



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:2014-15

17th October, 2014

The National Stock Exchange of India Limited
'Exchange Plaza'
5th Floor, Bandra Kurla Complex
Bandra (East)
Mumbai-400 051

SCL – Symbol: SAGCEM – Series – EQ

Dear Sir,

Sub: Intimation about the proceedings of the Board Meeting under Clause 36 and other applicable Clauses of the Listing Agreement

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Further to our letter dated 24th September, 2014, informing the Exchange of our Board's decision to accord its 'In Principle' approval for acquisition of BMM Cements Ltd., we are pleased to inform you that our Board at its meeting held on today accorded its final approval for the same.

We have given in the annexure further details of the above said acquisition.

Thanking you

Yours faithfully
For Sagar Cements Limited

R.Soundararajan
Company Secretary



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CTN : L26942TG1981PLC002887

Annexure

S.No.	Query	Clarification
1	Name of the target company	BMM Cements Limited
2	Whether the promoter / promoter group / group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof	No
3	Whether the acquisition would fall within related party transactions? If yes, whether the same is done at 'arm's length;	It does not fall within the related party transaction
4	Industry to which the entity being acquired belongs	Cement
5	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Sagar Cements proposes to expand its operations geographically to consolidate its grown in cement industry
6	Brief details of any governmental or regulatory approvals required for the acquisition	The acquisition as such does not require any Government or regulatory approvals
7	Indicative time period for completion of the acquisition	Barring unforeseen circumstances, the acquisition is proposed to be completed within six months time
8	Estimated cost of acquisition or the price at which the shares are acquired	The enterprise value of BMM Cement Ltd., has been considered as Rs.540 crores. The acquisition value will be the Enterprise Value, net off loans and debts as on a relevant date to be agreed upon mutually in due course.
9	Nature of consideration - whether cash consideration or share swap and details of the same	The entire acquisition price is proposed to be paid through cash only.
10	Percentage of shareholding / control acquired and / or number of shares acquired	100%
11	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	BMM Cement Ltd., was incorporated on August 30, 2007. It has its manufacturing facilities at Gudipadu Village, Anantapur District, Andhra Pradesh, which consist of 1 million ton per annum cement plant and 25 MW captive Thermal power plant. The company started its commercial production in the year 2013, where as the Power Plant commenced its commercial operations during the financial year 2014. The company produces OPC and PPC Cement. The historical financials of the company for the last two years are given in the annexure.



Historical Financial Data

Description	2013	2014
Sales Volumes in lakhs	2.40	3.50
Sales Revenue	11370	17120
Less: Vat & Excise	2420	2180
Net Income	8950	14940
Raw Materials	1710	2500
Thermal & Power	4070	7470
Stores, Spares & maintenance	670	960
Distribution	1520	2170
Variable cost	7970	13100
Salaries	720	1100
Administrative cost	530	490
Fixed cost	1250	1590
Total	9220	14690
Total Ebidta	-270	250
Ebidta %	-3%	2%
Other income	30	40
Finance Cost	3160	3720
Depreciation	4930	4820
PBT	-8330	-8250
Tax	2580	2590
PAT	-5750	-5660

