



# SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2018-19

19th July 2018

The National Stock Exchange of India Ltd.,  
"Exchange Plaza", 5<sup>th</sup> 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

**Press Release regarding Un-audited Financial Results (Standalone and Consolidated) for the first quarter ended June 30, 2018**

Further to our letter dated 19<sup>th</sup> July 2018, we are sending herewith a copy of the Press Release being issued by us in connection with our un-audited financial results (Stand-alone and Consolidated) for the first quarter ended June 30, 2018.

Thanking you

Yours faithfully  
For Sagar Cements Limited

  
R. Soundararajan  
Company Secretary

Encl: a.a.



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CIN : L26942TG1981PLC002887



# Sagar Cements Limited

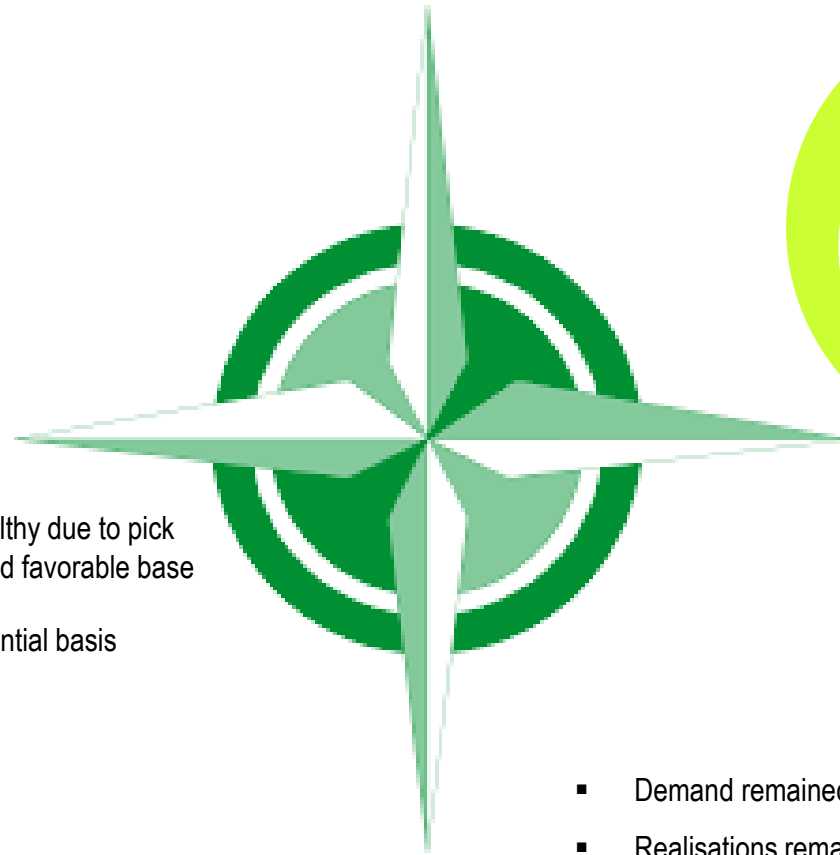
Q1FY19  
Results Presentation





## West

- Demand growth remained healthy due to pick up in Infrastructure projects and favorable base
- Prices were higher on a sequential basis

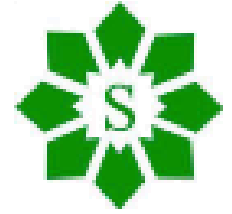


## South

- Demand remained strong specially in AP and Telangana
- Realisations remained steady on account of steady demand and improved availability of Sand in Tamil Nadu

## Perspective on Cement Prices

# Executive Director's Comment



**Commenting on the performance, Mr. Sreekanth Reddy, Executive Director of the Company said,**

*“We have started the year on a positive note. A better pricing environment and steady volumes aided in delivering revenue growth of around 6%.*

*Our Waste heat recovery plant remained shut down for a brief period from 9<sup>th</sup> June to 30<sup>th</sup> June, to enable its upgradation from 6 MW capacity to 8.8 MW capacity. But for this ,our profitability would have been still better.*

*Further, I am also pleased to report that we have been successful in commissioning our grinding unit ahead of schedule. Work on our captive power plant is also progressing as per the schedule and we are confident that the combination of the above coupled with our efforts towards improving product mix and conversion ratio should help us in delivering higher profitability in the coming years.*

*Going forward, we expect demand situation to remain steady on the back of Govt.'s focus on developing infrastructure & affordable housing segment.”*





**1**

Steady demand across our key markets on the back of pick up in infrastructure projects and improved availability of sand.

