



SAGAR CEMENTS (R) LIMITED

(A wholly owned subsidiary of SAGAR CEMENTS LIMITED)

Ref:SCRL:SEC:NSE:2021-22

27th October 2021

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

Dear Sir,

Un-audited Financial Results for the Quarter and half-year ended 30th September, 2021

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We wish to inform you that our Board of Directors at their meeting held on today, approved the un-audited financial results for the Quarter and half-year ended 30th September, 2021 after review of these results by its Audit Committee.

Pursuant to Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose the following:

- (iii) Statements showing the un-audited Financial Results for the Quarter and half-year ended 30th September, 2021;
- (iv) Limited Review Report on the above Un-audited Financial Results.

We would request you to kindly take the above information / documents on record.

Thanking you

Yours faithfully
For Sagar Cements (R) Limited

R.Soundararajan
Company Secretary

Encl.



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CIN : U40300TG2007PLC134320 GSTIN : 36AADCB2257L3ZJ

SAGAR CEMENTS (R) LIMITED
CIN No: U40300TG2007PLC134320
Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad - 500 033 Fax: +91 40 23356573
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30,2021

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

Sl. No	Particulars	Quarter ended	Six months ended		Year ended
		September 30,	September 30,	September 30,	March 31, 2021
		2021 (Refer Note 9)	2021 (Unaudited)	2020 (Unaudited)	(Audited)
1	Income from operations				
	(a) Revenue from operations	11,239	22,286	15,544	37,678
	(b) Other Income	(24)	114	104	116
	Total income	11,215	22,400	15,648	37,794
2	Expenses				
	(a) Cost of materials consumed	1,511	3,120	1,723	4,500
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(919)	378	847
	(c) Employee benefits expense	333	622	578	1,200
	(d) Finance costs	785	1,581	1,805	3,413
	(e) Depreciation and amortisation expense	575	1,132	1,111	2,221
	(f) Power and fuel expense	3,475	7,020	3,331	8,607
	(g) Freight & forwarding	2,511	4,726	2,930	7,859
	(h) Other expenses	1,463	2,863	2,099	4,765
	Total expenses	10,677	20,145	13,955	33,412
3	Profit before tax (1-2)	538	2,255	1,693	4,382
4	Tax expense				
	(a) Current Tax	-	-	-	-
	(b) Deferred Tax	264	850	642	1,536
	Total Tax	264	850	642	1,536
5	Net profit for the period (3-4)	274	1,405	1,051	2,846
6	Other comprehensive income				
	(i) Remeasurements losses on defined benefit plans	-	-	-	(1)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	Total Other comprehensive loss	-	-	-	(1)
7	Total comprehensive income (5+6)	274	1,405	1,051	2,845
8	Paid up equity share capital	11,596	11,596	10,381	11,596
9	Other equity	6,869	6,869	(3,620)	5,464
10	Net worth (Refer note 3)	18,465	18,465	6,761	17,060
11	Paid up Debt Capital (Refer note 3)	9,231	9,231	11,538	10,384
12	Earnings per share (Basic & Diluted) of ₹ 10 each	0.23	1.21	1.01	2.69
13	Debt Equity Ratio (Refer note 3)	1.36	1.36	4.14	1.51
14	Debt Service Coverage Ratio (Refer note 3)	1.03	1.26	1.43	1.28
15	Interest Service Coverage Ratio (Refer note 3)	2.17	2.73	2.25	2.55
16	Long term Debt to Working Capital (Refer note 3)	4.96	4.96	(5.45)	14.98
17	Total debts to Total Assets ratio (Refer note 3)	0.51	0.51	0.58	0.50
18	Current ratio (Refer note 3)	1.78	1.78	0.65	1.22
19	Bad debts to Account receivable ratio (Refer note 3)	0.03	0.03	0.05	0.05
20	Current liability ratio (Refer note 3)	0.18	0.18	0.31	0.22
21	Debtors Turnover ratio (Refer note 3)	13.85	13.74	7.97	10.82
22	Inventory Turnover ratio (Refer note 3)	10.61	10.52	8.09	11.17
23	Operating Margin (Refer note 3)	17.12%	21.80%	28.98%	26.29%
24	Net Profit Margin (Refer note 3)	2.45%	6.31%	6.76%	7.56%

