



Sagar Cements Limited

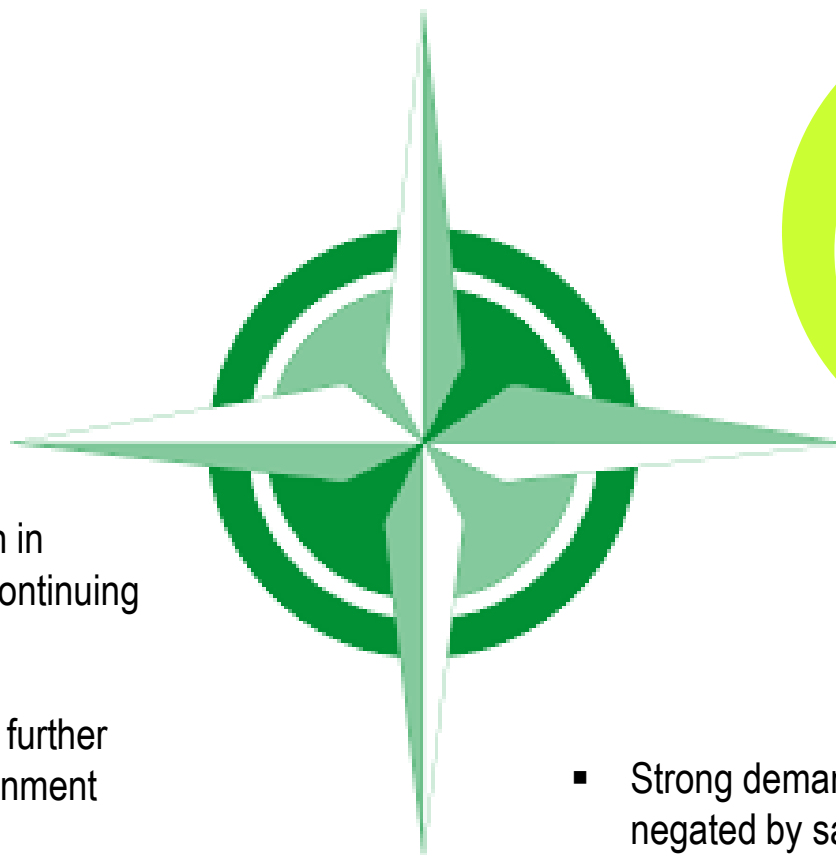
Q3&9MFY18
Results Presentation





West

- Heightened competition in Maharashtra resulted continuing soft prices
- Weak housing demand further impacted overall environment



South

- Strong demand from AP/Telangana was negated by sand mining and political instability in Tamil Nadu
- While prices remained weak for majority of the period, they began to gradually move up towards the end

Perspective on Cement Prices

Executive Director's Comment



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

"We have delivered a steady performance in a period wherein prices remained soft amidst heightened competition and stable demand. While we did witness a gradual pick up in prices across our key markets at the end of the quarter, the increase was well below what we saw in earlier years.

Further, we have also been able to improve our operating profits despite rising input cost, largely on account of diversified presence and our strategic initiatives taken towards acquisition of the grinding unit at Bayyavaram and investments in waste heat recovery & captive power plant.

Going forward, we expect overall improvement in the business environment on the back of Govt.'s focus on housing and infrastructure."





1

While demand in South remained mixed – strong demand in AP/ Telangana negated by political instability and sand Availability in TN; heightened competition in Maharashtra led to weakening of prices

2

Soft prices in key operating regions coupled with higher input costs resulted in lower operational profitability