**2**

Higher input prices resulted in margin compression and profitability.

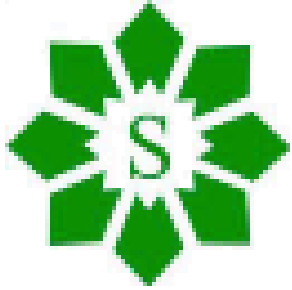
**3**

Completed commissioning of expanded capacity of the Grinding unit; work on Captive Power Plant progressing smoothly.

**4**

Outlook remains positive on the back of government's focus on infrastructure and housing.



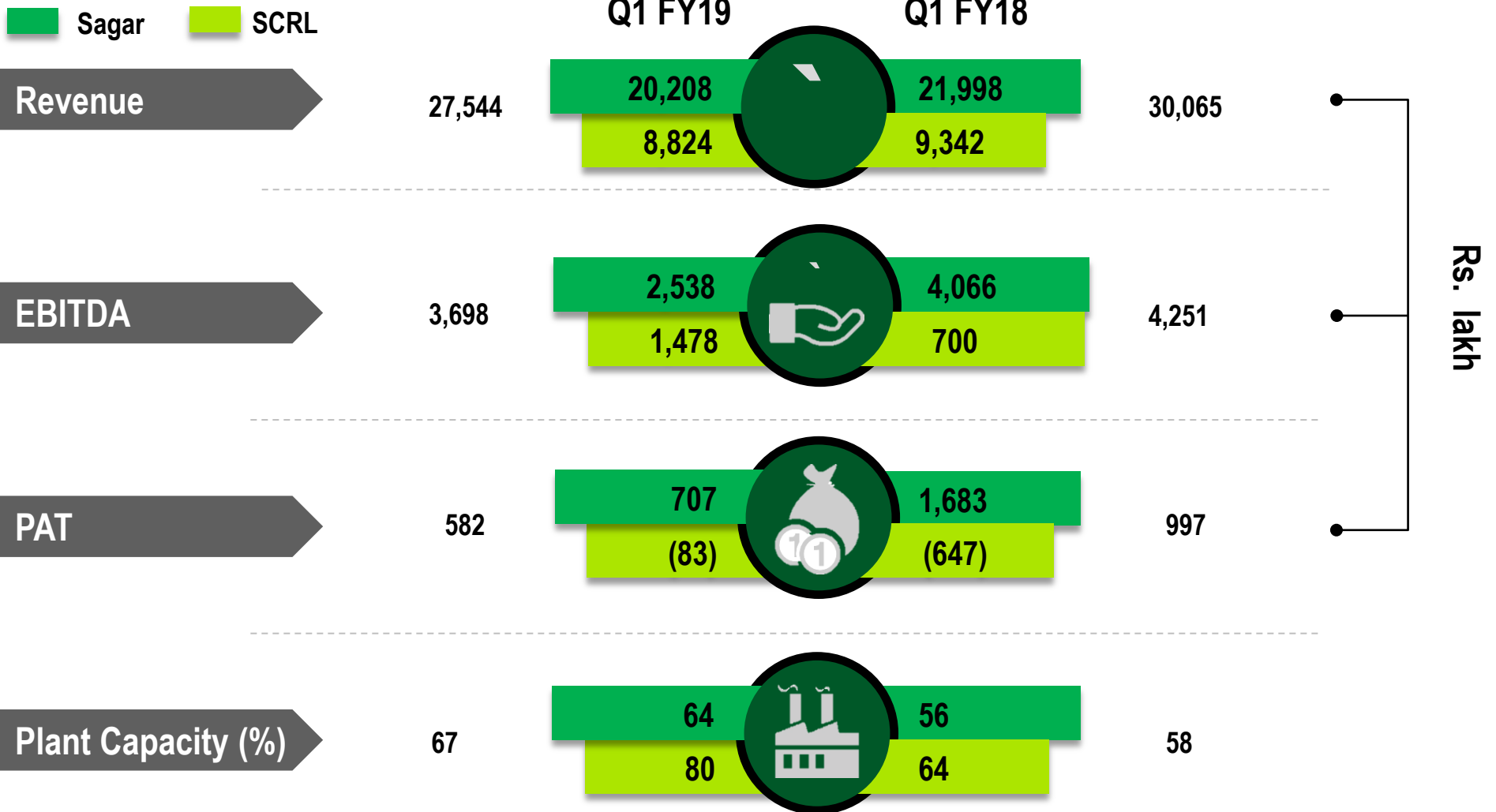


# Sagar Cements – Operational Results

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# Performance Highlights





## Implementation of 18 MW, coal based Captive Power Plant

- **Location:** Mattampally, Suryapet, Telangana
- **Expected date of commissioning:** March 2019

