



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2018-19

29th October 2018

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 Sirs

Press Release regarding Un-audited Financial Results (Standalone and Consolidated) for the second quarter and half-year ended September 30, 2018

Further to our letter dated 29th October 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 second quarter and half-year ended September 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

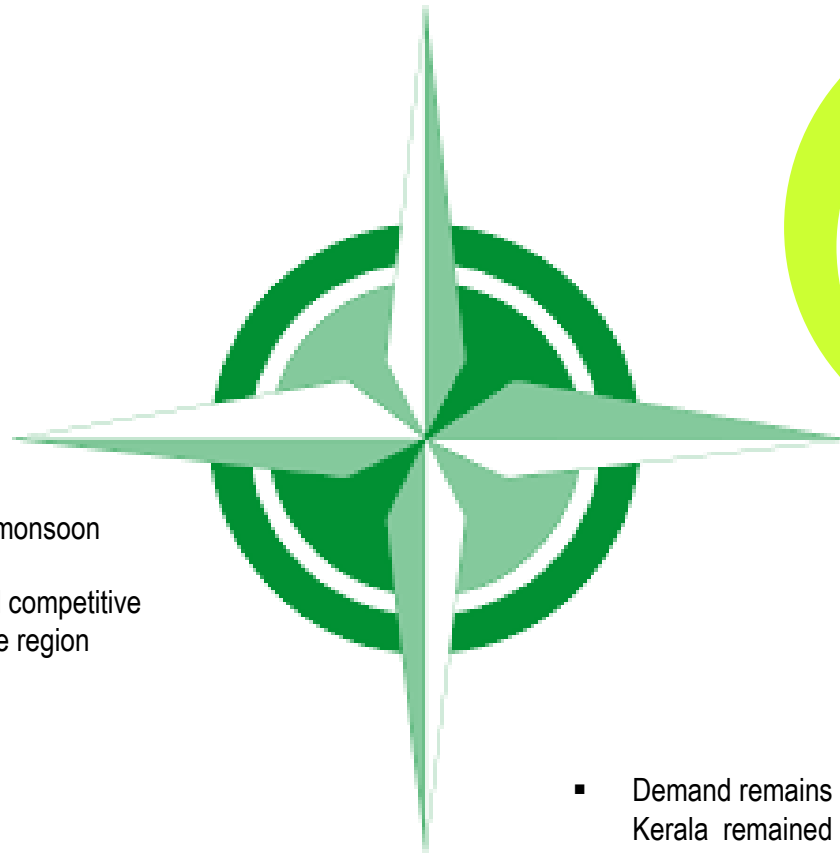
Q2&H1FY19
Results Presentation





West

- Soft demand growth owing to monsoon
- Weak demand and heightened competitive intensity led to soft prices in the region



South

- Demand remains strong in AP and Telangana, though Kerala remained soft owing to the floods.
- Prices remained steady on the back of strong demand

Perspective on Cement Prices

Executive Director's Comment



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

"We have performed well in the first half of the year, as demonstrated by the steady growth in volumes and revenues. The growth can be largely attributed to our diversified presence and product mix and our recent strategic measures initiated towards lowering the expenses and improving efficiencies.

We have been undertaking various measures in recent times towards improving productivity and lowering our operating expenses. Enhancement in the capacity of our waste heat recovery plant coupled with setting up of 18 MW captive power plant (under implementation) and the purchase of 8.3MW hydro power plant, should help us see further reduction in our power cost. Further, the expansion of the grinding unit at Bayyavaram should help us lower our lead distance, as it will help us to meet the target markets in a more cost effective way.

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





1

Steady performance driven by stable pricing environment and consistent demand across key markets

2

Hardening of input prices, mainly fuel, resulted in margin and profitability compression

3

Operating Highlights - Enhancement of Waste Heat Recovery plant from 6.5 MW to 8.80 MW; Work on Captive Power Plant progressing smoothly, India Ratings affirms 'IND-A-' rating with stable outlook

