

What differentiates us

Identifying the future prospects of infinite growth opportunities, we are transforming ourselves to be mightier with each passing year. Sagar Cements is determined to consistently keep its hallmark of producing quality cement for varying needs through innovative approaches.



1

Inorganic Business Expansion Plans

Acquisition of Andhra Cements to strengthen market position in South India. The ₹ 922 Crores acquisition of Andhra Cements will add a 2.6 MTPA cement capacity in South India, taking the total capacity over 10 MTPA. The key end-use markets for Andhra Cement are Telangana, Andhra Pradesh and Tamil Nadu. It is proposed to spend an additional amount of around ₹ 470 Crores for the enhancement of Andhra Cement unit capacity by 1.2 MT and clinker production by 0.6 MT by second half of FY2025. Accordingly, the total capex stands at ₹ 1,400 Crores and the capacity comes at ~\$ 56 per tonne.

2

New and growing plants to Drive Sales Growth

Sales volume growth in FY2023 was due to a combination of an increase in the volumes in South India and additional volumes from the newly constructed plants in Madhya Pradesh and Odisha. The ramp of these new plants along with the increasing utilisation of existing plants, will be a key growth driver. This will be supported by growth in increasing penetration in the central region, which has low-per capita cement consumption.

3

Geographically Diversified with Significant Presence

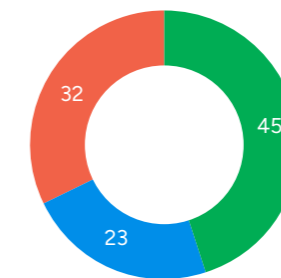
Sagar Cements is a major brand in the Krishna river belt of southern India. The new capacity additions in Madhya Pradesh and Odisha have not only increased scale but also enhanced the Company's geographical diversification. From being primarily a southern India-based player, Sagar Cements is now developing its presence in the faster-growing eastern India market and under-penetrated central India market.

4

Simplification of Corporate Structure

The completion of the merger of the wholly-owned subsidiary Sagar Cements (R) Limited with itself in March 2022, and the ongoing process to merge JCPL will lead to a simplified corporate structure. This is expected to lead to optimisation of operational and administrative costs, operational synergies, and easing of statutory compliances.

Shareholding pattern (%)



- Promoters
- Institutions
- Non-Institutions

5

Ramp up of new plants to improve the financial profile

As the newly added plants increase production in FY2024, the profitability and cash flows will likely lead to the strengthening of Sagar Cements balance sheet. Prudent capital allocation along with sufficient liquidity at hand will likely balance the growth and financial profile of the Company.