3

6 MW Waste Heat Recovery Power Plant & 1 MW Solar Power were commissioned

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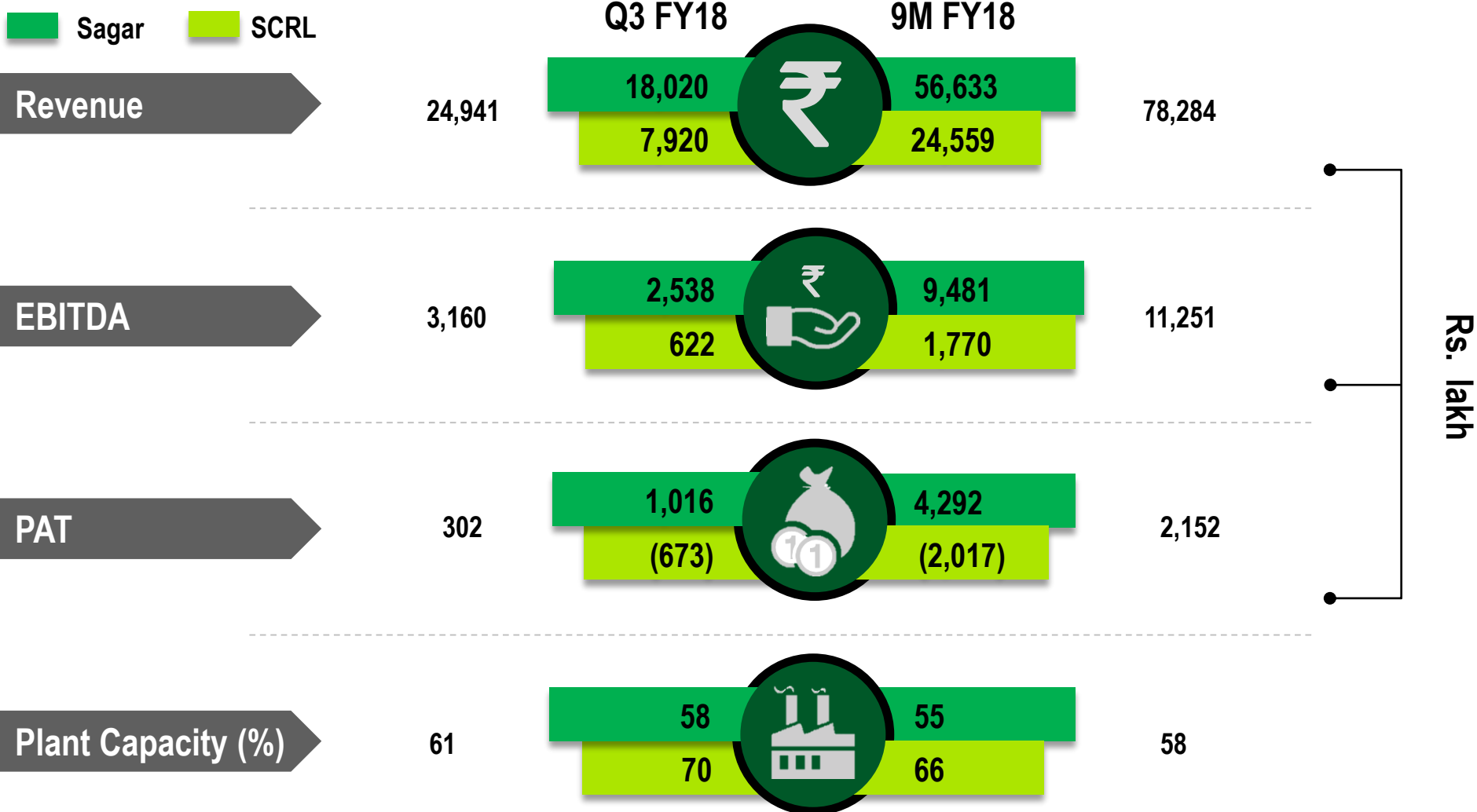
Outlook remains positive on the back of government's focus on infrastructure and housing



Sagar Cements – Operational Results



Performance Highlights



Highlights – Implementation of 1.2 Mn Tonne Grinding facility & 18 MW CPP



- Project : Grinding facility
- Location: Bayyavaram., Anakapally, Visakhapatnam, Andhra Pradesh
- Portion of core equipments already delivered
- Expected date of commissioning : September 2018



Raw Material storage facilities



VRM Building



Cement Silo



Packing Plant



- Project : 18 MW Captive Power Plant
- Location: Mattampally, Suryapet, Telangana
- Core equipments ordered
- Expected date of commissioning : March 2019



Captive Power Plant Civil Works



Mattampally Plant

Utilisation (%)				
	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16
Cement	65	49	44	61
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement	57	44	43	59
	Q1 FY18	Q2 FY18	Q3 FY18	
Cement	56	52	58	

Gudipadu Plant

Utilisation (%)				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Cement	62	71	64	71
	Q1 FY18	Q2 FY18	Q3 FY18	
Cement	64	63	70	



Q2 FY17

- Domestic : International coal mix was 0.4:99.6

Q3 FY17

- Domestic : International coal mix was 20:80

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

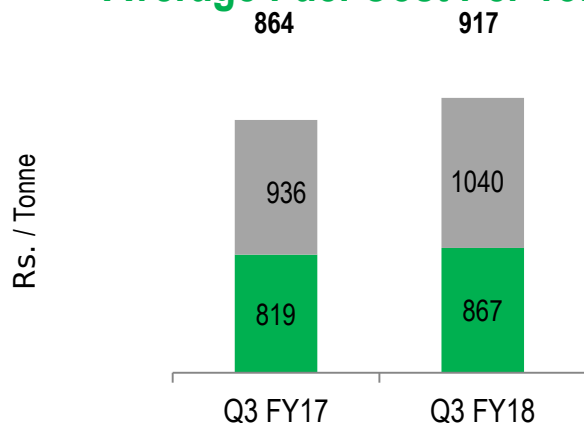
Q3 FY18

- Domestic : International coal mix was 19:81

Coal Cost (Rs. / Tonne)					
		Q1	Q2	Q3	Q4
Indigenous Average	FY16	4,964	3,678	4,533	4,227
Imported Coal Average		5,361	5,764	5,715	5,670
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	
Imported Coal Average		6,714	7,508	7,860	

