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SHREE CEMENT LTD.

Regd. Office:

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SCL/BWR/SE/2016/
16th August, 2016

FAX NO. 022 – 26598237 / 26598238

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra – Kurla Complex, Bandra (East)
MUMBAI – 400 051

SCRIP CODE: SHREECEM EQ

FAX NO. 022-22722041 / 22722061

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
MUMBAI – 400 023

SCRIP CODE 500387

Re:- Submission of Annual Report for FY 2015-16

Dear Sirs,

Pursuant to the provisions of Regulation 34 of the Listing Regulations, enclosed herewith the Annual Report of the Company for the financial year 2015-16 duly approved and adopted by the Members of the Company at the 37th Annual General Meeting held on 12th August, 2016.

Kindly find the same in order.

Thanking you,

Yours faithfully,
For **SHREE CEMENT LIMITED**

(S.S. KHANDELWAL)
COMPANY SECRETARY

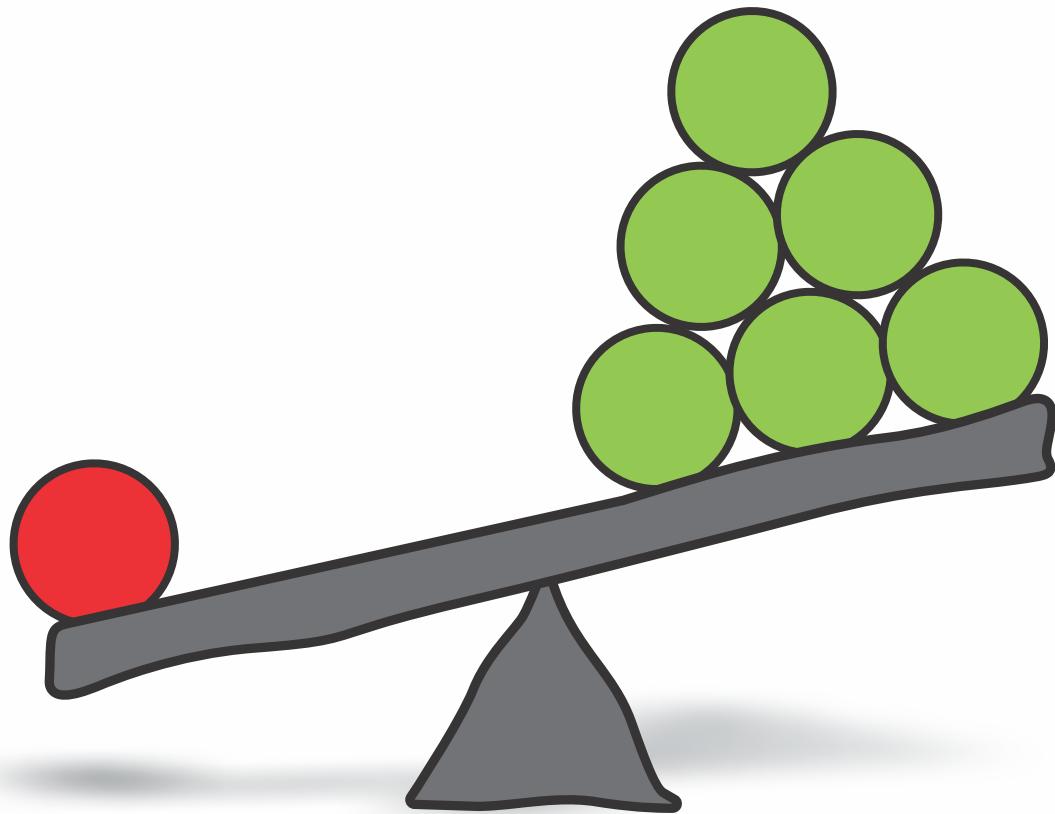
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LESS IS MORE

ANNUAL REPORT 2015-16



Your comments and feedback are of great importance to us. We would be glad to address any queries or observations that you may have with regard to our various future-aligned initiatives, our performance or this Report. You are most welcome to email us at investor@shreecementltd.com. A feedback form is also attached with this Report. The Readers may use the form to express their views on this Report.

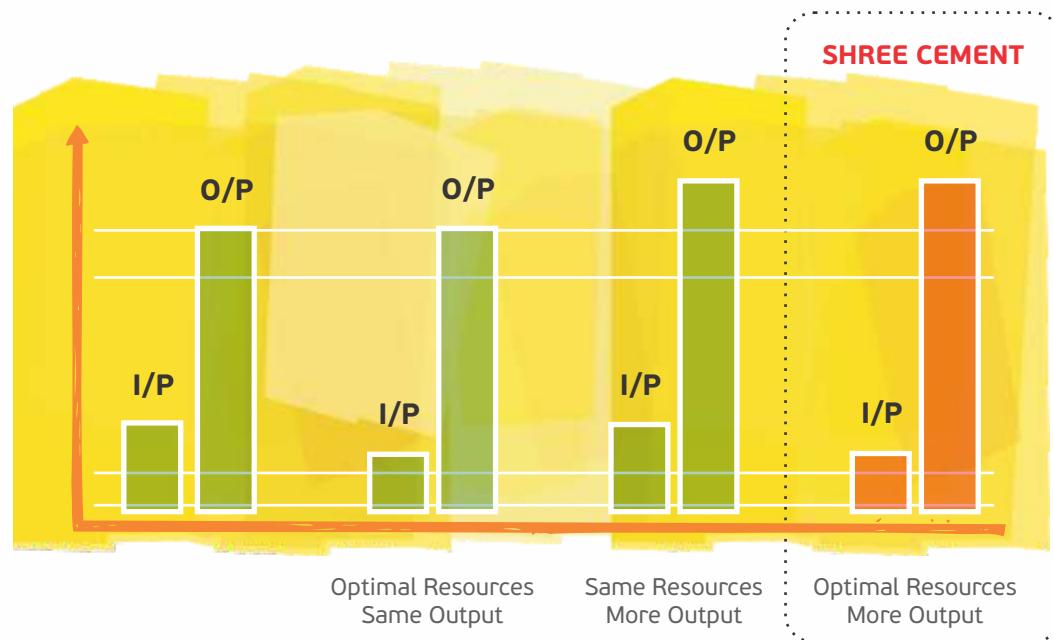


Caution regarding Forward-looking Statements: This document contains statements about expected future events and financial and operating results of Shree Cement Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the Shree Cement Limited Annual Report 2015-16.

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LESS IS MORE - THEME OVERVIEW



This is an era of continuous innovations. The most complicated of surgeries are being done with pin-hole incision. The most feature-packed smartphones are getting more light-weight, intelligent and run on battery for more hours.

The CDs and DVDs, that made floppy diskettes obsolete, are on way to find a place in museum thanks to flash-drives popularly known as pen-drives.

Just imagine the first IBM drive, the 350 RAMAC, was approximately the size of two refrigerators (weighed 910 kg) and had a storage capacity of 3.75 megabytes. Today we commonly use hard disk drives with terabytes of storage capacity (almost 2.6 million times more than the first IBM drive) that are still light and small enough to fit into our pockets.

The global eco-system is riding on conservation of valuable resources, through efficiency and innovation. Key to a successful and responsible business is the

optimal utilisation of valuable resources to achieve increased productivity and thereby better profitability. The human spirit of questioning currently accepted standards as well as benchmarks, striving for continuous innovation and learning from failures to get continuous improvement has led to a continuous contraction in physical size and simultaneous expansion in capability of computer memory drives, consequently proving that "Less is More" is not a hyperbole.

The world of business is no exception to the above paradigm of "Less is More". There is nothing better than achieving more output with less input of any resource (money, material, time). Converting 'Less' into 'More' requires a leadership and team that always challenge current benchmarks and adopts an approach filled with creativity and innovation. At Shree, we have always strived to achieve sustainability with profitability. The adage of "Less is More" is imbibed in the core of our business and is at the very heart of everything we do.

"Less is More" does not only mean protection or maintenance of valued resources, but at Shree it also means saving of those resources by optimally utilising them. It includes (but does not limit to) maximising the use of raw materials and energy; minimising harmful emissions; reducing or avoiding waste streams through recycling and energy recovery; optimally utilising Technology, Capital, Assets, Network, Human Resources, etc. The path to continuous improvement moves through occasional pits of failure, but the team that is committed to its goal of attaining more with less has to learn from its failures and not be discouraged from them to eventually attain results and set benchmarks that are otherwise thought to be unattainable.

At Shree we follow value-stream mapping method (i.e. following a product through its raw material stage to the stage where the end-product is delivered to the customer) that highlights streams of resource wastage at every step of the way. This in turn lets us know the loss between the actual resource consumption and the Theoretical Limit (The level of resource utilisation under perfect conditions). Shree then continually focuses on reducing this loss, improving efficiencies and achieving the incremental value.

Quest for this incremental improvement in each and every activity by being innovative and observant is a never-ending process at Shree. This is what makes Shree a sustainable and a profitable Company. At Shree, every person from our top Leadership to the workers on shop-floor is committed to developing practices that help us produce more and consume less as also become so efficient that for us "Less is More".

Our experiences show that details count; and through this Annual report we present some vivid examples of this adage of "Less is More" in action at Shree Cement Limited.

There is nothing better than achieving more output with less input of any resource (money, material, time). Converting 'Less' into 'More' requires a leadership and team that always challenge current benchmarks and adopts an approach filled with creativity and innovation. At Shree, we have always strived to achieve sustainability with profitability. The adage of "Less is More" is imbued in the core of our business and is at the very heart of everything we do.



INTRODUCING SHREE

Shree is a rapidly growing and one of the most efficient and environment friendly Companies in India. Currently its manufacturing operations are spread over North and East India across six states.

Company's high corporate governance and social performance together with consistent financial performance makes it a truly sustainable Company.

CEMENT PORTFOLIO

- Cement Production Capacity

25.6

Million Tons
Per Annum

- Multiple Locations

State	Locations
Rajasthan	Beawar, Ras, Khushkhera, Suratgarh and Jobner (Jaipur)
Uttarakhand	Laksar (Roorkee)
Bihar	Aurangabad
Haryana	Panipat
Chhattisgarh	Baloda Bazar
Uttar Pradesh	Bulandshahr

- BRAND SHOWCASE



POWER PORTFOLIO

- Total Power Generation Capacity

612 MW

- Includes Waste Heat Recovery Plants (WHRP) of

111 MW

(largest such capacity in the Global Cement Industry excluding China)

- Category I Power Trading Licensee

Granted by CERC; a separate trading division catering to third party buyers and sellers

FIRSTS TO ITS CREDIT

FIRST CEMENT COMPANY AND ONE OF THE THREE INDIAN COMPANIES IDENTIFIED AS NEW SUSTAINABILITY CHAMPION BY WORLD ECONOMIC FORUM IN SEPTEMBER, 2011

FIRST INDIAN CEMENT COMPANY TO ISSUE A CORPORATE SUSTAINABILITY REPORT

FIRST CEMENT COMPANY IN THE WORLD TO FETCH CERTIFIED EMISSION REDUCTIONS (CER'S) ON "OPTIMISATION OF CLINKER" OF CLEAN DEVELOPMENT MECHANISM PROJECT

FIRST CEMENT COMPANY IN INDIA TO PRODUCE SYNTHETIC GYPSUM TO REPLACE USE OF NATURAL GYPSUM IN CEMENT MANUFACTURING - EFFORTS RECOGNIZED BY GOVT. OF INDIA AS PROVEN R&D

FINANCIAL STRENGTH

2015-16 (9 Months Period)



**TOTAL TURNOVER
FOR FY 2015-16**

₹ 5,568
CRORE



**OPERATING PROFIT
FOR FY 2015-16**

₹ 1,440
CRORE



**NET PROFIT
FOR FY 2015-16**

₹ 455
CRORE



**NET WORTH
(AS AT 31ST MARCH, 2016)**

₹ 6,180
CRORE

GROWING STRENGTH TO STRENGTH

Growth on 10 years' horizon

Parameter	UoM	2015-16 (9 months)	2005-06 (12 months)	CAGR
Cement Capacity	MTPA	25.6	4.1	20.10%
Power Capacity	MW	612	42	30.72%
Gross Block of Fixed Assets	₹ in Crore	10,212	1,391	22.06%
Turnover	₹ in Crore	5,568	695	26.73%*
Operating Profit	₹ in Crore	1,440	225	23.91%*
Net Profit	₹ in Crore	455	18	42.16%*
Net Worth	₹ in Crore	6,180	296	35.51%

* Annualised

MILESTONES

RANKS

2

HIGHEST ON CARBON-RELATED
METRICS IN THE WORLD CEMENT
INDUSTRY - LATEST SECTOR
REPORT RELEASED BY THE CDP
(FORMERLY THE
'CARBON DISCLOSURE PROJECT')

AMONG
THE TOP

3

CEMENT GROUPS IN INDIA
(IN TERMS OF PRODUCTION
DURING FY 2015-16)

AMONG
THE TOP

100

LISTED COMPANIES IN
INDIA IN TERMS OF MARKET
CAPITALISATION

MARKET
LEADER IN



THE STATES OF RAJASTHAN,
DELHI, HARYANA AND BIHAR

- ▲ MARKET LEADERSHIP STATES
- MANUFACTURING FACILITIES





HIGHEST 5-STAR RATING

FIRST TIME TO ANY CEMENT COMPANY IN THE WORLD BY WHITEHOPEMAN

- Whitehopleman, an International Benchmarking Firm of U.K. reviews Cement Plants across the Globe and assigns them star ratings based on various parameters like safety, manpower productivity, energy efficiency, product quality, equipment productivity, equipment reliability and environmental impact.
- Shree has been getting a high 4-Star rating since last 15 years (no Cement Plant was assigned a perfect 5-Star rating).
- During the year 2015, Whitehopleman assigned a perfect 5-Star rating to Shree (No other Company has attained this rating in the 18 years of benchmarking done by Whitehopleman).
- Some of the excerpts of the Report released by the Agency giving the 5-Star rating to Shree with specific comments on rating parameters -

"Shree has become a 5-Star Factory in the Whitehopleman database of Cement Factory Performance for its performance in 2015. This is the first time that any Cement Factory in the World has attained 5-Star status in the Whitehopleman star ranking system during the 18 years of Whitehopleman independent Cement Factory Benchmarking."



PHILOSOPHY, VISION, VALUES, GUIDING PRINCIPLES

THE SHREE PHILOSOPHY

"Aah No Bhadra: Kratavo Yantu Vishwatah" - Rigveda

"Let noble thoughts come to us from all over the World."

At Shree, we believe in imbibing and extending these noble thoughts across all our functions.

- Quality and Energy Conscious
- Socially Responsive
- Employee and Environment Friendly

We call it The **Shree Philosophy**, which makes us an organisation that is

- Customer Responsive
- Investor Rewarding
- Sustainable Organisation

OUR VISION

Lead in creating prosperity and happiness for all stakeholders through innovation and sustainable practices

As an organisation, we spread happiness amongst everyone connected with our ecosystem and create wealth for investors, employees, business associates and communities where we operate by experimenting and implementing new ideas for improving efficiencies and maximising the ratio of output product to input resources.

OUR GUIDING PRINCIPLES

- Enforce good corporate governance practices
- Encourage integrity of conduct
- Ensure clarity and unambiguity in communication
- Remain accountable to all stakeholders
- Encourage socially responsible behaviour



OUR VALUES, OUR OPERATING STRENGTHS

Trust and Support

- Believing in each other with mutual respect
- Promoting honest and open communication
- Building an environment of freedom with responsibility

Passion for Efficiency

- Ensuring optimum outcomes in everything we do at work
- Achieve our targets consistently with minimal costs

Simplify

Extracting the essence and keep communication simple

Creativity and Innovation

- Experimenting with new ideas to improve continuously
- Striving to take risk for adding value to the business

Dynamism

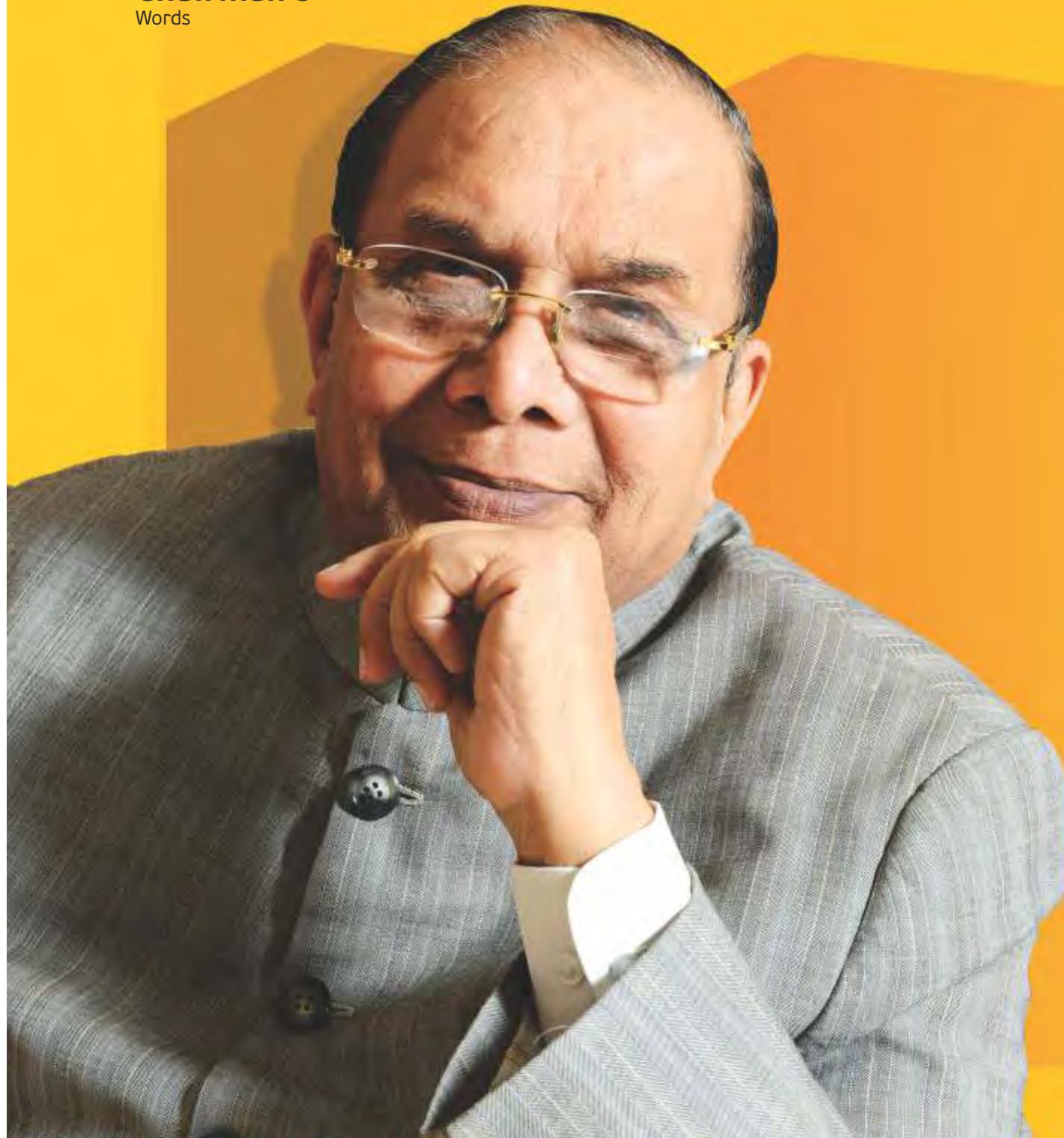
- Prioritizing opportunities and challenges to enable swift decision making
- Being flexible in our approach to find effective business solutions

Care

- Being compassionate towards our communities and our environment
- Working together as one family, connect personally with each other
- Demonstrating humane touch in the way we work

Chairman's

Words



Shri B. G. Bangur
Chairman



Life is what one makes of it. The reality, an interpretation of life, is subjective. It is shaped by the perception of an individual. The world view – narrow and skewed or wide and holistic – is actually an expression of one's own values, beliefs and attitudes. Actions are, then, a true reflection of one's value system.

At Shree, we firmly believe that organisations do not achieve the objectives; people do. A vision of excellence, a manifestation of collective intellectual achievement, becomes reality only through a worthy leadership encouraging individual involvement in decision-making and personal 'ownership' of the process.

On that count, I am glad; Shree is among few companies where its core values are deeply embedded in the organisation. These core values are truly reflected in its working philosophy of creating more from less. This way, the people at Shree live their core values to create value.

The "Less is More" philosophy propels our people for turning limitations into opportunities, boundaries into new frontiers and making projects deadline into new benchmarks. This philosophy therefore, not only pushes us harder to achieve better than previous, it ensures that we leave 'more' for the tomorrow.

The very purpose of our existence is epitomized in the way of life at Shree: "Less is More".

These core values are truly reflected in its working philosophy of creating more from less. This way, the people at Shree live their core values to create value.



Managing Director's Outlook



Shri H. M. Bangur
Managing Director

"Less is More" - when we say it, we really mean that simplicity and clarity leads to good results. This was first used by English poet Robert Browning in 1955 and subsequently Ludwig Mies Van Der Rohe, a furniture designer, whose style was minimalist.

At Shree, we believe in keeping things simple to achieve outstanding results. Normally more than 90% complexity is added to take care of 1% stray situation. Those atypical situations can be dealt hands-on, on the basis of knowledge of people instead of formulating a convoluted approach.

Government of India also realised that Income Tax Forms had become too convoluted to give anybody comfort. Additional number of provisions to administer discrete situations had ultimately conjured up the complex anatomy, where it became cumbersome to comprehend even the simplest Return. Taking this into view, the Government introduced the "Saral" Form to disentangle the complex fabric of a Tax Form.

Fewer predetermined parameters leave more room for flexibility and hence, creativity which leads to innovative solutions. Normally SOPs are given more prominence than required. There are two ways of looking at it. On a positive note, SOPs restrict disruptions in the process. Things which are going down can be immediately pulled up, as people exactly know where the deviation has taken place. However, the negative side is that there will be limited scope of improvement as people are unwilling to break the SOPs. Controlled disruption of all processes is the key to future growth. This can be possible only if parameters are less firm and more flexible.

It is necessary to make an individual aware of his responsibilities. It is necessary that, what needs to be done by an individual, is explained to him. His comprehension of the job, if explained well, will have a positive impact on overall performance of the Company. This should be the real driving force. Once the person perceives the job, less supervision is needed. In fact, all supervision can be done away with, if the person is imparted complete knowledge about the importance of his daily responsibilities. For example, let us assume we have three masons with similar skills. Asking the first mason to lay a foundation of bricks, the second mason to construct a wall and the third to build a temple, only complicates the procedure. Instead, if all three of them are told to construct a temple at the very onset, their creativity and performance will reach greater heights.

Another touchstone is expertise. With growth in life, scope of a chosen subject becomes narrower and sharper. More expansive knowledge on a narrow subject entails superior results.

Less routine work will leave more room for creative ventures. If a person is overburdened with daily chores, manpower optimisation may happen but utilisation of individual expressiveness will become sub-optimal.

Specialisation in an exclusive cuisine is always better than having an ordinary menu of multiple cuisines. That's why at Shree, we deal in Cement and Power businesses only. We want to remain focused on lesser areas to achieve better results.

Conventional wisdom of the web suggests that more content leads to more page views, which ultimately creates a successful site. Yet, I have found the opposite can be true. Normally, lesser number of pages increases the chances of people going through the subject, even more. Most importantly when we focus on doing less and doing it well instead of doing more and assuming it to be better; we are less scattered, more focused, less cumbersome and more presentable.

When we narrow our focus, we have greater impact on those areas. When we schedule lesser appointments, our attention remains undivided and focused. When we are less engrossed in our routine work, we tend to be more creative and resourceful. Overall when we put less in our schedule or the budget, we tend to achieve better returns. Instead of blurred and hazy outcomes, we prefer the results to be realistic and focused.

At Shree, we deal in Cement and Power businesses only. We want to remain focused on lesser areas to achieve better results.



Jt. Managing Director's

Communication



Shri Prashant Bangur
Jt. Managing Director

"Simplicity is the ultimate sophistication." -
Leonardo da Vinci

A proverb is simplicity personified. Yet, it contains wisdom, truth, morals and traditional views, in a metaphorical and memorable form, handed down from generation to generation. It says a lot 'More' by saying 'Less'. A proverb by structure has fewer words but it sheds light on how rich a language, a society or a culture is. In its form, a proverb is 'less', and in its functionality it does so much 'more'.

In a proverbial way at Shree, 'Less is More'. Akin to a seed of a gigantic, magnificent and beautiful tree just waiting to come out. That is the power of seed. That is the power of 'Less is More'. That's why at Shree, we focus on ideas that are pioneering, solutions that have come from the shop-floor. We believe an idea is just like a seed. It can give rise to a world of possibilities.

Intelligence is seeing things with a clear perception. In business, intelligence is not in making things bigger, larger or more complex as has been traditionally viewed by some Management experts. It actually takes genius – and a touch of courage – to think the opposite and create more value from less. The idea is to not use a lot where a little will do. A simpler explanation is usually correct than a complex one. In art, simplicity is the ultimate sophistication. Keeping things simple, however, calls for absolute clarity which necessitates hacking away at what is unnecessary. Keep decreasing the unessential elements and the situation keeps becoming simpler as 'less' is more exact. When deciding about buying a machine, marginal value addition from more engineering solutions have to be compared with marginal complications and additional cost for the same. Simple systems with less underlying variables are often sufficient and more controllable. Less variables mean more control over things and hence less dependency on external factors. The idea is simple solutions and significant results.

Management, in theory, is a tool for improving productivity. Too much management can actually damage the overall output. For instance, asking for updates multiple-times-daily may seem like keeping a tab, but it's an obstruction to getting the real work done. We have evolved a 'Minimalist Management' style unique to Shree. The minimalist style capitalises on the most essential functions of management, eliminating the unnecessary practices that get in the way of success at work. It is all about measuring performance based on their eventual results.

If employees meet their goals and accomplish everything, then their approach to work makes no difference. That's why at Shree, we believe crisp brief to our people will get better results instead of confusing them with long, tedious and roundabout discussions. Why? To convey a powerful idea a descriptive narrative may fail to bring focus while a short and sweet note makes it memorable. For instance, a short ad film achieves in 30 second - what a film of 3 hour would achieve - in less cost and time. It is all about few words and significant actions, few actions and significant results.

People and Time are two of the most important resources. A typical management theory is to have more meetings among people. More meetings, however, prove to be a major productivity killer. At Shree, we make our meetings truly count, and cut back on them wherever we can. In life, at office or home, we are always surrounded by a 'to do list' having a lot of items. Effective people are those who could prioritise their jobs on this list and concentrate on doing first things first. Same applies for resources. One may not have abundant resources at one's disposal, but this means one's passion and purpose will serve as the greatest assets. And then, there's no limit to what one can accomplish when one invests oneself in a vision that moves and inspires an individual.

At Shree, we have created an encouraging environment where every activity is open to improvement and everyone has equal opportunity to improve upon an existing practice or process or product. Each day is a new opportunity to bring more efficiency in our systems. It's all about doing more with less.

We have evolved a 'Minimalist Management' style unique to Shree. The minimalist style capitalises on the most essential functions of management, eliminating the unnecessary practices that get in the way of success at work.



Message from
President (Marketing)

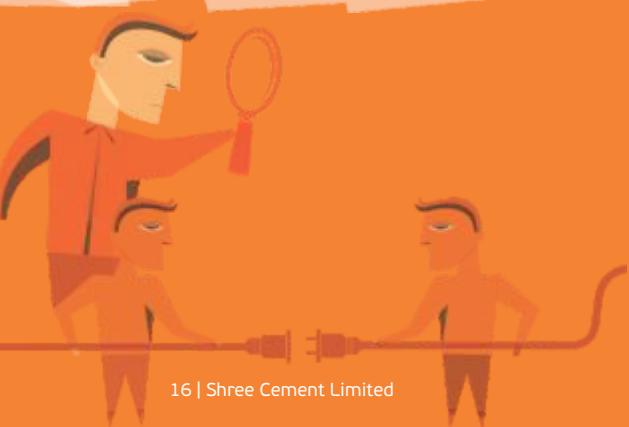


Shri Diwakar Payal
President (Marketing)

Consistently cultivating a connection with the customers through a robust triumvirate of providing more product choices, superlative servicing and deeper relationship has been the core philosophy guiding our customer engagement activities.

Customers, each and every one of them, forms the foundation of our marketplace. Satisfying their requirement is the only way to sustain and grow ourselves. Newer value systems based on pervasive use of technology is increasingly creating a more informed and updated customer and intensifying the competition from equally aware competitors. People who could pre-empt such change put themselves in position to reap disproportionately higher rewards than those who react to the changes and keep playing catch-up.

Marketing at Shree is based on this premise of acting proactively. We were among the first companies to embark on the hub and spoke model, setting up Cement Grinding Units nearer to fly-ash sources and consuming markets. This approach not only made us competitive by reducing our costs but also helped us garner higher market share through reduced lead time. We have now set up 13 million ton capacity of Split Cement Grinding Units, almost 51% of our total capacity, at strategic locations and high demand markets of north and east India. Lesser distance to customers' address is more market share for us.



"Less is More" strategy has made us the market leader in Rajasthan, Haryana, Delhi and Bihar and a close number two in Chhattisgarh.

Thrust on understanding the market undertones to gauge its potential direction without being influenced by prevailing perceptions is what helps us steer ourselves into a position from where we could provide superior value and reap superior gains. An illustration of this strategy was the launch of multiple brands catering to specific segments of customers in complete contrast to the prevailing practice of single brands which assumed customer behaviour as homogeneous. This way we lessened the service area of a brand to achieve more market share in that segment. The idea was to provide "complete Satisfaction" to each segment instead of "pretty well" satisfying the entire marketplace. This "Less is More" strategy has made us the leading market leader in Rajasthan, Haryana, Delhi and Bihar and a close number two in Chhattisgarh.

Another dimension of this "Less is More" strategy was on exhibit in the eastern region. We proactively built customer connect to ascertain requirement of the retail customers. Devising an innovative and customer-focused strategy, we implemented door-to-door delivery concept to ensure timely doorstep delivery of the required quantity of cement even to the smallest of the customer and satisfy the long-standing unfulfilled retail customer need of ready availability of cement. Focused efforts on shaping our products and delivery capabilities according to the customer needs and demands placed us among the top choices of customers within a year of starting the operations of the Bihar unit.

We were the largest suppliers of loose cement, an environment friendly delivery method due to no involvement of packing material, to infrastructure projects during the previous year. Correctly reading the prevailing sentiments, we proactively enhanced our fleet of bulkers and capability to supply loose cement so that when the infrastructure projects happen, we were in the right position to tap the opportunity. Our capacity enhancement enabled us to make "right-sized" and

'just-in-time' delivery thereby eliminating the need for large storing spaces and corresponding savings on rent.

We have been lessening our distance with the customers with more and more presence. With a wide distribution network of more than 11,575 dealers, we have created a significant presence in the marketplace. The large network of trusted dealers has helped us effect timely and on-demand delivery in these markets, which in effect has been reinforcing our market leadership in these areas.

Thrust on understanding the market undertones to gauge its potential direction without being influenced by prevailing perceptions is what helps us steer ourselves into a position from where we could provide superior value and reap superior gains.

We have also been reinforcing our relationship with the masons and individual house builders through a dedicated sales force which visits the construction sites and makes them aware about the product benefits, right ways to better utilise cement and improve their construction. Such relentless efforts undertaken over a period of time has created for us a differential positioning among them.

Our advertising and promotion campaigns also focus on cost-efficient media apart from the mass media vehicles like Television and Print. Continual strengthening of on-ground presence through in-shop branding, hoardings, wall wraps and wall shop paintings combined with field force efforts of dealer and customer engagement has increased brand confidence and made us one of the leading indigenous brands.

Consistently cultivating a connection with the customers through a robust triumvirate of providing more product choices, superlative servicing and deeper relationship has been the core philosophy guiding our customer engagement activities. We will continue to strengthen this bond and become a more focused, responsive, efficient and a sustainable organisation.

Message from
President (Works)

Shri P. N. Chhangani
President (Works)



Undertaking operations with environment-friendly equipment, controlling emissions through deploying best-in-class technology, zero disposals of solid waste and effluent have been our way of working in a less carbon and more green environment.

Shree's growth trajectory for past decade reflects a capacity multiplication of almost 10 times in both Cement and Power. Capacity ramp-up continued in the year gone by, with successful start-up of a new Cement Grinding Unit at Bulandshahr. Incidentally, this was our first manufacturing facility in the major consumption market of UP. Our product basket expanded with the addition of an Autoclaved Aerated Concrete (AAC) Plant in the same premises. We also completed 1.6 Mtpa brownfield expansion of our Bihar unit subsequent to the end of year under review. The capacity enhancement drive is continuing with clinkerisation capacity expansion kicked off at our Baloda Bazar, Raipur facility in Chhattisgarh. All this demonstrates the rapid growth path we have been pursuing, which will continue going forward.

Our project execution is driven by the Shree philosophy - "Less is More". In project execution, an important attribute is to get the maximum utility out of all resources. We believe the more we squeeze the resources such as manpower, tools and equipment, the more value we create through lower cost, faster execution, augmenting revenue and overall enhanced competency. For each new project, we create our own benchmarks for execution time, which are always a notch better than previous. Rapid and successful stabilisation of new facilities validates the synergy of various Project departments viz. planning, execution, operations, commercial and teams of other functions.



