



# SAGAR CEMENTS LIMITED

Ref:SCL:SEC:2016-17

26th May 2016

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

The Secretary  
Bombay Stock Exchange Limited  
P J Towers  
Dalal Street  
**Mumbai – 400 001**

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

**Scrip Code: 502090**

Dear Sir,

**Audited Financial Results (Standalone and Consolidated) for the quarter / year ended**  
**March 31, 2016**

In continuation of our letter dated 13<sup>th</sup> May 2016, we wish to inform you that our Board of Directors at their meeting held today, approved the Audited Financial Results (Standalone and Consolidated) for the quarter / year ended March 31, 2016.

The Board of Directors has not recommend any further dividend on the equity shares and the interim dividend already declared by them at Rs.5/- per share at their meeting held on March 11, 2016 is the dividend on the equity shares of the company for the financial year ended March 31, 2016.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose the following:

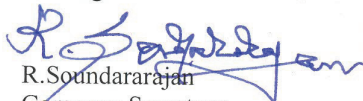
- (i) Statements showing the Audited Financial Results (Standalone and Consolidated) for the quarter / year ended March 31, 2016;
- (ii) Form A (for audit report with unmodified opinion) –Standalone and Consolidated; and
- (iii) Auditors' Report on the Audited Financial Results – Standalone and Consolidated.

The meeting of the Board of Directors commenced at 3.30 p.m. and concluded at 6.00 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.

Phone : +91-40-23351571, 23356572 Fax : +91-40-23356573 info@sagarcements.in www.sagarcements.in  
CIN : L26942TG1981PLC002887

126942TG1981PLC002887

**STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016**  
(In Indian ₹ lakhs, except share data and unless otherwise stated)

Sl. No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Year ended		Year ended	
		March 31, 2016 (Audited) (Refer Note 11)	December 31, 2015 (Unaudited)	March 31, 2015 (Audited) (Refer Note 11)	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2016 (Audited)	March 31, 2016 (Audited)	March 31, 2016 (Audited)
1	<b>Income from operations</b>								
	(a) Net sales / Income from operations (Net of excise duty)	15,211.32	11,293.28	18,117.16	61,827.46	54,483.10	75,100.83		
	(b) Other operating income	126.37	164.74	16.63	348.76	330.26	241.41		
	<b>Total income from operations (Net)</b>	<b>15,337.69</b>	<b>11,458.02</b>	<b>18,133.79</b>	<b>62,176.22</b>	<b>54,813.36</b>	<b>75,342.24</b>		
2	<b>Expenses</b>								
	(a) Cost of materials consumed (Refer Note 6)	1,431.56	1,392.27	2,185.65	6,638.12	6,778.56	8,708.32		
	(b) Purchase of stock-in-trade	-	400.38	-	6,483.60	-	4,686.19		
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(469.44)	460.44	(267.52)	176.65	(1,060.85)	291.19		
	(d) Power and fuel expense	5,333.52	3,397.94	5,819.28	17,136.72	21,023.40	22,040.28		
	(e) Freight and forwarding expense	2,950.12	1,757.84	3,236.30	10,056.41	10,856.90	12,048.43		
	(f) Employee benefits expense	1,195.67	858.19	873.86	3,757.37	3,344.63	4,101.30		
	(g) Depreciation and amortisation expense	750.54	623.54	594.03	2,336.76	2,150.47	3,364.88		
	(h) Other expenses	2,318.15	1,802.35	2,134.64	8,323.89	7,901.37	11,065.79		
	<b>Total expenses</b>	<b>13,510.12</b>	<b>10,692.95</b>	<b>14,576.24</b>	<b>54,909.52</b>	<b>50,994.48</b>	<b>66,306.38</b>		
3	<b>Profit from operations before other income, finance costs (1-2)</b>	<b>1,827.57</b>	<b>765.07</b>	<b>3,557.55</b>	<b>7,266.70</b>	<b>3,818.88</b>	<b>9,035.86</b>		
4	Other income (Refer Note 4)	792.50	807.77	529.54	2,823.63	36,296.22	407.70		
5	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>2,620.07</b>	<b>1,572.84</b>	<b>4,087.09</b>	<b>10,090.33</b>	<b>40,115.10</b>	<b>9,443.56</b>		
6	Finance costs	863.97	1,062.95	484.57	2,903.49	2,308.23	4,176.67		
7	<b>Profit from ordinary activities before tax (5-6)</b>	<b>1,756.10</b>	<b>509.89</b>	<b>3,602.52</b>	<b>7,186.84</b>	<b>37,806.87</b>	<b>5,266.89</b>		
8	Tax expense	234.68	197.76	1,432.59	2,211.05	8,141.70	656.55		
9	<b>Net Profit for the period (7-8)</b>	<b>1,521.42</b>	<b>312.13</b>	<b>2,169.93</b>	<b>4,975.79</b>	<b>29,665.17</b>	<b>4,610.34</b>		
10	Paid-up equity share capital (face value ₹ 10 each)	1,738.80	1,738.80	1,738.80	1,738.80	1,738.80	1,738.80		
11	Reserves excluding revaluation reserve	-	-	-	53,589.01	50,394.47	53,223.55		
12	Earnings per share (Basic & Diluted) of ₹10 each [Not annualised]	8.75	1.80	12.48	28.62	170.61	26.51		