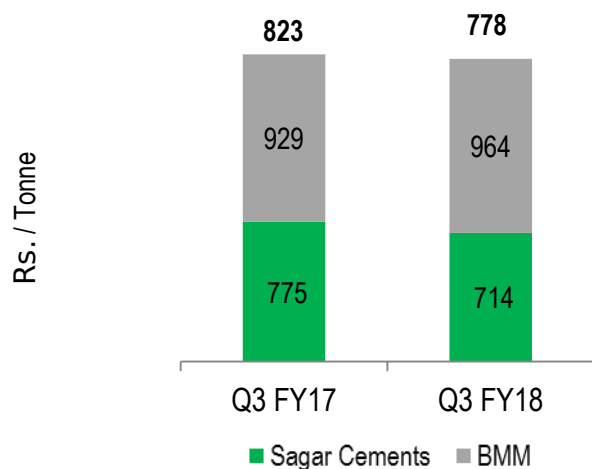


Average Fuel Cost Per Tonne



- Increase in price of imported pet coke & coal has resulted in increase in the average fuel cost per tonne of clinker produced.

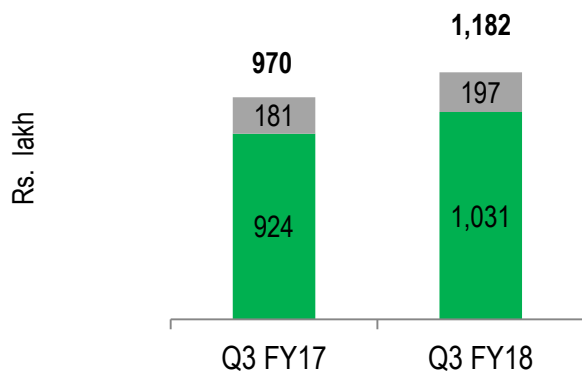
Freight Cost per Tonne



- Freight cost per ton decreased due to average lead distance.

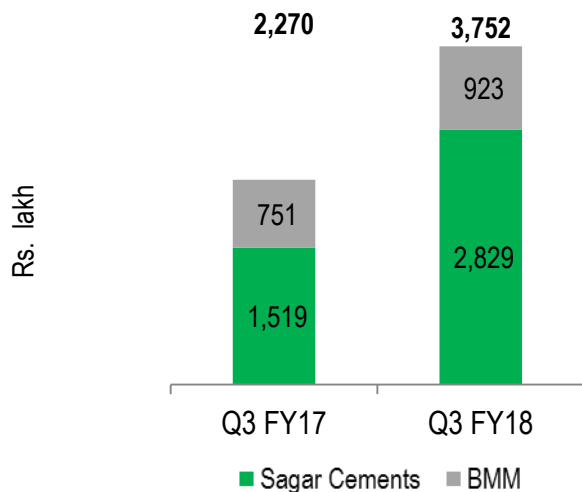


Employee Cost



- Employee costs in Q3 FY 18 was Rs. 1,182 lakhs on a consolidated basis when compared to Rs. 970 lakhs during Q3 FY17 on account of annual increments.

Raw Material Cost



- Raw Material cost has increased due to higher production during the Q3 FY 18.

Production & Sales in Q3 FY18 and Dispatches by Road & Rake



Description	Sagar Cements Ltd	Sagar Cements (R) Ltd	Consolidated
	Qty in MT	Qty in MT	Qty in MT
Clinker	3,90,445	1,57,713	5,48,158
Cement Production / Purchase	4,80,197	1,75,447	6,55,644
Cement Sales	5,06,736	1,73,313	6,80,048

Consolidated					
Dispatch Details					
TPT	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	TOTAL
BY ROAD	5,72,527	4,89,731	4,66,045	6,28,844	21,57,147
BY RAKE	5,310	21,830	8,120	5,491	40,751
TOTAL	5,77,837	5,11,561	4,74,165	6,34,335	21,97,898

TPT	Q1 FY18	Q2 FY18	Q3 FY18
BY ROAD	6,12,088	5,61,140	6,80,048
BY RAKE	13,594	13,262	-
TOTAL	6,25,682	5,74,402	6,80,048

Key Balance Sheet Items



Rs. In Lakh	Sagar Cements Ltd.	Sagar Cements (R) Ltd.	Consolidated
Gross Debt	27,468	41,659	51,293
- Long Term	16,537	37,944	36,647
- Working Capital	10,931	3,715	14,646
Cash & Bank Balance	7,551	54	7,605
Debt Equity Ratio (%)	0.20	5.07	0.47
Net Worth	81,756	7,491	77,464
Investments	26,418	0	28

As of Dec' 2017



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Safe Harbour :

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