"Less is More" as the central theme resonates across our functioning and operations. As a result, we obtain the best run hours and productivity of available equipment and machines. Similarly, through proper training and empowerment, our people take multiple responsibilities to deliver more. Needless to mention, our continual quest, for bringing down energy consumption, downtime and wastages, has helped us become more competitive. An example for "Less is More", in case of raw materials, is the use of Power Plant waste products viz. Bed Ash and Fly Ash replacing Gypsum. Another case is the use of Synthetic Gypsum in place of Natural Gypsum. "Less is More" theme is, thus, all pervasive across our operations.

Our belief in this philosophy has been well recognised with Shree attaining the distinction of being the first and only Cement company across the world to be accorded "5- Star" ranking for excellence in Cement manufacturing by the Whitehopleman, UK - a reputed global Cement benchmarking firm. Evaluation criteria for this recognition covered all aspects including manpower and equipment productivity, energy and operational efficiency, environment management and people safety to judge our overall manufacturing excellence.

Our Power Plants have been a big enabler of our business supporting growth. Performance parameters such as heat rate, auxiliary power, etc. of our Power Plants stand among the best in the country. In a volatile fuel price market, the Power Plant team has built flexibility to run on multiple fuels. All our Power Plants run on fluctuating load basis i.e. quickly ramping up or down according to demand.

"Less is More" as the central theme resonates across our functioning and operations. As a result, we obtain the best run hours and productivity of available equipment and machines.

Undertaking operations with environment-friendly equipment, controlling emissions through deploying best-in-class technology, zero disposals of solid waste and effluent have been our way of working in a less carbon and more green environment. In a major step in this direction to improve the environmental footprint, we took-up conversion of ESPs in to Bag houses. Our efforts have been well recognised with Shree being

ranked second best on carbon related metrics in the world Cement industry in the latest sector report released by CDP (formerly the Carbon Disclosure Project). Shree has also been honoured by various prestigious organisations for its exemplary work and contribution towards making the environment better which include "Green World Ambassador Award" by The Green Organisation, London and "ABP Global CSR Excellence & Leadership Award" By World CSR Congress.

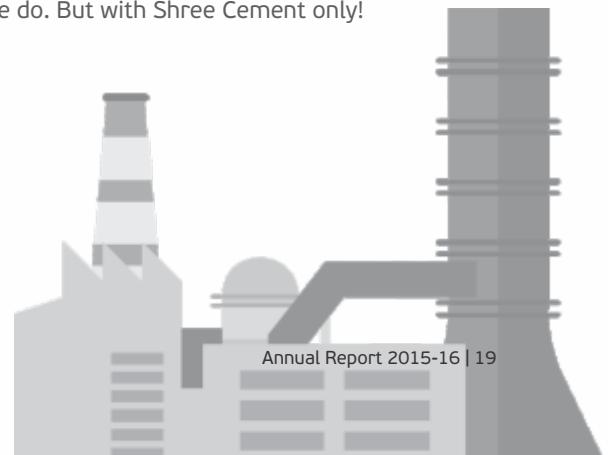
In a nutshell, the benchmark performance of all production facilities is a result of incredible passion, connect, synergy and dedication of various departments such as maintenance, production, quality control, commercial, procurement, MIS, Power Plant, etc. An important aspect for improved performance is speedy replication of best practices of one area across other areas. The team at Shree has shown its resolve to ensure such replication quite remarkably.

An important aspect for improved performance is speedy replication of best practices of one area across other areas. The team at Shree has shown its resolve to ensure such replication quite remarkably.

Shree believes firmly in happiness of all stakeholders. Our multiple contributions towards community services primarily in the areas of education, women empowerment, health, sanitation, sustainable livelihood, upliftment of marginalised sections of society, creating infrastructures, etc. are aimed at bringing a meaningful change to the lives of local community.

Continual application of "Less is More", across all functions, has kept strengthening us and enhancing our competence.

A frequently asked question to us is - Do we compete? If yes, then with whom? Invariably, our common refrain is - Yes, we do. But with Shree Cement only!



"Less is More" is the underlying philosophy on which Shree operates.

As a culture it has been percolated across various levels at Shree such that it is firmly ingrained even at the grass roots. So putting Shree under the scanner of "Less is More" was akin to putting an individual through a CT scan exposing all of one's vulnerabilities. Shree was ready for any 'moment of truth' revelation, however though the outcomes have been a pleasant surprise as anticipated.

This Annual Report throws light on some of the working principles of "Less is More" followed at Shree, along with relevant examples from across Shree to support its case as illustrated here.

CONSERVATION

► Less Resource is More Resourcefulness

In action at Shree:

Resource conservation is at the heart of every activity at Shree signifying its "Less is More" belief. In one such initiative, the team Shree experimented with capturing the waste gases generated during the Power Plant operations and producing synthetic gypsum through Flue Gas Desulphurisation Process. After initial trials, the project was successful. This Gypsum is now used for cement manufacturing as an alternative to Natural Gypsum. The project is serving dual purpose of creating waste to wealth and conserving environment.

[Read more of such CONSERVATION initiatives on Page no. 22](#)

EFFICIENCY

► Less Input is More Output

In action at Shree:

Improving efficiencies across operations and processes for creating 'More from Less' is a way of life for people at Shree. An excellent example of this is the improvement in the generation from Waste Heat Recovery Based Power Plants. Continuous improvement through reducing margins at every stage has made our Waste Heat Recovery Based Power Plants one of the most efficient power generators across the Industry and enabled the Company to have the largest capacity of such Power Plants in the Country.

[Read more of such EFFICIENCY initiatives on Page no. 28](#)

INNOVATION

► Less Common is More Creativity

In action at Shree:

When the requirement of a new Analyser arose, the team instead of going for external procurement, which was expensive, merged the panels of two Preheaters and permanently eliminated the need of having separate Analyser for each Preheater.

[Read more of such INNOVATION initiatives on Page no. 36](#)



MARKETING

► Less Us is More Customer

In action at Shree:

Bringing the Plants closer to the customer hubs and by meticulously planning its supply and distribution network, Shree created a niche in customer service delivery by door-to-door deliveries. This made Shree a market leader in the Bihar Market within a short span of 1 ½ years.

[Read more of such MARKETING initiatives on Page no. 42](#)

FINANCE

► Less Cost is More Business

In action at Shree:

Despite being on capacity expansion spree for over a decade, Shree has never gone overboard with its net debt position. Following a simple strategy of reinvesting internal accruals and using a judicious mix of funding options in the domestic and international markets, Shree has managed to keep its debt at low level. Thanks to its consistent high performance and resultant superior credit rating, interest rates are also competitive.

[Read more of FINANCE initiatives on Page no. 50](#)

HUMAN RESOURCES

► Less Management is More Engagement

In action at Shree:

At Shree, merit of an idea carries all the significance. It is not judged on the parameter of its source. The Company focuses on an environment of truthfulness and openness by deterring any kind of inter-departmental compartmentalisation.

[Read more of such HR initiatives on Page no. 56](#)

CSR

► Less Dependence is More Sustainability

In action at Shree:

Shree has adopted the triple bottom-line approach in its business strategy and operations. It's Waste Heat Recovery Power Plants while helping conserve natural resources and addressing emissions are also economically leading to overall sustainability. In the area of Corporate Social Responsibility, Company goes beyond the statutory requirements and work towards its commitment to the communities around. It goes extra mile to create a meaningful difference in the lives of its local communities.

[Read more of such CSR initiatives on Page no. 62](#)

Evidently, Shree works hard to institutionalise its strategy of "Less is More" across the organisation. Building its strategy on the three pillars of 'Conservation', 'Efficiency' and 'Innovation', Shree leverages its core strengths to be more than competitive and is reflected in its functional expertise across Marketing, Finance and Human Resources!

Every company aspires to be more productive and successful. Shree is no different. The difference is in staying focused and building remarkable processes.

In the forthcoming sections of the Annual Report witness Shree's exciting journey of "Less is More".

CONSERVATION

Less Resource is More Resourcefulness

'Taking purposeful actions' is one of the guiding principles at Shree. So rather than getting bogged down by the limitations of the situation, each challenge serves to test the mettle of the Company. Conservation of resources - Man, Material or Machine - is the heart and soul of actions at Shree. The emphasis is as much on conserving the natural resources as it is on space, time or processes. Where limitations do not limit; but trigger the collective imagination of the organisation to explore creative solutions. To push the Company in order to set new benchmarks!







“Conservation means the wise use of the earth and its resources for the lasting good of men.”

- Gifford Pinchot

Opportunity in Limitations

Limitations have diverse impact. It can discourage the weak into submission or it can encourage the motivated to higher achievements. Circumventing the limiting factors and turning them into opportunities require an unflinching belief that opportunities always appear wearing mask of limits.

Finiteness of resources on the planet is a perpetual limitation, which has acquired higher prominence in the current times due to excessive resource utilisation by the humankind. As part of the human society, industries are responsible to ensure that they play their part in keeping the earth inhabitable for future. Finiteness of resources, thus, is a limitation to those who see it as limit and an opportunity to those who care about it.

At Shree, identifying limitations and turning them into opportunities is a way of life. Scarcity, at Shree, is considered as an essential element to be factored in planning. Scarcity can be of any resource, be it material, machine or manpower or even the management. We seek innovative ideas to identify multidimensional solutions, which can provide us multiple options for a given situation. So not just the natural resources or other limited materials, but every situation has a set of limitations that carries hidden opportunities. The idea is to not get subdued by the constraints but to develop mechanism which best optimizes the given restrictions and provides optimal yield.

Thus conservation, at Shree, is just not about using less of something. It is also about maximising the contribution of machines, manpower and other resources (inputs) rather than the input itself. It is also about converting what one considers as a waste into an usable resource, generating value for the Company and addressing the issues concerning disposal of such wastes. At Shree, everyone believes that every waste has a hidden potential in it waiting to be unearthed. Identifying incremental value in all substances, whether a useful resource or something dumped as waste, is what defines the resource usage value system at Shree.

The team at Shree works with the belief that sustained progress is a function of incessant improvisations of identifying measures to use a resource more efficiently than currently done. Such sustenance is possible only through a structured organisational framework, which fosters innovation and competition among individuals. Every individual is motivated to fetch higher output from the given input and turning wastes into opportunities.

Less of Coal is More of Petcoke :

Conservation of precious natural resource such as Coal motivated the team at Shree to look out for alternate material. Not so long ago, the Industry was using Coal as fuel, which was a standard practice. Coal being precious natural resource, the uncertainty in availability was impacting the operations. The team set out to conserve this resource by targeting alternative fuel, which could prove to be a perennial source of fuel supply and economically feasible. Continuous trials of several fuels propelled the team to zero in on Petcoke, a byproduct of Petroleum, as an alternative fuel. Petcoke usage brought with it several issues in Cement and Power Plants. The team, however, kept removing the obstacles one by one with logical solutions and practices. Persistent efforts of the team ultimately got rewarded

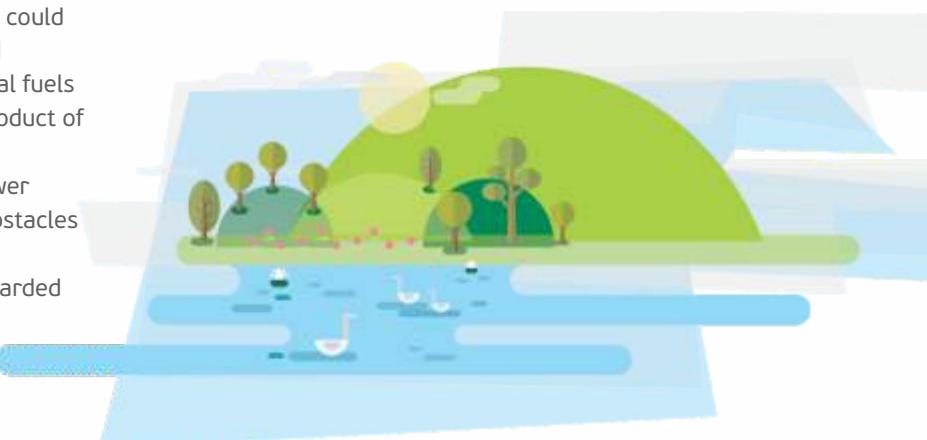
when the Plants could finally be run on both Coal and Petcoke. The usage is not free from all defects but the team consistently aims at lessening the difficulties in the process. This has also helped in creating a framework, a competitive edge, where shifting to any type of fuel at a very short notice can be done.

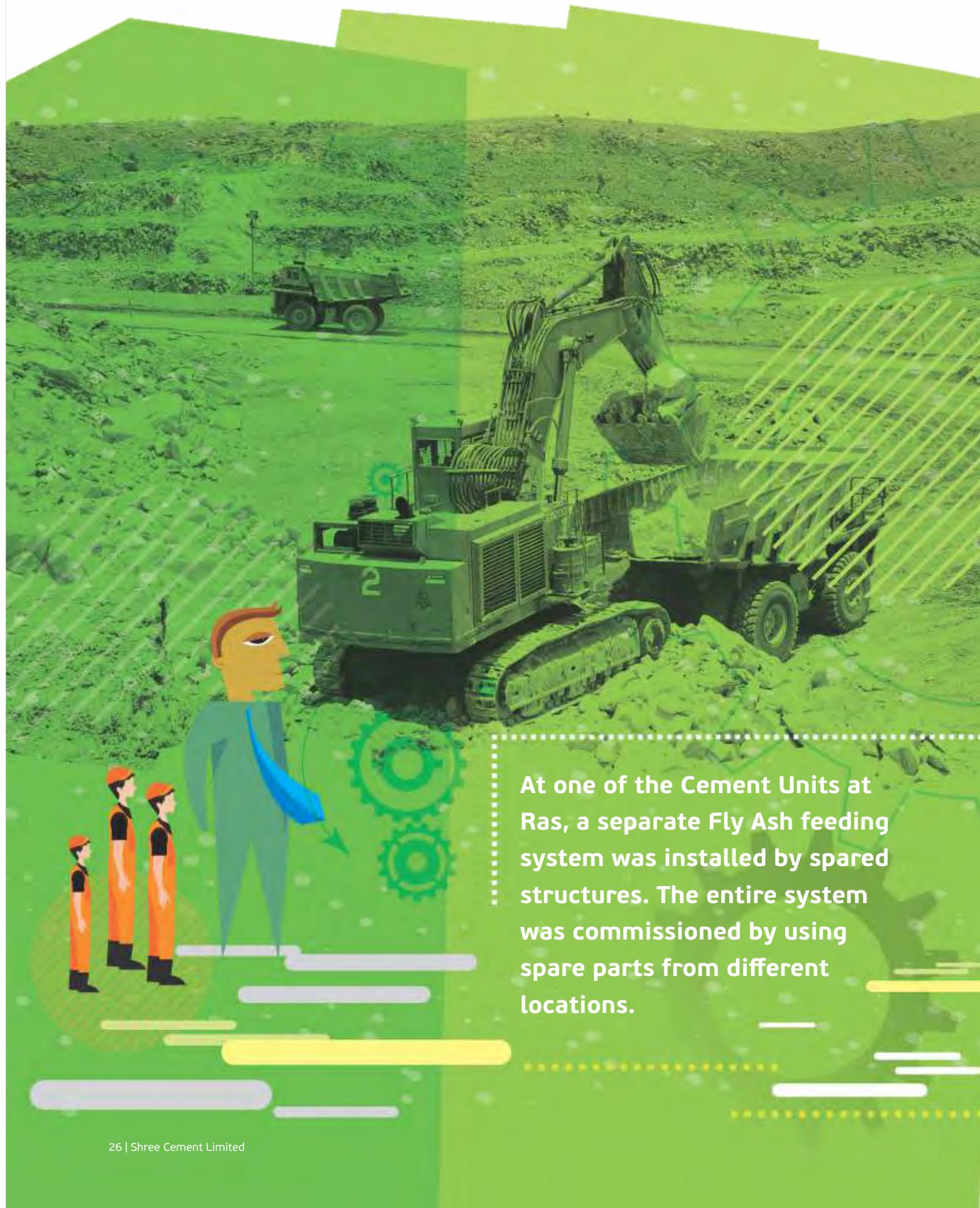
Less Clinker is More Limestone :

Clinker production is a Carbon intensive process. The team at Shree decided to reduce the Carbon intensity of this process. One such way was to reduce the usage of Clinker itself in the Cement production. Company identified that by increased use of Fly Ash, a potentially environmentally harmful material, it can reduce Clinker consumption. Fly Ash also had the issue of disposal as the Power Plants required large tracts of land for its disposal. The prevalent perception was that increased use of Fly Ash may dampen the quality of Cement. The Project was tested and the team identified positive qualitative impact on the product. As the product was rolled out, it met with a good response from the market. Again in the eastern market where there is a preponderance of Steel Plants, company utilised Slag, a waste from the Steel Plants, as a replacement for Clinker. The result is that the ratio of Cement to Clinker has improved to 1.49 in the FY 2015-16 from 1.34 in FY 2009-10, which compares quite favourably with other plants in its vicinity.

Less Dumping is More Mines :

Limestone having Lime content below what is required for Cement manufacturing is dumped. Team Shree had been scouting for an alternate usage of such low grade Limestone. The team decided to mix this low grade Limestone with higher grade one. This way the low grade Limestone could be used in Cement manufacturing instead of being dumped as waste. Company installed a monitoring system, which provides real-time assessment of the Limestone quality. This helps the mines team to adopt a judicious mixing of low grade Limestone with high grade Limestone to obtain the required lime content suitable for Cement manufacturing.





At one of the Cement Units at Ras, a separate Fly Ash feeding system was installed by spared structures. The entire system was commissioned by using spare parts from different locations.

In another instance, the low grade Limestone was mixed with fuel in the Power Plant, which helped to capture harmful content present in the gases being emitted from the Power Plant.

Creating value is about recycling and reusing spares or wastes. The team at Shree regularly demonstrates such efficiencies with instances of creating value in dumped materials through in-house developed systems.

Less of Scrap is More of Reuse :

In another instance of making wealth out of waste, the team at Mines salvaged parts of an old dumper. These parts were used in another dumper, which was well used in the mines.

Less Waste is More Value :

Installation of Waste Heat Recovery Power Plants (WHRP) has not been getting attention of Cement Units as it was considered to be very capital intensive compared to Thermal Power Plants and that it also requires high operational expertise due to its integration with Cement manufacturing process. Shree took the decision to install WHR Power Plants as it had the multiple advantages of eliminating emission of waste gases, reducing fossil fuels requirement in power plants, conserving water and giving energy security by eliminating uncertainty over fuel. In short, it was an initiative truly modeled on the core belief of "Less is More". Shree, over a period of time, has now come to acquire significant operational expertise in this sustainable green power source to the extent that it has the largest capacity of such Power Plants in the World Cement Industry, outside China. In the process it has shown the sustainability benefits of WHR to the Industry.

The team at Shree has strived to give waste a subjective characteristic. What is waste for others may be a valuable substance. Therefore, for us at Shree, every waste calls for an analysis into its potential. Through unearthing value in numerous wastes, Shree has not only created a valued proposition for itself but has also rightly served the environment through creating value in least required and potentially harmful substances.

Less of Natural Gypsum is More of Synthetic Gypsum :

Natural Gypsum, a scarce mineral, is an ingredient used in Cement manufacturing. The team, at Shree, had taken upon itself to identify alternate material to conserve this natural resource. In another instance, harmful gases present in Power Plant emissions were absorbed in slurry form by mixing limestone with fuel. The team combined environmental concerns with resource conservation to generate economic value and tested a pilot project on Flue Gas Desulphurization (FGD) Plant, with the objective of capturing the gases from emission and using that to produce Synthetic Gypsum to replace Natural Gypsum in Cement manufacturing. Initially the results were not so encouraging but persistent trials and efforts in this direction finally yielded positive results. The team succeeded in the implementation of FGD Plant, which captures Power Plant emissions and produces Gypsum from them. The Project has not only been environmentally beneficial but also conserves mineral Gypsum, which is a scarce natural resource.

Conservation of resources is rightly served through its absolutely optimised usage as not using it in itself makes it irrelevant. Any natural resource may have multiple benefits and to utilise it in the area where it serves the most is the ideal way to conserve that resource. The idea at Shree, hence, is to always use a resource to its optimal best. It is never a destination but a continuous journey at Shree. Each day and every moment Shree is committed to making the maximum out of all the resources at disposal.



EFFICIENCY



Less Input is More Output

Shree follows the path of a well-thought-out, well-executed process planning; so that each project delivers better than the best yield. The Company firmly believes that an industrial eco-system operating at its utmost potential best serves the Mother Nature. Nature keeps growing continuously and systematically. Getting inspired by nature, the Company works towards building systemic efficiency. 'Efficiency by design, value by default' is the unique approach to enhance productivity and sustainability at Shree.







"There can be economy only where there is efficiency."

- Benjamin Disraeli

Continuous Pursuit of Less

Growing requires continuous craving for more and more. Those who settle for the present and don't seek more, cannot be expected to get more. But if merely going for more was sole criterion for growing then all successful companies would have kept becoming more and more successful. The truth is, large and successful corporates do collapse over time and hence looking for or having more of resources may not be the prime ingredient for a sustainable growth.

Success, then, is not about having more of everything but having more of the required things. Perhaps, having less of the things not required.

A major reason for large companies to fail is that when they grow big they get into the pursuit of more. So they seek more products, more data and more information and take these as harbinger of more profits.

Shree has been growing and consistently reaching newer milestones. What differentiates us is that instead of looking at more and more, our concentration remains on the less supported by our perpetual belief that, 'Less is More'. The enablers of this differentiation are motivated people, clearly defined roles filled with challenges and a determination of attaining continual improvement in everything that we do. So people at Shree seek less resources, less time, less energy and less management for more output, more sales, more customer satisfaction, more deliverance from teams and more value creation for all our stakeholders.

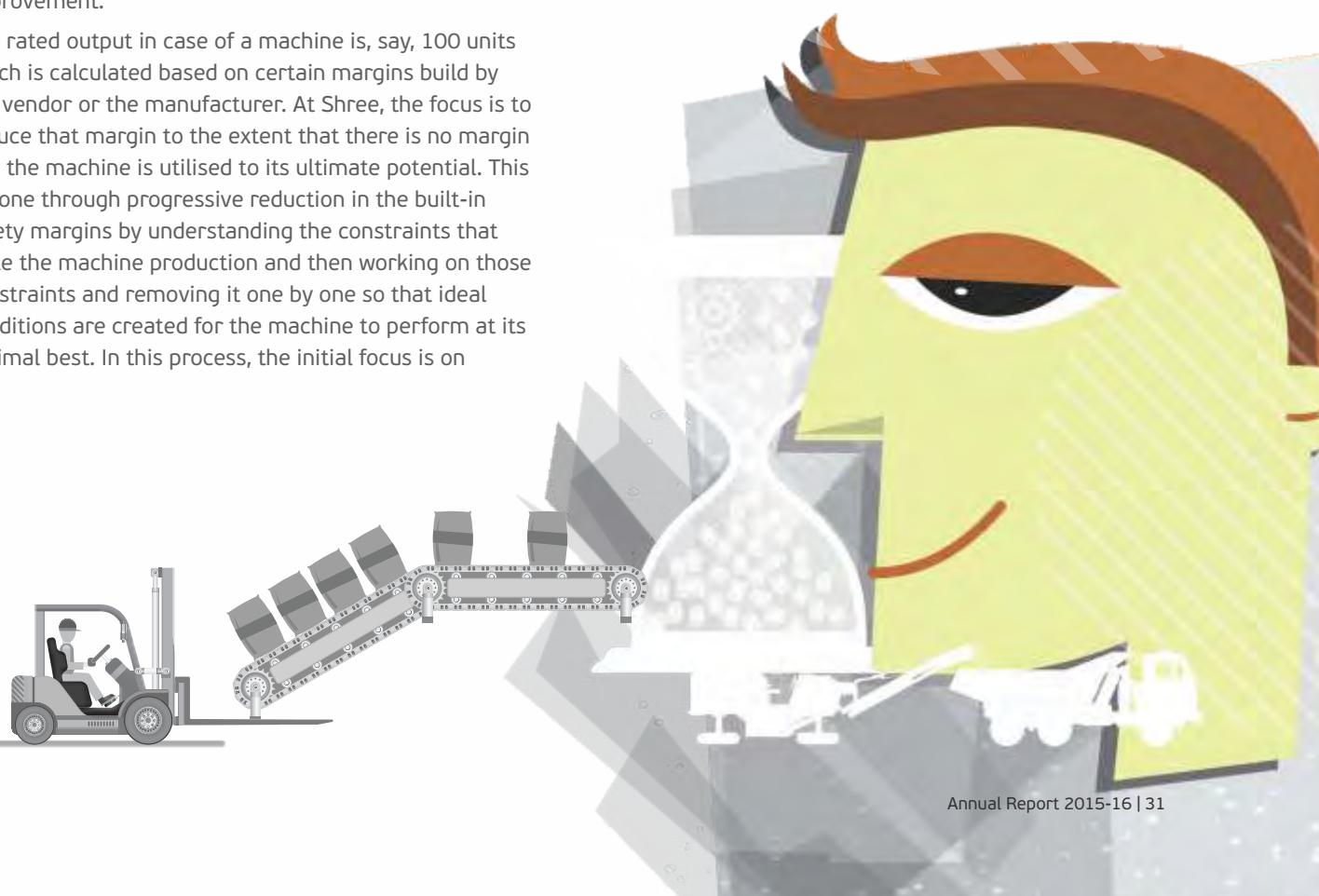
This 'Less for More' philosophy requires application of focused approach to bring about incremental change from the present for better. Focused concentration on less for more helps us identify constraints and bottlenecks for realisation of such incremental change in different areas of operations. This concentration on less reflects in less downtime of equipment, less use of materials and energy, less requirement of manpower and less resources with more outputs and deliverables. The idea is to maximise the input to output ratio on a continual basis, which means that the process of improving the input to output ratio keeps continuing one after another through realisation of targeted level of improvement.

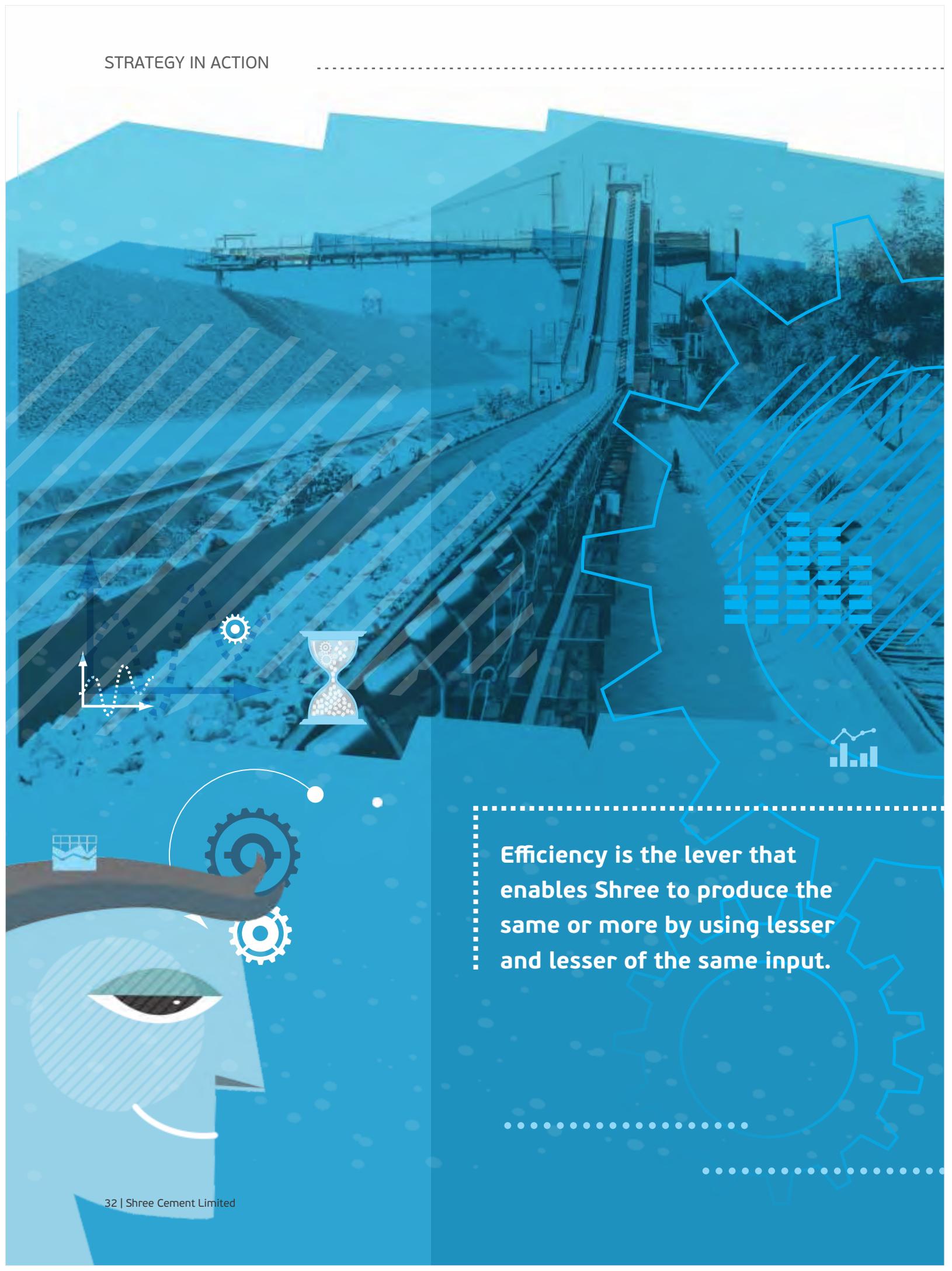
The rated output in case of a machine is, say, 100 units which is calculated based on certain margins build by the vendor or the manufacturer. At Shree, the focus is to reduce that margin to the extent that there is no margin and the machine is utilised to its ultimate potential. This is done through progressive reduction in the built-in safety margins by understanding the constraints that stifle the machine production and then working on those constraints and removing it one by one so that ideal conditions are created for the machine to perform at its optimal best. In this process, the initial focus is on

achieving a production level that is marginally higher than present. Once this is done, the idea then is to understand the conditions which enabled such higher output and create such conditions in the next stage so that such higher production becomes a normal production level. Repeating the process continuously is what makes the Company achieve better performance from the machine. No wonder that the Company gets the maximum from the machines.

The above process aims at continually improving the productivity and efficiency of the machines without any perceived limit. An excellent example of this is the improvement in the generation from Waste Heat Recovery Based Power Plants. Continuous improvement through reducing margins at every stage has made our Waste Heat Recovery Based Power Plants one of the most efficient power generators across the Industry and has enabled the Company to have the largest capacity of such Power Plants in the Country.

Efficiency, at Shree, is considered as the most important factor in planning. Efficiency of each and every process is sought through innovative ideas to identify multidimensional solutions, which can provide multiple options for a given situation. This is evident in all spheres of the Company's value chain, be it utilising boilers, having multi-fuel capabilities, multiple brands or flexibility in production, procurement and project management.





Efficiency is the lever that enables Shree to produce the same or more by using lesser and lesser of the same input.

Less Power Consumption is More Efficient System :

Aerofoil Replacement – Continual improvement of the present inspired the Company to look for areas where efficacy levels could be further improved. Aerofoil, an instrument to measure the flow of air into the Power Plant Boilers, was installed in the Hot Secondary Air Ring Duct for Flow Measurement. The Aerofoil had a pressure drop of 25 mm, which resulted in increased power consumption for the Boiler Fans. Inspired by the fervour for improving upon the present, the team looked out for scope to implement better efficiency in the system. Internal analysis and research revealed a better option in the form of Averaging Pitot Tube (APT), which could not only serve the purpose of Air Flow Measurement but could also reduce the pressure drop to upto 1-2 mm from 25 mm. In the initial stage both the APT, which was installed in the Ring Duct and Aerofoil were used to monitor any variations in air flow and its measurement. Results revealed satisfactory air flow values from APT along with the advantage of pressure drop. Aptly the Aerofoil was removed from the Duct and pressure drop was reduced resulting in significant savings in the power consumption of the Secondary Air Fan. Subsequently, all the Aerofoils were replaced with APT, which generated perpetual energy savings and financial benefit to the Company.

As a lever, efficiency enables us to produce the same or more by using less and less of the same input. The input to output ratio is the only level that we aim to maximise and which enables us to optimise.

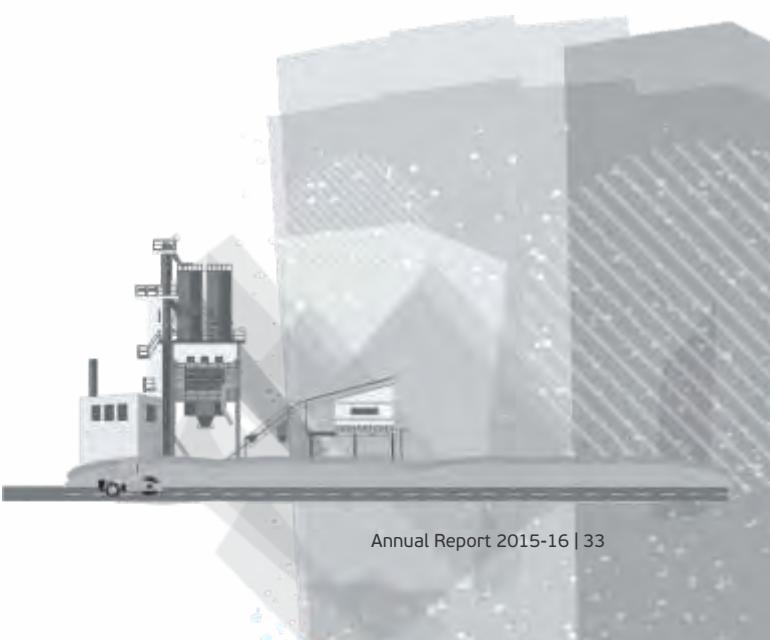
Installation of Twin Lobe Blower - Efficient energy management is a regular activity at Shree where people analyse the existing technology and level of productivity of various equipments. Extensive internal scrutiny undertaken with a view to improve efficiency levels revealed scope of improving efficiency in the kiln firing system. Due assessment of the process was undertaken to match the present levels with desired levels, which revealed that the Blowers being used in the kiln firing process were of conventional make. The team scouted for inducting newer technology in the process and identified Twin Lobe Blowers as more efficient newly available technology. In no time, the same was finalised and Twin Lobe Blowers were acquired for pyro and kiln firing system resulting in lesser power consumption, lower maintenance, more efficiency and lower spare consumption. This was on the top of the financial savings of almost ₹ 5 million, enabled through the energy efficiency initiative.

