



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2021-22

26th April 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 Sir,

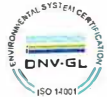
Press Release

Further to our Letter of date, we forward herewith a copy of the Press Release being issued in connection with our Board's approval of the proposal to merge with us one of our wholly-owned subsidiary companies viz., Sagar Cements (R) Limited.

Thanking you

Yours faithfully
For Sagar Cements Limited

R. Soundararajan
Company Secretary



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CIN : L26942TG1981PLC002887 GSTIN : 36AACCS8680H1ZZ



**Board of Directors approves a proposal for merger of its wholly owned subsidiary
Sagar Cements (R) Ltd with Sagar Cements Ltd**

- Merger to result in lower cost overheads & improve overall efficiency

Hyderabad, April 26, 2021

Sagar Cements Limited today announced that its Board of Directors has approved the proposal of merger of its wholly owned subsidiary Sagar Cements (R) Ltd with it.

Sagar Cements (R) Limited (SCRL) was incorporated in the State of Karnataka as a public limited company on 30th August, 2007 under the name BMM Cements Limited (BMM). The entire 100% shareholding of BMM was later acquired by Sagar Cements Limited (SCL) in the year 2015-16, making SCRL a wholly-owned subsidiary of SCL.

Consequent to the above change in ownership structure, the name of BMM was changed from BMM Cements Limited to Sagar Cements (R) Limited and the Registered Office of the Company was also shifted from Karnataka to Telangana.

Sagar Cements (R) Limited has cement manufacturing and power generation facilities at Gudipadu village, Yadiki Mandal, Ananthapur District, Andhra Pradesh.

The benefits derived from the merger include –

- Enhancement in the scale of operations providing a significant impetus to the growth of the Company, since both the companies are engaged in the same line of business. These may be derived by drawing upon synergies between the two companies
 - Synergies in business activity, consolidation, focused attention, centralized administration, economy of operation, integrated business approach and greater efficiency
- Reduction in the cost of overheads and improvement of organization efficiency
 - The consolidation by way of amalgamation would lead to more efficient utilization of capital and an improved financial structure
 - The benefit of consolidation of financial resources, managerial and technical expertise of both entities will result in overall optimization of operational and administration costs
- Reduction in multiplicity of legal and regulatory compliances and a more simplified group structure
 - The amalgamation will rationalize and optimize the Group's legal entity structure to ensure greater alignment of the businesses by reducing number of legal entities and statutory compliances required

Since the merger is between a holding company and its wholly owned subsidiary, there will not be any fresh issuance of shares by SCL.

For more information, please visit www.sagarcement.in OR contact:

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