(*) - Annualised



Balance sheet

(₹ in lakhs)

Particulars	As at September 30, 2021	As at March 31, 2021
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	40,822	41,167
(b) Capital work-in-progress	850	308
(c) Right of use assets	59	4
(d) Intangible assets	9	9
(e) Financial assets		
- Other financial assets	348	267
(f) Deferred tax assets (net)	-	538
(g) Income tax assets (net)	157	176
(h) Other non-current assets	166	167
Total Non-current assets (1)	42,411	42,636
Current assets		
(a) Inventories	5,237	3,231
(b) Financial assets		
(i) Trade receivables	3,715	2,769
(ii) Cash and cash equivalents	351	2,005
(iii) Bank balances other than Cash and cash equivalents	619	362
(iv) Other financial assets	145	77
(c) Other current assets	1,493	1,025
Total Current assets (2)	11,560	9,469
Total Assets (1+2)	53,971	52,105
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	11,596	11,596
(b) Other equity	6,869	5,464
Total Equity (1)	18,465	17,060
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	22,035	21,894
(ia) Lease liabilities	41	1
(ii) Other financial liabilities	947	1,753
(b) Provisions	125	123
(c) Deferred tax liabilities (net)	313	-
(d) Other non current liabilities	50	50
Total Non-current liabilities (2)	23,511	23,821
Current liabilities		
(a) Financial liabilities		
(i) Borrowings (Refer note 7)	5,478	3,474
(ia) Lease liabilities	21	4
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	15	4
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	4,622	5,282
(iii) Other financial liabilities (Refer note 7)	425	463
(b) Provisions	72	61
(c) Other current liabilities	1,362	1,936
Total Current liabilities (3)	11,995	11,224
Total Liabilities (4=2+3)	35,506	35,045
Total Equity and Liabilities (1+2+3)	53,971	52,105



Statement of cash flows for the six months ended September 30, 2021

(₹ in lakhs)

Particulars	Six months ended September 30, 2021		Six months ended September 30, 2020	
	(Unaudited)		(Unaudited)	
A Cash flows from operating activities				
Profit before tax for the period		2,255		1,693
<u>Adjustments for:</u>				
Depreciation and amortisation expense	1,132		1,111	
Finance costs	1,581		1,805	
Interest income	(29)		(13)	
Expected credit loss allowance on trade receivables	-		100	
Provision for incentives receivable from government	75		-	
Unrealised loss on foreign currency transactions and translation	-		38	
Net loss on fair value change in financial instruments	1		71	
Provisions no longer required written back	(75)		-	
		2,685		3,112
Operating profit before working capital changes		4,940		4,805
<u>Changes in working capital:</u>				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(871)		477	
Inventories	(2,006)		(662)	
Other financial assets	(62)		(40)	
Other assets	(539)		(23)	
		(3,478)		(248)
Adjustments for Increase/(decrease) in operating liabilities:				
Trade payables	(649)		(891)	
Other financial liabilities	94		17	
Provisions	13		11	
Other liabilities	(574)		115	
		(1,116)		(748)
Cash generated from operating activities		346		3,809
Less: Income tax refund/ (paid)		19		(1)
Net cash generated from operating activities		365		3,808
B Cash flow from investing activities				
Capital expenditure on property, plant and equipment Including capital advances	(1,331)		(133)	
Deposits not considered as cash and cash equivalents				
- Placed	(506)		(446)	
- Matured	157		-	
Proceeds from disposal of plant and equipment's	6		-	
Interest received	19		14	
Net cash used In Investing activities		(1,655)		(565)
C Cash flow from financing activities				
Repayment of unsecured loan from related party	(900)		-	
Proceeds from non-current borrowings	1,011		-	
Repayment of non-current borrowings	(1,495)		(1,430)	
Proceeds of current borrowings (net)	1,978		93	
Repayment of lease liabilities	(15)		(14)	
Finance costs	(943)		(1,896)	
Net cash used In financing activities		(364)		(3,247)
Net increase in cash and cash equivalents (A+B+C)		(1,654)		(4)
Cash and cash equivalents at the beginning of the year		2,005		7
Cash and cash equivalents at the end of the year		351		3