Modification in Ph Boiler – Waste Heat Boiler installed at the Pre-heaters was identified to be suffering temperature loss. Internal analysis revealed requirement of modification of the Boiler Outlet. The team carried out the modification in-house and insulated the Ph Boiler. The modification resulted in achieving substantial efficiency in fan power consumption. Apart from this substantial fan power consumption efficiency, we could generate perpetual financial savings.

Less Downtime is More Savings :

The team at Shree always scouts ways to reduce the time taken by it for maintenance of Plants and Equipments vis-à-vis the previous occasion. It is a normal phenomenon at Shree where the team plans for maintenance for 6 days and completes the project in 3 days; as was done for the ABB-make Control & Automation System replacement at Panipat Grinding Unit.

Efficiency, at Shree, is considered as the most important factor in planning. Efficiency is not just machinery specific at Shree. Non-technical processes are also accustomed to improving efficiency at every level to sharpen their deliverables.





Less Waiting is More Availability :

Liebherr Telescopic Mobile Crane, an expensive imported crane, was urgently required for the Ball Mill Project at Bihar Grinding Unit. In order to improve the delivery time period, the commercial team pre-planned and completed all the formalities for releasing its delivery from the Customs. This included arranging for the Insurance Surveyor visit at port for insurance of the crane, ensuring placement of trailers (4 nos.) at port and having Liebherr's engineer to supervise loading of the Crane simultaneously. As a result the Crane was dispatched from the sea port within 3 days of arrival. Further through apt negotiations, the offer for transportation of crane was reduced by 25% by creating competition among transporters. In effect, inspite of heavy vehicle running on road and multiple permit requirements in four different states, the Crane could reach the destination from Mumbai to Bihar in just 15 days against a normal delivery time of 30 days.

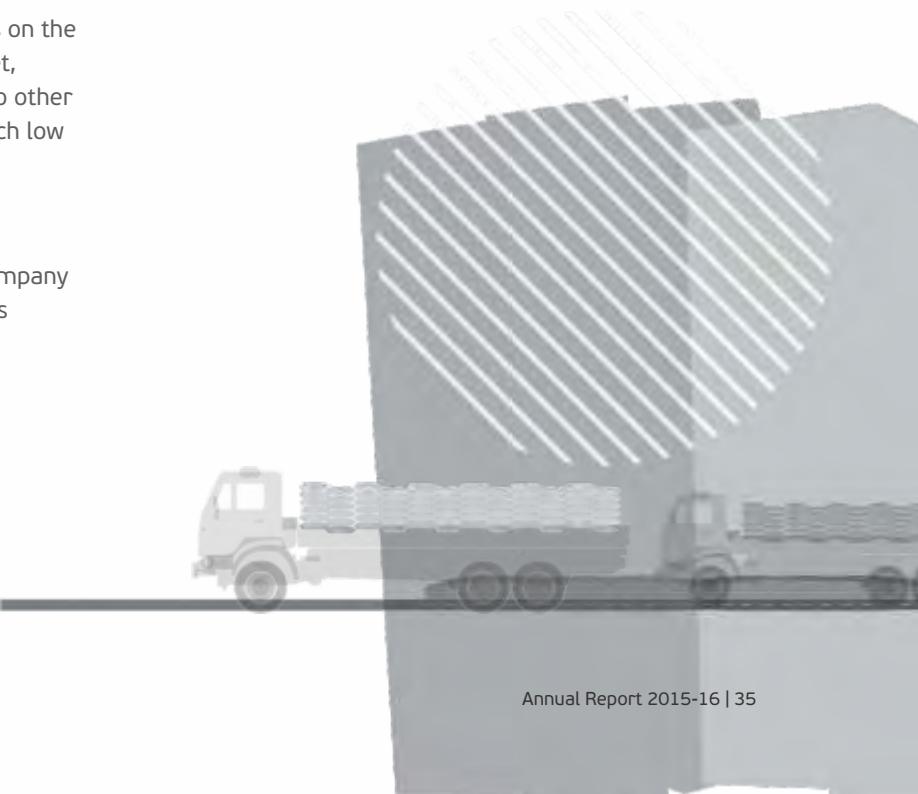
Less Dependence is More Optimisation :

Flexibility in logistical process is an integral part of efficient operations at Shree, generating significant value. In one such initiative, a particular route having high despatch quantum was served through rail transport, which was expensive than road transport. Considering the benefit from rate differentiation, the logistics team carried out extensive coordination with marketing team to plan despatches on that route on a daily basis. It required developing an entirely new road fleet so as to result in lowering rail despatches, as rail transfers were getting economically unfeasible. Convinced, however, of the benefit, the team decided to stop bunching orders on that route and provide separate daily planning to customers lying on that route. Extensive daily planning enabled road despatches on the said route through deployment of small sized fleet, which generated significant economic benefits. No other Cement Company has managed despatches at such low level as has been done by Shree.

The rail freight had steadily been on the rise, appreciating almost 65%, while road freight was range-bound owing to sober diesel prices. The company monitored this situation and steadily optimised its transport mode to save on the costs.

Efficiency in each and every process of resource management is a continually sought after activity aimed at identifying multidimensional solutions for a given situation. Effective efficiency results from focused and concerted efforts, which can be achieved only through lesser variables rather a multitude of variables. Working on less to produce more has been an eternal philosophy at Shree and it has paid rich dividends.

**Eliminating Cheque usage -
In a unique and intensive
initiative, the Accounts
Department implemented
automated payment to
vendors using RTGS.
Overnight, the physical
printing of cheques - about
10,000 in a month - and
related manual processes
were reduced to naught.**



INNOVATION

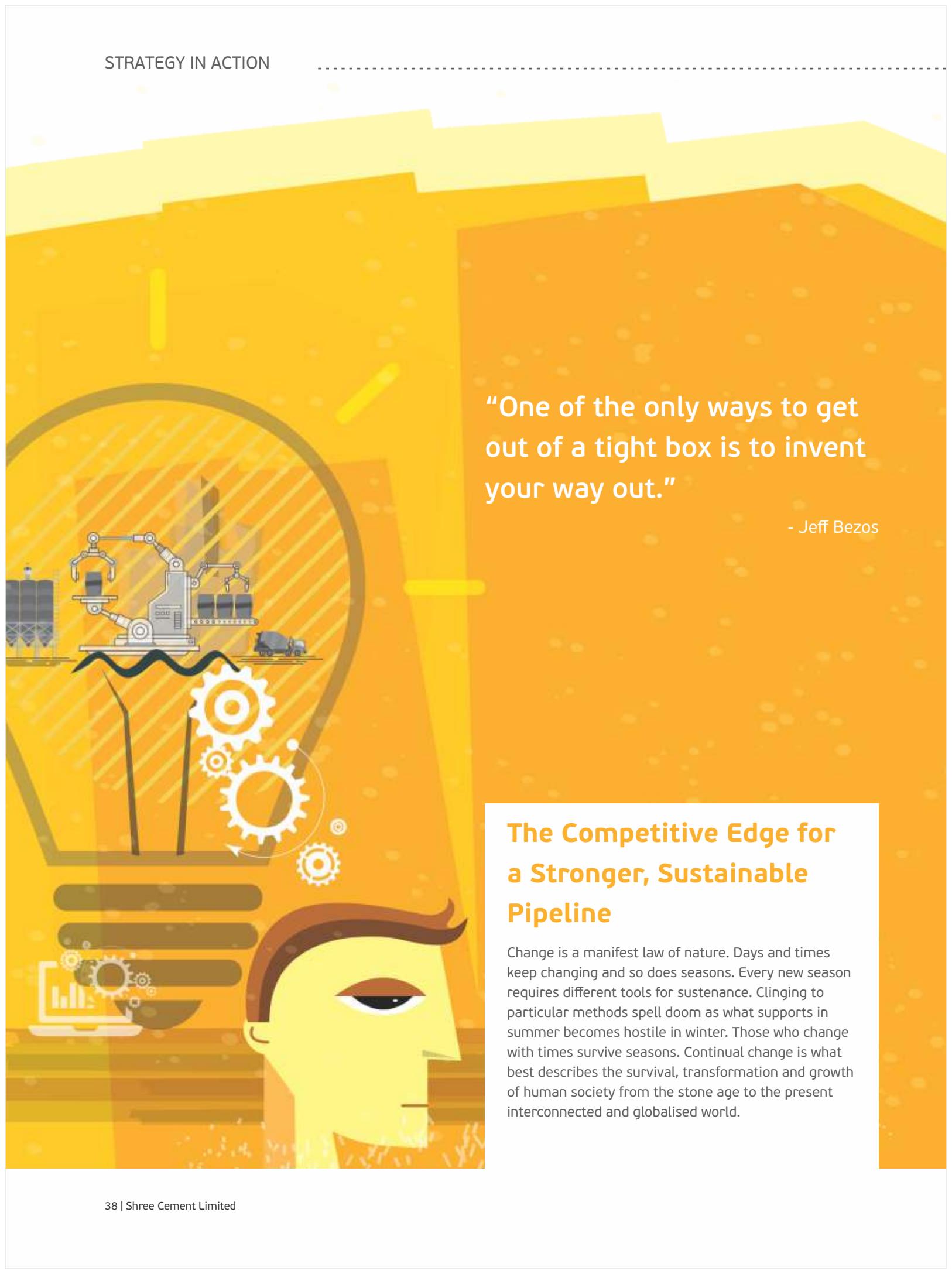
Less Common is More Creativity

Innovation is in the DNA of Shree. An organisation wherein out-of-the-box thinking is complimented by going-out-of-one's-way to achieve the desired outcomes! Innovation and seamless execution have become the hallmark of the Company.

Innovation has been institutionalised in the Company in order to become a value-driver in the long run. Cutting down on non-value and repetitive processes, waste reduction, conservation of resources and optimal utilisation of resources guide the endeavours at Shree.







"One of the only ways to get out of a tight box is to invent your way out."

- Jeff Bezos

The Competitive Edge for a Stronger, Sustainable Pipeline

Change is a manifest law of nature. Days and times keep changing and so does seasons. Every new season requires different tools for sustenance. Clinging to particular methods spell doom as what supports in summer becomes hostile in winter. Those who change with times survive seasons. Continual change is what best describes the survival, transformation and growth of human society from the stone age to the present interconnected and globalised world.

Seamless interconnectivity has transformed knowledge distribution into an instantaneous process. Specified knowledge is no more the domain of few. Every new development is lapped up quickly by the marketplace and life span of new ideas are continually getting shortened, swiftly replaced with something newer. The World of today is a competitive workplace, where new ideas and innovation are no more a specialised area restricted to specific echelons of intelligentsia. Like improved literacy levels have made previously literate credentials redundant; innovation is now the quintessential tool, the absence of which makes people non-competitive.

Innovation at Shree is an omnipresent phenomenon nurtured over the years by impatience alongside the existing and continual striving for the new. Questioning the existing in search of a better alternative is a systematic process at Shree. Logical analysis of a given practice without getting influenced by perceptions is encouraged as a preeminent cultural convention. Existing members as well as new entrants to the team are encouraged to look at a prevailing process with a different mindset and attempt to find areas where improvement can be accommodated. Any alteration, big or small, creating incremental value is appreciated and encouraged.

Propelled by the confidence acquired through reaping benefits of an innovative culture, people at Shree seek out-of-the-box solutions to keep reestablishing past and present understanding and leverage it to its maximum potential. Any unsuccessful attempt in the process is disregarded, but the understanding and learning from it is kept in mind for future benefits.

Less Sensors is More Sensible :

Requirement of a spare Analyser had arisen in one of our Cement Units. Analyser is the instrument required for measurement of gases in the Pre-heater. Quotes obtained from vendors pegged the cost of the item at ₹ 6.5 lakhs at the least. Inspired by innovative spirit, the team decided to scout ways to search alternative solution. Detailed analysis of the performance of the article revealed a scope for using it across Pre-heaters due to symmetry of machines. The team tested the idea by merging the panels of two Pre-heaters. Merging the sensors enabled the Analyser to simultaneously capture and display the measurement of gases in two units. Not only there was a financial savings for the specific requirement, it also enabled the team to implement it across other units as well and Analysers of two more units were merged thereby sparing two more Analysers, which could now be used in future. Needless to mention, this has perpetually harmonised usage of the specific article across the organisation.

Less Processing is More Economy :

Woobler is an instrument used for screening Limestone of particular sizing. The Limestone input is primarily screened at Woobler and then passed on for next level screening at "Secondary Crusher and Roller Screen" prior to its further processing. In an innovative push, the team decided to abolish the requirement of the next level screening by reducing the size of ring in the Woobler itself. This modification completely removed the "Secondary Crusher and Roller Screen" from the screening circuit. Multiple benefits from the initiative included power savings from non-running of secondary circuit, reduced cost of stores and spares, less manpower requirement for maintenance, sparing of spare parts like motors and crane, which were utilised elsewhere and increased overall output. Further it increased the screening capacity substantially as an entire Roller Screen was spared. Subsequently quote from external agency was obtained for carrying out Woobler modification, which was quite high than anticipated. The team decided to carry out the modification internally. The team reduced the screening ring size to the desired level in-house at less than 5% of the quoted estimate.

Less Outsourcing is More Solutions from Within :

In another instance of improving efficiency, the team installed an in-house Reverse Osmosis (RO) Plant to desalinate water and reduce the Total Dissolved Solids (TDS) in water. Such installations are typically done by experienced external agencies. The Plant had multiple benefits in the form of more availability of Demineralisation (DM) Streams due to less regeneration, continuous running of DM Streams to fulfill DM water requirement of Power Plants at Beawar (SMP, SP and GPP), increasing the Resin life, reducing generation of effluent and RO reject water could now be used directly as cooling tower make up. Further, it also resulted in a safe and healthy environment due to less chemical handling at the site.

Less Specific is More Wider Applications :

In a unique initiative, the team modified the Turbocharger of Cummins-make to fit into the Komatsu Dumper. Apart from Cummins Turbocharger being lower in cost by almost ₹ 4 lakhs, there were other multiple advantages of the Cummins Turbocharger over Komatsu Turbocharger. This included lower cost of repair, elimination of any probability of engine seizure due to coolant leakage as Turbocharger is not water cooled, higher gaps between repairs, easy availability of repair kits, etc.





Innovation at Shree is an omnipresent phenomenon nurtured over the years by impatience alongside the existing and continual striving for the new.

Less Stoppages is More Output :

In another innovative initiative, the team introduced Thermocouples in the Coolers to measure the inlet temperature. This helped in obtaining the inlet temperature earlier, which could be informed to the mechanical team for taking precautionary actions to maintain required temperature and helped reduce Kiln stoppages due to instability in the internal temperature.

Less Skidding is More Safety :

The mines team was facing problems of skidding and load of the Bowsers during rainy season. Quotes received from the OEM dealer were in excess of ₹ 9 lakhs per modification. The team, inspired by the zeal to accept and accomplish challenging tasks, decided to do it in-house. Analysing the issue, the team modified the axles of the Eicher made Diesel Bowsers. This permanently eliminated the skidding and load issue at mines.

True innovation is far more than an extension of what is done normally and while being different, uses capabilities that exist within the Company or are augmented by strategic alliances. Those who innovate either doing incremental or radical product, process or business model innovations are at an advantage over the others.

Lesser Waiting is More Cost Saving :

In another initiative, the team through analysis of truck waiting time, identified higher willingness of transporters for direct sale from plant loading due to certainty in loading status and low waiting time. The team further analysed the freight data which corroborated such preference. Recognising the benefit to truckers of higher number of trips and resultant savings, the team renegotiated the freights for direct sale to bring it down in comparison to depot sale.

Less Redundancy is More Usefulness :

For our new unit at Bulandshahr in Uttar Pradesh, a 25 m³/hr capacity Water Treatment Plant (WTP) was required for 16 Tonnes per hour (TPH) Boiler. The team, instead of going for procurement of new WTP, scouted for an alternative efficient solution. The team learnt of an old WTP at its Ras site, which could fulfill the requirement but required certain modifications to make it efficient enough to be utilised at Bulandshahr. The team, again, instead of going for external consultants, worked upon the existing Ras WTP stream and brought it to a condition where it could be used at a new place. The expenditure incurred on improving the efficiency of the existing WTP was much lower than the cost of a new WTP.

Less Processing is More Happiness :

Payment to transporters across the Cement Industry normally would take about 7-8 days from the time they check in at factory gates. In a unique initiative, the Company implemented immediate or same day payment system to transporters. As soon as the transporters check in their vehicle, Accounts Department would initiate payment process and make the payment on the same day. The transporters were informed of the payment through SMS.

This unique initiative reduced the waiting time of transporters resulting in more trips per vehicle and incentivised them to engage more with us, thereby enhancing vehicle availability for our despatches. Increased vehicle availability meant more quicker and timely despatches to the customers.

Innovation, to be a competitive edge for the organisation, has to be an enterprise wide phenomenon cutting across hierarchical systems. Continuous lookout for one big game changer idea may remain elusive and may not serve the purpose. Successful enterprises are built on subtle but continuous innovation, which continually keep strengthening the inner fabrics of the organisation. Prime driver of innovation wheel in a Company is the philosophy of 'Less is More', which reflects itself in the synergy, efficiency, conservation and in every area of business; be it marketing or production or any service activity. At Shree, the coverage of innovation is as wide as a solution that has enterprise-wide or sector-wide impact to a small department level solution that saves money, time, space and resources. The threads of innovation are visible even in the smallest of initiatives undertaken. This remains the undertone of success at Shree.



MARKETING

Less Us is More Customer

Shree has always followed the path of seeking answers from the marketplace and from the customers. Eventually everything that Shree does is to delight its customers; be it marketing and branding strategy, product development, be it product delivery, be it promotions and communications, be it servicing them or be it relationship management.

Customising solutions based on market and customer intelligence is what the Marketing Department at Shree does. Insistence on having an outward perspective rather than an inward and biased one has made Shree a customer-centric and responsive organisation.







"The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself."

- Peter Drucker

Focus on Few, Delight More; Build Great and Lasting Relationships

Being everything to everyone is as good as being nothing to anyone. A beam of light focuses wider, more of everything and loses its intensity over a distance. In contrast, a laser is sharper, targeted and incisive even over a distance. So focus on everything, in essence, is focus on nothing. This is particularly significant in today's marketplace.

Customers, these days, expect to be delighted more with an experience rather than the product or service attributes and features. As they get more and more discerning living in an 'on-time, on-demand' world, savvy marketers need to continually seek every available means to find a solution to satisfy ever changing customer preferences.

As business, instead of chasing all, Shree focuses more efficiently by concentrating on few top growth opportunities available at a given time. Focus on specific customer segments and offering products accordingly has ensured better execution and more accountability, creating a better and bigger impact for the organisation. At Shree, the customer focus is at the centre-stage of everything. It has always responded to the market demands by focusing on R&D and developing products that save the precious natural resources, yet are of equal or a better quality. This not only solves the need-gap of the customer, but also creates an overall value for the eco-system. Educating the customers on methods to better utilise Cement and fulfilling their on-time, any-time demand is something that Shree has implemented very successfully, which in turn adds to the increased customer confidence and trust in its brands. This approach also finds its way in the way Shree plans the promotional and advertising campaigns through innovative planning and ideas; eventually, leading to more efficiency and a higher Return-on-Investments as compared to the peers in the Industry.

This unique strategy of 'Less Us is More Customer' has helped Shree become a focused, responsive, efficient and a sustainable organisation.

Less Customer Generalisation is More Brands :

Generalising all customers as having uniform expectations from a product would be like the beam of light focused on nothing and hence serving no purpose. Marketing strategy at Shree is based on a qualitative and quantitative customer segmentation and devising product offering strategy accordingly. Segmenting customers based on specific attributes of their requirement has led the Company to offer specific brand for specific segment to meet their varying expectations. Going against prevalent perception of generalising product offerings under a single brand, Shree, like an incisive laser, has concentrated on specific customer categories through its three leading Cement Brands Shree Jung Rodhak, Bangur Cement and Rockstrong Cement; thereby meeting the ever increasing demand of the customers for trustworthy Cement. More so, as a part of its focused advance, Shree has not spread its footprints very thin; rather it has focused on the promising markets of North India and Eastern markets of Bihar, Chhattisgarh, Orissa and West Bengal. Such a purposeful approach gives Shree the much required efficiencies, better execution capabilities and more accountability. Shree's relentless focus on providing customer-centric products and services has made it a market leader in Rajasthan, Haryana, Delhi and Bihar and a close number two in Chhattisgarh.





**Timely and regular deliveries
on demand are the norm with
Shree and the key to its
success in the markets.**



Less Lead is More Reach :

The concept of 'Pizza Delivery' in Cement Industry cutting down the lead is a big leverage to market access. The lead at times can be as high as 500-700 km. Contrast this with a player with the lead as low as 150 km; which eventually becomes a strong competitive advantage. Imagine the time advantage a customer would enjoy with a shorter time cycle.

Shree, in the battle for the northern region and the NCR, decided to be nearer to the customer in this major consumption market. Taking a cue from the 'Pizza Delivery' mechanism and applying the concept in the Cement Industry to delight the customers, Shree worked towards cutting the lead to about 150 km and then to just 80 km in most of the instances. In one swift move, Shree could reach deeper and further to make in-roads in the northern region and the NCR.

This strategy proved to be a game-changer for Shree in the NCR and it eventually became a trend-setter with others following suit not before giving the Company a strong foothold in the market. The success was indeed 'piping hot' and worth relishing!

Less Distance is More Market :

In an industry which is marked by delays in the delivery of Cement due to its bulk nature of movement, Shree came up with this unique concept of door-to-door deliveries in the newer markets of Bihar and Chhattisgarh. Bringing the Plants closer to the customer hubs and by meticulously planning its supply and distribution network, Shree created a niche in customer service delivery by providing door-to-door deliveries. Without discriminating the customer based on the size of the order, Shree serviced all its large and small customers with equal importance.

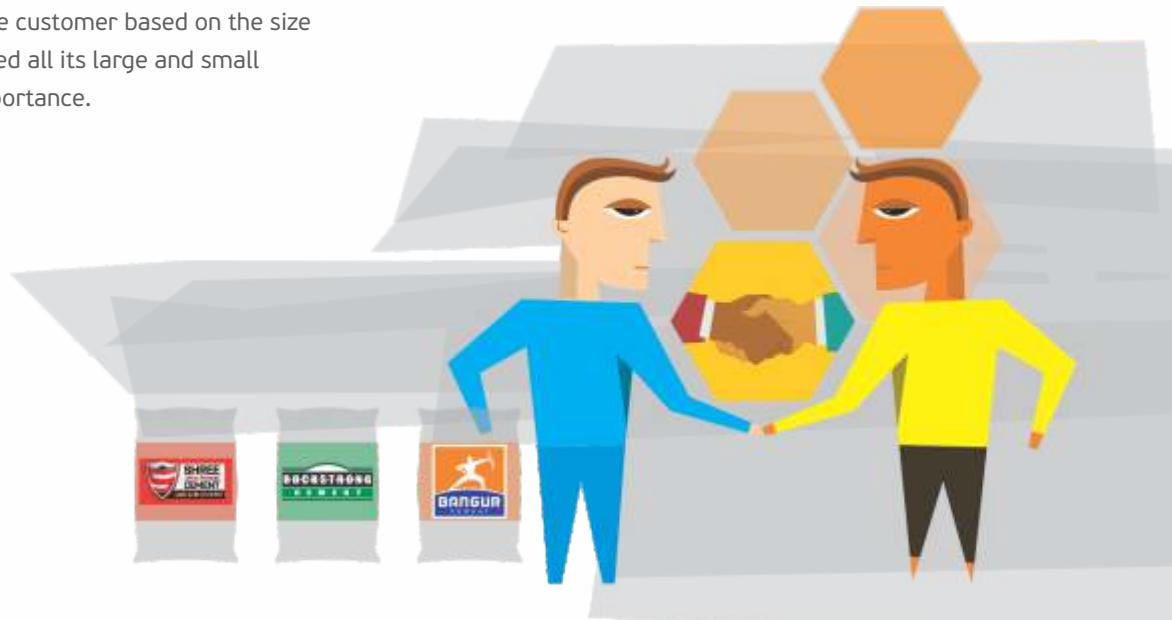
The difference is there to be seen. Timely and regular deliveries on demand are the norm with Shree and the key to its success in these markets. Add to that, servicing a smaller radius of the market improved handling and transportation efficiencies. Reducing the distance with the markets resulted in a larger market share for Shree.

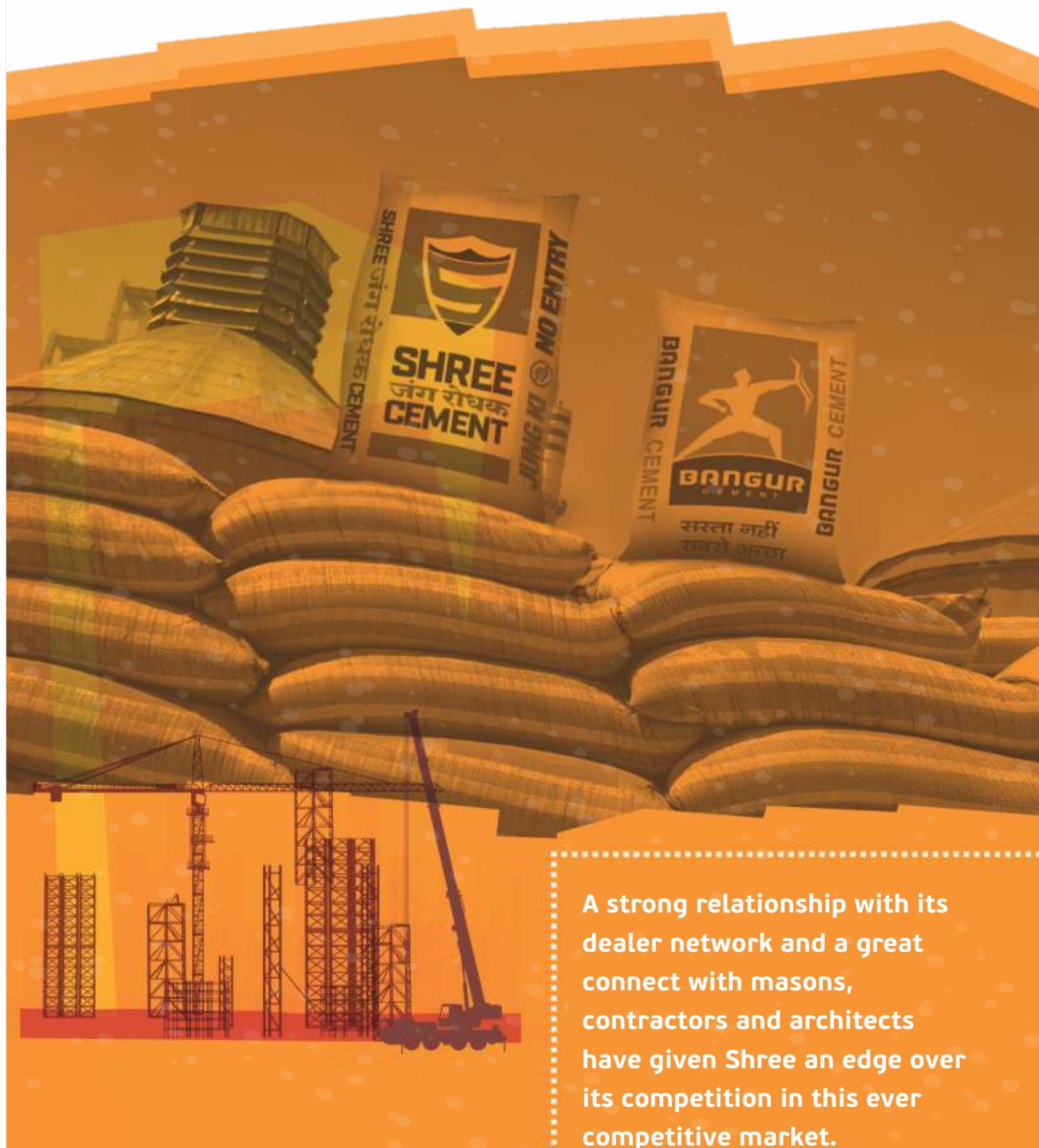
Less Uncertainty is More Trust :

Most of the masons and individual household builders are unaware of better techniques to ensure longevity of their structures and methods to better utilise Cement. Shree sensed this feeling of uncertainty and came up with a first-in-the-industry concept of servicing the masons and individual household builders by improving their knowledge and increasing their efficiencies.

Shree formed a team of specialist salesmen for conducting training of masons, other associated people at the lower strata of the construction activity and individual household builders. The team moved from one construction site to the other and made the beneficiaries aware about qualities of Cement and the correct way of using it. More so they also educated the beneficiaries to improve overall efficiency in usage of resources and improve safety standards.

As a result of this customer-oriented activity, clarity prevailed, a strong word-of-mouth ensued and an unwavering trust was reposed in Shree.





A strong relationship with its dealer network and a great connect with masons, contractors and architects have given Shree an edge over its competition in this ever competitive market.

Less Cost is More Impact :

Branding has been a very important component of business in the Cement Industry. Such kind of branding efforts that reach across the various strata of the customers requires advertising through expensive mediums like television and print. Shree very quickly understood the potential of an alternate and cost-effective medium that can complement the efforts on television and print. Shree effectively implemented a media plan that covered in-shop branding, hoardings and kiosks, wall wraps and wall shop painting. Such medium, seemingly inconsequential, delivered phenomenal results for Shree in terms of increased awareness and recognition and that too at a fraction of cost compared to the conventional mass mediums. Cost-efficient and effective advertising coupled with a strong dealer network and innovative engagement initiatives with the customers have made Shree Brands the preferred choice of Cement in the markets it is present.

Less Disconnect is More Relationship :

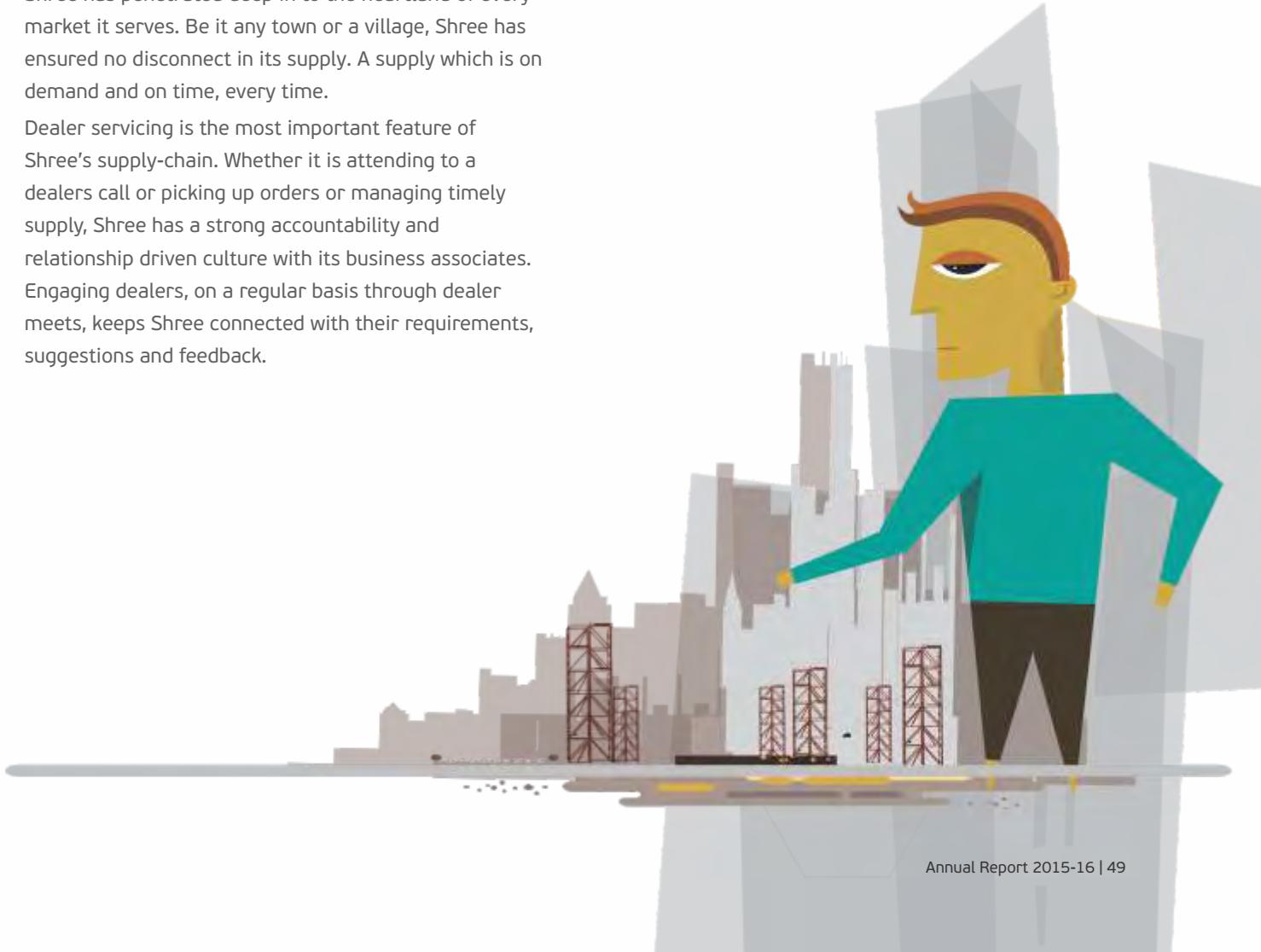
Shree has penetrated deep in to the heartland of every market it serves. Be it any town or a village, Shree has ensured no disconnect in its supply. A supply which is on demand and on time, every time.

