	(1,639)	(2,666)	1,834	(5,089)	(3,447)	2,785	(1,898)	(3,833)	1,612	(6,279)	(4,886)	
	(d) Employee benefits expense	2,099	1,887	1,892	6,176	5,734	8,101	2,512	2,294	1,971	7,350	5,895	8,555	
	(e) Finance costs	2,770	2,580	1,690	7,687	3,923	6,934	5,138	5,027	1,836	14,973	4,535	9,248	
	(f) Depreciation and amortisation expense	2,175	2,124	2,051	6,328	5,956	8,035	3,971	3,793	2,188	11,422	6,120	9,271	
	(g) Power and fuel expenses	17,521	20,048	12,416	54,916	33,630	48,352	20,951	22,770	13,301	65,171	34,515	51,573	
	(h) Freight and forwarding	8,210	7,308	5,573	23,754	19,057	27,253	9,843	8,262	5,622	27,574	19,106	27,855	
	(i) Other expenses	5,627	5,360	4,735	16,054	14,594	20,345	6,838	6,432	4,878	19,482	14,386	21,595	
	Total expenses	49,346	45,685	32,143	1,40,940	97,906	1,43,146	61,924	55,704	32,714	1,75,763	98,702	1,50,629	
3	Profit/ (loss) before tax (1 - 2)	2,411	(688)	1,366	6,060	12,949	16,331	(2,922)	(6,756)	843	(10,797)	11,738	10,400	
4	Tax expense													
	(a) Current tax	874	(141)	33	2,390	2,119	3,056	874	(141)	33	2,390	2,119	3,056	
	(b) Deferred tax	45	(82)	(39)	(124)	2,083	2,897	(1,077)	(1,696)	(168)	(4,239)	1,789	1,429	
	Total tax	919	(223)	(6)	2,266	4,202	5,953	(203)	(1,837)	(135)	(1,849)	3,908	4,485	
5	Net profit/ (loss) for the period/ year (3 - 4)	1,492	(465)	1,372	3,794	8,747	10,378	(2,719)	(4,919)	978	(8,948)	7,830	5,915	
6	Other Comprehensive Income													
	(i) Remeasurements gain on defined benefit plans	-	-	-	-	-	195	-	-	-	-	-	200	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(68)	-	-	-	-	-	(69)	
	Total Other Comprehensive Income	-	-	-	-	-	127	-	-	-	-	-	131	
7	Total Comprehensive Income/ (loss) (5+6)	1,492	(465)	1,372	3,794	8,747	10,505	(2,719)	(4,919)	978	(8,948)	7,830	6,046	
8	(Loss)/ profit attributable to:													
	Owners of the company							(2,202)	(4,225)	1,049	(7,149)	8,066	6,915	
	Non-controlling interest							(517)	(694)	(71)	(1,799)	(236)	(1,000)	
								(2,719)	(4,919)	978	(8,948)	7,830	5,915	
9	Total comprehensive (loss)/ income attributable to:													
	Equity attributable to shareholders of the Company							(2,202)	(4,225)	1,049	(7,149)	8,066	7,045	
	Non-controlling interest							(517)	(694)	(71)	(1,799)	(236)	(999)	
								(2,719)	(4,919)	978	(8,948)	7,830	6,046	
8	Paid up equity share capital (Face value of ₹ 2 per share)						2,350						2,350	
9	Other equity						1,27,061						1,23,193	
10	Earnings per share (Basic & Diluted) of ₹ 2 each	1.14	(0.36)	1.17	2.94	7.44	8.83	(2.08)	(3.76)	0.83	(6.94)	6.66	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		Nine months ended		Year ended		Quarter ended		Nine months ended		Year ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
1	Net worth (₹ in lakhs) [Equity share capital + Other equity]	1,66,578	1,65,086	1,27,653	1,66,578	1,27,653	1,29,411	1,55,369	1,58,088	1,32,727	1,55,369	1,32,727	1,30,944
2	Earnings per share (Basic & Diluted) of ₹ 2 each	1.14	(0.36)	1.17	2.94	7.44	8.83	(2.08)	(3.76)	0.83	(6.94)	6.66	5.03
3	Debt Equity Ratio (times) [Debt / Net Worth] [Debt: Non current borrowings + Current borrowings + Non current unsecured loans]	0.46	0.52	0.67	0.46	0.67	0.69	0.90	0.94	1.05	0.90	1.05	1.15
4	Debt Service Coverage Ratio (times) [Earnings before depreciation, interest and tax / (Finance cost + Principal repayment (excluding refinanced debt) for all the loan funds during the period)]	0.64	0.80	1.78	0.93	2.06	2.05	0.39	0.16	1.65	0.46	1.91	1.64
5	Interest Service Coverage Ratio (times) [Cash profit after adjusting depreciation / Finance cost] [Cash profit after adjusting depreciation: Profit After Tax + Finance cost + Depreciation]	2.32	1.64	4.27	2.32	4.75	3.66	1.29	0.73	3.81	1.20	4.08	2.64
6	Long term Debt to Working Capital (times) [(Non-Current Borrowings + Current maturities of long term debt + Non current unsecured loans) / (Net working capital excl. Current borrowings)]	1.50	1.41	3.41	1.50	3.41	3.38	2.77	2.30	1.90	2.77	1.90	3.87
7	Total debts to Total Assets ratio (%) [(Non current borrowings + Current borrowings) / Total Assets]	25%	28%	33%	25%	33%	33%	38%	40%	43%	38%	43%	45%
8	Current ratio (times) [Current Assets / Current Liabilities excl. Current borrowings]	2.03	2.32	1.70	2.03	1.70	1.67	1.87	2.23	2.89	1.87	2.89	1.92
9	Bad debts to Account receivable ratio (%) [Bad Debts / Average Trade Receivable]	6%	7%	7%	6%	7%	9%	6%	7%	7%	6%	7%	9%
10	Current liability ratio (%) [Current liabilities excl. Current borrowings / Total liabilities]	31%	27%	23%	31%	23%	24%	24%	21%	18%	24%	18%	18%
11	Debtors Turnover ratio (times) [(Sales of Products and Services / Average Trade Receivable)] - Annualised	10.13	9.75	8.87	9.60	9.80	12.79	12.21	10.84	9.05	11.35	9.99	13.22
12	Inventory Turnover ratio (times) [(Sales of Products and Services / Average Inventory)] - Annualised	11.01	8.51	8.67	10.43	9.58	10.50	10.26	7.81	8.12	9.54	8.97	9.23
13	Operating Margin (%) [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income) / Sales of Products and Services]	10%	4%	14%	10%	20%	18%	8%	1%	14%	7%	20%	17%
14	Net Profit Margin (%) [Profit after tax / Sales of Products and Services]	3%	(1)%	4%	3%	8%	7%	(5)%	(10)%	3%	(6)%	7%	4%