**ESP**



**CHIMNEY**



**BOILER**



**ACC**



**STG DECK:**



**STG BUILDING:**







## Grinding Unit

- **Location:** Bayyavaram., Anakapally, Visakhapatnam, Andhra Pradesh
- Expanded capacity Commissioned in June 2018, well ahead of schedule.



Raw Material storage facilities



VRM Building



Cement Silo



Packing Plant

## Credit Rating ☆☆☆☆☆

Instrument Type	Size of Issue (million)	Rating/Outlook	Rating Action
Fund-based working capital limits	INR970	IND A-/Stable	Affirmed
Non-fund-based working capital limits	INR250	IND A2+	Affirmed
Term loan	INR1,730.6 (reduced from INR2,151)	IND A-/Stable	Affirmed
Working capital demand loan	INR350	IND A-/Stable	Assigned

India Ratings & Research affirmed the above mentioned ratings to the Company



## Mattampally Plant

Utilisation (%)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement	57	44	43	59
	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Cement	56	52	58	<b>69</b>
	Q1 FY19			
Cement	64			

## Gudipadu Plant

Utilisation (%)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement	62	71	64	71
	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Cement	64	63	70	<b>84</b>
	Q1 FY19			
Cement	80			



## Q4 FY17

- Domestic : International coal mix was 20:80

## Q1 FY18

- Domestic : International coal mix was 07:93

## Q2 FY18

- Domestic : International coal mix was 04:96

## Q3 FY18

- Domestic : International coal mix was 19:81

## Q4 FY18

- Domestic : International coal mix was 59:41

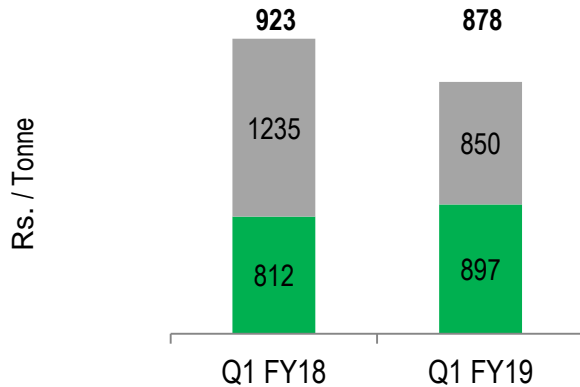
## Q1 FY19

- Domestic : International coal mix was 64:36

		Coal Cost (Rs. / Tonne)			
		Q1	Q2	Q3	Q4
Indigenous Average	FY17	4,330	4,618	4,765	4,904
Imported Coal Average		5,485	6,060	5,956	7,201
Indigenous Average	FY18	4,871	4,890	5,087	5,101
Imported Coal Average		6,714	7,508	7,860	8,155
Indigenous Average	FY19	5,146			
Imported Coal Average		8,577			

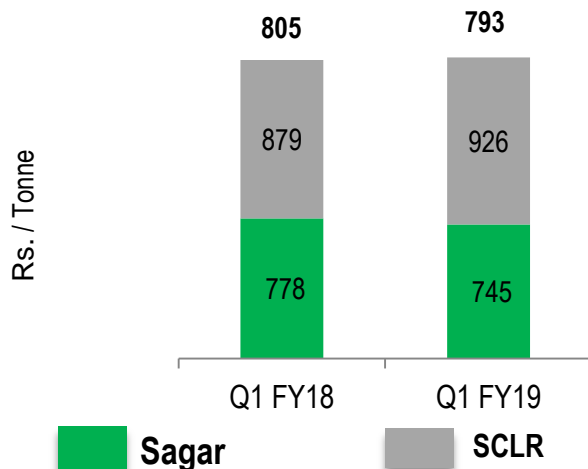


## Average Fuel Cost Per Tonne



- Increase in price of imported pet coke & coal resulted in higher average fuel cost per tonne of clinker produced.
- Gudipadu Plant has stabilized itself and is, currently using pet coke & coal resulting in a lower fuel cost.