Dealer servicing is the most important feature of Shree's supply-chain. Whether it is attending to a dealers call or picking up orders or managing timely supply, Shree has a strong accountability and relationship driven culture with its business associates. Engaging dealers, on a regular basis through dealer meets, keeps Shree connected with their requirements, suggestions and feedback.

Less Uncertainty is More Service :

The Power sale team has formed deep relationship with the buyers by continually serving their varied needs. The team has developed offerings keeping in mind the dynamic requirements of the buyers of Power. Typical misgiving of buyers in Power purchase is the non-supply of Power under contract due to unforeseen contingencies at the supplier's end. By hedging the buyers against any such unforeseen contingency, the Power sale team provided a unique delivery solution that deepened the trust of buyers.

Shree is honoured to have a relationship of trust with masons, contractors and architects across the markets. Whether it is through regular meets or visits to the construction sites, Shree has developed a bond of mutual respect with them. A strong relationship with its dealer network and a great connect with masons, contractors and architects have given Shree an edge over its competition in this ever competitive market.



FINANCE

Less Cost is More Business



At Shree, money works as hard as everybody else. Fiscal prudence is one of the driving forces of the Company. Shree believes in leveraging the strength of its balance sheet to reduce costs to further the organisational goals; be it vendor negotiations, reducing cost of funds, improving working capital cycle, or parking of short-term surpluses. Needless to say, planning plays a pivotal role in financial management. Effective financial management is an inextricable dimension of the systemic process followed at Shree based on a sound capital structure. Putting to test the financial acumen every which way; following a prudent method of procurement, allocation and control of financial resources to ensure optimum utilisation.







"Debt is very EASY to get into, but makes it HARD to live victoriously."

- Bradley Vinson

Maximising the Shareholders' Value

Brain is the most important organ which controls and coordinates all the actions of the human body. Even though less in size compared to other organs, the Brain is more powerful and rules over the body. Mental capacity is what makes a human superior to other living beings and is often the differentiator of individual successes. Mind is the lifeline of a body and this superiority of mind encapsulates the concept of "Less is More".

Finance, like brain, is the lifeline of Business. Financial discipline, or the lack of it, can make or mar a business.

Apt financial management is therefore the backbone for any business, which helps it navigate through upturns and downturns. Any disorder in managing the finances properly is a clarion call for disaster. Instances of apparently strong corporates experiencing the wrong side of their financial management are not hard to come by.

At Shree, financial discipline has been the pillar on which growth has been planned. Irrespective of the external environment, Shree has never drifted away from its principle of stretching only to the extent which its available financial means could support. Company has planned its growth in its own way without giving in to the temptation of leveraged opportunities during times of abundant liquidity and hence not getting impacted during times of stretched financial market conditions. This has helped it survive the fluctuations in the external environment and navigate its way through it.

The discipline of operating within available means has truly proved the philosophy of "Less is More". On various occasions, the strong financial position would have permitted larger borrowings enabling larger growth at a go; however, the focus at Shree remained on steady growth. As a result of its sound financial management, Shree has grown steadily over the years raising its Cement Capacity from just 3 million tons in 2003 to 25.6 million tons in 2015, while maintaining its net debt to zero. The primary narrative of this well-structured financial management is that every next step ahead has come after consolidating existing positions.

Ability to obtain finance at low cost is a unique competitive advantage and any company accomplishing that secures a hidden cost advantage and competitiveness. Deploying the funds in the right business opportunities that ensures better returns is an equally important end of this process of financial equilibrium, which surely strengthens the entity's presence among competitors. At Shree, securing finance at competitive interest rates and its judicious management as a constrained resource have been instrumental in fostering a spirit of efficient resource utilisation in the Company.

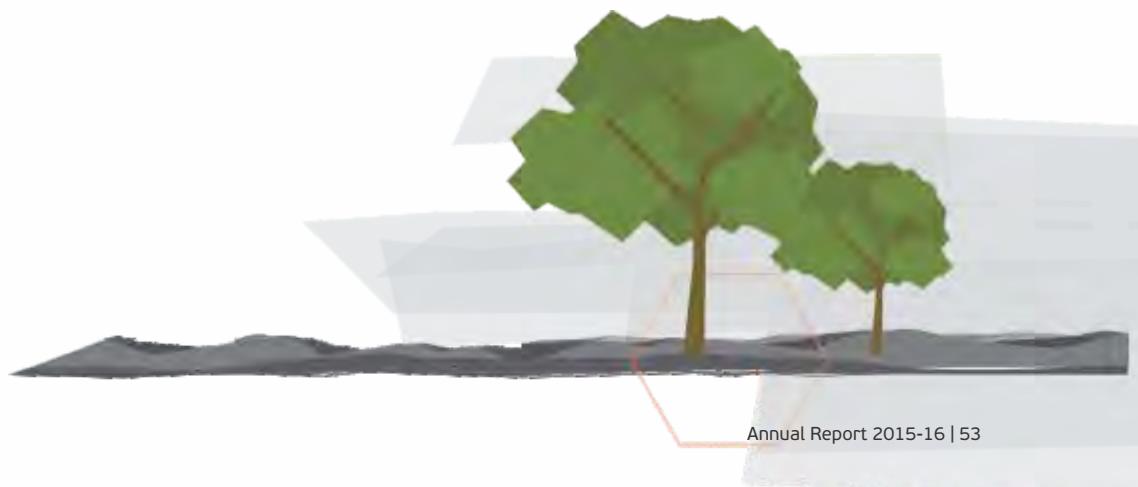
Apart from financial discipline, Shree is respected for its high corporate governance standards marked by extensive and voluntary reporting and committing to what is communicated. Commitment to financial discipline and transparent disclosures to all stakeholders has been aptly recognised across the value chain by all the stakeholders. Over the years, Shree has acquired the reputation of a disciplined communicator always delivering on its declarations. Pursuit of corporate governance and disciplined stakeholder communication have earned it the trust and respect across the financial world. This commitment has been generously rewarded and the rising market capitalisation bears ample testimony to the respect Shree commands in the financial and investment community.

Less Debt is More Strength :

While pursuing aggressive capacity expansion, Shree has constantly contained its net debt position through astute fund management. Following a simple strategy of reinvesting internal accruals and using a judicious mix of funding options in the domestic and international markets, Shree has managed to keep the debt at low levels. Even in the midst of tempting proposals, Shree did not give in to using more debt than required to grow and never drifted from its policy to not overstretch itself with debt funds. This has strengthened its balance sheet and in effect improved its position to obtain debt at competitive cost.

Less Cost is More Funds :

Excellent debt repayment track record and consistent solid financial performance have enabled the Company secure distinct credit standing, which has enabled it to obtain best rates from the lenders. This has also provided it with flexibility to choose options as per





**Company is respected for
“walking the talk”. Every time
it has announced a project,
Company has achieved the
promised milestone prior to
the due date.**

prevailing market conditions to secure funds at low rates and less risk. Forex borrowings have been undertaken with full hedge against interest and exchange rate fluctuations; thereby helping it maintain the low interest cost. During 2015-16, the Company managed to obtain funds at a cost of 8.3% for one of its expansion plans, even when the effective interest within the Country was hovering in excess of 10%. The average cost of interest for long and short term borrowing during 2015-16 was at 8.7% as compared to 9.1% in 2014-15.

Less Risk is More Returns :

Company generates surplus funds from its operations. It has been able to optimise return on investments of these surplus funds while minimising the risk. Company, as a matter of policy, invests only in debt securities / preference shares issued by AAA rated corporates and fixed maturity plans issued by top rated Mutual Funds.

Less Distribution is More Internal Investment :

Company has invested major part of its earnings into creating more capacity rather than distributing it as dividend. In spite of this the Company has been paying dividend regularly with continuously increasing dividend payout. Company believes that internal accruals invested internally would provide higher value creation for the Company and rightly serve the objective of capital appreciation of investors. This strategy has been proven right as reflected in the consistently rising market capitalisation of the Company. The internal rate of return for an investor who had invested in the IPO of the Company in 1985 comes to a staggering 28.3% (based on share price of the Company as on 31st March, 2016).

Less Talk is More Execution :

Shree has always believed in promising less and delivering more. Company is respected in the Industry for 'walking its talk'. For every project and activity, it sets tough timelines for its completion and works relentlessly towards achieving the same. All of its projects and activities were completed as per targets and during the course of the same, it created world records in project completion. 'Mission 2015', a mission of achieving 25 million ton capacity by the year 2015, set by Company in the year 2010, was achieved prior to the end of calendar year 2015. Earlier as well it had set

a target of achieving 10 million ton capacity by the year 2010, which it achieved before the deadline. The financial market gives high premium to this attribute which is reflected in the fact that Shree is the most expensive stock in the World Cement Industry based on the 'Price to Book Value' ratio. Obviously this high premium built in its share price has enabled it to create more value for its shareholders.

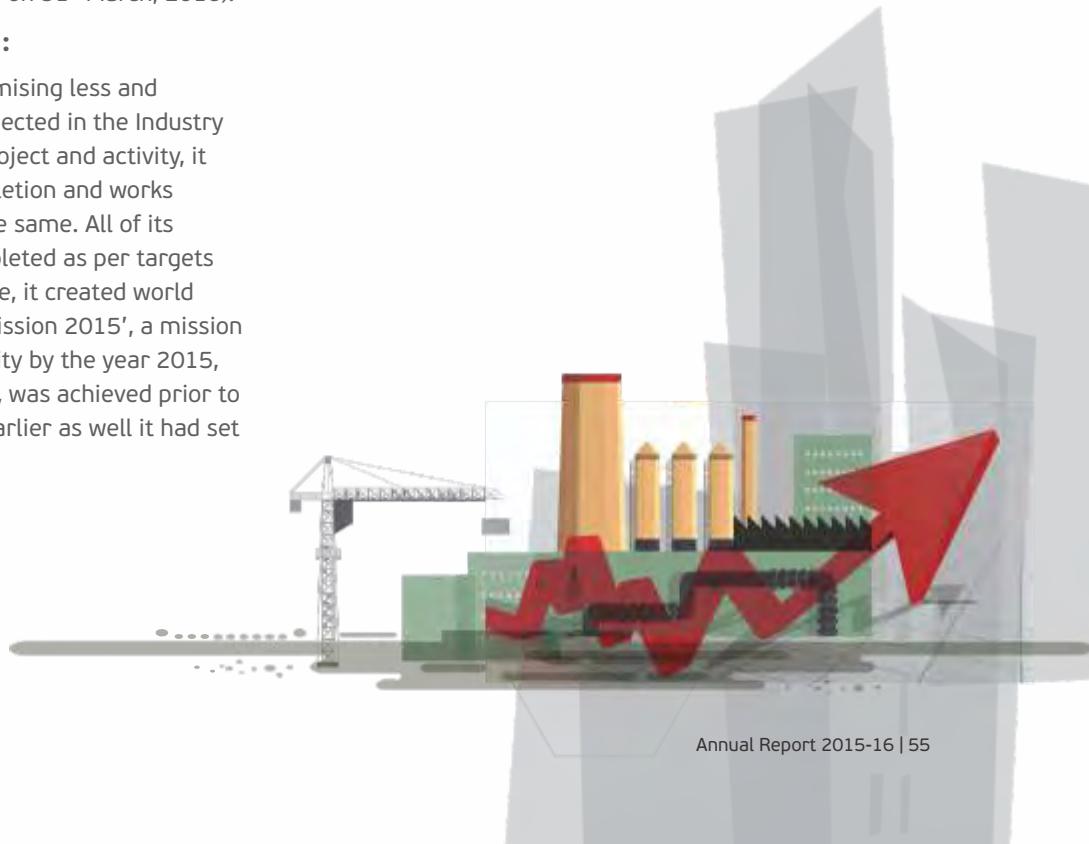
Less Ambiguity is More Transparency :

Shree has always practiced complete transparency in its operations. Company regularly communicates with shareholders about its major achievements, failures, events and occurrences and its disclosures level are well above the mandatory requirements.

Less Default is More Trust :

Shree has never defaulted in the payment of any obligations since its inception. Company has maintained its AAA long-term Credit Rating by CARE. The Credit Rating of short-term debt was also reaffirmed at PR 1+ (highest rating) from CARE enabling it to mobilise funds at optimum costs.

The disciplined pursuit of orderly growth has been the hallmark of Shree's success and has ensured that the Company could navigate through troubled times and prepare itself to ride the cyclical upmove. Disciplined communication has earned the Company respect of investors. Together they have, as an invisible hand, pushed Company towards sustainability and will continue to be so going forward.



Human Resources

Less Management is More Engagement

Invest in people. It is this belief at Shree that has paid off well; especially, in an era of perceived technological and product parity. Today, the Company is admired for being the most valuable Cement Company in India; placing it notches above the competition to stay even more relevant for the future!

Shree promotes an open culture. A culture that fosters ideas, supports questioning-probing attitude and focuses on humanside of enterprise not hierarchy. Creating synergy across the organisation; where hierarchy is not a watertight command and control structure but an enabling mechanism to put ideas into action. Making Shree a team of highly engaged professionals, in-sync with the organisation's objectives!







"Great vision without great people is irrelevant."

- Jim Collins

Aligned to Value Co-creation

Empowerment brings engagement. Often leaders have observed that competency raises itself to the standards of responsibility amidst an empowering environment. This is because the empowering environment encourages incumbents to believe in themselves and demonstrate greater engagement levels. Numerous instances of self-groomed leaders in the industrial and political world clearly bears testimony to this thesis of competency rising to match responsibility.

Always prepared to go the extra mile and constantly awake to the needs and opportunities, engaged people are more inclined to drive innovation and productivity at workplace. Trust and respect are the main propellers that push discretionary efforts. Such enthusiasm and engagement are the differentiators that equip Team Shree with a competitive edge.

Less management intervention and more freedom have created an amiable environment that fosters individual thinking and team building and has been strengthening the bond between the person and the activity at Shree. More direct communication and interaction necessary for building a sustainable and effective team has created a resilient group at Shree capable of handling uncertainty and complexity of daily workings.

Strategically aligning employee engagement with organisational objectives is the core operational philosophy for the human resource at Shree. The Management works to bring forth the personal and Interpersonal resources to align with the organisational objectives with the ultimate objective of creating an environment where people are motivated to unlock their utmost potential.

At Shree, trust among people and respect for each other work as an eternal resource to sustain inspiration and engagement among them. Attempts to nurture continuous engagement with one another have fostered a team spirit amongst people where individual and the team become synchronous to the overall objectives of the organisation and align their thinking and activity to achieve the output most desirable for the organisation rather than for a specific team or an individual. No wonder Shree has always scored very high on engagement levels in the various surveys conducted by external agencies from time to time.

Less Supervision is More Ownership :

Leadership at Shree reposes faith in the competence of people and allow them free hand in dealing with the activities and provide them with necessary directions, when needed. This has fostered a spirit of entrepreneurship amongst its people and has brought ownership of the task at hands. This also has created a feeling of belongingness and bonding of its people with the Company.

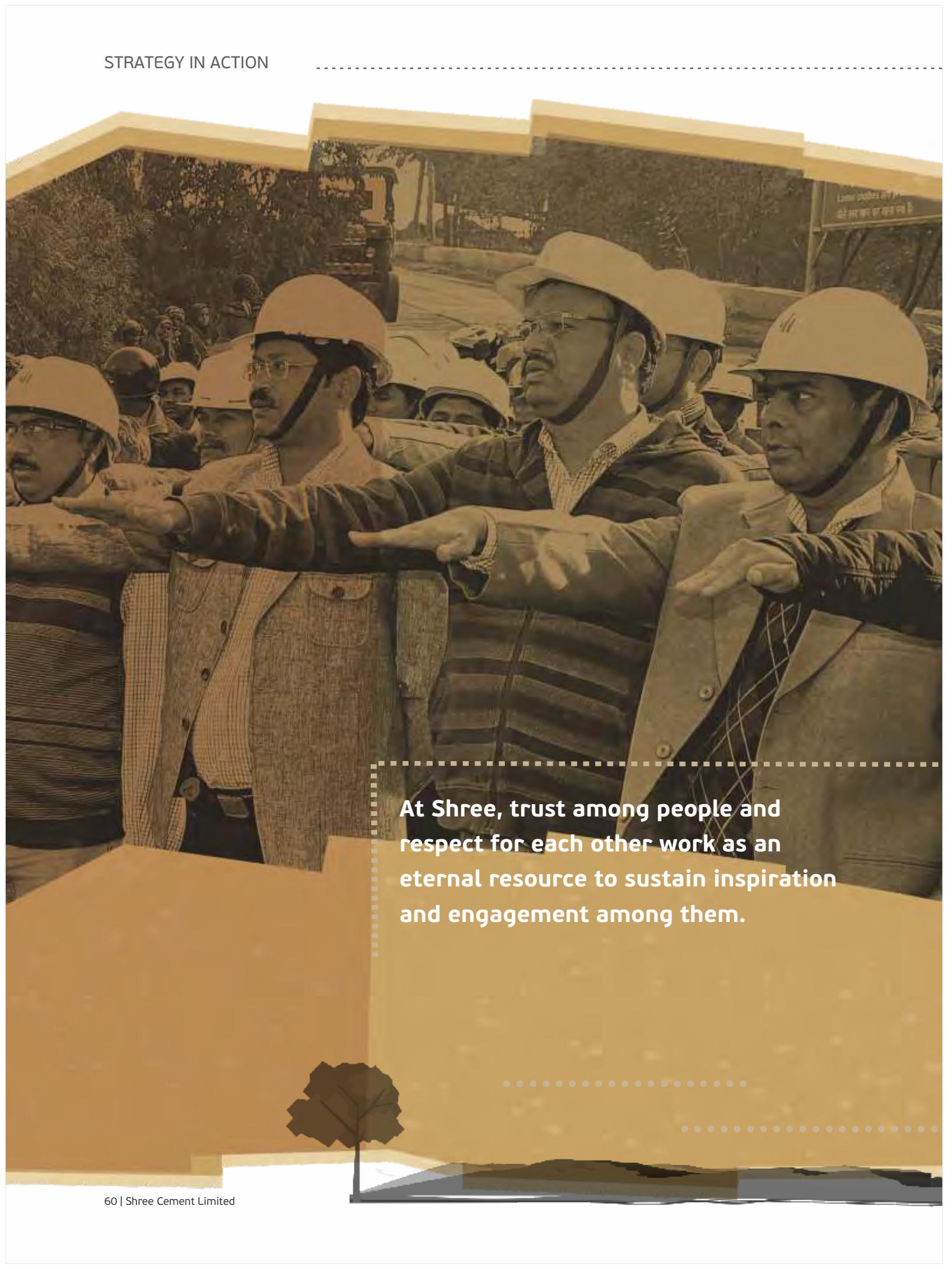
Less Boredom is More Challenge :

An enthusiastic person is more inclined to look for newer frontiers and convert routine activity into a new challenge. A single passionate member can actually influence a majority of the team to change their way of approaching a routine activity. Naturally the passion of the leadership has influenced the team culture at Shree, where people are encouraged to look at a routine activity with a view to identify alternate ways of doing the same thing that may save some time or resource or give a better output. People then come to work not carry out the daily duty, but to enjoy the thrill of identifying newer opportunities and share it with the team members.

Less Control is More Delegation :

Key theme during the year has been delegation of powers to the second and third rungs of leadership to replace people at higher management. People at middle management levels of leadership moved up to occupy higher responsibilities when the opportunities opened up owing to the expansion drive of the Company as well as discontinuance of some people at higher management levels. Almost all such opportunities were filled through internal movements and fulfilled the aspirational desire of owning higher responsibilities in its people. Similarly, people in the lower rungs also moved up in the hierarchy to fill up the positions. In fact providing opportunities at young age has been a hallmark of the HR practices at Shree; as reflected in the fact that over the last five years, the increase in number of employees at 41% (from 3645 as on 31.03.2011 to 5142 as at 31.03.2016) is much less than the 75% growth in Cement Capacity registered by the Company.





At Shree, trust among people and respect for each other work as an eternal resource to sustain inspiration and engagement among them.

Less Ambiguity is More Transparency :

Institutionalising performance management through a non-discriminatory performance assessment framework is the groundwork for creating a positive spirited team. Open feedback and systematic career management facilitating seamless horizontal and vertical movement across multiple opportunities has created a satisfied team competing fairly for achieving team objectives.

Less Instruction is More Development :

Integrating personal transformation with practical skills is what makes a winning proposition. People at Shree undergo regular trainings including domain specific, cross-functional or general awareness trainings from talented facilitators. These trainings, apart from enhancing domain knowledge and expertise, are aimed at empowering personal and interpersonal change through clarity of purpose, team building, design effective strategies and emotional resilience to bring the best in the people. People at higher management also create a supportive community and train others by sharing knowledge and learnings and reflecting on their experiences, motivations and concerns. There is also a system where the people who have undertaken training share their learning with their groups to create a shared understanding.

Less Tact is More Candidness :

Every individual joining the Company undergoes an orderly induction process designed to make him or her comfortable with the new environment and provide them with knowledge at the actual working level.

Less Stress is More Wellness :

The Company has setup several facilities for holistic development of individuals. A state-of-the-art gymnasium, playground for external and internal games, "Rangmarch" for social and entertainment

programmes, etc. are among a few facilities that are available to the people for creating a work-life balance. Spiritual classes are regularly held and Yoga facilitators are invited for providing people with an opportunity to interact with them, which helps them achieve better physical and mental shape. Annual Medical Checkup of every employee is mandatory and the Company's hospital takes care of any ailment of people living in the vicinity.

Less Restrictions is More Ideas :

Company runs a scheme "Jo Soche Wo Paave", where anyone irrespective of hierarchy can contribute his ideas on any matter to the Management. Right ideas are recognised and rewarded at functions and through schemes like "Employees of the Month". An online portal for interaction among people called "Manthan" is established for them to interact and share ideas.

Providing an environment that aligns independent development of individual competencies with organisational objectives has created a team which is much more than the sum total of individual talents. Nurturance of spirit of originality of individual ideas has turned Shree into a playground for new thinking and innovation. Perpetuity of this strategy is the pillar on which rests the continual success of Shree.



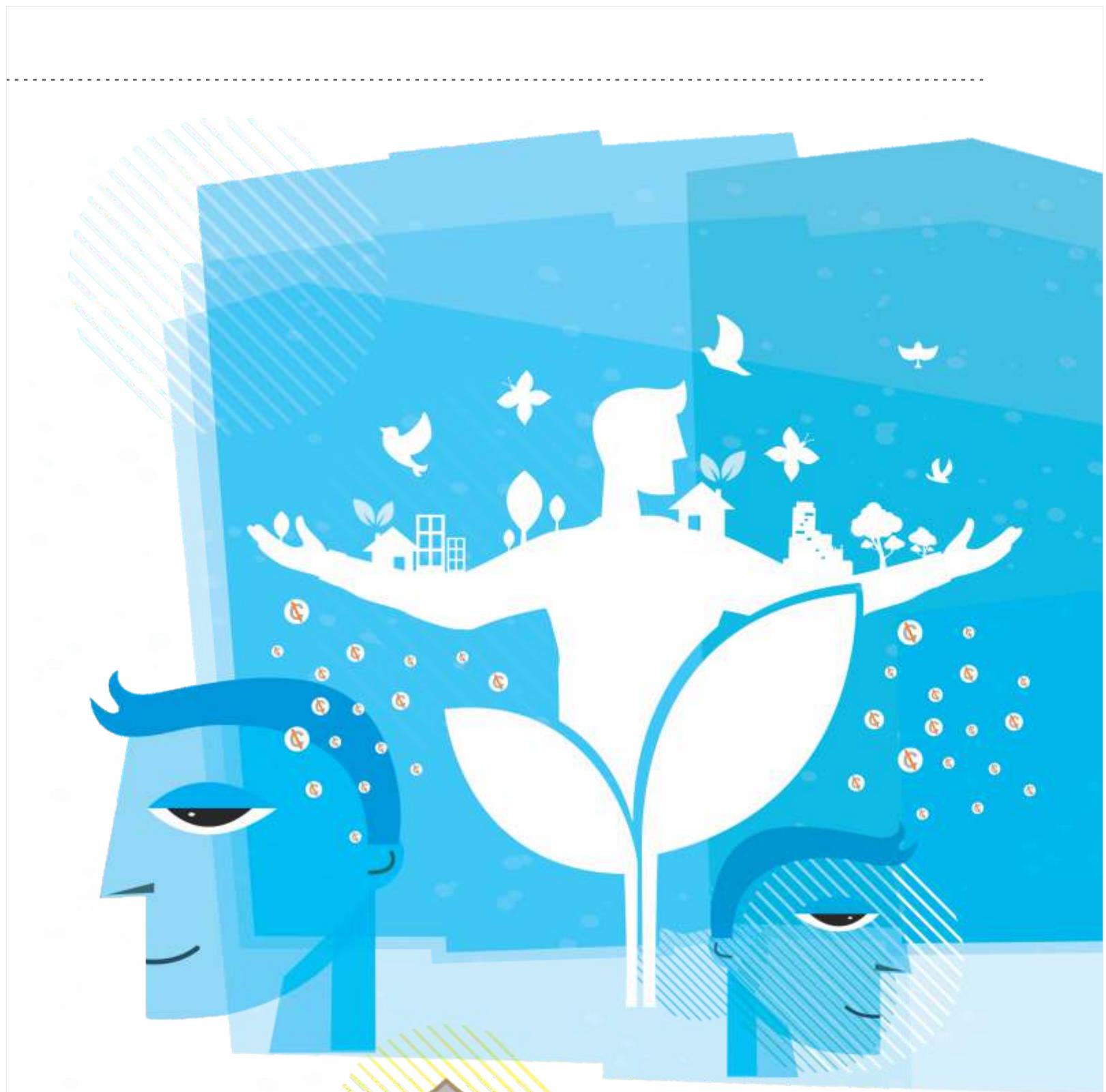
Corporate Social Responsibility

Less Dependence is More Sustainability

At Shree, the CSR program isn't just an afterthought. It is the foundation of its culture and value-system. It inspires and motivates all to reach the full potential, while being a part of the greater good; because Shree strongly believes that it does not operate in a vacuum. After all, sustainable growth is directly linked to the conservation of the environs and the concurrent development of the society one operates in.

That's why, Shree aims at making a meaningful difference to the society by being the change agent; going beyond supporting good causes, displaying environmental responsibility and exerting positive societal influence. Thus setting a good example and inspiring many along the way. That's the reason why while most CSR programs struggle to inch beyond 'charity'; the program at Shree gets its employees excited to participate and give back to the community.







"Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime."

- Anne Isabella Richie

Catalysing Change

Corporates operate within a society. Naturally they are impacted and influenced by the society they operate in. Development of society, hence, reflects on and feeds into the ultimate development of businesses. Commitment to social development is hence a non-negotiable parameter of business operations.

Businesses driven solely with profit motive tend to risk societal blowback.

Any business which does not integrate environmental concern, into its planning and operation risks its long term sustainability.

Concern for environment as an integral planning metric makes economic sense in the long run just like optimal mining is not just environmentally safe but also increases life of the mines or planting trees is beneficial for health of the people and saves medical cost in long run.

Social responsibility at Shree goes beyond pursuing charitable causes. It is rather a cohesive set of programmes well integrated with its business plans. Similarly, environmental issues are viewed more as an opportunity than as risks. Shree has undertaken several projects that have meaningfully addressed environment concerns and at the same time created economic value for its business. This approach results in a holistic development of the society through creation of sustainable structures, which seeks to serve the interest of all stakeholders. Shree's business conduct therefore serves less of self-interest and contributes more towards overall societal development. This multifaceted vision of social responsibility is considered as a core and inseparable component of the overall operations at Shree.

Environment Sustainability :

Global warming, climate change, lack of resource conservation and rising pollution have become prominent issues, increasingly being debated and discussed across the Globe. Shree realises that as a corporate citizen when it is utilising social resources, it has an equally large obligation to manage the resources responsibly. Shree has undertaken multifarious initiatives to ensure that this responsibility is appropriately adhered to in its operations.

Less Use is More Conservation :

Any natural resource having competing uses has to be put to the use where its utilisation has maximum potential. Company has taken several initiatives to ensure resource conservation and its adequacy for the future generation. Some of its resource conservation initiatives are as under:

Water - Shree has, over the years, been ensuring that its usage of water is progressively reduced to the extent possible. Company has undertaken multiple initiatives, which have more than halved its water consumption. Initiatives like installation of Waste Heat Recovery Plant, which abolished usage of Gas Cooling Towers and Air Cooled Condensers (ACC), which abolished usage of water for condensation are pioneering achievements in this field. Apart from that, water conservation has been implemented with full vigour.

Limestone - Company has continuously reduced Limestone consumption in its Cement manufacturing process. Company has set up monitoring system, which provides real time assessment of the Limestone quality. This helps the mining team to adopt a judicious mixing of Low Grade Limestone with High Grade Limestone to obtain the required Lime content suitable for Cement

manufacturing. Further measures such as higher production of Blended Cement have also contributed to reducing Limestone consumption.

Gypsum - Company produces Synthetic Gypsum by using Low Grade Limestone with Sulphuric Acid at its Plant at Beawar. This has significantly reduced its consumption of Natural Gypsum, which is a scant natural resource.

Fuel - The auxiliary consumption as well as the Heat rates of the Company's Power Plant are among the lowest in the Country, which has continually optimised fuel consumption in its Plants. Energy efficiency measures have also reduced fuel consumption in the Cement Plants.

Less Waste is More Alternate Use :

Over the years, Shree has strengthened its operational practices to include more and more waste in its input basket. It has practically removed major part of its natural resources consumption and replaced it with industrial and other waste.

Petcoke - Shree pioneered with using Petcoke, which is a waste of Oil Refineries and completely replaced its coal requirement with Petcoke. It is the only Company which has the capability of using 100% Petcoke for both its Cement and Power operations.

Gypsum from Waste Gases - The Flue Gas Desulphurisation (FGD) Plant using Waste Gases coming out of Power Plant's Boilers are used for producing Synthetic Gypsum.

Fly Ash - A waste produce of Thermal Power Plants, Fly Ash is mixed with Clinker to manufacture Pozollona Portland Cement. Usage of Fly Ash per ton of Cement was 22.38% during the year.

Slag - Steel Plants generate Slag, which is used to replace Clinker in Cement production. Slag, being an iron rich by-product could replace more than 50% Clinker in Cement manufacturing.





Sustainability has been integrated in our value chain as well. All our major suppliers are encouraged to adopt sustainable practices.

Other Alternative Fuels and Raw Materials - Company has been utilising alternate materials and fuels including industrial and urban waste to replace and conserve natural resources.

Less Natural Resources is More Sustainability :

Shree's commitment to the conservation of natural resources is second to none. Shree responds to the market demand and creates its products accordingly; but at the same time, it evaluates on an unfailing basis any possibility of conservation of natural resources by using an alternate material.

Responding to the market demand coupled with limited availability of Clinker in the Bihar market, Shree started offering Portland Slag Cement. By using Slag, which is a Steel Industry waste, Shree reduced the consumption of Clinker, a limited natural resource. More so, it could also save on the energy needed to produce Portland Slag Cement as against a similar production of Ordinary Portland Cement. Shree eventually offered an environment-friendly product that is used for mass construction for its low heat of hydration.

A similar case in point is the Autoclaved Aerated Concrete (AAC) Blocks that Shree produces. In days to come the top soil used for agriculture will become a precious resource. As an alternative to the brick, which is produced from the top soil, Shree came up with innovative AAC Blocks that are made from the waste material of Fly Ash and Cement. Not only does it save the precious natural resource of top soil, but it is also as good as bricks and holds a huge future potential in the Construction Industry.

Using less natural resources and more alternate material has helped Shree create a sustainable and strong eco-system.

Less Emission is More Clean Environment :

Multifarious initiatives have been undertaken to ensure that our operations are environmental friendly.

- Company has been continuously improving the share of clean energy in its operations. Share of energy generated from Waste Heat Recovery Power Plants in the total consumption of Cement Plants was around 44% during the last year.
- A Central Energy Cell is formed to look into energy management within the Company. This has helped Shree to achieve energy consumption levels which are amongst the best in the Industry. Power consumption per ton of Cement during year 2015-16 was 72.13 kWh, as against 73.78 kWh in the previous year. Specific fuel consumption was also reduced during year 2015-16 to 719 kcal per kg of

Clinker from 757 kcal per kg of Clinker in the previous year.

- Company is meeting its targets under the Perform, Achieve and Target (PAT) Scheme. Company has also fully complied with the Renewable Purchase Obligations (RPO) at all its Plants and purchased Renewable Energy Certificates to the extent such obligation is not satisfied.
- Sustainability has been integrated in our value chain as well. All our major suppliers are encouraged to adopt sustainable practices.
- Company has installed Continuous Emission Monitoring System (CEMS) at all the major stacks of Cement and Power Plants for measurement of particulate emission.