Notes:

- 1 The above statement of unaudited standalone and consolidated financial results of Sagar Cements Limited ("the Company") for the quarter and nine months ended December 31, 2022 was reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 23, 2023. 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.

Particulars	(₹ in lakhs)					
	Consolidated			Consolidated		
	Quarter ended		Nine months ended		Year ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
(Unaudited)	(Unaudited)	(Unaudited) (Refer note 5)	(Unaudited)	(Unaudited) (Refer note 5)	(Audited)	
1. Segment revenue						
(a) Cement	57,373	47,337	32,958	1,60,015	1,09,000	1,58,976
(b) Power	2,872	4,695	3,431	11,552	9,253	13,143
Total	60,245	52,032	36,389	1,71,567	1,18,253	1,72,119
Less: Inter segment revenue	2,672	4,577	3,024	10,767	8,738	12,432
Revenue from operations	57,573	47,455	33,365	1,60,800	1,09,515	1,59,687
2. Segment results Profit(+)/ Loss(-) before tax and interest						
(a) Cement	929	(3,172)	2,396	159	15,407	18,427
(b) Power	(145)	(2)	72	(99)	74	39
Total	784	(3,174)	2,468	60	15,481	18,466
Less:						
(i) Interest expenses (finance costs)	5,138	5,027	1,836	14,973	4,535	9,248
(ii) Un-allocable income (Net of un-allocable expense)	(1,432)	(1,445)	(211)	(4,116)	(792)	(1,182)
Total (Loss)/ profit before tax	(2,922)	(6,756)	843	(10,797)	11,738	10,400

Particulars	(₹ in lakhs)			
	As at December 31, 2022	As at September 30, 2022	As at March 31, 2022	As at December 31, 2021
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
Segment assets				
(a) Cement	2,45,981	2,52,596	2,38,622	2,44,662
(b) Power	30,270	30,741	30,424	30,396
(c) Unallocated	89,095	87,906	67,387	48,813
Total assets	3,65,346	3,71,243	3,36,433	3,23,871
Segment liabilities				
(a) Cement	57,295	49,353	41,964	39,632
(b) Power	470	1,522	222	200
(c) Unallocated	1,52,212	1,62,280	1,63,303	1,51,312
Total liabilities	2,09,977	2,13,155	2,05,489	1,91,144

- 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:

Particulars	(₹ in lakhs)			
	Standalone		Consolidated	
	Quarter ended December 31, 2021	Nine months ended December 31, 2021	Quarter ended December 31, 2021	Nine months ended December 31, 2021
Net Profit				
As per published results of the Company	1,428	7,715	462	7,547
Add: Net profit of SCRL	(530)	875	-	-
Less: Adjustment due to merger	474	157	516	283
Amalgamated Net Profit	1,372	8,747	978	7,830
Total Tax				
As per published results of the Company	587	3,706	338	4,142
Add: Tax charge of SCRL	(120)	730	-	-
Add: Adjustment due to merger	(473)	(234)	(473)	(234)
Tax charge on Amalgamated profits	(6)	4,202	(135)	3,908



- 6 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 September 30, 2022, nine months ended December 31, 2022 and year ended March 31, 2022 are presented without giving effect to the said merger. The Board of Directors of the Company in their meeting on December 21, 2022 had approved a Scheme of Amalgamation.
- 7 During the Quarter ended September 30, 2022, in accordance with the approval given by the Board of Directors, the Company had submitted a Resolution plan in respect of the Corporate Insolvency Resolution Process initiated by the Amravati Bench of National Company Law Tribunal in respect of Andhra Cements Limited ("ACL"). The Company received a communication dated January 13, 2023 from the Resolution Professional declaring Sagar Cements Limited, as the successful Resolution Applicant along with a Letter of Intent (LOI). The LOI, which is subject to further approvals as may be required from the authorities concerned, has since been accepted by the Company.

For Sagar Cements Limited


Dr. S. Anand Reddy
(Managing Director)

Place: Hyderabad
Date: January 23, 2023