Notes:

- 1 The above unaudited financial results of Sagar Cements (R) Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on October 27, 2021. The statutory auditors have carried out a limited review of the financial results.
- 2 The financial results of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind 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").
- 3 Ratios have been computed as follows:
 - a) Debt equity ratio (times) = Debt / Net Worth
[Debt: Long term secured loans + Current maturities of long term debt + Loan term unsecured loans]
[Net Worth: Equity share capital + Reserves and Surplus]
 - b) Debt service coverage ratio (times) = Earnings before depreciation, interest and tax / (Interest expense during the period + Principal repayment (excluding refinanced debt) for all the loan funds during the period).
 - c) Interest service coverage ratio (times) = Cash profit after adjusting depreciation / Interest expense during the period.
[Cash profit after adjusting depreciation: Profit After Tax + Interest + Depreciation]
 - d) Paid up Debt Capital = Non Convertible Debentures
 - e) Long term Debt to Working Capital (times) = [(Non-Current Borrowings + Current maturities of long term debt + Loan term unsecured loans) / (Net working capital excl. Current borrowings)]
 - f) Total debts to Total Assets ratio (%) = [(Long term debt + Current borrowings) / Total Assets]
 - g) Current ratio (times) = (Current Assets / Current Liabilities excl. Current borrowings)
 - h) Bad debts to Account receivable ratio (%) = (Bad Debts / Average Trade Receivable)
 - i) Current liability ratio (%) = (Current liabilities excl. Current borrowings / Total liabilities)
 - j) Debtors Turnover ratio (times) = [(Sales of Products and Services / Average Trade Receivable)] - Annualised
 - k) Inventory Turnover ratio (times) = [(Sales of Products and Services / Average Inventory)] - Annualised
 - l) Operating Margin (%) = [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income) / Sales of Products and Services]
 - m) Net Profit Margin (%) = [Profit after tax / Sales of Products and Services]
- 4 COVID-19 is the infectious disease caused by the coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Company 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 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 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.
- 5 The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company 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 Company 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.
- 6 The Board of Directors of the Company in their meeting on April 26, 2021 have approved the proposed Scheme of Amalgamation of the Company with its parent company Sagar Cements Limited subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Merger application has been filed with the Hon'ble National Company Law Tribunal on July 12, 2021. Upon approval of the Scheme from the concerned authorities, the undertakings of the Company shall get transferred to and vested in the Sagar Cements Limited (Parent Company) with the Appointed Date i.e., March 30, 2021 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval, financial results of the Company for the quarter and half year ended September 30, 2021 and year ended March 31, 2021 are presented without giving effect to the said merger.
- 7 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments, current maturities of long term borrowings of ₹ 2,965 Lakhs as at March 31, 2021 have been reclassified from 'Other current financial liabilities' to 'Short term borrowings'.
- 8 The Securities Exchange Board of India (SEBI) vide its circular No SEBI/HO/DDHS/CIR/2021/0000000637 dated October 05, 2021 amended regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements), regulations 2015, mandating entities that have listed non-convertible securities to disclose financial results on a quarterly basis. Company has availed the exemption provided by the said circular and accordingly the figures for the corresponding quarters have not been included in the Statement.
- 9 The figures for the quarter ended September 30, 2021 are the balancing figures between the year-to-date reviewed figures for the six months period ended September 30, 2021 and unreviewed/ unaudited figures for the quarter ended June 30, 2021.

Place: Hyderabad
Date: October 27, 2021



For Sagar Cements (R) Limited


Dr. S. Anand Reddy
(Managing Director)

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

**TO THE BOARD OF DIRECTORS OF
SAGAR CEMENTS (R) LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results ("Results") of **SAGAR CEMENTS (R) LIMITED** ("the Company") for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of 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 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.

**Deloitte
Haskins & Sells**

5. As stated in Note 9, the figures for the quarter ended September 30, 2021 are the balancing figures between the year-to-date figures for the six months period ended September 30, 2021 and figures for the quarter ended June 30, 2021. We have not reviewed or audited the figures for the quarter ended June 30, 2021.

Our report on the Statement 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:21201193AAAAIT7532)

Place: Hyderabad
Date: October 27, 2021