Due to above initiatives, Shree has reduced its GHG Emissions by 41.66% as compared to the levels of 1990. These efforts have been applauded by the CDP, London and ranked it as 2nd Best Company in the World for GHG Emission Management & Performance based on Carbon Metrics in the Cement Industry.

Tree Plantation :

Tree plantation has been a regular activity at Shree. The team not only plants trees around its operation sites, it also ensures their survival by erecting tree guards and carefully nurtures them till the sapling matures into a tree. Awareness of tree plantation is done at school level through awareness programmes.





Our social endeavours are guided by the principle of providing what is needed for the holistic and sustainable development of the people within the local community.

In the state of Chhattisgarh, Shree has undertaken mass tree plantation drive for growing trees on both sides of the road in Baloda Bazar District to enhance the green cover in the area. For this purpose, a patch of 10 km spanning from village Bharuwadih to village Parkidih has been adopted by the Company for the said work. Varieties of plants like Kadam, Amaltas, Gulmohar and Subabul are being planted, which not only increases the greenery but also beautifies the area being covered.

Less Dependence is More Empowerment :

Our social endeavours are guided by the principle of providing what is needed for the holistic and sustainable development of the people within the local community. This is accomplished by engaging the community to identify their needs and concerns and then developing programmes to plan, monitor and coordinate the activities to suit their needs. In this endeavour, the Company also partners with other agencies including Government Agencies, NGOs and Local Panchayats.

Women Empowerment - Empowering women is one of the prime focus areas at Shree. Company has undertaken 'Shree Balika Samridhi Yojna' to tackle the menace of female feticide and save the girl child. Under this project a fixed deposit of ₹ 5000 is made in the name of girl child born in a BPL family at the time of her birth, which is available to her after attaining 18 years of age. Further, the Company provides financial help and basic household items on marriage of girl of BPL families, only in case the girl is married after attaining the age of 18 years.



Case Study - Sh. Amra s/o Ladu of Village Nadi under Gram Panchayat Nadi (bordering the Company's Plant at Beawar) was planning his daughter's marriage before attaining the legal age. When the same was learnt by the members of CSR team of the Company, they approached him and convinced him to plan marriage only after attaining legal age. He was also informed of the Company's scheme of providing assistance at the time of marriage of girl. After having understood the implications of marrying an

under-aged child, he waited for two years for his daughter to attain the legal age of marriage. He was also supported under the Company's scheme of providing assistance on marriage of girl.

Vocational Training - Giving money to a hungry may satiate his hunger for a day but bestowing him with the knowledge to earn money satiates him for life. This ancient wisdom forms the core of our approach towards social development. Accordingly, a number of Vocational Training Courses are conducted by Shree for women and youth of the local fraternity to make them self-employed.



Case Study - Shri Sukhdev, eldest child of his father, resides in Village Butiwas near the Company's Plants at Ras in District Pali, Rajasthan. His father is a guard and sole earner in the family. Sukhdev could not continue his studies post matriculation due to limited finances. He was on a looking out for a suitable employment opportunity to help his family. He came to know about the Company's training programme on mobile repairing and attended it. After receiving 30 days training, he opened a mobile repairing shop with support of his parents and started earning himself. With this, he now supports his family and looks forward to expanding his business further to ensure good education for his siblings and a bright future ahead.





Shared growth agenda will keep guiding us in our journey of “Less is More” towards our goal of sustainable development.

Mason Training Programmes - Under the said programmes, Company provides training to Masons to upgrade their professional knowledge about the construction methods and techniques. It gives them an opportunity to learn about the techniques of environment friendly usage of Cement and other building materials, information about the latest construction techniques and method to improve their overall competence. Such trainings increase their competence to make them more employable and open doors for their sustainable livelihood generation.

Case Study - Ratan Lal, a Mason living in the Ramandiya Village of Tonk District was hitherto getting limited masonry work due to his limited and traditional knowledge. During the course of interaction with peers, he came to know about the support being provided by the Company to help masons upgrade their knowledge and skills. He started participating in such interactions and support provided by the Company officials and upgraded his knowledge about the work. Equipped with improved knowledge and skills, Ratan Lal has started getting more work and his monthly income has increased.



Less Malaise is More Health :

Company's 'Shree Swasthya Vahini' Programme provides Mobile Ambulance to take medical care in the villages where there are no medical facilities. Under 'Shree Swachhata Project', the Company makes efforts such as door-to-door contact, organising regular meetings, creating vigilance committee, distributing pamphlet and other materials, etc. for creating awareness about sanitation and personal hygiene.

Less Bottlenecks is More Development :

Company regularly undertakes community projects in the nearby villages to improve infrastructure and living standards of people. In order to remove bottleneck of road connectivity in rural areas, the Company undertakes construction and repairing work of the roads in nearby

villages of its Plants. Company undertakes civil works in nearby villages to provide sustainable infrastructure, which includes construction / repair of public institutions, renovation of old buildings and community centres, construction of stage, boundary walls, stay rooms, waiting stands, etc. Such initiatives to improve the infrastructure in the rural areas bring a meaningful difference in the quality of life of the people.



As a major initiative in the area of infrastructure development and promotion of tourism, Shree undertook renovation of Railway Station at Ajmer and constructed additional entry gates with all facilities like ticket booking counters, parking area, back office, etc. for facilitating the tourists and other passengers.

Shree realises that its success is defined by its ability to pursue the path of shared growth. Continuous efforts to minimise use of natural resources, maximising recycling of wastes coupled with engagement of society as a major stakeholder have helped Shree to continue its sustainable growth path. This shared growth agenda will keep guiding us in our journey of "Less is More" towards our goal of sustainable development.

For more details on our sustainability efforts, please refer to the "Business Responsibility Report" Section on page no. 119



AWARDS AND ACCOLADES



Best Sustainability Report
Award by World CSR
Congress for the Year 2013-14



India Sustainability Leadership
Award 2015 (in Sustainable
Waste & Resource Management
Category) by World CSR Congress



Global Sustainability Award 2015
(in Platinum Category) by
Energy & Environment
Foundation, New Delhi



Green World Ambassador
Award 2016 by The Green
Organisation, London



ABP Global CSR Excellence &
Leadership Award 2016
(in Best Environment Friendly
Project Category)



FICCI Corporate Social
Responsibility Award 2013-14



Rajasthan Energy Conservation
Award – 2015 in “Cement Sector”



NCCBM Award for Second Best
Quality Excellence 2014-15



NCCBM Award for Best
Improvement in Electrical
Energy Performance 2013-14



NCCBM Award for
Best Quality Excellence 2013-14



Asia Best CSR Practices Award 2015
for Carbon Footprint Accounting by
World CSR Congress



NCCBM Award for Best
Improvement in Thermal Energy
Performance 2013-14



4th Rank in India for
Employee Health & Wellness Ranking 2015
by Society for Human Resource Management (SHRM),
World's Largest HR Professional Society



PROFILE OF DIRECTORS

► **Shri B. G. Bangur, Chairman**

Shri B. G. Bangur is a B.Com (Hons) from Calcutta University and he brings to Shree Cement an extensive experience in the Industry. He is a Director in The Marwar Textiles (Agency) Pvt. Ltd. He has also been actively associated with various philanthropic and charitable institutions and trusts.



► **Shri H. M. Bangur, Managing Director**

Shri H. M. Bangur is a Chemical Engineer from IIT, Mumbai. He brings to the Board technical insights, which are a driving force of the technical excellence achieved by the Company. Shri Bangur is President of Rajasthan Foundation, Kolkata Chapter. He is also Executive Member of FICCI. Shri Bangur was the President of the Cement Manufacturers' Association (CMA) between 2007 and 2009.



► **Shri Prashant Bangur, Joint Managing Director**

Shri Prashant Bangur is a graduate from the Indian School of Business, Hyderabad. He joined Shree Cement in 2004 and since then has been involved in all strategic policy and operational matters of the Company. He has been providing critical insight and direction in all management decisions in the Company. Shri Bangur is a Member of Indian Chamber of Commerce, Kolkata. Shri Bangur joined the Board of Shree Cement on 23rd August, 2012. He is a member of the Managing Committee of Bharat Chamber of Commerce & Industry and Cement Manufacturers' Association (CMA). He is also a member of the Managing Committee of Indian School of Business, Hyderabad. He is a Member on the Board of Management of TERI University and also Director in Khemka Properties Pvt. Ltd.



► **Shri R. L. Gaggar, Independent Director**

Shri R. L. Gaggar is a B. A. (Hons) from Calcutta University and is a renowned solicitor and advocate based in Kolkata. He is practicing as a solicitor and an advocate at the High Court of Kolkata for more than 50 years. Shri Gaggar is also on the Board of TIL Ltd., The Peria Karmalai Tea and Produce Co. Ltd., Paharpur Cooling Towers Ltd., International Combustion (India) Ltd., Machino Plastics Ltd., Sumedha Fiscal Service Ltd., Machino Polymers Ltd., Subhash Kabini Power Corp. Ltd. and Sarda Plywood Industries Ltd.



► **Shri Sanjiv Krishnaji Shelgikar, Independent Director**

Shri Sanjiv Krishnaji Shelgikar is a veteran Chartered Accountant and has been practicing his profession since 1978. He has also contributed as Special Editor to the book "The Companies Act" written by A. Ramaiya. He has worked with the Finance Department of Videocon Group handling all local IPOs, international mobilisation of debt and equity, global and local mergers and acquisitions, domestic and international structured financial products for the Group's finances. He is on the Board of Joy Holdings Pvt. Ltd., Dhanapur Investments Pvt. Ltd., Magrolia Leasing and Infotech Pvt. Ltd., Archangel Leasing and Infotech Pvt. Ltd., Yunus Social Business Fund Mumbai Pvt. Ltd., Slum Dwellers Development India Pvt. Ltd., Liberty Videocon General Insurance Company Ltd. and Microcredit Initiative of Grameen.

► **Shri Nitin Desai, Independent Director**

Shri Nitin Desai is a graduate from London School of Economics and a well known Economist and has had a long and distinguished career in the Government of India and United Nations. Shri Desai is a Member of Prime Minister's Council on Climate Change, which is coordinating the national action for assessment, adaptation and mitigation of climate change and has set out eight "National Missions" as the way forward in implementing India's climate change strategy. He is a distinguished visiting fellow at The Energy and Resources Institute (TERI), Honorary Professor at the Indian Council for Research in International Economics Relations (ICRIER), Honorary Fellow of the London School of Economics and Political Science, UK. He is connected with the Governing Bodies of several NGOs and research institutions and also chairs the Governing Body of the Institute of Economic Growth. He is also a member of the National Broadcasting Standards Authority. Shri Desai has worked at senior levels in the Planning Commission from 1973 to 1987. From 1988 to 1990, he was the Chief Economic Adviser and Secretary in the Department of Economic Affairs in the Ministry of Finance. He is on the Board of Shakti Sustainable Energy Foundation.



► **Dr. Leena Srivastava, Independent Director**

Dr. Leena Srivastava is the Vice Chancellor of the TERI University, New Delhi – a unique inter-disciplinary higher education institution, focused on sustainable development. She is a member of various Committees and Boards both at the international and national levels, including the Advisory Board to the President of ADB on climate change and sustainable development, the Administrative Board of the Sustainable Energy for all initiatives, Bharti Infratel, Meridian Institute, USA and the Stockholm Resilience Centre, Sweden. Dr. Srivastava is on the Editorial Boards of several international journals dealing with energy and environment issues and has a number of publications to her credit. She has done her Masters in Economics from the University of Hyderabad and a Ph.D. in Energy Economics from the Indian Institute of Science in Bangalore, India.



► Dr. Y. K. Alagh, Independent Director

Dr. Y. K. Alagh is a noted economist and visiting professor to several renowned national and international institutions. He holds a Doctoral Degree and Masters Degree in Economics from University of Pennsylvania. He is Chancellor of Gujarat Central University and Vice Chairman of Sardar Patel Institute of Economic and Social Research, Ahmedabad. He is also a Trustee of Institute of Human Development, New Delhi, Member of Advisory Committee of N. M. Sadguru Water & Development



Foundation, Dahod (Gujarat). He was earlier the Minister of Power and for Planning & Programme Implementation with additional charge of the Ministry of Science & Technology. He has been Member of Planning Commission (in the rank of Minister of State). He has been Chairman, Bureau of Industrial Costs and Prices, Ministry of Industry. He has several books and over a hundred articles to his credit, published both at home and abroad. He has travelled widely and represented India in a number of high level official delegations and seminars. He was an invitee to the Climate Policy Game Group of The Committee of American Progress, the findings of which were presented in Paris and invited to develop a sustainable development scenario for 2030 for the Canadian G8/G20 Munk Institute for the G20 meeting in Seoul. He is on the Board of Somany Ceramics Ltd., Star Agriwarehousing and Collateral Management Ltd. and ADJB Production Pvt. Ltd.

► Shri O. P. Setia, Independent Director

Shri O. P. Setia is an M.Com. from Delhi University and an eminent banker. He was the Managing Director of State Bank of India and has held many key positions in its associate banks.



► Shri Shreekant Somany, Independent Director

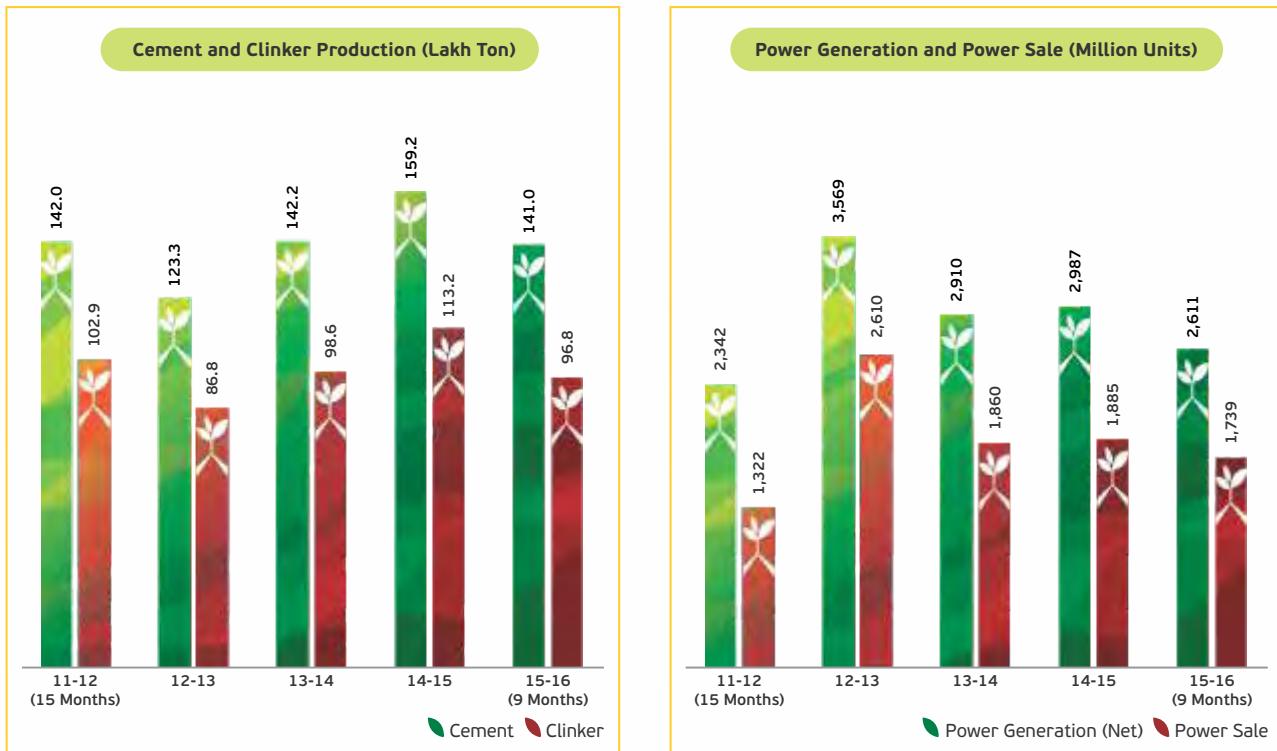
Shri Shreekant Somany is an industrialist who holds a Bachelor of Science degree from Calcutta University and is currently on the Board of Somany Ceramics Ltd., SR Continental Ltd., Somany Global Ltd., Cosmo Ferrites Ltd., Sarvottam Vanijya Ltd., J. K. Tyre and Industrial Ltd. and Scope Vinimoy Pvt. Ltd. He is also the Chairman of Indian Council of Ceramic Tiles and Sanitaryware and Member of Confederation of Indian Industry (CII), Northern Region.

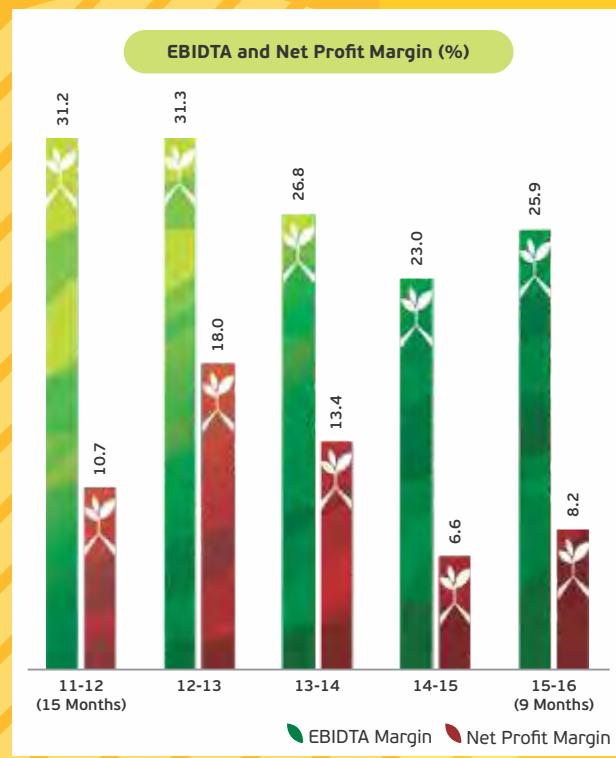
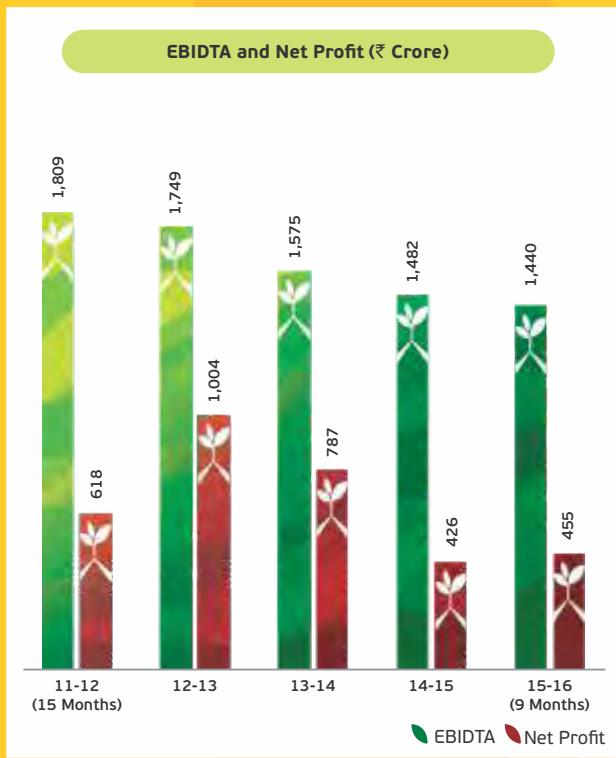
► Shri Ramakant Sharma, Director

Shri Ramakant Sharma is a science graduate having around 47 years of experience in Public Relations (PR) with various Cement Industries. He is Member of Rajasthan Golf Club and Jaipur Club. He was Ex-president of Jaipur Club and Member of Divisional Rail Users Consultative Committee of North Western Railways.

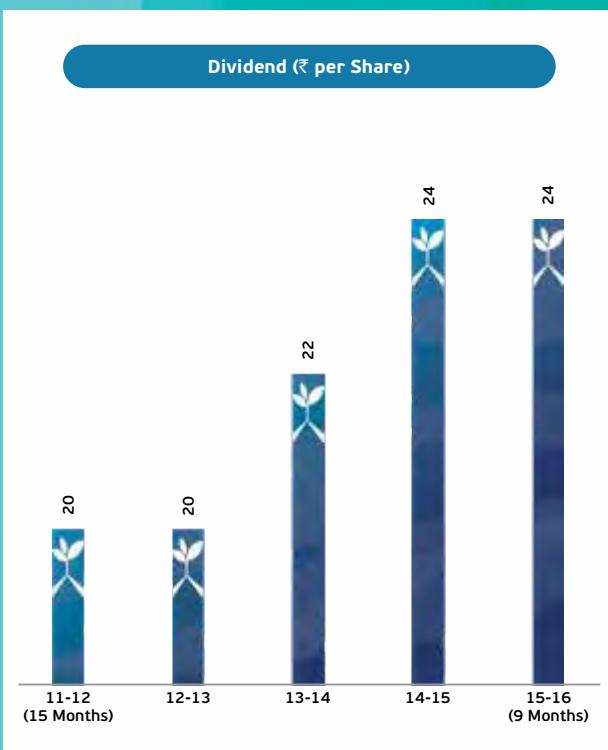
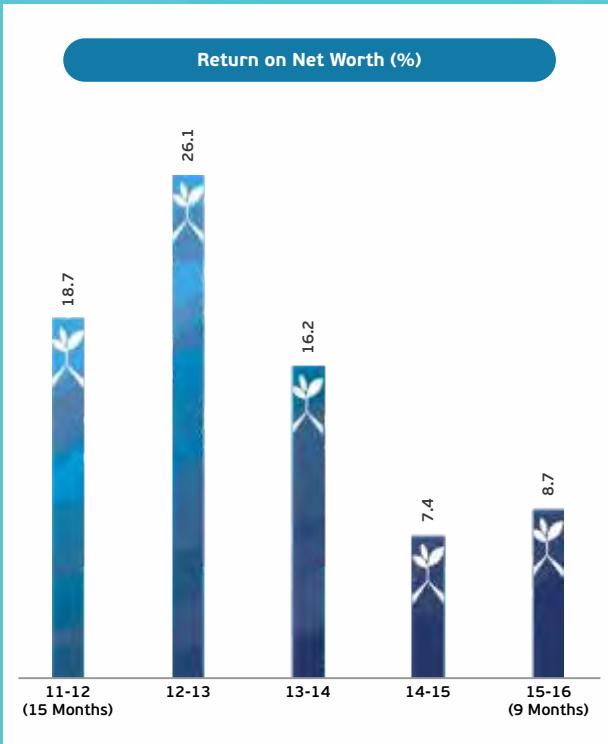


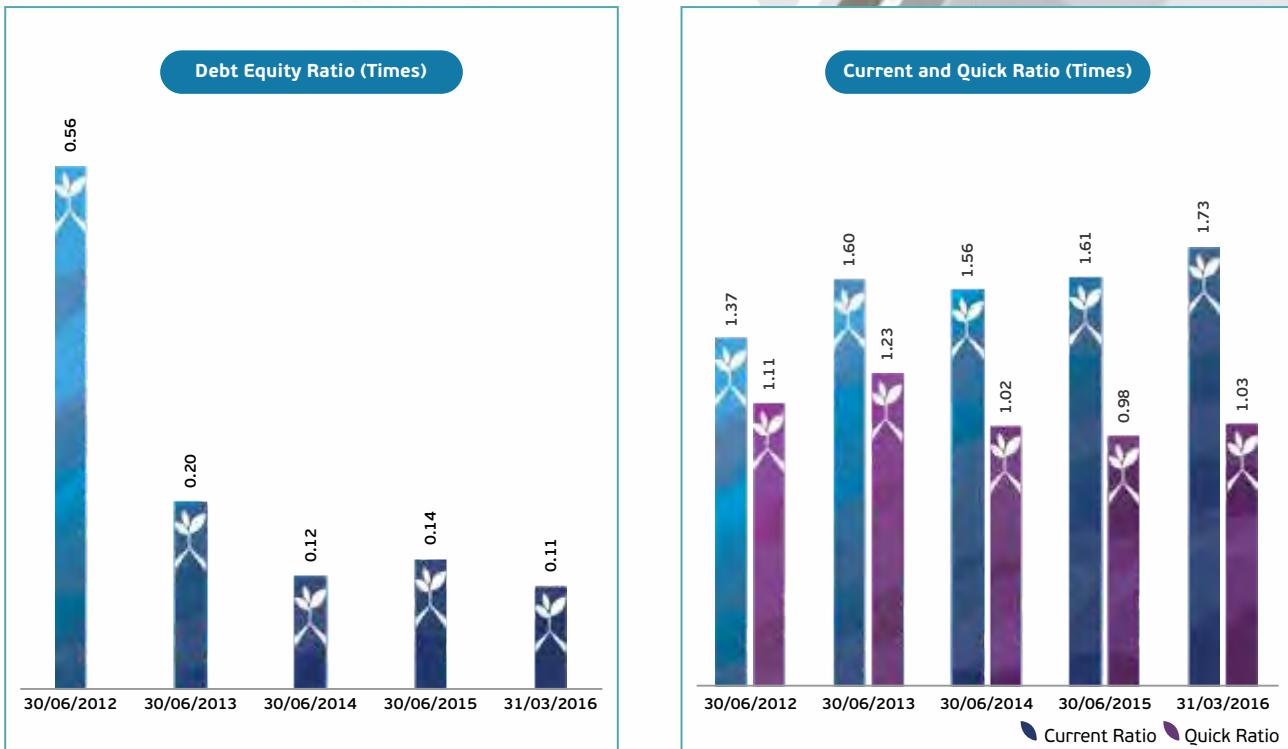
PERFORMANCE HIGHLIGHTS





PERFORMANCE REVIEW





FIVE YEARS HIGHLIGHTS

Operational Performance

Particulars	2011-12 (15 Months)	2012-13	2013-14	2014-15	2015-16 (9 Months)
Cement Production (Lakh MT)	142.02	123.32	142.22	159.22	140.99
Cement Sales (Clinker & Cement) (Lakh MT)	148.70	124.61	142.52	161.62	142.43
Net Power Generation (Lakh Kwh)	23,416	35,685	29,101	29,874	26,114
Power Sales (Lakh Kwh)	13,223	26,103	18,597	18,851	17,390
Power Consumption (Kwh/Ton of Cement)	76.86	78.23	75.19	73.78	72.13
Fuel Consumption (% of Clinker)	11.28	10.44	10.07	10.04	9.69

Financial Performance

Profit & Loss Statement

(₹ in Crore except per share data)

Particulars	2011-12 (15 Months)	2012-13	2013-14	2014-15	2015-16 (9 Months)
Net Sales	5,799.52	5,590.25	5,887.31	6,453.57	5,567.75
Other Income	162.78	188.33	184.96	137.85	120.11
Total Income	5,962.30	5,778.58	6,072.27	6,591.42	5,687.86
EBIDTA	1,808.54	1,749.25	1,574.76	1,481.70	1,440.37
Depreciation & Amortisations	873.09	435.63	549.91	924.78	908.41
Finance Costs	235.36	193.14	129.19	120.63	75.12
Profit before Tax	687.75	1,119.42	815.15	400.83	454.54
Tax Expense	69.25	115.45	27.91	(25.50)	(0.39)
Net Profit	618.50	1,003.97	787.24	426.33	454.93
Basic and Diluted EPS (in ₹)	177.54	288.19	225.98	122.38	130.59
Cash EPS (in ₹)	428.88	406.34	369.74	372.81	371.77

Balance Sheet

(₹ in Crore)

Particulars	2011-12 (30 th June 2012)	2012-13 (30 th June 2013)	2013-14 (30 th June 2014)	2014-15 (30 th June 2015)	2015-16 (31 st March 2016)
Investment in Fixed Assets (Gross Block + CWIP)	5,516.42	6,410.93	8,008.52	9,480.29	10,212.16
Net Block of Fixed Assets	1,521.06	1,781.94	2,193.77	3,004.33	3,050.17
Shareholders' Fund	2,733.93	3,843.65	4,710.87	5,276.40	6,180.22
Total Capital Employed	5,285.40	5,588.28	6,582.63	7,064.47	7,977.10

Key Ratios

Particulars	2011-12 (15 Months)	2012-13	2013-14	2014-15	2015-16 (9 Months)
EBIDTA to Net Sales (%)	31.18	31.29	26.75	22.96	25.87
Return on Net Worth (%)	18.65	26.13	16.16	7.36	8.72
Return on Avg. Capital Employed (%)	15.50	24.14	15.52	7.64	9.39

Notes:

- Figures regrouped and rearranged wherever necessary.
- For calculating Return on Net Worth (%) and Return of Avg. Capital Employed (%), figures have been annualised, wherever necessary.

TWENTY FIVE YEARS HIGHLIGHTS



Year		Clinker Production (Lakh MT)	Cement Production (Lakh MT)	Cement Sales (Lakh MT)	Gross Sales Value (₹ in Crore)	Shareholders' Fund (₹ in Crore)	Book Value (₹ per Share)
1990-91		7.70	8.86	8.87	134.55	32.10	16.05
1991-92		6.90	7.64	7.53	134.97	46.24	22.24
1992-93		8.04	7.98	8.07	145.28	63.28	25.94
1993-94		8.58	8.76	8.89	156.53	71.24	28.92
1994-95		8.93	9.27	9.27	181.44	88.59	35.99
1995-96		8.88	8.62	8.68	207.66	134.87	46.46
1996-97	(15 Months)	10.79	11.85	11.62	251.12	182.03	52.25
1997-98		14.36	17.26	16.62	342.78	190.57	54.70
1998-99		19.45	20.44	20.91	442.15	196.54	56.42
1999-00		22.85	23.12	23.10	484.56	219.39	60.82
2000-01		21.13	23.83	24.00	554.60	247.06	66.61
2001-02	(9 Months)	16.25	18.06	18.02	397.22	215.61	57.58
2002-03		22.85	27.47	27.25	582.43	222.40	63.84
2003-04		22.94	28.41	28.41	606.93	251.38	72.16
2004-05		24.83	30.16	30.61	723.03	289.49	83.10
2005-06		27.71	32.20	32.03	824.13	296.30	85.05
2006-07		35.06	47.99	48.33	1,613.14	454.55	130.48
2007-08		46.23	63.37	63.34	2,440.32	672.81	193.13
2008-09*		64.18	77.65	77.36	3,091.59	1,210.02	347.33
2009-10*		80.45	93.72	92.71	4,014.09	1,833.24	526.23
2010-11*		74.65	94.28	93.38	3,879.45	1,986.18	570.13
2011-12*	(15 Months)	102.88	142.02	142.06	6,478.60	2,733.93	784.77
2012-13*		86.82	123.32	122.77	6,145.97	3,843.65	1,103.32
2013-14*		98.62	142.22	140.66	6,532.88	4,710.87	1,352.25
2014-15*		113.18	159.22	157.45	7,163.15	5,276.40	1,514.59
2015-16*	(9 Months)	96.83	140.99	141.08	6,244.05	6,180.22	1,774.03
Growth in Absolute No. of Times	25 Years	16.77	21.23	21.20	61.88	256.69	147.37
	20 Years	14.55	21.81	21.68	40.09	61.10	50.91
	15 Years	6.11	7.89	7.84	15.01	33.35	35.51
	10 Years	4.66	5.84	5.87	10.10	27.81	27.81
	05 Years	1.73	1.99	2.01	2.15	4.15	4.15
CAGR	25 Years	11.94%	13.00%	12.99%	17.94%	24.85%	22.11%
	20 Years	14.32%	16.66%	16.63%	20.27%	22.83%	21.71%
	15 Years	12.82%	14.76%	14.71%	19.79%	26.34%	26.87%
	10 Years	16.64%	19.30%	19.37%	26.02%	39.45%	39.45%
	05 Years	11.58%	14.80%	15.03%	16.50%	32.92%	32.92%

*Sales value includes amount of power sale.

Notes:

- Figures regrouped and rearranged wherever necessary.
- For calculating the Growth in Absolute No. of Times and CAGR, figures have been annualised, wherever necessary.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

We are pleased to present our report together with Management Discussion and Analysis for the year ended on 31st March, 2016. In order to comply with requirement of

Section 2(41) of the Companies Act, 2013, the Company has closed its financial year 2015-16 on 31st March 2016 and as a result the Company's financial year 2015-16 is of 9 months only.

1. FINANCIAL PERFORMANCE

A brief of financial performance for the year gone by and its comparison with previous year is given below:-

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2015-16 (9 months)	2014-15 (12 months)	2015-16 (9 months)	2014-15 (12 months)
Revenue from Operations	5,567.75	6,453.57	5,567.75	6,453.57
Profit Before Interest, Depreciation and Taxes	1,440.37	1,481.70	1,440.34	1,481.67
Profit Before Tax	454.54	400.83	454.51	400.80
Tax Expense	(0.39)	(25.50)	(0.39)	(25.50)
Profit After Tax	454.93	426.33	454.90	426.30
Balance brought forward from previous year	693.91	867.04	693.82	866.98
Profit available for appropriation	1,148.84	1,293.37	1,148.72	1,293.28
Appropriations :				
Interim Dividends	83.61	34.84	83.61	34.84
Tax on Interim Dividends	17.02	5.92	17.02	5.92
Proposed Final Dividend	-	48.77	-	48.77
Tax on Final Dividend	-	9.93	-	9.93
Transferred to General Reserve	300.00	500.00	300.00	500.00
Net Surplus	748.21	693.91	748.09	693.82

2. DIVIDEND

During the year, Company has paid two Interim Dividends of ₹ 12/- per share each. The total dividend payment works out to ₹ 24/- per share for year 2015-16 (9 months) as against ₹ 24/- per share for the year 2014-15 (12 months). The total outgo on dividend payment for the year 2015-16 amounts to ₹ 100.63 crore including dividend distribution tax of ₹ 17.02 crore as against ₹ 99.46 crore including dividend distribution tax of ₹ 15.85 crore for the year 2014-15.

