



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2021-22

28th July 2021

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

Scrip Code: 502090

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, 2021

Further to our letter dated 14th July, 2021, we are pleased to forward herewith our un-audited stand-alone and consolidated financial results for the first quarter ended 30th June, 2021, 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 4.15 p.m. and concluded at 5.15 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



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Factory : 218 & 219, Bayyavaram Village, Kasimkota Mandal, Visakhapatnam District, Andhra Pradesh - 531031. Ph: 08924-244550 Fax: 08924-244570

CIN : L26942TG1981PLC002887

SAGAR CEMENTS LIMITED
CIN No: L26942TG1981PLC002887
Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad • 500033, Phone: +91 40 23351571 Fax: +91 40 23356573
STATEMENT OF UNAUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(t 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, 2021 (Unaudited)	March 31, 2021 (Refer note 9)	June 30, 2020 (Unaudited)	March 31, 2021 (Audited)	June 30, 2021 (Unaudited)	March 31, 2021 (Refer note 9)	June 30, 2020 (Unaudited)	March 31, 2021 (Audited)
1	Income								
	(a) Revenue from operations	28,398	30,499	19,485	1,00,170	39,257	41,765	26,412	1,37,132
	(b) Other income	680	470	428	2,069	476	171	79	778
	Total income	29,078	30,969	19,913	1,02,239	39,733	41,936	26,491	1,37,910
2	Expenses								
	(a) Cost of materials consumed	4,917	5,270	2,438	15,210	6,526	6,755	3,153	19,710
	(b) Purchase of stock-in-trade	359	380	499	2,028	359	380	499	2,028
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(685)	4	802	1,389	(1,628)	183	1,304	2,236
	(d) Employee benefits expense	1,631	2,033	1,240	6,604	1,907	2,337	1,454	7,636
	(e) Finance costs	636	633	682	2,525	1,557	1,084	1,281	4,656
	(f) Depreciation and amortisation expense	1,331	1,401	1,390	5,620	1,941	2,002	1,995	8,055
	(g) Power and fuel expenses	6,465	6,027	3,155	17,536	10,010	8,838	4,455	26,143
	(h) Freight and forwarding	4,491	4,992	2,674	15,563	6,706	7,587	3,912	23,422
	(i) Other expenses	3,370	3,921	1,960	11,525	4,666	5,260	2,934	15,913
	Total expenses	22,515	24,661	14,840	78,000	32,044	34,426	20,987	1,09,799
3	Profit before tax (1 - 2)	6,563	6,308	5,073	24,239	7,689	7,510	5,504	28,111
4	Tax expense								
	(a) Current tax	2,287	1,864	892	6,610	2,287	1,864	892	6,610
	(b) Deferred tax	(60)	240	782	1,433	393	662	1,012	2,941
	Total tax	2,227	2,104	1,674	8,043	2,680	2,526	1,904	9,551
5	Net profit for the period/year (3 - 4)	4,336	4,204	3,399	16,196	5,009	4,984	3,600	18,560
6	Other comprehensive income								
	(i) Remeasurements gain on defined benefit plans	-	12	-	12	-	11	-	11
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(4)	-	(4)	-	(4)	-	(4)
	Total Other comprehensive Income	-	8	-	8	-	7	-	7
7	Total comprehensive Income (5+6)	4,336	4,212	3,399	16,204	5,009	4,991	3,600	18,567
8	Profit attributable to:								
	Owners of the company					5,143	4,995	3,613	18,602
	Non-controlling interest					(134)	(11)	(13)	(42)
9	Total comprehensive Income attributable to:								
	Equity attributable to shareholders of the Company					5,143	5,002	3,613	18,609
	Non-controlling interest					(134)	(11)	(13)	(42)
8	Paid up equity share capital (Face value of ₹ 10 per share) (Refer note 8)				2,350				2,350
9	Other equity				1,22,283				1,18,103
10	Earnings per share (Basic & Diluted) of ₹ 10 each (Refer note 8)	18.45	17.90	15.26	70.02	21.31	21.24	16.16	80.24
					(*)				(*)

(*) - 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	(₹ in lakhs)			
	Consolidated			Year ended
	Quarter ended			
	June 30, 2021	March 31, 2021	June 30, 2020	
	(Unaudited)	(Refer note 9)	(Unaudited)	(Audited)
1. Segment revenue				
(a) Cement	39,238	41,660	26,412	1,36,812
(b) Power	2,830	2,725	1,444	8,861
Total	42,068	44,385	27,856	1,45,673
Less: Inter segment revenue	2,811	2,620	1,444	8,541
Revenue from operations	39,257	41,765	26,412	1,37,132
2. Segment results Profit(+)/ Loss(-) before tax and interest				
(a) Cement	8,946	8,438	6,809	32,500
(b) Power	6	(10)	(58)	(61)
Total	8,952	8,428	6,751	32,439
Less:				
(i) Interest expenses (finance costs)	1,557	1,084	1,281	4,656
(ii) Un-allocable income (Net of un-allocable expense)	(294)	(166)	(34)	(328)
Total Profit before tax	7,689	7,510	5,504	28,111

Particulars	(₹ In lakhs)		
	As at June 30, 2021	As at March 31, 2021	As at June 30, 2020
	(Unaudited)	(Audited)	(Unaudited)
Segment assets			
(a) Cement	2,21,780	1,93,253	1,56,347
(b) Power	30,824	32,623	32,373
(c) Unallocated	23,431	31,588	8,239
Total assets	2,76,035	2,57,464	1,96,959
Segment liabilities			
(a) Cement	47,901	39,434	34,393
(b) Power	97,222	91,984	98,748
(c) Unallocated	1,45,222	1,31,660	1,31,300

- 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 July 28, 2021. The statutory auditors have carried out a limited review of the financial results.
- 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:
- 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 the infectious disease caused by the coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption. The Group 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 impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 6 The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code becomes effective and the related rules are published.
- 7 The Board of Directors of the Company in their meeting on April 26, 2021 had approved a Scheme of Amalgamation of its wholly owned subsidiary Sagar Cements (R) Limited (SCRL) with the Company subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. The Merger application has since been filed with the Hon'ble National Company Law Tribunal on July 12, 2021. Upon approval of the Scheme by the concerned authorities, Sagar Cements (R) Limited will get merged itself with the Company with effect from the Appointed Date of March 30, 2021 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval, the standalone financial results of the Company for the quarter ended June 30, 2021, quarter and year ended March 31, 2021 are presented without giving effect to the said merger.
- 8 The Board of Directors, at their meeting held on July 01, 2021, recommended the splitting of equity shares of the Company from existing face value of ₹ 10/- each to face value of ₹ 2/- each (i.e. split of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each). The recommendation is subject to approval by the shareholders in the Annual General Meeting of the Company held on July 28, 2021, the outcome of voting of which is awaited.
- 9 The figures for the quarter ended March 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 2021 and the published year to date figures up to third quarter ended December 31, 2020.

For Sagar Cements Limited

Dr. S. Anand Reddy
(Managing Director)

Place: Hyderabad
Date: July 28, 2021

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, 2021 ("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.

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

Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN: 21201193AAAFM7121)

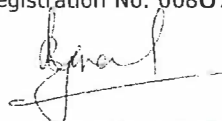
Place: Hyderabad
Date: July 28, 2021

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, 2021 ("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:
 - a. Sagar Cements Limited (Parent Company)
 - b. Sagar Cements (R) Limited (Wholly Owned Subsidiary)
 - c. Jajpur Cements Private Limited (Wholly Owned Subsidiary) and
 - d. Satguru Cement Private Limited (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.

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



Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN: 21201193AAAFN5459)