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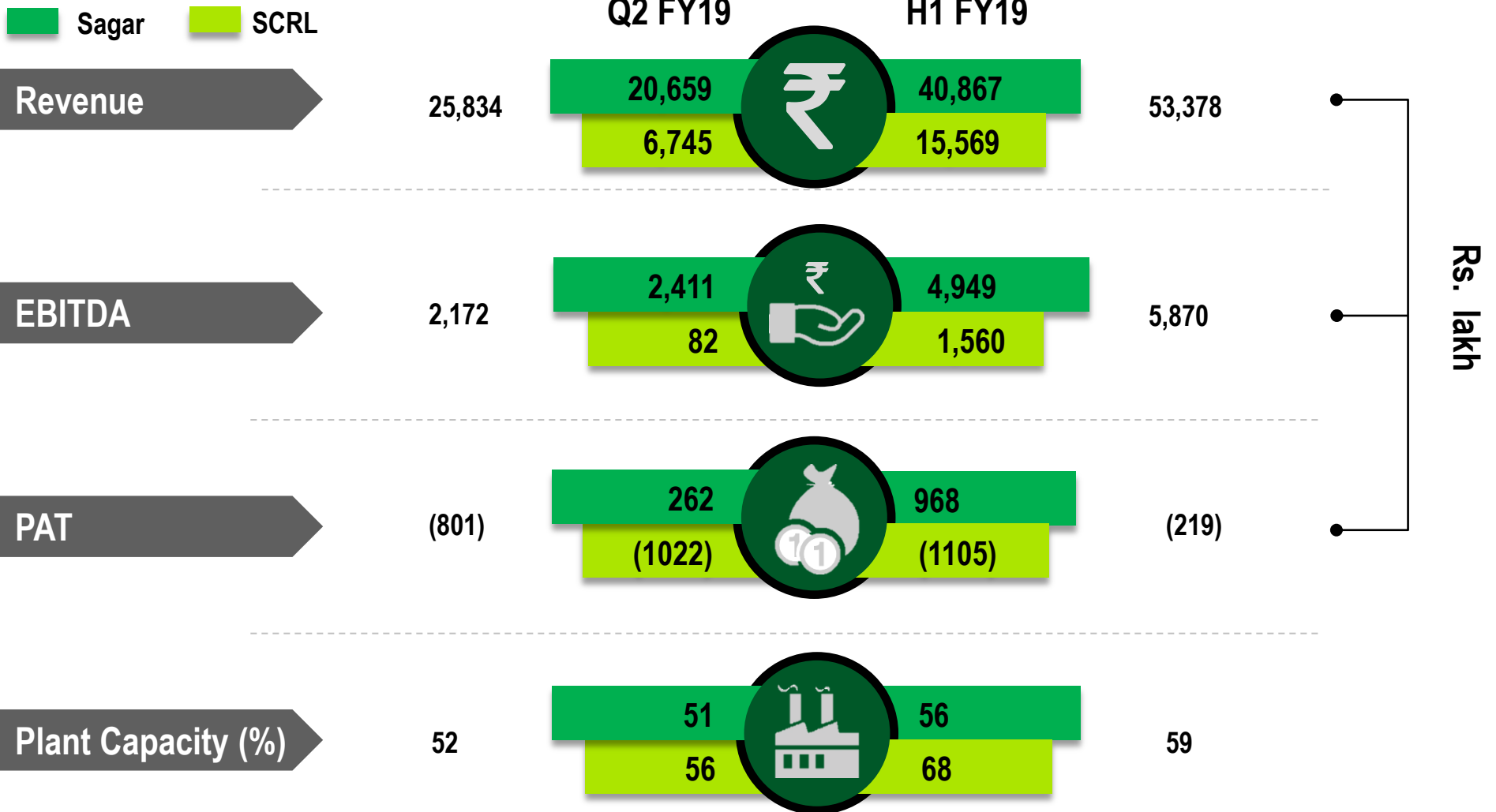
Outlook remains positive on the back of government's focus on infrastructure and housing.



Sagar Cements – Operational Results



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



DM TANK





Mattampally Plant

Utilisation (%)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement	57	44	41	55
	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Cement	56	51	56	66
	Q1 FY19	Q2 FY19		
Cement	62	61		

Bayyavaram Plant

Utilisation (%)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement			51	68
	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Cement	57	57	81	96
	Q1 FY19	Q2 FY19		
Cement	82	23		

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	84
	Q1 FY19	Q2 FY19		
Cement	80	56		



Q1 FY18

- Domestic : International Fuel mix was 07:93

Q2 FY18

- Domestic : International Fuel mix was 04:96

Q3 FY18

- Domestic : International Fuel mix was 19:81

Q4 FY18

- Domestic : International Fuel mix was 59:41

Q1 FY19

- Domestic : International Fuel mix was 64:36

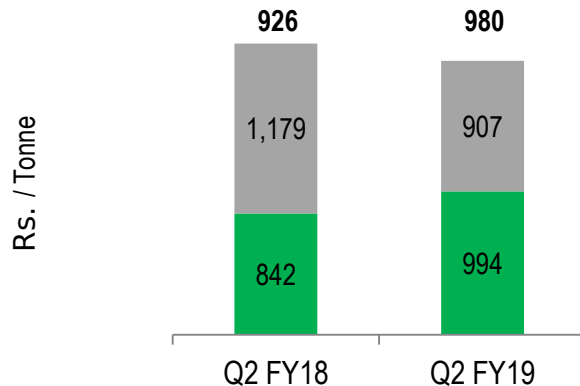
Q2 FY19

- Domestic : International Fuel mix was 25:75

Thermal Fuel Cost (Rs. / Tonne)					
		Q1	Q2	Q3	Q4
Indigenous Average	FY17	4,330	4,618	4,765	4,904
Imported Average		5,485	6,060	5,956	7,201
Indigenous Average	FY18	4,871	4,890	5,087	5,101
Imported Average		6,714	7,508	7,860	8,155
Indigenous Average	FY19	5,146	5,125		
Imported Average		8,577	9,452		