3. MANAGEMENT OUTLOOK OF MACRO ECONOMY AND INDUSTRY

I. Indian Economy-Developments and Outlook

As per the Advance Estimates of National Income released by Central Statistics Office (CSO) of Government of India, the growth rate of Gross

Domestic Product (GDP) at constant (2011-12) prices for the year 2015-16 is estimated to be 7.6% as compared to the growth of 7.2% for 2014-15. Set against the backdrop of a turbulent global economic landscape and two back to back weak monsoons with deleterious effects on farm production, this GDP growth rate is encouraging. Inflation was also well under control as reflected in Consumer Price Index which was range-bound at around 5% and Wholesale Price Index which recorded in negative all throughout the year. Aided by improved tax buoyancy on account of higher indirect taxes on petroleum products, fiscal deficit was also maintained within projected levels of 3.9% of GDP. There are however some concerns also. The industrial production as measured by general Index of Industrial Production (IIP)



recorded growth of 2.4% during 2015-16 which is not encouraging. Similarly, the new assets creation in the economy as reflected by estimated Gross Fixed Capital Formation as a percentage of GDP came down from 31.2% to 29.3% during 2015-16. All in all while the macro-economic situation appears comforting, the visible recovery in terms of demand growth across sectors is yet to be witnessed. Various initiatives and schemes as announced by the Central Government are yet to show their impact on ground.

Off late, however, there are some signs of improvement witnessed in the economy. Some of the positive developments are as under:-

- Infrastructure activity has picked up pace with enhanced public investments. The road sector has shown speedier award of projects.
- Work on various Railways projects particularly the Dedicated-freight corridor has also gathered pace.
- Sectors such as Ports, Civil Aviation, Power, Metro-Railways, Urban infrastructure and Inland waterways are also witnessing pick up in activities.
- With the easing of inflation, RBI has cut its repo rate by 1.25% since 15th January 2015 but its actual transmission by banks in terms of proportionate reduction in lending rates was not done. This resulted in actual interest costs to be still high. The Central Govt. has recently announced reduction in interest rates on small savings schemes. This has led Banks to start transmitting full benefit of RBI rate cuts to borrowers.
- El Nino, which was mainly responsible for the deficient monsoon for the last two consecutive years, is unlikely to repeat this year and as forecast by the India Meteorological Department, there is likelihood of normal monsoon rains this year.

All these developments augur well for the industry in general and cement in particular.

II. Cement Industry – Development and Outlook

While macro-economic parameters reflect a healthy picture, the cement production did not grow in the same proportion. Cement production grew at close to 4.6% in 2015-16 (April to March). Total production was approx. 282.5 million tons during FY 2015-16 vis-à-vis 270.0 Million tons last year. The poor growth in cement demand is

attributable to slower progress in infrastructure projects and low off-take from housing and industrial user segments. While rural demand was affected by less-than-normal monsoon, the demand from real estate market in urban areas was also poor because of frail market conditions. Cement demand from Industrial capital expenditure was adversely affected due to existence of excess capacities across various industrial sectors. The supply side on the other hand continued to reflect over-capacity leading to lower capacity utilization levels by cement companies. Drop in commodity prices especially coal however helped cement companies in rationalizing their cost of production.

Going forward, the revival signs in the Indian economy are visible. Overall pick-up observed in the infrastructure spending by the Government and downward trend in the interest rates is expected to revive the demand across sectors. While implementation of recommendation of 7th Pay Commission is likely to adversely affect the Government exchequer, it will also aid in demand creation for various sectors. Government thrust on affordable housing for realizing its vision of "Housing for All" by 2022 and Smart City program should also help in demand growth for cement. The new capacity additions has also slowed down considerably. Therefore, the outlook for the cement sector looks better.

III. Power Sector - Development and Outlook

Over the years, with significant capacity additions, both in public and private sector, the situation of Power supply in India has improved considerably. However, the financial health of Distribution Companies continues to remain weak due to multitude of issues. The transmission and distribution losses in the system continue to be very high. Many states have set up generation projects which have suffered high cost and time over-runs resulting in very high generation cost. As a result, they are continuously facing cash flow issues resulting in poor off-take of power. While long term power off-take has virtually stopped, the demand in short term market is also low and erratic leading to poor realizations for generators. There is however hope that the government's recent initiative of UDAY (Ujwal DISCOM Assurance Yojana) and other measures will help improve financial position of State owned DISCOMs and in turn will improve their off-take of power going forward.

4. STATE OF THE COMPANY AFFAIRS

Brief summary of the Company's performance is as under:

Particulars	Unit	2015-16 (9 months)	2014-15 (12 months)	+/-% (Annualized)
Cement Production	Lac Tons	140.99	159.22	18.07
Cement & Clinker Sale	Lac Tons	142.43	161.62	17.50
Power Generation	Million Units	2,611	2,987	16.55
Power Sale	Million Units	1,739	1,885	23.01
Revenues	₹ Crore	4,972.32	5,747.24	15.36
- Cement	₹ Crore	595.43	706.33	12.40
- Power	₹ Crore	5,567.75	6,453.57	15.03
Operating profit	₹ Crore	1,120.09	1,234.19	21.01
- Cement	₹ Crore	200.17	109.66	143.38
- Power	₹ Crore	120.11	137.85	16.17
- Other Income	₹ Crore	1,440.37	1,481.70	29.61
EBIDTA Margin to Revenue	%	25.87	22.96	-
Net Profit	₹ Crore	454.93	426.33	42.28

Cement Business

Company registered yet another year of strong growth in its sales volume during 2015-16. The cement production at 140.99 Lac tons for 9 months of 2015-16 reflected an annualized growth of 18.07%. This was largely on account of enhanced volumes from its plant in Bihar, new plants commissioned in Chhattisgarh and Uttar Pradesh as well as clinker grinding unit at Panipat in Haryana which was acquired from Jaiprakash Associates last year. The price realizations were down by about 2% over last year. It was cost rationalization that helped the Company maintain its margins. As a result, EBITDA from the cement business went up during the year to ₹ 1120 Crore registering 21.01% increase on an annualized basis over the previous year.

Company lays significant emphasis on efficiency and productivity improvements. It continued its efforts for rationalizing costs across its operations to maintain its competitiveness. The developments on the cost front were as under: -

- **Raw Materials** costs remained almost same as that of previous year. During the year, Limestone cost went up by about 10% mainly because of provision made for contribution of ₹ 25.60 per ton of limestone towards District Mineral Foundation and National Mineral Exploration Trust with effect from 12th January, 2015 in terms of requirement of Mines and Mineral (Development and Regulation) Amendment Act, 2015. Cost of other components of Raw Material

costs such as Gypsum, Slag and Fly Ash, etc. came down in different proportions. Also, considering overall cost benefit, Company continued with its strategy of procuring part of the clinker requirement for its Bihar unit from market which forms part of the Raw Material cost.

- **Power & Fuel** costs came down by about 14% during the year mainly because of drop in fuel prices during the year. The efforts on conserving the energy in every little area has played well because of which Company could bring down its Power consumption from 73.8 units to 72.1 units. Likewise, ratio of fuel consumption to clinker production also showed fair amount of improvement.
- **Logistics** costs came down by 8% during the year mainly because of low diesel prices and rationalization in lead distance.
- **Staff** cost on a per ton basis also showed decline mainly because of volume growth.

Power Business

The aggregate net power generation from all the power plants during the year was 2611 Million Units showing a 16.55% annualized growth over previous year. Most parts of the country have been witnessing demand-supply mismatch with supply exceeding demand. As a result, prices in the short term bilateral market as well as Power Exchange were down during the year. Even though the market conditions were



challenging, Company improved its sale of surplus power which stood at 1739 Million Units recording a growth of 23.01% on an annualized basis over the previous year. Consequently, the revenues from sale of surplus power were also up by 12.40% on an annualized basis to ₹ 595 Crore. EBITDA from Power Business (including power trading) went up to ₹ 200 Crore mainly because of decline in fuel prices and high sales volumes.

New / Expansion Projects

Over the last few years, Company has laid significant emphasis on setting up clinker grinding units at locations close to its major consumption centers. These units not only help serve customers more efficiently, reliably and faster but are also cost effective and environment friendly in operation. As of 31st March 2016, Company has split grinding units at 7 places and integrated units at 3 places.

During 2015-16, Company added a grinding unit of 2.0 Million Ton Per Annum (MTPA) capacity at Bulandshahr in Uttar Pradesh. With this addition, the total cement capacity of the Company stands at 25.6 MTPA as on 31st March, 2016.

Company is currently in advanced stages of completing expansion project of its Bihar Grinding Unit which will increase the capacity of Bihar Grinding Unit from current 2.0 MTPA to 3.6 MTPA.

Company has decided to further expand its capacity. It has undertaken expansion project of increasing its clinker capacity at Raipur in Chhattisgarh by 2.8 MTPA. Coupled with this project, Company is in the process of finalizing locations in neighboring states for setting up split grinding units which will source clinker from Raipur Clinker unit.

Company has also started work on setting up an integrated cement plant with clinker capacity of 2.4 MTPA and cement grinding capacity of upto 4.0 MTPA in the State of Karnataka.

5. RISK MANAGEMENT

Company considers risk management as a tool to identify risks as well as opportunities and has imbued it as an integral part of its overall business strategy. Company has a well-documented risk management framework in place which helps timely identification and assessment of risks as well as ensures timely implementation of appropriate mitigation measures. The framework on one hand allows regular review of the risks and their mitigation measures so as to ensure their relevance and on other hand help identify existence of any new risks.

The Audit and Risk Management Committee monitors the risk management plan of the Company for ensuring its effectiveness and reviews the risks inventory from time to time. The key risks identified by the Company and their mitigation measures are as under:

a) Demand slowdown and Supply Overhang in the Industry -

The slackness in demand growth and supply overhang due to continual capacity addition pose risk of under-utilization of cement capacities and fall in prices to un-remunerative levels. Company has adopted measures like multi-brand strategy, expanding market base, faster delivery to consumers and consistent quality to contain this risk. It also keeps adding capacity in markets where demand-supply conditions are considered to be relatively favourable. Its cement plant in Bihar commissioned in FY 2014-15 has already helped it garner good market share in Eastern India. The new cement plant in Chhattisgarh commissioned in May, 2015 further helped to quickly gain extra market share. The acquisition of Panipat grinding unit in Haryana and new plant in Bulandshahr, UP will enable the Company to step up its market share in North India. All these measures have helped the Company in increasing its market share and better capacity utilization rates.

b) Availability of Water and Other Resources -

Because of constant increase in demand and depletion of traditional resources of water, availability of ground water has been shrinking over the years. Company's plants in Rajasthan are located in water deficient areas and as such conserving water becomes more important. Realizing this, Company installed Air Cooled Condensers (ACC) in all its power plants which though involve additional capital expenditure, have helped Company reduce water consumption significantly. This is quite significant as hardly any other power plant in the State has installed ACC in its plant. Also, the Company has installed Waste Heat Recovery systems in its cement plants which use waste hot gases as their input thereby eliminating the need for cooling of such gases and thus saving water. There is Company-wide awareness at all levels to conserve water.

Secondly, conservation of limestone which is a key input for cement production is quite

important. While Company has adequate limestone deposits at its existing operational sites, it has been making all efforts to optimize its usage thereby conserving the deposits and enhancing their life. Additionally, Company continuously undertakes exploratory activities at its existing deposits areas to find more reserves. To conserve the high grade limestone, Company is mixing the same with low grade limestone and mines rejects and using it for clinker production.

c) Fuel Cost – Company sources fuel from open market and hence is exposed to volatility of market prices of the fuel. Company has deployed multi-fuel usage strategy as well as best technology which allows it to use different fuels and use the most economical fuel among a basket of different fuels as per prevailing trends in the market. Additionally, Company has invested in Waste Heat Recovery Power Plants which have reduced its fuel requirement and thereby cushioned it partly from fuel price volatility to that extent.

d) Power Prices – Company sells its surplus power after captive consumption, hence does not have any long term power sale arrangements which exposes it to price volatility in this segment. The Company is therefore managing this risk by increasing its captive consumption and ensuring advance sale contracts for part of the capacity and keeping the balance for running the same with market volatility.

6. INTERNAL CONTROLS SYSTEM AND THEIR ADEQUACY

In order to ensure orderly and efficient conduct of business, Company has put in place necessary internal control systems commensurate with its business requirements, scale of operations, geographical spread and applicable statutes. The systems include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework etc.

Company has designed the necessary internal financial controls and systems with regard to adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Company has documented Standard Operating Procedures (SOPs) for procurement, human resources, sales and

marketing, logistics, finance and treasury, financial reporting, compliances and other areas of its operations.

The compliance to these controls and systems including SOPs is periodically reviewed by the Internal Audit function and exceptions are reported. It also has in-house Internal Audit department manned by qualified professionals to carry out audit activities. All material audit observations and follow-up actions thereon are reported to the Audit and Risk Management Committee. The Committee holds regular discussions with the auditors to ensure adequacy and effectiveness of the internal control systems and monitors implementation of audit recommendations.

7. HUMAN RESOURCES / INDUSTRIAL RELATIONS

Attracting, developing and retaining talented employees are integral to Company's achievement of business objectives. During the year, Company has continued its focus on people related programs aimed at attracting, developing and retaining talent within organization.

a) Employee Engagement – An engaged employee is the Company's biggest asset. Company has enjoyed high engagement levels from its employees which is reflected in its consistently improving performance over the years. To enhance the employee engagement, Company has made efforts in the field of training and development, congenial work environment, providing challenging work opportunities, etc. Focus is given on maintaining work-life balance and increasing social engagement of the employee. Unique 'Shree Family' culture which is hallmark of Company's human resource practices has made pivotal contribution in more engaged and happy employees of the Company. A new initiative 'Kutumb Utsav' has started recently which endeavors to make families part of work life of employees. Under this program, family of an employee is invited for a day at his/her workplace and have glimpses of his/her work life.

b) Talent Management – By its unique HR practices, Company has continuously made efforts on strengthening and building people talent for achieving its business objectives. Initiatives to develop leadership lines as well as enhance technical and functional capability with special focus on nurturing young talent are



taken. Young managers are groomed by providing higher responsibilities. Focus remains on gaining cross functional knowledge to enable meaningful participation of employees all across of the Company in innovation and process improvement. With the Company entering in next phase of growth, the nurtured talent pool will enable smooth transition to new growth trajectory.

c) Occupational Health and Safety - Safety and health of employees at the workplace has always been a focus area for the Company. Company continuously undertakes various initiatives aimed at providing a healthy and safe workplace to its people (full-time employees as well as contract workers). To strengthen its people's commitment towards safety, Company organises a 'Safety Meeting' on first day of each month at all its plant sites. This occasion brings all employees and workers of a unit at a common platform and provides a great opportunity for sharing of safety related aspects and exhorting all to always adopt safe work practices in their respective areas of operations.

To ensure that the 'safety first' culture continues to grow; Company has developed a practice of periodically organising various safety related events viz. Road Safety Week, National Safety Day, Workshops by experienced Safety Professionals, etc. Such regular events give an opportunity for the Company's Safety Team to create excitement amongst people and thereby boost their awareness and keenness to adopt safe practices in their everyday life. To ensure a safe work environment, Company engages all its people (including contract workers) to highlight any observed unsafe working conditions in the plant so that the same can be suitably and timely corrected. For the same, Company has developed a 'Safety Observation Portal' in which any person can report any observed unsafe condition which then gets shared with the concerned to ensure immediate and appropriate redressal.

Company continues to adopt practices like 'Toolbox Talks' (wherein prior to commencement of any maintenance activity, engineers hold an informal talk with the group of workers to discuss and highlight the safety hazards in the job to be undertaken), Safety Audits (undertaken by internal and external experts so as to identify and eliminate potential safety risks), Mock drills

(to build on emergency preparedness to meet any contingency). All these initiatives have resulted in strengthening of safety systems and improving people welfare.

During the year Company voluntarily invited a team of auditors from 'National Safety Council-Mumbai' (an autonomous body set up by Ministry of Labour and Employment-Government of India) to conduct an 'Occupational health and safety audit' of its cement and power plants at its Beawar and Ras sites. While appreciating Company's existing practices, the team has shared valuable inputs and best practices, which the Company is now working upon to further build on its 'Safety First' culture across the organisation.

It is also worth mentioning that Whitehopleman, an international benchmarking agency which rates cement plants across the world, in its latest report has given five star rating to the safety practices of the Company by appreciating its safety performance during the review period.

d) Industrial Relations – Employee Relations remained cordial during the year. This has enabled Company to build healthy relationship and resolve issues through dialogue and discussions.

Total no. of employees as on 31st March, 2016 were 5142.

8. SUSTAINABILITY

Sustainability is an intrinsic part of the Company's business model and is vital to its long term growth strategy. Sustainability is manifested in its operating practices and systems which are geared towards conservation of resources, environment management, innovation and people motivation to create value for all stakeholders. Company's sustainability initiatives are focused on low carbon emission, use of alternate fuels, water & resource conservation and environment management. Sustainability matters are regularly discussed at Board level.

Sustainability Initiatives - During the year, the initiatives on sustainability continued with improved performance on several parameters of operations. Some of the initiatives taken on the environment front during the year are as under:-

a) Power Generation from Waste Heat Recovery Plants – Company considers waste heat recovery power plants as a potent source of renewable energy due to the various benefits of these plants which include conservation of fossil fuels and water, elimination of GHG emissions, controlling fugitive emission, etc. Company has invested in this renewable energy source as a long term environment management plan. During the year, Company expanded its waste heat recovery power plants capacity to 111 MW by completing waste heat recovery power plant at its new site at Raipur in Chhattisgarh. Company continues to have the distinction of implementing the largest such capacity in World Cement Industry outside China. These plants help in reducing Company's dependence on fossil fuel for power generation and consequently will cut down the carbon emissions.

b) Alternative Fuels and Raw Materials – Our dedicated team continued its experiments during the year for working out solutions to use alternative fuels and raw materials in the operations to reduce the consumption and usage of natural resources. Usage of other alternative fuels like paint sludge and industrial wastes was increased during the year. Company's synthetic gypsum plant and FGD plant further continue to reduce its dependence on natural mineral gypsum.

c) Energy Conservation and Environment Management- Energy conservation and environment management is a focus area for the Company and is driven at the lowest operational level. Company's dedicated "Energy Cell" continued to find out innovative solutions of energy saving and improvement. Several measures like installation energy efficient equipments, optimization of processes, modifying/ improvising design engineering of the equipments, etc. were carried out to improve the energy efficiency in the operations. On environment management front, measures were undertaken to control/reduce the emissions. In our plants, Continuous Emission Monitoring System has been installed for monitoring and reporting of emission levels on a real time basis on websites of regulatory authorities. Company is also reporting its carbon emission performance on Carbon Disclosure Project(CDP).

d) Conservation of Water – Water being a scarce and precious resource, finds upmost priority in the Company's sustainability initiatives. During the year, Company has created rainwater harvesting systems at Raipur plant with few more under development. This apart, two Sewage Treatment Plants (STP) were installed for treatment of domestic waste water. In addition, newly installed Waste Heat Recovery plant at Raipur plant will further reduce the water consumption. At Ras plant also, 25 nos. of rain water harvesting systems within and outside plant premises have been created for rain water harvesting.

e) Sustainability Reporting – During the year, Company released its 11th Corporate Sustainability Report for year 2014-15 detailing its efforts towards sustainability following GRI G4 guidelines. The report was awarded the highest level of certification by an independent third party verifying agency. Company is also releasing Business Responsibility Report (BRR) as part of its Annual Report covering its compliances towards the Business Responsibility Principles enunciated by the Ministry of Corporate Affairs/ Securities and Exchange Board of India.

9. CORPORATE SOCIAL RESPONSIBILITY

Company has always considered Corporate Social Responsibility (CSR) as a voluntary activity and a part of its long term vision of creating value for all its stakeholders. Company believes that giving back to society is not a mandate but something which is integral to its beliefs. Accordingly, Corporate Social Responsibility is an integral part of the Company's business.

In order to oversee all its CSR initiatives and activities, the Company has constituted a Board level Committee - "Corporate Social and Business Responsibility" Committee (CSBR Committee). The major thrust areas of the Company include healthcare, education, women empowerment, integrated rural development and conservation of natural resources.

The Annual Report on CSR activities of FY 2015-16 with requisite details in the specified format in Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached at **Annexure – 1** and forms part of this report.



The CSR Policy of the Company is attached at **Annexure - 2** to the Directors' Report and forms part of the Annual Report. The same may also be accessed on the website of the Company at link <http://www.shreecement.in/pdf/Shree-csr-policy.pdf>.

10. SUBSIDIARY COMPANIES

The Company has a 100% subsidiary i.e. Shree Global Pte. Ltd., Singapore. There have been no operations in the subsidiary during the year. The Company is not having any Associate Company or Joint Venture. The shareholders, who wish to receive a copy of Annual Accounts of the Subsidiary Company, may request the Company Secretary for the same. As required by Section 129(3) of the Companies Act, 2013 statement showing the salient features of the financial statements of the Subsidiary Company in Form AOC-1, forms part of the Consolidated Financial Statements of Company. The policy for determining material subsidiaries as approved by the Board can be accessed on the website of the Company at link <http://www.shreecement.in/pdf/Shree-material-subsidiary-policy.pdf>.

11. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared as required in terms of provisions of Companies Act, 2013 and Listing Regulations by following the applicable Accounting Standard notified by the Ministry of Corporate Affairs and form part of the Annual Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and belief state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2016 the applicable accounting standards have been followed and there are no material departures from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit and loss of the company for the period ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down necessary internal financial controls to be followed by the company commensurate with its size of operations and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Board of Directors of the Company in their meeting held on 2nd February, 2016 have re-appointed Shri H. M. Bangur as Managing Director of the Company for a period of five years w.e.f. 1st April, 2016 subject to approval of the Members in the ensuing Annual General Meeting.
- Board of Directors of the Company in their meeting held on 2nd February, 2016 re-designated Shri Prashant Bangur from Whole-time Director to Joint Managing Director w.e.f 2nd February, 2016 for remaining period of his tenure i.e. up to 22nd August, 2017 without change in other terms & conditions including remuneration as approved earlier by the Members in the Annual General Meeting of the Company, subject to approval of the Members in the ensuing Annual General Meeting.
- In accordance with the provisions of the Companies Act, 2013 and Article 112 of the Articles of Association of the Company, Shri Prashant Bangur, Joint Managing Director will retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Independent Directors hold office for a fixed term of 5 years and are not liable to retire by rotation. In accordance with Section 149(7) of the Companies Act, 2013 each Independent Director has given a declaration to the Company confirming that he/she meets the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS

During the year, the Board carried out an annual evaluation of its own performance, performance of its Committees including the evaluation of individual Directors.

The performance of the Board was evaluated by the Board on the basis of criteria such as Board composition and structure, effectiveness of Board processes, information flow to Board, functioning of the Board, etc.

The performance of Committees was evaluated by the Board on the basis of criteria such as composition of Committees, effectiveness of Committee working, independence, etc.

The Board and Nomination cum Remuneration Committee evaluated the performance of individual Director on the basis of criteria such as attendance and contribution of Director at Board/Committee Meetings, adherence to ethical standards and code of conduct of the Company, interpersonal relations with other Directors, meaningful and constructive contribution and inputs in the Board/Committee meeting, etc.

In a Separate meeting of the Independent Directors, performance evaluation of Non-Independent Directors, the Board as a whole and performance evaluation of Chairman was carried out, taking into account the views of Executive and Non-Executive Directors. The quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties was also evaluated in the said meeting.

Company appointed an External Facilitator for the purpose of carrying out the performance evaluation in a fair and transparent manner.

15. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

A detailed presentation is given to the Independent Directors of the Company at the time of their appointment which covers their role, duties and responsibilities, Company's strategy, business model, operations, markets, organization structure, products, etc. The said presentation is also sent to existing Independent Directors every year.

As part of Board discussions, presentation on performance of the Company is made to the Board during its meeting(s). Plant visits are also arranged for Independent Directors from time-to-time for better understanding of the Company's operations.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.shreecement.in/pdf/Shree-familiarization-programme-for-independent-directors.pdf>.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings / outgo, as required to be disclosed under the Companies Act, 2013 is set out at **Annexure-3** which forms part of this report.

17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at

Annexure-4.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Directors' Report as an addendum thereto. However, in line with the provisions of the first proviso to Section 136(1) of the Act, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

18. AUDITORS

Statutory Auditors

M/s. B. R. Maheswari & Company, Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the



ensuing Annual General Meeting. They have given their report on the Annual Accounts for Financial Year 2015-16. The Audit Report does not contain any qualification, reservation or adverse remark.

M/s. B. R. Maheswari & Company are eligible for re-appointment for next year and have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The Board, on the recommendation of Audit and Risk Management Committee proposes to re-appoint them as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held thereafter.

Secretarial Auditors

The Board had appointed M/s. P. Pincha & Associates, Company Secretaries, Jaipur as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2015-16. They have submitted their report in prescribed format and the same is attached at **Annexure - 5**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

The Board has appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur (Registration No. 000024) as Cost Auditors of the Company to conduct Cost Audit for the Financial Year 2015-16.

19. OTHER DISCLOSURES

- i. Audit and Risk Management Committee:**
The Committee comprises of Shri O. P. Setia as Chairman, Shri Prashant Bangur, Shri R. L. Gaggar, Dr. Y. K. Alagh, Shri Nitin Desai, Shri Shreekant Somany and Shri Sanjiv Krishnaji Shelgikar as other Members. All the recommendations made by the Audit and Risk Management Committee were accepted by the Board.
- ii. Details of Board and its Committees:**
Details of the composition of the Board and its Committees, Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

iii. Extract of the Annual Return: Extract of Annual Return of the Company is annexed at **Annexure - 6** which forms part of this report.

iv. Particulars of Loan, Guarantees or Investments: There were no loan/guarantees given by the Company during the financial year 2015-16. The investments made under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

v. Particulars of Contracts or Arrangements with Related Parties: All Related Party Transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There were no material Related Party Contract/ Arrangement/ Transactions made by the Company during the year that would have required Shareholders' approval under Section 188 or of the Listing Regulations.

The Company has adopted a Related Party Transactions Policy duly approved by the Board, which is uploaded on the Company's website and may be accessed on the link <http://www.shreecement.in/pdf/Shree-related-party-transction-policy.pdf>.

Details of the Related Parties disclosures (transactions) are provided in the accompanying financial statements.

vi. Deposits from Public: The Company has not accepted any deposits from public covered under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

vii. Vigil Mechanism / Whistle Blower Policy:
The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behaviour. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee.

The whistle blower policy may be accessed on the website of the Company at link <http://www.shreecement.in/pdf/Shree-whistle-blower-policy.pdf>.

viii. Remuneration Policy: Company firmly believes that its people are its real assets. A people friendly and conducive work environment is therefore, essential to attain continued success and results. Its remuneration policy is therefore designed to achieve this vision. The policy has been approved by the Board on the recommendation of Nomination cum Remuneration Committee. The policy is applicable to Directors, Key Managerial Personnel and other employees.

The policy provides that while nominating appointment of a Director, the Nomination cum Remuneration Committee shall consider the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate the Directors for delivering high performance.

ix. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace: The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. Company has formed an 'Internal Complaints Committee' for prevention and redressal of sexual harassment at workplace. The

Committee has four members and is chaired by a senior women member of the organization.

The Company has not received any complaint of sexual harassment during the financial year 2015-16.

- x. Material Changes after the Close of Financial Year:** There have been no material changes and commitments which have occurred after the close of the year till the date of this Report, affecting the financial position of the Company.
- xi. Significant and Material Orders passed by the Regulators or Courts:** No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

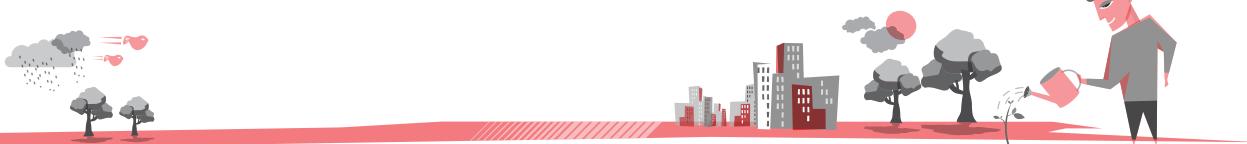
20. ACKNOWLEDGEMENT

The Directors take this opportunity to place on record their sincere appreciation for the commitment, hard work and high engagement level of every member of the Shree family which has made Company to achieve exemplary performance year after year. The Directors would like to thank its lenders, Central and State Governments and their departments and the local authorities for their continued co-operation and support. They also thank various stakeholders of the Company i.e. customers, dealers, supplies, transporters, advisors, local community, etc. for their continued committed engagement with the Company.

For and on behalf of the Board

Place: Kolkata
Date: 26th May, 2016

B. G. Bangur
Chairman



ANNEX-1 TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1 A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs.	<p>Company believes that for its operations and growth to be sustainable, it has to be responsible. Its long term sustainability is thus underlined by strict adherence to environment preservation, social upliftment and financial prudence. In this way, it has made social development an integral part of its business activities and considers it as a voluntary act rather than an additional activity mandated by statute.</p> <p>Company's CSR initiatives focus on education, healthcare, sustainable livelihood, women empowerment, infrastructure development, environment protection and promotion of art & culture, epitomising a holistic approach to inclusive growth.</p> <p>The CSR Policy was approved by the Corporate Social and Business Responsibility Committee (CSBR Committee) of the Board in its meeting held on 28th April, 2014 and subsequently its contents were put up on the Company's website.</p> <p>The web link to the Contents of the CSR Policy is http://www.shreecement.in/pdf/Shree-csr-policy.pdf.</p>
2 The Composition of the CSR Committee.	<p>The Company's CSBR Committee comprises Six directors which includes Four independent Directors; one non-executive Director and one Working Director of the Company and is chaired by an independent Director. The composition of the Committee as on 31st March, 2016 is set out below:</p> <ol style="list-style-type: none"> 1. Shri O. P. Setia (Chairman) - Independent & Non-Executive Director 2. Shri Prashant Bangur – Joint Managing Director 3. Shri Nitin Desai - Independent & Non-Executive Director 4. Dr. Leena Srivastava - Independent & Non-Executive Director 5. Shri Sanjiv Krishnaji Shelgikar - Independent & Non-Executive 6. Shri Ramakant Sharma - Non-Executive Non-Independent Director
3 Average net profit of the company for last three financial years	The average net profit of the Company for the last three financial years calculated in terms of Section 198 of the Companies Act, 2013 is ₹ 948.96 Crore.
4 Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	The prescribed CSR expenditure requirement for year 2015-16 (9 months period) is ₹ 14.23 Crore. (Annualized as the current financial year is of 9 months period i.e. 1 st July, 2015 to 31 st March, 2016).
5 Details of CSR spent during the financial year.	
a) Total amount to be spent for the financial year;	Total amount spent towards CSR during year 2015-16 was ₹ 14.75 Crore. (Including unspent amount of ₹ 0.31 Crore of the last year).
b) Amount unspent, if any;	NIL
c) Manner in which the amount spent during the financial year is detailed below.	The manner in which the amount is spent is annexed.
6 In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report	Not Applicable
7 A responsibility statement of the CSBR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSBR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

Place: Kolkata

Date: 26th May, 2016

H. M. Bangur

Managing Director

DIN:- 00244329

O. P. Setia

Chairman – Corporate Social and Business Responsibility Committee
DIN:- 00244443

Annexures to the Directors' Report

Annexure to CSR Report (Point 5 (c) of the CSR Report)								Amount in ₹ Crore
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure up-to the reporting period	Amount spent: Direct or through Implementing agency	
1.	Healthcare initiatives	Promoting health care and sanitation	Villages/ Towns adjoining plants at Beawar, Ras, Khushkhera, Jobner, Suratgarh (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar), Raipur (Chhattisgarh), Panipat (Haryana) and Bulandshahr (Uttar Pradesh)	0.60	0.68	0.68	Direct	
2.	Providing Safe drinking water for nearby communities	Making available safe drinking water	Villages adjoining plants at Beawar, Ras, Jobner, Khushkhera (Rajasthan) and Raipur (Chhattisgarh)	0.35	0.34	0.34	Direct	
3.	Agriculture support to farmers	Measures for reducing inequalities faced by socially and economically backward people	Villages adjoining plants at Beawar and Ras (Rajasthan)	0.15	0.14	0.14	Direct	
4.	Initiatives to promote education including consumer education	Promotion of education	Villages adjoining plants at Beawar, Ras, Khushkhera, Jobner, Suratgarh (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar), Raipur (Chhattisgarh), Bulandshahr (Uttar Pradesh) and marketing offices of the Company spread across North and East India	3.35	3.44	3.44	Direct	
5.	Income generation programs and skill enhancement trainings	Employment enhancing vocation skills Livelihood enhancement projects	Marketing offices in the states of Rajasthan, Delhi and Bihar	0.30	0.28	0.28	Direct	
6.	Women empowerment and capacity building	Promoting gender equality empowering women	Villages adjoining plants at Beawar, Ras, Khushkhera, Jobner (Rajasthan), Roorkee (Uttarakhand) and Panipat (Haryana)	0.15	0.16	0.16	Direct	
7.	Basic amenities, security and medical services to old aged people	Creation of facilities for senior citizens	Beawar (Rajasthan), Roorkee (Uttarakhand), Bulandshahr (Uttar Pradesh) and Kolkata (West Bengal)	0.40	0.49	0.49	Direct, Project Pronam through 'The Bengal' Trust	



Annexure to CSR Report (Point 5 (c) of the CSR Report)

Amount in ₹ Crore

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure up-to the reporting period	Amount spent: Direct or through Implementing agency
8.	Plantation program, protection of environment including animal welfare	Ensuing environmental sustainability and Animal Welfare	Villages adjoining plants at Beawar, Ras, Khushkhera, Suratgarh (Rajasthan), Raipur (Chhattisgarh) and Panipat (Haryana)	2.45	2.39	2.39	Direct
9.	Sponsorships/contribution to community /social / cultural institutions of repute engaged in activities in line with the CSR policy	Promotion and protection of art and culture	Beawar, Ras, Khushkhera, Suratgarh, Jaipur (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar), Raipur (Chhattisgarh), Panipat (Haryana) and Bulandshahr (Uttar Pradesh)	0.45	1.41	1.41	Direct
10.	Promotion of sports	Promote rural sports and nationally recognized sports	Ras, Kuheskhera (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar) and Raipur (Chhattisgarh)	0.05	0.04	0.04	Direct
11.	Integrated rural and infrastructure development	Rural development projects	Villages adjoining plants at Beawar, Ras, Khushkhera, Jobner, Suratgarh (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar), Raipur (Chhattisgarh) and Panipat (Haryana)	5.75	4.74	4.74	Direct
12.	CSR Overheads	-	-	0.60	0.64	0.64	-
			Grand Total	14.60	14.75	14.75	

ANNEX-2 TO THE DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY

Shree believes that for its operations and growth to be sustainable, it has to be responsible. Its progress is thus underlined by strict adherence to environment preservation, social upliftment and financial prudence. Shree believes in making social development as an integral part of its business activities so as to bring about a meaningful change in the lives of people associated with it. Shree considers social responsibility as a voluntary act rather than an additional activity mandated by statute. It has therefore named it as "Samaj Seva".

