



SAGAR CEMENTS LIMITED

SCL:SEC:NSE:BSE:2016-17

26th October, 2016

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

The Secretary
Bombay Stock Exchange Limited
P J Towers
Dalal Street
Mumbai – 400 001

Symbol: SAGCEM
Series: EQ

Scrip Code: 502090

Dear Sirs

Sub: Intimation under Schedule III and other applicable regulations of the SEBI (LODR) Regulations, 2015

We wish to inform you that our Board of Directors (the "Board") at its meeting held today, inter-alia, has accorded its approval for (1) further expanding the capacity of the grinding unit at Bayyavaram, Andhra Pradesh, to take it to 15 lakh MTPA at a project cost of approximately Rs.167 crores and (2) to set up a 15 MW coal based captive power unit at a project cost of approximately Rs.76 crores at our plant in Mattampally, Telangana.

To implement the above projects and for other general corporate purposes, the Board has proposed to raise a sum not exceeding Rs.300 crores by way of issuance of securities, which includes the issue of 6,11,986 equity shares of Rs.10/- each on a preferential basis to promoter and promoter group and to others. The proposal of the Board for such fund raising is subject to the approval of the shareholders and other approvals as may be required under the applicable laws.

Company presently markets its cement in the Southern States as well as in southern parts of Odisha, by sending cement to these places from its plant in Mattampally, Nalgonda District.

To meet the demand for blended cement in A.P., Odisha, West Bengal and North Eastern States, the Company plans to expand the capacity of the grinding unit at Bayyavaram, which is being acquired. This will enable the Company to transport the surplus clinker available in its Mattampally unit to the said grinding unit for cement production to cater to the above markets, which shall optimize the logistic costs. We believe that the grinding unit can meet slag requirement for its cement production from the nearby steel plants in, Vizag.

This expansion is expected to be completed by 31st December 2018.

Regarding captive power unit proposed at the Mattampally plant, the same is expected to result in reduction of power cost, apart from ensuring consistent supply of power. This power plant is expected to be commissioned by 31st March 2018.

Thanking you

Yours faithfully
For Sagar Cements Limited

R.Soundararajan
Company Secretary



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