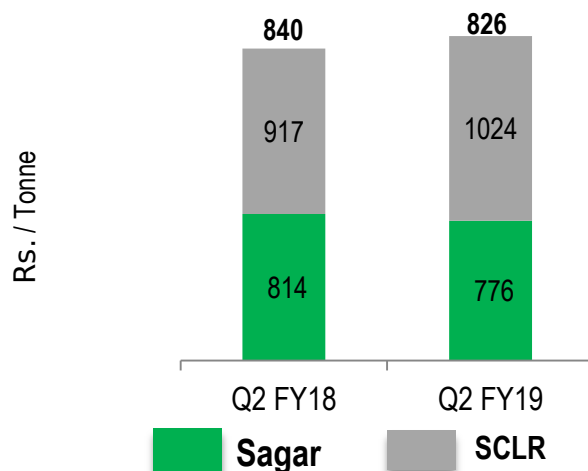


Average Fuel Cost Per Tonne



- 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

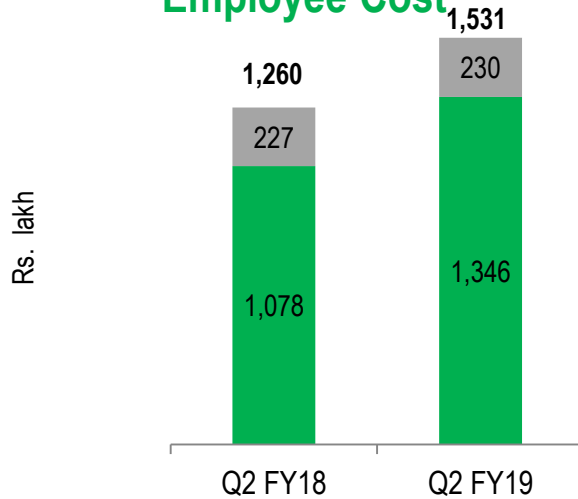


- Weighted average freight cost per ton decreased for SCL due to optimization of lead distance while the same increased for SCL(R) owing to higher fuel cost.

Cost Overview

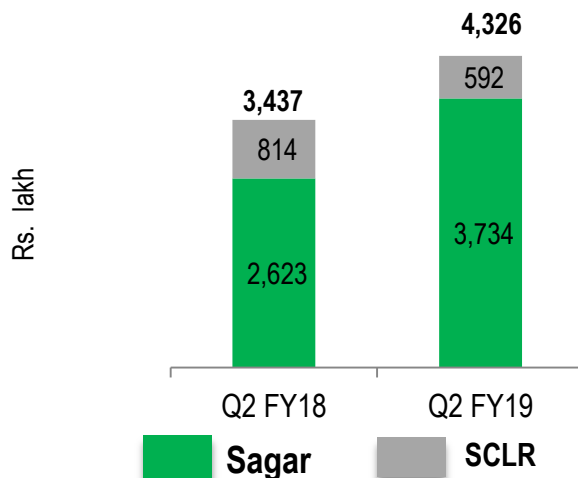


Employee Cost



- Employee costs during Q2 FY 19 amounted to Rs. 1,531 lakhs on a consolidated basis as against Rs. 1,260 lakhs during Q2 FY18.

Raw Material Cost



- Higher Raw Material cost firmed up owing to increased production during Q2 FY 19.

Production & Sales in Q2 FY19 and Dispatches



Description	Sagar Cements Ltd	Sagar Cements (R) Ltd	Consolidated
	Qty in MT	Qty in MT	Qty in MT
Clinker	5,02,673	93,052	5,95,725
Cement Production / Purchase	5,71,630	1,39,507	7,11,137
Cement Sales	5,72,119	1,44,561	7,16,680

Consolidated					
Dispatch Details					
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
TOTAL	6,25,682	5,74,402	6,80,048	7,70,949	26,51,081

TPT	Q1 FY19	Q2 FY19
BY ROAD	7,43,053	7,19,364
BY RAKE	00	00
TOTAL	7,43,053	7,19,364

Key Balance Sheet Items



Rs. In Lakh	Sagar Cements Ltd.	Sagar Cements (R) Ltd.	Consolidated
Gross Debt	31,359	32,084	54,933
- Long Term	17,489	28,111	37,090
- Working Capital	13,870	3,973	17,843
Cash & Bank Balance	1,771	143	1,914
Debt Equity Ratio (%)	0.21	4.49	0.48
Net Worth	82,983	6,262	77,332
Investments	27,063	0	0

As of Sep' 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