Notes:

## 1. STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2016

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

	Particulars	As at March 31, 2016	As at March 31, 2015	Consolidated As at March 31, 2016
<b>a</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1,738.80	1,738.80	1,738.80
	(b) Reserves and surplus	53,589.01	50,394.47	53,223.55
	<b>Sub-total - Shareholders' funds</b>	<b>55,327.81</b>	<b>52,133.27</b>	<b>54,962.35</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	10,565.26	12,112.93	29,535.26
	(b) Deferred tax liabilities (Net)	4,741.06	4,754.11	4,741.06
	(c) Other long-term liabilities	3,815.73	3,370.14	4,441.69
	(d) Long-term provisions	2,543.12	2,608.70	2,568.65
	<b>Sub-total - Non-current liabilities</b>	<b>21,665.17</b>	<b>22,845.88</b>	<b>41,286.66</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6,912.65	8,802.67	8,698.97
	(b) Trade payables	9,084.55	7,495.97	13,240.64
	(c) Other current liabilities	6,038.00	6,829.72	10,288.93
	(d) Short-term provisions	618.03	1,601.24	658.70
	<b>Sub-total - Current liabilities</b>	<b>22,653.23</b>	<b>24,729.60</b>	<b>32,887.24</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>99,646.21</b>	<b>99,708.75</b>	<b>129,136.25</b>
<b>b</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	Tangible assets	44,015.07	33,320.33	88,405.77
	Intangible assets	15.30	19.28	42.53
	Capital work-in-progress	1,297.70	11,219.34	1,519.47
	Goodwill on consolidation	-	-	7,148.89
	(b) Non-current investments	7,820.59	2.65	2.65
	(c) Deferred tax asset	-	-	2,112.55
	(d) Long-term loans and advances	24,430.50	7,298.93	7,726.72
	(e) Other non-current assets	291.51	150.87	291.51
	<b>Sub-total - Non-current assets</b>	<b>77,870.67</b>	<b>52,011.40</b>	<b>107,250.09</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	6,569.85	6,230.84	9,052.43
	(b) Trade receivables	4,601.06	5,805.78	8,121.32
	(c) Cash and bank balances	366.82	21,927.53	647.46
	(d) Short-term loans and advances	7,365.60	12,370.03	2,909.16
	(e) Other current assets	2,872.21	1,363.17	1,155.79
	<b>Sub-total - Current assets</b>	<b>21,775.54</b>	<b>47,697.35</b>	<b>21,886.16</b>
	<b>TOTAL - ASSETS</b>	<b>99,646.21</b>	<b>99,708.75</b>	<b>129,136.25</b>



2. The above financial results were prepared in accordance with accounting principles generally accepted in India (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 which continue to be applicable under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
3. The above financial results were reviewed and recommended by the Audit Committee and later approved by the Board of directors of the Company at their meetings held on May 26, 2016. The statutory auditors have expressed an unmodified audit opinion on the financial results
4. Other Income for the year ended March 31, 2015 includes net gain of ₹ 34,900 lakhs realized from the sale of 65,236,399 equity shares of ₹ 10 each held by the Company in Kalburgi Cement Private Limited (formerly known as Vicat Sagar Cement Private Limited).
5. The Company acquired the entire shareholding in BMM Cements Limited (BMM) for an amount of ₹ 7,817.94 lakhs on August 27, 2015 pursuant to which, BMM had become a wholly owned subsidiary of the Company, with effect from August 28, 2015. The above consolidated results include the financial results of the subsidiary.
6. The cost of materials consumed for the quarter ended March 31, 2016 (standalone) includes a reversal of provision amounting to ₹ 448.00 lakhs which was created in the quarter ended September, 2015 on account of clarification received that no demand can be made pending formation of District Mineral Foundation ("DMF") towards additional royalty payable under The Mines and Minerals (Development and Regulation) Amendment Act, 2015. The provision has been reversed based on legal advice received by the Management.
7. The directors at their meeting held on March 11, 2016 declared an interim dividend amounting to ₹ 1046.39 lakhs (including dividend distribution tax of ₹ 176.99 lakhs) at ₹ 5/- per share on the 1,73,88,014 equity shares of ₹ 10/-. The directors do not propose to recommend any further dividend for the year 2015-16.
8. The audited consolidated financial results of the Company and its subsidiary (BMM Cements Limited) for the year ended March 31, 2016 have been prepared in accordance with Accounting Standards (AS) 21 "Consolidated Financial Statements" notified under Section 133 of the Companies Act, 2013.

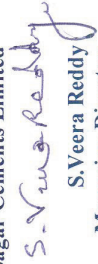




9. Segment information is presented for the consolidated financial results as permitted under the Accounting Standard (AS) 17 "Segment Reporting" notified under Section 133 of the Companies Act, 2013.