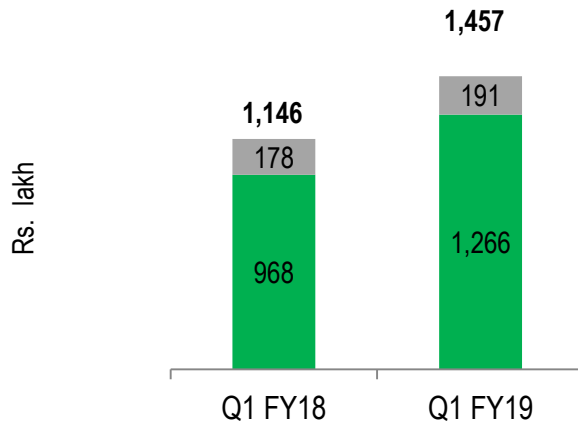
## Freight Cost per Tonne



- Weighted average freight cost per ton increased/decreased for SCL(R) and SCL due to optimization of lead distance and increase in fuel cost respectively.

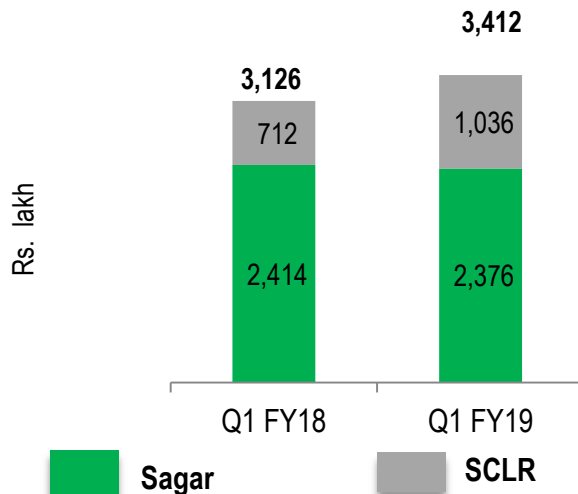


## Employee Cost



- Employee costs during Q1 FY 19 amounted to Rs. 1,457 lakhs on a consolidated basis as against Rs. 1,146 lakhs during Q1 FY18.

## Raw Material Cost



- Higher Raw Material cost firmed up owing to increased production during Q1 FY 19.



# Production & Sales in Q1 FY19 and Dispatches



Description	Sagar Cements Ltd	Sagar Cements ( R ) Ltd	Consolidated
	Qty in MT	Qty in MT	Qty in MT
Clinker	2,90,334	2,14,227	5,04,561
Cement Production / Purchase	5,51,305	1,98,776	7,50,081
Cement Sales	5,44,227	1,96,904	7,41,131

<b>Consolidated</b>					
<b>Dispatch Details</b>					
TPT	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	Total
BY ROAD	6,12,088	5,61,140	6,80,048	7,70,949	26,24,225
BY RAKE	13,594	13,262	-	-	26,856
<b>TOTAL</b>	<b>6,25,682</b>	<b>5,74,402</b>	<b>6,80,048</b>	<b>7,70,949</b>	<b>26,51,081</b>

TPT	Q1 FY19
BY ROAD	7,43,053
BY RAKE	00
<b>TOTAL</b>	<b>7,43,053</b>

# Key Balance Sheet Items



Rs. In Lakh	Sagar Cements Ltd.	Sagar Cements ( R ) Ltd.	Consolidated
Gross Debt	31,229	32,052	55,008
- Long Term	17,433	27,869	37,029
- Working Capital	13,796	4,183	17,979
Cash & Bank Balance	1,675	143	1,818
Debt Equity Ratio (%)	0.21	3.8	0.47
Net Worth	83,090	7,286	78,502
Investments	26,828	0	0

*As of Jun' 2018*



## For further information contact:

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#### **Safe Harbour :**

*Certain matters discussed in this communication may contain statements regarding the company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian Economy and of the economies of various International markets, the performance of the Cement Industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the company's future levels of growth and expansion, technological implementation, changes and advancements, change in revenue, income or cash flows, the company's market preferences and its exposure to market risks, as well as other risks. The company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this presentation. The Company assumes no obligation to update any forward-looking information contained in this communication. Any forward – looking statements and projections made by third parties included in this communication are not adapted by the company and the company is not responsible for such third party statements and projections*