(In Indian ₹ lakhs)	
Particulars	Consolidated Year ended March 31, 2016 (Audited)
<b>1. Segment Revenue</b>	
(a) Cement	70,706.31
(b) Power	6,781.99
<b>Total</b>	
Less: Inter Segment Revenue	2,146.06
<b>Net sales/Income From Operations</b>	<b>75,342.24</b>
<b>2. Segment Results (Profit)(+)/ Loss(-) before tax and interest from each segment</b>	
(a) Cement	8,103.86
(b) Power	932.00
<b>Total</b>	<b>9,035.86</b>
Less: (i) Interest	4,176.67
(ii) Un-allocable expenditure (net of un-allocable income)	(407.70)
<b>Total Profit Before Tax</b>	<b>5,266.89</b>
<b>3. Capital Employed</b>	
(Segment Assets – Segment Liabilities)	
(a) Cement	70,040.11
(b) Power	12,196.58
(c) Unallocated	7,453.36
<b>Total</b>	<b>89,690.05</b>

10. Since consolidated financial results are prepared for the first time, comparative figures of consolidated financial results for the previous year have not been presented.
11. In respect of standalone results, the figures of the last quarter are the balancing figure between the audited figures in respect of the full financial year and published year to date figures upto third quarter of the current financial year.
12. Corresponding previous periods figures have been regrouped/reclassified, wherever considered necessary to correspond with the current year's grouping.

For Sagar Cements Limited  
  
 S. Veera Reddy  
 Managing Director



Place: Hyderabad  
 Date : 26.05.2016

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED

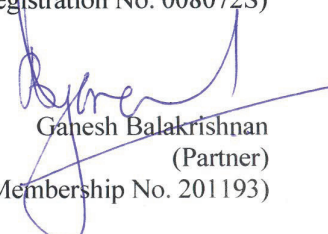
1. We have audited the accompanying Standalone Financial Results ("Results") of **SAGAR CEMENTS LIMITED** ("the Company") for the year ended March 31, 2016 ("the Statement") included in the accompanying Statement of Audited Standalone and Consolidated Financial Results ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Results included in the Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Results included in the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Results included in the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Results included in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Results included in the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Results included in the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Results included in the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Results included in the Statement:
  - a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - b. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended March 31, 2016.
4. The Statement includes the standalone results for the Quarter ended March 31, 2016 being the balancing figure between audited standalone figures in respect of the full financial year and the published year to date standalone figures up to the third quarter of the current financial year which were subject to limited review by us.

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

  
Ganesh Balakrishnan  
(Partner)  
(Membership No. 201193)

HYDERABAD, May 26, 2016



## SAGAR CEMENTS LIMITED


### Form A

#### Audit Report with unmodified opinion


[ Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ]

1	Name of the company	Sagar Cements Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2016 (Standalone)
3	Type of Audit observation	Unmodified
4	Frequency of observation	Not Applicable


For Sagar Cements Limited

  
S. Veera Reddy  
Managing Director

For Sagar Cements Limited

  
K. Prasad  
Chief Financial Officer

For Sagar Cements Limited

  
O. Swaminatha Reddy  
Chairman – Audit Committee

For Deloitte Haskins & Sells  
Chartered Accountants  
Regn.No.008027S

  
Ganesh Balakrishnan  
Partner  
Membership No.201193

Place: Hyderabad  
Date : 26.05.2016

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SAGAR CEMENTS LIMITED


1. We have audited the accompanying Consolidated Financial Results ("Consolidated Results") of **SAGAR CEMENTS LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the year ended March 31, 2016 included in the accompanying Statement of Audited Standalone and Consolidated Financial Results ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Results included in the Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which is in accordance with the Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Consolidated Results included in the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Results included in the Statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Results included in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Results included in the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Consolidated Results included in the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Consolidated Results included in the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Results included in the Statement:
  - a. includes the results of: BMM Cements Limited (subsidiary)
  - b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - c. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other financial information of the Group for the year ended March 31, 2016.

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

  
Ganesh Balakrishnan  
(Partner)  
(Membership No. 201193)

HYDERABAD, May 26, 2016



**SAGAR CEMENTS LIMITED**

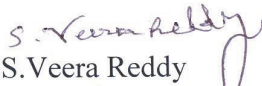
**Form A**

**Audit Report with unmodified opinion**


**[ Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ]**

1	Name of the company	Sagar Cements Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2016 (Consolidated)
3	Type of Audit observation	Unmodified
4	Frequency of observation	Not Applicable


For Sagar Cements Limited

  
S. Veera Reddy  
Managing Director

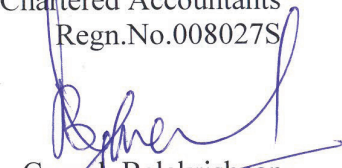
For Sagar Cements Limited

  
K. Prasad  
Chief Financial Officer

For Sagar Cements Limited

  
O. Swaminatha Reddy  
Chairman – Audit Committee

For Deloitte Haskins & Sells  
Chartered Accountants  
Regn.No.008027S

  
Ganesh Balakrishnan  
Partner  
Membership No.201193

Place: Hyderabad  
Date : 26.05.2016