Shree has in line with the statutory requirement, prepared its CSR policy. Shree maintains that all activities undertaken by it are in accordance with the policy and that the projects and activities undertaken are in full compliance with the schedule VII of Companies Act, 2013.

The contents of Shree's CSR policy are given below:-

1. Vision, Objective and Scope of the Policy

Shree "Samaj Seva" Programmes will focus supporting needy people of the society for their upliftment. Though all its Samaj Seva initiatives will be focusing primarily areas surrounding its operations, sometime it may include people / programs which may not be related to its operations considering overall social upliftment objectives.

2. Mandate of Corporate Social Responsibility

SCL fulfills the statutory criteria and is committed to spend 2% of its Average Net Profit of last three years towards its "Samaj Seva" Initiatives.

3. Board Committee

To oversee the "Samaj Seva" activities, Company has formed a Corporate Social and Business Responsibility (CSBR) Committee of the Board.

4. Identification of projects and Modalities of Project Execution

Shree will ensure participation of all relevant stakeholders in identifying social development

interventions which will include consultation with the relevant stakeholders and understanding their requirements and needs.

5. Organisational Mechanism

Shree has a dedicated "Samaj Seva" team for undertaking various Initiatives related to Samaj Seva causes included in its policy. Wherever required, assistance of outside agencies will be taken.

6. Implementation

Environment, Social and Governance Committee (ESG Committee) and Senior Management of the Company are charged with implementing the "Samaj Seva" initiatives and establishing a monitoring mechanism in line with the policy of company.

7. Budget - CSR corpus

Shree will allocate necessary budget before start of relevant accounting year for "Samaj Seva" initiatives. Fund allocation for various activities will be made on suitable basis.

8. Performance Management

Shree will maintain a benchmarking approach for measuring the actual performance of all projects undertaken and ESG Committee of company shall review the performance.

9. Information Dissemination and Policy Communication

Company's engagement in CSR activities shall be disseminated through its annual reports, CSR Reports, etc.

10. Review of Policy

Policy shall be reviewed by Board on the instance of CSBR Committee on regular basis.



ANNEX-3 TO THE DIRECTORS' REPORT

[Pursuant to Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8 (3) of The Companies (Accounts) Rules, 2014]

(A) Conservation of Energy

Particulars	Cement	Power
a. Steps taken or impact on conservation of Energy	<p>Major energy conservation initiatives taken during FY 2015-16:</p> <ul style="list-style-type: none"> • Installation of delta-star starter • Installation of Bed Ash Feeding System in Cement Mills • Installation of VFDs and MVDs for various applications • Replacement of Motors of Bag Filter Fan with high efficiency motors in Packing Plant Section • Packer bin heating pad interlocking with packer main drive • Optimized temperature of all heating pads • Replaced conventional lights with LED lights • Replacement of kiln inlet seal from old conventional Pneumatic seal to new Iteca Graphite block type seal • Elimination of Existing Cooling Air Fan by Installation of Plate Heat Exchanger • Installation of new Coal firing system from Conventional LIW to Coriolis feeder (Schenck) and Rota scale • Installation of Rotary Airlock in Coal mill feeding Circuit • Installation of Coal Mill Reject Recirculation System • Enlargement of SKS 3750 Bag House Area by installation of additional chamber in Cement Mills • Replacement of Kiln tyre cooling fan's motor with high efficiency Motor • Replacement of firing blower (Kiln & PC) from conventional to new high efficiency PD blower • Clinker Cooler Grate 1 DC Motor replaced by AC Motor • Installation of Pyro box firing instead of conventional PC firing • Coal mill Inlet Duct Modification • Enlargement of Kiln Inlet orifice riser area 	<p>Major energy conservation initiatives taken during FY 2015-16:</p> <ul style="list-style-type: none"> • Remote operation of all package AC • Insulation of hot spots in boiler to reduce heat losses • SA fan suction duct modification to reduce pressure drop • Overhauling of compressors to improve specific energy consumption • Reduction in air ingress and pressure drop reduction in flue gas path • Arresting LP bypass valve passing • Modification in kiln string boiler outlet duct to reduce pressure drop • Replacement of Pump impeller for energy efficiency • Boilers false air ingress reduction for power saving • Interconnection of ACC for auxiliary power saving • Installation of Low DP Control valve in feed water line of Boiler
b. Steps taken by the company for utilising alternate sources of energy	<ul style="list-style-type: none"> • Established waste heat recovery based power plants for generation of power through Waste Heat Recovery of Cement Kilns • Use of Industrial waste 	
c. Capital investment on energy conservation equipments	₹ 148.29 Crore	

(B) Technology Absorption

(i) The efforts made towards technology absorption

The Company has leading Research & Development Centres at Beawar and Ras, both of which are recognized by Department of Science & Industrial Research (DSIR), Government of India. The Company considers R&D as an essential tool to achieve sustainable growth. The R&D Center has expertise in interdisciplinary approach which combines chemistry, geology, environment, mechanical, instrumentation, energy management and building material mechanics. The activities of the R&D Center is focused on identifying alternate fuels, utilizing waste material, adopting newer technologies, improving product quality with improved process and optimizing available resources. It makes continuous efforts towards adoption and implementation of new technologies, which assist in reducing the Company's carbon footprint. The Company is a member of Cement sustainability Initiative (CSI), which works under the aegis of World Business Council for Sustainable Development (WBCSD). The Company's cement plants have been awarded 5 Star rating by U.K. based Whitehopleman benchmarking agency.

Training is imparted to R&D personnel in advanced computational methods. Company's R&D officials participate in various national and international seminars on technology up-gradation, adaptations and innovation and share knowledge at various global forums at national and international platforms.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

1. Energy Conservation
2. Conservation of natural resources
3. Utilization of waste and environment conservation
4. Improvement in equipment efficiency and productivity
5. Cost reduction

(iii) Information regarding imported technology (imported during last three years)

Details of technology imported		Technology import from				Year of Import		Status implementation / absorption			
X-Ray Diffraction, XRF with new standard-less program to do chemical analysis from Fluorine to Uranium.		X-Ray Diffraction - Germany XRF - USA				2013-14		Fully absorbed			

(iv) Expenditure incurred on Research and Development

2015-16

₹ in Crore

Particulars	Beawar	Ras	K'khera	S'garh	Roorkee	Jobner	Bihar	Panipat	Raipur	B'shahr	Total
Capital Expenditure	0.01	0.08	0.23	-	-	0.10	-	0.05	1.13	1.81	3.41
Recurring Expenditure	5.73	3.53	0.50	0.21	0.50	0.61	0.38	0.29	0.69	0.57	13.01
Total Expenditure	5.74	3.61	0.73	0.21	0.50	0.71	0.38	0.34	1.82	2.38	16.42

Total R&D Expenditure as a % of Net Turnover

0.29%

2014-15

₹ in Crore

Particulars	Beawar	Ras	K'khera	S'garh	Roorkee	Jobner	Bihar	Panipat	Raipur	B'shahr	Total
Capital Expenditure	0.05	0.53	-	-	-	-	0.36	-	-	-	0.94
Recurring Expenditure	7.33	3.82	0.38	0.28	0.27	0.72	0.28	0.17	0.09	0.09	13.34
Total Expenditure	7.38	4.35	0.38	0.28	0.27	0.72	0.64	0.17	0.09	0.09	14.28

Total R&D Expenditure as a % of Net Turnover

0.22%

(C) Total Foreign Exchange Earning and Outgo

₹ in Crore

Particulars	2015-16	2014-15
Earned	Nil	Nil
Outgo	572.26	1,740.41



ANNEX-4 TO THE DIRECTORS' REPORT

[Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16, the percentage increase in remuneration of each Director, Chief Finance Officer and Company Secretary during the financial year 2015-16 are as under:

Sl. No.	Name of Director / KMP and Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in the remuneration for the Financial Year 2015-16
1	Shri B. G. Bangur Chairman (Non-Executive)	3.7	29.9
2	Shri H. M. Bangur Managing Director / KMP	497.0	28.6
3	Shri Prashant Bangur Jt. Managing Director / KMP	201.3	43.7
4	Shri Ramakant Sharma Non-Executive Director	3.8	30.0
5	Shri R. L. Gaggar Independent & Non-Executive	4.4	33.3
6	Shri Shreekant Somany Independent & Non-Executive	4.1	36.6
7	Shri O. P. Setia Independent & Non-Executive	4.4	25.0
8	Dr. Y. K. Alagh Independent & Non-Executive	4.4	27.7
9	Shri Nitin Desai Independent & Non-Executive	4.3	22.2
10	Dr. Leena Srivastava Independent & Non-Executive	3.9	33.3
11	Shri Sanjiv Krishnaji Shelgikar Independent & Non-Executive	3.9	NA*
Key Managerial Personnel [Other than Managing Director (MD) and Joint Managing Director (Jt. MD)]			
1	Shri S. S. Khandelwal Company Secretary	Not Applicable	13.9
2	Shri Subhash Jajoo Chief Finance Officer	Not Applicable	13.7

* Appointed w.e.f. 5th August, 2015.

Note: As the figures for Financial Year 2015-16 are of 9 months period, the same have been annualized for comparison / calculating growth, wherever required.

ii. **Median Remuneration of the Employees of the Company during the financial year:**

₹5.09 lacs.

iii. **The percentile increase in the median remuneration of Employees in the Financial Year:**

There was 0.70% decrease in the median remuneration of employees during 2015-16.

iv. **The No. of Permanent Employees on the rolls of Company:**

No. of Permanent Employees on the rolls of the

Company as on 31st March, 2016 were 5142 which includes 218 employees governed under Collective Bargaining.

v. **Relationship between average increase in remuneration and company performance:**

The average increase in remuneration of the employees was about 11.5%. As against this, total Revenue from operations of the Company during FY 15-16 were up by 15.0%. The sales volumes of cement (including clinker) were also up by 17.5%. Operating profit of the Company went up by 29.6%.

vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The total remuneration of Key Managerial Personnel went up by 31.9% (23.6% excluding Commission to Managing Director and Jt. Managing Director). As against this, total Revenue from operations of the Company during FY15-16 were up by 15.0%. The sales volumes of cement (including clinker) were also up by 17.5%. Operating profit of the Company went up by 29.6%.

vii. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

- The market capitalization as on 31st March, 2016 was ₹ 43,270 Crore as compared to ₹ 39,509 Crore as on 30th June, 2015
- Price Earnings ratio of the Company was 95.1 as at 31st March, 2016 and was 92.7 as at 30th June, 2015
- Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year - The Company had come out with initial public offer (IPO) in Feb'85 at ₹ 10/- per share. The market quotation of the Equity Shares of the Company as on 31st March, 2016 was ₹ 12,420.50/- for shares of face value of ₹ 10/- each, representing an increase of 1,24,105% over the period.

viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was about 9.4% whereas the Increase in the managerial remuneration was 32.6% (24.4% excluding Commission to Managing Director and Jt. Managing

Director). The remuneration of Executive Directors is decided based on Industry trend, remuneration package in other comparable Corporates, Job contents, key performance areas and Company's performance.

ix. The key parameters for the variable component of remuneration availed by the directors:

The variable component of Non-Executive Directors' remuneration consists of commission. Commission is paid at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Companies Act, 2013. The distribution of commission among the Non-Executive Directors is decided and approved by the Board. The commission is distributed based on their contribution at the Board, time spent on operational matters and other responsibility assigned.

The Company pays remuneration by way of commission as variable component to the Managing Director and Jt. Managing Director. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, subject to the overall ceilings stipulated in the Companies Act, 2013.

x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not applicable, since no employee of the Company receives remuneration in excess of the highest paid director i.e. Managing Director.

xi. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



ANNEX-5 TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2016

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Shree Cement Limited
Bangur Nagar, Beawar,
Rajasthan-305901

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shree Cement Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Shree Cement Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent

of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** &
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

Annexures to the Directors' Report

- (vi) Company has complied with the following laws applicable specifically to the Company:
 - (a) The Mines Act 1952, and Rules made thereunder, as amended from time to time
 - (b) Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder, as amended from time to time
 - (c) The Indian Electricity Act, 2003 and Rules made thereunder and other applicable Regulations, if any

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meeting, Committee Meetings, by circulation are carried out unanimously as recorded in the minutes of the meetings of Board of Directors of the Company or committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has redeemed its 2000, 8.42% Redeemable Non-convertible Debentures (NCDs) on 22nd day of July, 2015.

For **P. Pincha & Associates**
Company Secretaries

Pradeep Pincha
Proprietor
M. No.: FCS 5369
C. P. No.: 4426

Place: Jaipur
Date: 27.04.2016

(This report is to be read with our letter of even date which is annexed as Annexure-A which forms an integral part of this report.)



ANNEX-A TO THE SECRETARIAL AUDIT REPORT

To
The Members,
Shree Cement Limited
Bangur Nagar, Beawar,
Rajasthan-305901

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P. Pincha & Associates**
Company Secretaries

Pradeep Pincha
Proprietor
M. No.: FCS 5369
C. P. No.: 4426

Place: Jaipur
Date: 27.04.2016

ANNEX-6 TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on Financial Year ended on 31st March, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

1.	CIN	L26943RJ1979PLC001935
2.	Registration Date	25 th October, 1979
3.	Name of the Company	SHREE CEMENT LIMITED
4.	Category/Sub-category of the Company	Category :- Public Company Sub-Category - Limited by shares
5.	Address of the Registered office & contact details	Address : Bangur Nagar, Beawar, Rajasthan – 305901 Phone No. : +91-1462-228101 Fax No. : +91-1462-228117 E-mail ID - khandelwalss@shreecementltd.com www.shreecement.in
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name : M/s. Karvy Computershare Pvt. Ltd. Address : Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 Phone No. : +91-40-67161526

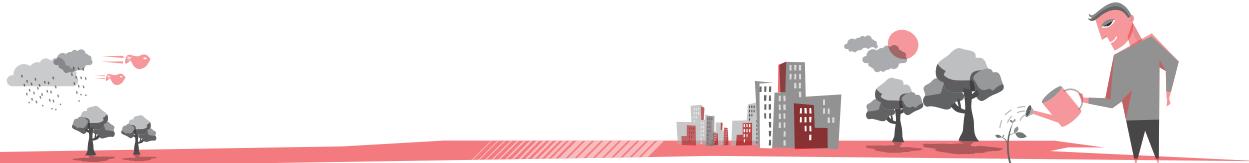
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cement & Clinker	NIC Code 2394	90.46%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Shree Global Pte. Ltd.	Registration No. 201224813N (Singapore)	Subsidiary Company	100%	2(87)(ii)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.07.2015]				No. of Shares held at the end of the year [As on 31.03.2016]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	1074484	NIL	1074484	3.09%	1074484	NIL	1074484	3.09%	NIL	
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
d) Bodies Corporate	21495313	NIL	21495313	61.70%	21495313	NIL	21495313	61.70%	NIL	
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Sub-total (A) (1)	22569797	NIL	22569797	64.79%	22569797	NIL	22569797	64.79%	NIL	
(2) Foreign										
a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
c) Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Sub-total (A) (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Total shareholding of Promoter(s) (A) = (A) (1) + (A) (2)	22569797	NIL	22569797	64.79%	22569797	NIL	22569797	64.79%	NIL	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	1610937	3150	1614087	4.63%	1754601	3150	1757751	5.05%	0.42%	
b) Banks / FI	14591	10150	24741	0.07%	13463	10150	23613	0.07%	NIL	
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
f) Insurance Companies	7863	NIL	7863	0.02%	7863	NIL	7863	0.02%	NIL	
g) FIIs / FPI	4702120	250	4702370	13.50%	4748371	250	4748621	13.63%	0.13%	
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
i) Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Sub-total (B) (1)	6335511	13550	6349061	18.22%	6524298	13550	6537848	18.77%	0.55%	
2. Non-Institutions										
a) Bodies Corporate										
i) Indian	994594	17200	1011794	2.90%	839215	17000	856215	2.46%	-0.44%	
ii) Overseas	3500	3600000	3603500	10.34%	3500	3600000	3603500	10.34%	NIL	
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	813790	290312	1104102	3.17%	834631	270614	1105245	3.17%	NIL	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	157505	NIL	157505	0.45%	127505	NIL	127505	0.37%	-0.08%	

Annexures to the Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.07.2015]				No. of Shares held at the end of the year [As on 31.03.2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
- Clearing Members	14566	NIL	14566	0.04%	9749	NIL	9749	0.03%	-0.01%
- Trusts	26900	NIL	26900	0.08%	27366	NIL	27366	0.08%	NIL
Sub-total (B) (2)	2010855	3907512	5918367	16.99%	1841966	3887614	5729580	16.45%	-0.54%
Total Public Shareholding (B)=(B) (1) + (B) (2)	8346366	3921062	12267428	35.21%	8366264	3901164	12267428	35.21%	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	30916163	3921062	34837225	100%	30936061	3901164	34837225	100.00%	NIL

B) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01.07.2015]			Shareholding at the end of the year [As on 31.03.2016]			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Benu Gopal Bangur	425821	1.22%	NIL	425821	1.22%	NIL	NIL
2	Hari Mohan Bangur	442438	1.27%	NIL	442438	1.27%	NIL	NIL
3	Padma Devi Maheshwari	600	0.00%	NIL	600	0.00%	NIL	NIL
4	Prashant Bangur	57475	0.16%	NIL	57475	0.16%	NIL	NIL
5	Rajkamal Devi Bangur	126100	0.36%	NIL	126100	0.36%	NIL	NIL
6	Ranu Bangur	20000	0.06%	NIL	20000	0.06%	NIL	NIL
7	Riya Puja Jain	2050	0.01%	NIL	2050	0.01%	NIL	NIL
8	Shree Capital Services Ltd.	8984155	25.79%	NIL	8984155	25.79%	NIL	NIL
9	Digvijay Finlease Ltd.	4234780	12.16%	NIL	4234780	12.16%	NIL	NIL
10	Mannakrishna Investments Pvt Ltd.	2042824	5.86%	NIL	2042824	5.86%	NIL	NIL
11	Newa Investments Pvt. Ltd.	1376270	3.95%	NIL	1376270	3.95%	NIL	NIL
12	Ragini Finance Ltd.	1268882	3.64%	NIL	1268882	3.64%	NIL	NIL
13	Didu Investments Pvt. Ltd.	1170909	3.36%	NIL	1170909	3.36%	NIL	NIL
14	NBI Industrial Finance Co Ltd.	849450	2.44%	NIL	849450	2.44%	NIL	NIL
15	The Venktesh Co Ltd.	460030	1.32%	NIL	460030	1.32%	NIL	NIL
16	Rajesh Vanijya Pvt. Ltd.	369226	1.06%	NIL	369226	1.06%	NIL	NIL
17	The Didwana Investment Company Ltd.	327400	0.94%	NIL	327400	0.94%	NIL	NIL
18	Western India Commercial Company Ltd.	200650	0.58%	NIL	200650	0.58%	NIL	NIL
19	The Laxmi Salt Company Ltd.	124600	0.36%	NIL	124600	0.36%	NIL	NIL
20	Asish Creations Private Ltd.	86137	0.25%	NIL	86137	0.25%	NIL	NIL
	Total	22569797	64.79%	NIL	22569797	64.79%	NIL	NIL



C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year [As on 01.07.2015]		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (01.07.2015)	22569797	64.79%	22569797	64.79%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			No Change	
	At the end of the year (31.03.2016)	22569797	64.79%	22569797	64.79%

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year [As on 01.07.2015]		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	FLT Limited	3600000	10.33	01.07.2015	No Change			3600000	10.33
				31.03.2016	At the end of the Year				
2	Cartica Capital Ltd.	711326	2.04	01.07.2015				711326	2.04
				31.07.2015	Purchase	6075	0.02	717401	2.06
				04.09.2015	Purchase	4934	0.01	722335	2.07
				11.09.2015	Purchase	20000	0.06	742335	2.13
				30.10.2015	Purchase	7739	0.02	750074	2.15
				13.11.2015	Purchase	12083	0.03	762157	2.19
				05.02.2016	Sale	9442	0.03	752715	2.16
				12.02.2016	Sale	908	0.00	751807	2.16
				19.02.2016	Sale	4053	0.01	747754	2.15
				31.03.2016	At the end of the Year			747754	2.15
3	UTI Mutual Fund	598510	1.72	01.07.2015				598510	1.72
				03.07.2015	Sale	14	0.00	598496	1.72
				10.07.2015	Sale	9517	0.03	588979	1.69
				24.07.2015	Sale	2800	0.01	586179	1.68
				31.07.2015	Sale	4350	0.01	581829	1.67
				07.08.2015	Sale	4476	0.01	577353	1.66
				14.08.2015	Sale	6311	0.02	571042	1.64
				21.08.2015	Sale	1218	0.00	569824	1.64
				28.08.2015	Sale	1545	0.00	568279	1.63
				18.09.2015	Sale	1100	0.00	567179	1.63
				25.09.2015	Sale	1300	0.00	565879	1.62
				09.10.2015	Sale	500	0.00	565379	1.62
				16.10.2015	Sale	3000	0.01	562379	1.61
				23.10.2015	Sale	7931	0.02	554448	1.59
				30.10.2015	Sale	1838	0.01	552610	1.59

Annexures to the Directors' Report

Sl. No.	Name	Shareholding at the beginning of the year [As on 01.07.2015]		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				04.12.2015	Sale	17	0.00	552593	1.59
				11.12.2015	Purchase	459	0.00	553052	1.59
				18.12.2015	Purchase	2500	0.01	555552	1.59
				25.12.2015	Sale	279	0.00	555273	1.59
				31.12.2015	Sale	718	0.00	554555	1.59
				01.01.2016	Sale	82	0.00	554473	1.59
				22.01.2016	Purchase	500	0.00	554973	1.59
				29.01.2016	Purchase	10300	0.03	565273	1.62
				05.02.2016	Purchase	2787	0.01	568060	1.63
				12.02.2016	Purchase	500	0.00	568560	1.63
				19.02.2016	Purchase	2000	0.01	570560	1.64
				04.03.2016	Purchase	938	0.00	571498	1.64
				11.03.2016	Purchase	600	0.00	572098	1.64
				25.03.2016	Sale	2788	0.00	569310	1.63
				31.03.2016	At the end of the Year			569310	1.63
4	Pinebridge Inv Asia Limited A/c Pinebridge Investments GF Mauritius Limited	448862	1.29	01.07.2015				448862	1.29
				24.07.2015	Purchase	1608	0.00	450470	1.29
				14.08.2015	Purchase	1330	0.00	451800	1.30
				21.08.2015	Purchase	10124	0.03	461924	1.33
				28.08.2015	Purchase	11599	0.03	473523	1.36
				04.09.2015	Sale	682	0.00	472841	1.36
				11.09.2015	Purchase	1638	0.00	474479	1.36
				25.09.2015	Sale	3803	0.01	470676	1.35
				09.10.2015	Sale	1840	0.01	468836	1.35
				06.11.2015	Sale	400	0.00	468436	1.34
				20.11.2015	Purchase	2000	0.01	470436	1.35
				27.11.2015	Purchase	6795	0.02	477231	1.37
				18.12.2015	Purchase	3376	0.01	480607	1.38
				22.01.2016	Purchase	1830	0.01	482437	1.38
				12.02.2016	Sale	4290	0.01	478147	1.37
				11.03.2016	Sale	13508	0.04	464639	1.33
				18.03.2016	Sale	10000	0.03	454639	1.31
				25.03.2016	Sale	27994	0.08	426645	1.22
				31.03.2016	At the end of the Year			426645	1.22
5	HDFC Standard Life Insurance Company Limited	358037	1.03	01.07.2015				358037	1.03
				03.07.2015	Sale	1443	0.00	356594	1.02
				10.07.2015	Sale	3917	0.01	352677	1.01
				17.07.2015	Sale	7658	0.02	345019	0.99
				31.07.2015	Sale	6332	0.02	338687	0.97
				14.08.2015	Sale	265	0.00	338422	0.97
				21.08.2015	Purchase	10	0.00	338432	0.97



Sl. No.	Name	Shareholding at the beginning of the year [As on 01.07.2015]		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	Abu Dhabi Investment Authority	278784	0.80	28.08.2015	Sale	10793	0.03	327639	0.94
				04.09.2015	Sale	5620	0.02	322019	0.92
				11.09.2015	Sale	5570	0.02	316449	0.91
				18.09.2015	Sale	982	0.00	315467	0.91
				25.09.2015	Sale	671	0.00	314796	0.90
				30.09.2015	Sale	361	0.00	314435	0.90
				09.10.2015	Sale	6355	0.02	308080	0.88
				16.10.2015	Purchase	3	0.00	308083	0.88
				23.10.2015	Sale	8029	0.02	300054	0.86
				30.10.2015	Sale	2624	0.01	297430	0.85
				06.11.2015	Sale	400	0.00	297030	0.85
				13.11.2015	Sale	787	0.00	296243	0.85
				11.12.2015	Sale	3000	0.01	293243	0.84
				01.01.2016	Sale	5500	0.02	287743	0.83
				15.01.2016	Purchase	1000	0.00	288743	0.83
				22.01.2016	Purchase	593	0.00	289336	0.83
				12.02.2016	Sale	1961	0.01	287375	0.82
				19.02.2016	Sale	3000	0.01	284375	0.82
				26.02.2016	Sale	5165	0.01	279210	0.80
				04.03.2016	Sale	8000	0.02	271210	0.78
				11.03.2016	Sale	10000	0.03	261210	0.75
				18.03.2016	Purchase	1403	0.00	262613	0.75
				25.03.2016	Sale	3410	0.01	259203	0.74
				31.03.2016	Purchase	4000	0.01	263203	0.76
				31.03.2016	At the end of the Year			263203	0.76
7	ICICI Prudential Life Insurance Company Limited	235666	0.68	01.07.2015				235666	0.68
				03.07.2015	Purchase	900	0.01	238334	0.68
				07.08.2015	Purchase	897	0.00	280581	0.81
				14.08.2015	Purchase	335	0.00	280916	0.81
				04.09.2015	Sale	283	0.00	280633	0.81
				25.09.2015	Sale	3856	0.01	276777	0.79
				30.10.2015	Sale	8277	0.02	268500	0.77
				20.11.2015	Sale	807	0.00	267693	0.77
				27.11.2015	Sale	4949	0.01	262744	0.75
				04.12.2015	Sale	3220	0.01	259524	0.74
				18.03.2016	Sale	14795	0.04	244729	0.70
				31.03.2016	At the end of the Year			244729	0.70

Annexures to the Directors' Report

Sl. No.	Name	Shareholding at the beginning of the year [As on 01.07.2015]		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				24.07.2015	Purchase	6307	0.02	281948	0.81
				31.07.2015	Purchase	1548	0.00	283496	0.81
				07.08.2015	Sale	333	0.00	283163	0.81
				14.08.2015	Purchase	464	0.00	283627	0.81
				28.08.2015	Purchase	6314	0.02	289941	0.83
				04.09.2015	Purchase	1788	0.01	291729	0.84
				11.09.2015	Purchase	283	0.00	292012	0.84
				25.09.2015	Sale	292	0.00	291720	0.84
				09.10.2015	Sale	578	0.00	291142	0.84
				16.10.2015	Sale	2652	0.01	288490	0.83
				23.10.2015	Sale	666	0.00	287824	0.83
				30.10.2015	Sale	12786	0.04	275038	0.79
				06.11.2015	Purchase	11998	0.03	287036	0.82
				27.11.2015	Purchase	1309	0.00	288345	0.83
				04.12.2015	Purchase	1500	0.00	289845	0.83
				11.12.2015	Purchase	2868	0.01	292713	0.84
				18.12.2015	Purchase	1032	0.00	293745	0.84
				25.12.2015	Sale	1769	0.01	291976	0.84
				31.12.2015	Purchase	5849	0.02	297825	0.85
				01.01.2016	Purchase	52	0.00	297877	0.86
				08.01.2016	Purchase	2574	0.01	300451	0.86
				15.01.2016	Purchase	1130	0.00	301581	0.87
				22.01.2016	Purchase	7578	0.02	309159	0.89
				29.01.2016	Purchase	15518	0.04	324677	0.93
				05.02.2016	Purchase	6581	0.02	331258	0.95
				04.03.2016	Purchase	855	0.00	332113	0.95
				18.03.2016	Purchase	1636	0.00	333749	0.96
				31.03.2016	At the end of the Year			333749	0.96
8	SBI life Insurance Company Ltd. #	220033	0.63	01.07.2015				220033	0.63
				03.07.2015	Purchase	8500	0.02	228533	0.66
				10.07.2015	Sale	2500	0.01	226033	0.65
				17.07.2015	Sale	1835	0.01	224198	0.64
				28.08.2015	Purchase	2044	0.01	226242	0.65
				04.09.2015	Sale	2945	0.01	223297	0.64
				11.09.2015	Sale	11153	0.03	212144	0.61
				18.09.2015	Sale	674	0.00	211470	0.61
				25.09.2015	Sale	47	0.00	211423	0.61
				23.10.2015	Sale	774	0.00	210649	0.60
				13.11.2015	Purchase	341	0.00	210990	0.61
				20.11.2015	Sale	2704	0.01	208286	0.60
				27.11.2015	Sale	1000	0.00	207286	0.60



Sl. No.	Name	Shareholding at the beginning of the year [As on 01.07.2015]		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				04.12.2015	Purchase	2874	0.01	210160	0.60
				11.12.2015	Sale	3797	0.01	206363	0.59
				31.12.2015	Sale	24025	0.07	182338	0.52
				08.01.2016	Purchase	2109	0.01	184447	0.53
				15.01.2016	Sale	13612	0.04	170835	0.49
				22.01.2016	Sale	100	0.00	170735	0.49
				29.01.2016	Purchase	2500	0.01	173235	0.50
				05.02.2016	Sale	5867	0.02	167368	0.48
				12.02.2016	Sale	4	0.00	167364	0.48
				19.02.2016	Purchase	230	0.00	167594	0.48
				26.02.2016	Sale	821	0.00	166773	0.48
				04.03.2016	Sale	9134	0.03	157639	0.45
				11.03.2016	Purchase	200	0.00	157839	0.45
				25.03.2016	Purchase	2853	0.01	160692	0.46
				31.03.2016	Purchase	1750	0.01	162442	0.47
				At the end of the Year				162442	0.47
9	SBI Mutual Fund	202000	0.58	01.07.2015				202000	0.58
				23.10.2015	Purchase	8180	0.02	210180	0.60
				30.10.2015	Purchase	2820	0.01	213000	0.61
				20.11.2015	Purchase	8286	0.02	221286	0.64
				27.11.2015	Purchase	4714	0.01	226000	0.65
				29.01.2016	Purchase	3000	0.01	229000	0.66
				04.03.2016	Sale	2000	0.01	227000	0.65
				18.03.2016	Sale	4867	0.01	222133	0.64
				31.03.2016	Sale	3994	0.01	218139	0.63
				At the end of the Year				218139	0.63
10	Kuwait Investment Authority	189018	0.54	01.07.2015				189018	0.54
				03.07.2015	Purchase	7681	0.02	196699	0.56
				10.07.2015	Purchase	3735	0.01	200434	0.58
				04.09.2015	Sale	10581	0.03	189853	0.54
				11.09.2015	Sale	3748	0.01	186105	0.53
				18.09.2015	Sale	8750	0.03	177355	0.51
				20.11.2015	Purchase	1459	0.00	178814	0.51
				27.11.2015	Purchase	2467	0.01	181281	0.52
				04.12.2015	Purchase	6488	0.02	187769	0.54
				31.12.2015	Purchase	9930	0.03	197699	0.57
				01.01.2016	Purchase	39	0.00	197738	0.57
				15.01.2016	Purchase	203	0.00	197941	0.57
				22.01.2016	Purchase	3950	0.01	201891	0.58
				29.01.2016	Purchase	1166	0.00	203057	0.58
				31.03.2016	Purchase	3051	0.01	206108	0.59
				At the end of the Year				206108	0.59

Annexures to the Directors' Report

Sl. No.	Name	Shareholding at the beginning of the year [As on 01.07.2015]		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11	Franklin Templeton Investment Funds#*	186901	0.54	01.07.2015				186901	0.54
				13.11.2015	Sale	5000	0.01	181901	0.52
				31.12.2015	Sale	20000	0.06	161901	0.46
				25.03.2016	Sale	3000	0.01	158901	0.46
				31.03.2016	At the end of the Year			158901	0.46
12	Kotak Mahindra Mutual Fund*	143754	0.41	01.07.2015				143754	0.41
				03.07.2015	Sale	1500	0.00	142254	0.41
				10.07.2015	Purchase	1590	0.00	143844	0.41
				17.07.2015	Purchase	124	0.00	143968	0.41
				24.07.2015	Purchase	3971	0.01	147939	0.42
				07.08.2015	Sale	597	0.00	147342	0.42
				14.08.2015	Sale	39	0.00	147303	0.42
				21.08.2015	Sale	45	0.00	147258	0.42
				28.08.2015	Sale	2677	0.01	144581	0.42
				04.09.2015	Sale	225	0.00	144356	0.41
				11.09.2015	Purchase	11317	0.03	155673	0.45
				18.09.2015	Sale	1231	0.00	154442	0.44
				25.09.2015	Sale	500	0.00	153942	0.44
				02.10.2015	Sale	1302	0.00	152640	0.44
				09.10.2015	Sale	4757	0.01	147883	0.42
				23.10.2015	Purchase	1534	0.00	149417	0.43
				30.10.2015	Sale	1000	0.00	148417	0.43
				06.11.2015	Sale	8	0.00	148409	0.43
				13.11.2015	Purchase	5000	0.01	153409	0.44
				20.11.2015	Purchase	10920	0.03	164329	0.47
				27.11.2015	Purchase	165	0.00	164494	0.47
				04.12.2015	Purchase	3723	0.01	168217	0.48
				11.12.2015	Purchase	470	0.00	168687	0.48
				18.12.2015	Purchase	371	0.00	169058	0.49
				25.12.2015	Sale	54	0.00	169004	0.49
				08.01.2016	Purchase	950	0.00	169954	0.49
				15.01.2016	Purchase	115	0.00	170069	0.49
				22.01.2016	Purchase	2574	0.01	172643	0.50
				29.01.2016	Purchase	2757	0.01	175400	0.50
				05.02.2016	Purchase	73	0.00	175473	0.50
				12.02.2016	Sale	33	0.00	175440	0.50
				26.02.2016	Sale	288	0.00	175152	0.50
				04.03.2016	Purchase	165	0.00	175317	0.50
				11.03.2016	Sale	27	0.00	175290	0.50
				18.03.2016	Sale	39	0.00	175251	0.50
				25.03.2016	Sale	1062	0.00	174189	0.50
				31.03.2016	Sale	371	0.00	173818	0.50
				31.03.2016	At the end of the Year			173818	0.50

Ceased to be in the list of Top 10 Shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 Shareholder as on 01.07.2015

* Not in the list of Top 10 Shareholders as on 01.07.2015. The same has been mentioned above as the shareholder was one of the Top 10 shareholders during the period 01.07.2015 to 31.03.2016

Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders, wherever required.



E) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 01.07.2015]		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	B. G. Bangur - Chairman				
	At the beginning of the year (01.07.2015)	425821	1.22%	425821	1.22%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			No Change	
	At the end of the year (31.03.2016)	425821	1.22%	425821	1.22%
2	H. M. Bangur – Managing Director (Key Managerial Personnel)				
	At the beginning of the year (01.07.2015)	442438	1.27%	442438	1.27%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			No Change	
	At the end of the year (31.03.2016)	442438	1.27%	442438	1.27%
3	Prashant Bangur - Jt. Managing Director (Key Managerial Personnel)				
	At the beginning of the year (01.07.2015)	57475	0.16%	57475	0.16%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			No Change	
	At the end of the year (31.03.2016)	57475	0.16%	57475	0.16%
4	Ramakant Sharma - Non-Executive Director				
	At the beginning of the year (01.07.2015)	25	0.00%	25	0.00%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			No Change	
	At the end of the year (31.03.2016)	25	0.00%	25	0.00%

Other Directors, CFO and Company Secretary of the Company did not hold any shares of the Company during the financial year 2015-16.

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.07.2015)				
i) Principal Amount	916.63	0.00	0.00	916.63
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	11.14	0.00	0.00	11.14
Total (i+ii+iii)	927.77	0.00	0.00	927.77
Change in Indebtedness during the financial year				
• Addition (Principal)	265.84	45.54	0.00	311.38
• Reduction (Principal)	365.01	0.00	0.00	365.01
Net Change	(99.17)	45.54	0.00	(53.63)
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	817.46	45.54	0.00	863.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	8.74	0.00	0.00	8.74
Total (i+ii+iii)	826.20	45.54	0.00	871.74

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lac)

Sl. No.	Particulars of Remuneration	H. M. Bangur (Managing Director)	Prashant Bangur (Jt. Managing Director)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,100.79	428.40	1,529.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.55	1.30	2.85
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, please specify	1,350.00	550.00	1,900.00
5	Others, please specify			
	a Provident Fund	79.58	45.00	124.58
	b Superannuation Fund	0.25	0.75	1.00
	Total (A)	2,532.17	1,025.45	3,557.62
	Ceiling as per the Act			8,849.70



B) Remuneration to other directors

(₹ in Lac)

Sl. No.	Particulars of Remuneration	Name of Directors							
		R. L. Gaggar	Shreekant Somany	O. P. Setia	Dr. Y. K. Alagh	Nitin Desai	Dr. Leena Srivastava	Sanjiv Krishnaji Shelgikar	Total
1.	Independent Directors								
	Fee for attending Board / Committee meetings	5.00	3.50	5.00	5.00	4.50	2.50	2.50	28.00
	Commission	17.50	17.50	17.50	17.50	17.50	17.50	17.50	122.50
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	22.50	21.00	22.50	22.50	22.00	20.00	20.00	150.50
2.	Other Non-Executive Directors								
		B. G. Bangur	Ramakant Sharma	Total					
	Fee for attending Board / Committee meetings	1.50	2.00	3.50					
	Commission	17.50	17.50	35.00					
	Others, please specify	Nil	Nil	Nil					
	Total (2)	19.00	19.50	38.50					
	Total (B)=(1+2)								

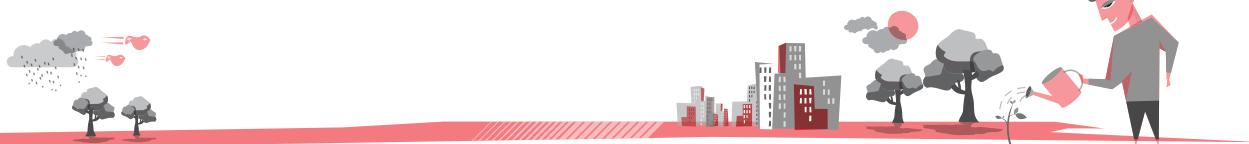
C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lac)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		S. S. Khandelwal (Company Secretary)	Subhash Jajoo (CFO)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	65.16	47.84	113.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.05	0.07	0.12
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, please specify	-	-	-
5	Others, please specify			
	Provident Fund	6.54	4.88	11.42
	Superannuation Fund	0.75	0.75	1.50
	Medical Reimbursement	0.11	0.11	0.22
	Contribution to National Pension Scheme	2.93	-	2.93
	Total	75.54	53.65	129.19

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L26943RJ1979PLC001935															
2.	Name of the Company	Shree Cement Limited															
3.	Registered address	Bangur Nagar, Beawar, 305901, Distt: Ajmer, Rajasthan															
4.	Website	www.shreecement.in															
5.	E-mail id	shreebwr@shreecementltd.com															
6.	Financial Year reported	1 st July, 2015 to 31 st March, 2016 (9 months)															
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Codes as per NIC - 2008 <table border="1"> <thead> <tr> <th>Group</th> <th>Class</th> <th>Sub Class</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>239</td> <td>2394</td> <td>23941 23942</td> <td>Manufacture of Clinker and Cement</td> </tr> <tr> <td>351</td> <td>3510</td> <td>35102 35106</td> <td>Power Generation by thermal power plant and using non-conventional sources</td> </tr> </tbody> </table>				Group	Class	Sub Class	Description	239	2394	23941 23942	Manufacture of Clinker and Cement	351	3510	35102 35106	Power Generation by thermal power plant and using non-conventional sources
Group	Class	Sub Class	Description														
239	2394	23941 23942	Manufacture of Clinker and Cement														
351	3510	35102 35106	Power Generation by thermal power plant and using non-conventional sources														
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Cement (ii) Power															
9.	Total number of locations where business activity is undertaken by the Company	a. Number of International Locations: NIL b. Number of National Locations: Ten Manufacturing Units															
10.	Markets served by the Company	North and East India															

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (₹ Crore)	34.84
2.	Total Turnover (₹ Crore)	5,567.75 (9 months ended on 31 st March, 2016)
3.	Total profit after taxes (₹ Crore)	454.93 (9 months ended on 31 st March, 2016)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.07% of average net profit of last three financial years (Proportionately for 9 months period of FY 2015-16) (CSR Spent is ₹ 14.75 Crore)
5.	List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> • Literacy and Education for the Community • Livelihood, employability and Income Generation • Healthcare and sanitation programs • Women empowerment and helping old aged people • Community Infrastructure and Rural Development • Promotion of art and culture • Environment Sustainability and Conservation of Natural Resources

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes. There is only one subsidiary of the Company viz. Shree Global Pte Ltd., Singapore.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The Subsidiary Company has no business operations. Hence, it does not have any BR initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes. However, the measure of participation in % terms cannot be measured.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of Director responsible for implementation of BR policy/ policies

- 1 DIN Number : 01556371
- 2 Name : Ramakant Sharma
- 3 Designation : Director

b) Details of the BR head

No	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	S. S. Khandelwal
3.	Designation	Company Secretary
4.	Telephone number	+91- 1462-228101-6
5.	e-mail id	khandelwalss@shreecementltd.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

The Nine principles as per BRR are as given below:-

P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P 3	Businesses should promote the well-being of all employees.
P 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P 5	Businesses should respect and promote human rights.
P 6	Businesses should respect, protect, and make efforts to restore the environment.
P 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P 8	Businesses should support inclusive growth and equitable development.
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions										
		Ethics, Transparency and Accountability	Product Responsibility	Employees' Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth (CSR)	Customers' Relations	
P1	P2	P3	P4	P5	P6	P7	P8	P9			
1	Do you have a policy/ policies on the BR principles	Y	Y	Y	Y	Y	Y	Y	Y	Y	
2	Has the policy been formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y	
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Company has adopted various standards specified by the International Organization for Standardization (ISO). These are 1. ISO 9001 for Quality in systems									



Sl. No.	Questions										
		Ethics, Transparency and Accountability	Product Responsibility	Employees' Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth (CSR)	Customers' Relations	
P1	P2	P3	P4	P5	P6	P7	P8	P9			
2.	ISO 14001 for Environment										
3.	ISO 50001 for Energy Efficiency										
4.	OHSAS 18001 for Health and Safety										
	Apart from these, other standards which company is complying with are:										
1.	SA 8000 for Social Accountability										
2.	ILO Guidelines										
3.	UN Global Compact and International Finance Corporation guidelines for specific aspects of cement sector.										
4.	National voluntary Guidelines (NVG) given by Ministry of Corporate Affairs for Social, Environment and Economic responsibility of business.										
	All policies on the principles mentioned above are in compliance with these standards. Other than these, our policies are based on the generally accepted practices for the respective principles.										
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y	
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. The Board has formed a "CSBR Committee" consisting of 6 directors which is responsible for overseeing implementation of various policies adopted by the Company. There is also an Environment Social and Governance (ESG) Committee consisting of Senior Executives of the Company, which carries out continuous monitoring and implementation of policies at the operational level.									
6	Indicate the link for the policy to be viewed online	http://www.shreecement.in/policies.html									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been posted on the Company's website for information of all stakeholders. For internal stakeholders, appropriate communication means such as notice boards, placards, company magazines, etc. are used.									
8	Does the company have in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y	
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y	
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	As part of compliance with the ISO standards adopted by the Company, an external agency evaluates the implementation of the ISO standards on an annual basis. Apart from this, Company also has a system of undertaking regular audit / review of the implementation of various standards. An external consultant also gives an assurance that our Corporate Sustainability Report (which interalia contains compliances with policies and frameworks adopted by the Company) is in line with the internationally accepted GRI G4 guidelines.									

(b) If answer to No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)						-			

3. Governance related to BR**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company.**

The BR performance is reviewed by the CSBR Committee on annual basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company publishes Corporate Sustainability Report on annual basis. The hyperlink to view the report is <http://www.shreecement.in/csr.html>.

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.****1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?**

The Policy relating to Ethics, Transparency and Accountability covers the Company only. The policy includes a Code of Conduct prescribed by the Company for all its employees including the Directors. There is no group structure or joint venture of the Company. The Subsidiary of the Company has no operations at present. Company encourages parties associated with its value chain

like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were 6 complaints received from the investors during the period 1st July, 2015 to 31st March, 2016. All these complaints were properly attended and necessary actions were taken. Proper investigation was carried out in respect of complaints which were received as part of vigil mechanism or otherwise.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

There are two lines of business of the Company viz. manufacturing of cement and generation of power. Company has deployed best in class technology and processes to manufacture cement and generate power which use resources optimally. This apart, Company's efforts in addressing environment concerns in manufacturing of cement include the following:-

- Utilizing fly-ash, pet-coke and other alternate materials in cement manufacturing to substitute natural materials & fuels



- Implementation of Waste Heat Recovery Plants to address carbon emission, save water and fossil fuels
- Implementation of CEMS (Continuous Emission Monitoring System) for real-time emission tracking and display at State and Central Pollution Control Boards
- Replaced ESP and installed Bag House for better emission control

Company's efforts in power generation are as below:

- Installation of Air Cooled Condensers (ACC) in place of Water Cooled Condensers (WCC) in all its power plants including 300 MW power plant to conserve water
- Implementation of Flue Gas Desulphurization plant to capture sulphur from waste gases emitted during power generation
- Continual improvement in efficiency to bring down station heat rate and auxiliary consumption in the plant

During the year, Company has commissioned its AAC block project at Bulandshahr. These blocks are light weight blocks, which provide optimum compressive strength and lower density than the traditional clay bricks or concrete block and provide following advantages-

- Less energy consumption for cooling the interior construction
- Reduce usage of acoustical material and provide sound insulation
- Capable of handling all weathering impact
- Conserve environment by reducing usage of cement, sand etc.
- Provide alternatives of clay bricks resulting in conservation of agriculture soil

Company is focusing on using different options to reduce its carbon footprint and other emissions by using alternative fuels, achieving energy efficiency and other viable methods.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Resources	Units of measurement	Per unit consumption	
		2015-16 (9 months period)	2014-15 (12 months period)
Fly-ash	% per ton of cement	22.38	22.80
GBF Slag		2.23	0.67
Power	Kwh/Ton of cement	72.13	73.78
Fuel	Kcal/kg of Clinker	719.18	756.83

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The data regarding reduction during usage by consumers is not available with the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Company's sourcing practices are targeted at seeking cost optimization ensuring environment sustainability, societal interest and resource efficiency. The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality, life cycle, environment impact, etc. Company gives preference in selection of vendors which comply with the various principles of sustainability. At the time of award of contract to vendors, various clauses are incorporated in the contract document related to health and safety, human resource practices, work environment, etc. Engagement of transporters is done based on conditions like young vehicles, need for drivers to carry pollution certificates, drivers and support staff to always carry safety aprons, helmets, driving license, etc. Company continuously strives for load and route optimization to ensure fuel and environmental efficiency of the fleets.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Company accords priority to local suppliers in procurement of stores and spares and other consumables. Company takes steps for capacity building of local and small vendors. Company's contractors who supply labour services for plant operations employ workmen from nearby communities. This workforce is educated and provided training for occupational health and safety.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company's products i.e. cement and power are not meant for recycling as cement is used in building and construction which typically have high life span and power is consumed immediately. Fly-ash, a solid waste, generated from power plants is utilized in cement production. Used oil is only the hazardous waste being generated and is sold to recyclers authorized by the Central Pollution Control Board (CPCB). Other non-hazardous wastes are sold to recyclers. The domestic waste water which is generated is 100% recycled through Sewage treatment Plants. Cement plants utilizes the waste of other industries in the form of alternative fuels and raw materials (AFR) which ultimately provides an ultimate solution to industrial waste disposal.

Principle 3: Businesses should promote the well-being of all employees.

1. Please indicate the Total number of employees.

The total number of employees is 5,142 as on 31st March, 2016.

2. Please indicate the Total number of employees hired on temporary/ contractual / casual basis.

Total temporary/ Contractual/ Casual employees were 391 as on 31st March, 2016.

3. Please indicate the Number of permanent women employees.

There were 29 permanent women employees as on 31st March, 2016.

4. Please indicate the Number of permanent employees with disabilities

There were 5 permanent employees with disabilities as on 31st March, 2016.

5. Do you have an employee association that is recognized by management?

Yes, we have recognized trade unions affiliated to various trade union bodies.

6. What percentage of your permanent employees is members of this recognized employee association?

Around 9.60% of total permanent employees are members of above trade unions.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Type of Employee	Total	Training Imparted	% Training
Permanent Employees	5,142	3,385	66%
Permanent Women Employees	29	14	48%
Casual / Temporary / Contractual Employees	391	NA*	NA*
Employees with Disabilities	5	4	80%

* data related to training of casual/temporary employees are not maintained



Company provides equal opportunity to all irrespective of gender, religion, caste, colour and does not discriminate based on any other factor.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

- 1. Has the company mapped its internal and external stakeholders? Yes/No.**

Yes

- 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Communities around Company's manufacturing units and its contractors/ workers have been identified as disadvantaged, vulnerable and marginalised stakeholder of the Company.

- 3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

Company's initiatives in the areas of Corporate Social Responsibility are targeted to bring meaningful difference in the lives of its associated stakeholders in thrust areas like healthcare, infrastructure support and education. Several initiatives towards healthcare, education, sanitation, safe drinking water, integrated rural development, creation of sustainable livelihood, women empowerment, etc. have been taken by the Company. Village Development Committees have been formed to engage with local community to address their needs and for planning, coordinating the CSR activities.

Principle 5: Businesses should respect and promote human rights.

- 1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The Policy on Human Rights covers the Company

only. There is no group structure or joint venture of the Company. The subsidiary of the Company has no operations at present. Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Nil.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

- 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs/others.**

The Policy on environment covers the Company only. There is no group structure or joint venture of the Company. The subsidiary of the Company has no operations at present. Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

- 2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. Company is a member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD) which enables it to benchmark its practices with the international standards and provides it a forum to participate in global environmental initiatives. The details are available in the annual Corporate Sustainability Report for which the web link is <http://www.shreecement.in/csr.html>.

- 3. Does the company identify and assess potential environmental risks? Y/N.**

Yes. Company has a Risk Management mechanism in place to identify and assess existing and potential risks across its operations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Company was the 1st Cement Company in India to register its project "Optimum Utilization of Clinker" with the UNFCCC under the Clean Development Mechanism (CDM). Company was granted 4,50,000 CERs by UNFCCC for the above project. Now, Company's project on Waste Heat Recovery based power generation at Ras has been registered with UNFCCC.

There is no requirement of filing Environment Compliance Report. A Validation and Verification Report is required to be submitted and the same has been filed, wherever required.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy etc. Details of these initiatives are covered in the Corporate Sustainability Report issued by the Company every year. The weblink for the above reports is <http://www.shreecement.in/csr.html>.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Emissions / wastes generated by the Company are within permissible limits. Company regularly submits reports on emission levels to CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is member of following trade chambers, associations and forums which makes effort towards climate change, global warming and sustainable business development –

- a. Cement Sustainability Initiative (CSI)
- b. Cement Manufacturing Association (CMA)
- c. The Energy and Resource Institute (TERI)
- d. Bureau of Energy Efficiency (BEE)
- e. Global Reporting Initiative (GRI)
- f. Confederation of Indian Industries (CII)
- g. Federation of Indian Chamber of Commerce and Industry (FICCI)
- h. National Council for Cement & Building Materials (NCCBM)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No. if yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company has utilized these forums to advocate framing policies towards advancement of public good. Some of them are as below:

- a. Promoting concreted cemented roads through CMA which are beneficial, eco-friendly and cheaper than the conventional tar roads in long term.
- b. Recommendation for increased use of fly-ash in cement industry.
- c. Promoting installation of waste heat recovery plants in cement manufacturing units which capture hot gases to generate power without involving any fossil fuel.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes /initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.



Yes, the Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. To oversee implementation of various initiatives, Company has formed a Board Level Committee called Corporate Social and Business Responsibility (CSBR) Committee. The details of various CSR initiatives of the Company are given below:-

- **Literacy and Education for the Community**

Company under its "Shree Ki Pathshala" project is running centres for imparting basic education to children who never attended any school or are drop outs. After providing basic education in the said centres, the children are encouraged to get admission for formal education in nearby schools. In order to improve the quality of education, Company adopted nearby schools of its plant locations under Public Private Partnership and equipped them with basic infrastructure like seating arrangements, water & sanitation facilities, additional teachers deputation, furniture and other facilities and supplement efforts of the State Govt. Further, Company established computer literacy centres and conducted Computer literacy programmes, constructed classroom buildings, distributed educational materials to needy children. For promoting better and quality pre-school education, Company adopted Anganwadi centres of nearby villages and supported them by supplying items as per their needs. Company also provided support to students by providing scholarship to meritorious students and provided financial support to undertake further/higher studies.

- **Livelihood, employability and Income Generation**

Company undertakes activities to ensure sustainable generation of livelihood for people in the vicinity of its plant areas which include training programmes in repairing household items, plumbing, masonry, etc. Company is also providing training to Masons to upgrade their professional knowledge of the construction methods and techniques. It gives them an opportunity to learn about the environment friendly usage of cement and other building materials, information about the

latest constructing techniques and method to improve their overall competence. For farmers, Company provides training and conducts live demonstration of new farming techniques so as to improve their farming productivity. Regular exposure visits to nearby Krishi Vigyan Kendra are also organized for improving knowledge base of the farmers. It also provides supporting tools to farmers and distributes better quality seeds at subsidized rates for improved yield, distributes tarpaulin sheet and silage to farmers for collecting and preserving food grains during harvesting activities. For livestock management, Company organizes vaccination camps in coordination with nearby veterinary hospital. To improve their productivity, it provides fodder seeds to farmers for cultivation and ensuring availability of green fodder for cattle throughout the year.

- **Healthcare and sanitation programs**

Company's 24X7 Health Management Centres (HMC) provides primary healthcare services to local communities. Besides it arranges health camps in the nearby villages to cover patients from different specialties like Pediatric, Gynecology and General Medicines. Company's 'Shree Swasthya Vahini' programme provides Mobile Ambulance to take medical care of the villages where there are no medical facilities. Further, Company has adopted Health Centres of nearby Panchayats under the Public Private Partnership (PPP) Scheme and provides infrastructure support to hospital like waiting chairs for OPD, trolley stretchers, wheel chair, AC for Operation theatre, etc. Under 'Mamta Project', Company has made efforts for ensuring better health of mother and the child. For improvement of institutional delivery of the pregnant women, Sakhis (rural health volunteer) have been appointed in villages. Under Shree Swasthya Project, Company has made efforts like door to door contact, organizing regular meetings, forming vigilance committees, distribution of pamphlet and other materials for creating awareness about sanitation and personal hygiene. This apart, Company has also made financial contribution and provided assistance for construction of toilets to avoid open defecation by nearby villagers. In order to provide drinking water

facility to local villagers. Company constructed public water huts, tube wells and provided RO water supply through tankers in nearby villages.

- **Women empowerment and helping old aged people**

Under 'Shree Shakti Project', Company promotes formation of Self-Help Groups (SHGs) of local rural women to help in inculcating a habit of saving and create corpus to undertake entrepreneur assignments. In order to inculcate skill development among rural women, company conducted various training programmes on sewing and cutting, bag making, food processing, beauty parlor, etc. In order to reduce girl infant mortality, Company under its 'Save the Girl Child Campaign' provides help in the form of a fixed deposit of ₹5000 at the time of birth of girl child which is available to her after attaining 18 years of age. Further, Company provides basic required items (like utensil set, sewing machine, bed, cooking stove, cooker, etc.) for marriage of girls of BPL families after attending the age of 18 years and above. Company is supporting project 'Pronam' under which medical services like ambulance, health check-ups, camps, etc. are organized. It also provides safety and security services to these people in co-ordination with Kolkata Police including legal help wherever necessary. From time-to-time, it also organizes cultural events for enhancing education and social gathering of the elderly people. It further provides support and basic necessities to old age homes for persons living therein.

- **Community Infrastructure and Rural Development**

Company regularly undertakes projects in the nearby community to improve infrastructure and living standards of people. In order to remove bottleneck of road connectivity in rural areas, Company undertakes construction and repairing work of the roads in nearby villages of its plants. Company also undertakes civil works in nearby villages to provide sustainable infrastructure which includes construction/ repair of public institutions, renovation of old buildings and community centres, construction of stage, boundary wall, stay rooms, waiting stands, etc.

- **Promotion of art and culture**

In order to promote Indian tradition and culture, Company promotes traditional Indian art by organizing tableau (Jhankis) on the occasion of the anniversary of Lord Hanuman temple. The tableaus convey environmental and social messages like save water, conserve resources, save and educate girl child, etc. It actively contributes and supports events that promote literature, music, poetry, folk, art, etc. and encourages artists, writers, musicians, etc. to show their talent. The Company also provides financial and in-form assistance for restoration and upkeep of monuments and sites of historical and cultural importance. During the year, in order to improve the transportation facilities to promote tourism in the holy city of Ajmer, Company undertook renovation of Railway Station in the city and constructed additional entry gates for facilitating the tourists and other passengers.

- **Environment Sustainability and conservation of natural resources**

Company distributes saplings among farmers in nearby villages for mass tree plantation to cover the open areas and development of green belt. Further, it conducts school plantation programmes wherein it encourages children to plant trees. For conserving water in water scarce areas, Company undertook construction, repairing and deepening of water structures like anicuts, nadi, etc. In the state of Chhattisgarh, it has undertaken mass tree plantation drive for setting up trees on both sides of the road in Baloda Bazar District to conserve the environment.

- 2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?**

The projects are undertaken by both the internal teams as well as through/ in-coordination with external agencies like NGOs and government institutions.

- 3. **Have you done any impact assessment of your initiative?**

Impact assessment is conducted on regular basis in



the nearby villages. Based on these impact assessments, Company decides upon appropriate intervention to be undertaken.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Company has spent an amount of ₹ 14.75 Crore in various CSR activities during year 2015-16. The details of the amount incurred and areas covered are given in Annexure to the report on Corporate Social Responsibility forming part of Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Company has a process of engaging with local community to understand their concerns. The CSR interventions are carried out on a need based approach which is developed after consultations with the local community to ensure that the activities are adopted by them.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Company regularly conducts meetings with customers to educate and appraise consumers and to understand their concerns. All the concerns are taken up and resolved immediately to the satisfaction of the consumer.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Company displays all information as mandated by the regulations to ensure full compliance with relevant laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Company never indulges in any anti-competitive behavior and understands that consumers are the most important stakeholder for the company. However in 2006, Builder Association of India filed a complaint against cement industry. The matter was investigated and the Competition Commission of India (CCI) vide its order dated 30th July, 2012, imposed penalty of ₹ 397.51 Crore on the Company, which was challenged before the Competition Appellate Tribunal (COMPAT). COMPAT, on submissions made by Company and other respondents, quashed the CCI Order and remanded the matter back to CCI for fresh adjudication. The same is pending at the end of CCI for final order.

4. Did your company carry out any consumer survey/satisfaction trends?

Consumer Satisfaction Survey is carried out by the Company every year to gauge consumer sentiments and to take appropriate measures to increase customer satisfaction.

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of **Shree Cement Limited**

We have examined the compliance of conditions of Corporate Governance by **SHREE CEMENT LIMITED** for the year ended on 31st March, 2016, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

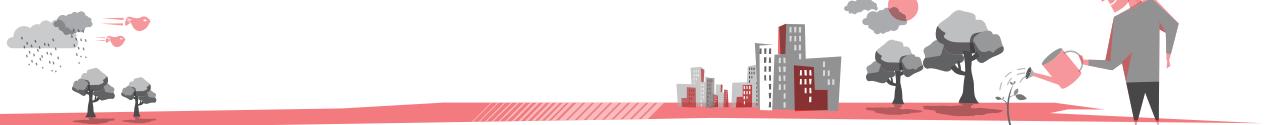
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of the Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **B. R. MAHESWARI & CO.**
Chartered Accountants
(Registration No.: 001035N)

(SUDHIR MAHESHWARI)
Partner
Membership No.: 081075

Place: Kolkata
Date: 26th May, 2016



REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

Our Corporate Governance philosophy is aimed at creating and nurturing a valuable bond with stakeholders to maximise stakeholders' value. Shree Cement Limited (SCL) has always conducted itself by adhering to the core values of transparency, accountability and integrity in all its business practices and management. Company believes that a business can be successful only if it is ethical and meets the aspirations of all its stakeholders which include shareholders, employees, suppliers, customers, investors, communities or policy makers.

At SCL, we have, over the years, strengthened our relationships with our partners in a manner that is dignified, distinctive and responsible. We have adhered to our core values and ethical standards in dealing with all stakeholders. The governance practices are under continuous review and benchmarked against best practices.

SCL has the distinction of consistently rewarding its shareholders over 30 eventful years from its IPO. Since then, SCL has moved from one big idea to another and these milestones continue to fuel its relentless pursuit of ever-higher goals.

2. BOARD OF DIRECTORS

Composition

The Board of Directors comprises of appropriate mix of Executive, Non-Executive and Independent

Directors as required under Companies Act, 2013 and Listing Regulations to maintain the Independence of the Board, and to maintain an optimal mix of professionalism, knowledge and experience to enable the Board to discharge its responsibilities. Board consists of 11 members, two of whom are executive directors, two non-executive directors (including Chairman) and seven Independent Directors.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board also plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and Independent Board.

Category and Attendance of Directors

The names and categories of Directors, their attendance at the Board Meetings held during the year 2015-16 (9 months period) and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in public limited Companies (excluding SCL) are given below:-

Report on Corporate Governance

Name of Director	Category	Attendance at AGM held on 14 th November, 2015	No. of Board Meetings attended during 2015-16 (9 months period)	Directorship in Public Companies*	Committee Memberships \$	Chairperson of Committees \$	Number of Shares held
Shri B. G. Bangur	Chairman (Non-Executive)	YES	3	-	-	-	4,25,821
Shri H. M. Bangur	Managing Director	YES	3	-	-	-	4,42,438
Shri Prashant Bangur	Jt. Managing Director	YES	3	-	-	-	57,475
Shri O. P. Setia	Independent Director	YES	3	-	-	-	-
Shri R. L. Gaggar	Independent Director	YES	3	9	5	-	-
Shri Shreekant Somany	Independent Director	YES	3	6	-	-	-
Dr. Y. K. Alagh	Independent Director	YES	3	2	1	-	-
Shri Nitin Desai	Independent Director	YES	3	-	-	-	-
Dr. Leena Srivastava	Independent Director	NO	3	2	-	-	-
Shri Sanjiv Krishnaji Shelgikar	Independent Director	YES	3	1	-	-	-
Shri Ramakant Sharma	Non-Executive Director	YES	3	-	-	-	25

* Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013.

\$ Includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (whether listed or not).

Shri H. M. Bangur is son of Shri B. G. Bangur and father of Shri Prashant Bangur. Shri Prashant Bangur is son of Shri H. M. Bangur and grandson of Shri B. G. Bangur. Except this, there are no inter-se relationships among Directors.

3 (Three) Board Meetings were held during Financial Year 2015-16 i.e. on 5th August, 2015, 14th November, 2015 and 2nd February, 2016 and the gap between any two meetings did not exceed 120 days.

Board Procedures

The Board of Directors of the Company acts in their capacity as 'management trustee', being responsible for managing affairs of the Company on behalf of the shareholders. Therefore, it is absolutely necessary to ensure complete transparency and foresightedness in the decision-making process. The Board takes decision based on detailed discussion and deliberation. The members of the Board have complete independence to raise any issue/matter for discussion.

Meetings of the Board are governed by a structured agenda. Agenda of meeting is circulated to the Board Members well in advance. All major agenda items are backed by comprehensive background information to

enable the Board to take informed decisions. To supplement this, it is ensured that Board members are presented with all the relevant information, in addition to the agenda of the meeting, for review on vital matters affecting the working of the Company including the minimum information to be placed before the Board as inter-alia specified under Regulation 17(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Independence

Our definition of 'Independence' of Directors is derived from Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. All Independent directors make annual disclosure of their independence to the company and Seven directors out of eleven directors



of the Company are Independent. None of the Independent Directors are having any material pecuniary relationship or transactions with the company or its subsidiaries, apart from receiving sitting fee and commission as an independent director.

Independent Directors' Separate Meetings

The Independent Directors of the Board met without the presence of any Non-Independent Directors and Management Representatives on 2nd February, 2016 at Kolkata to inter alia discuss the following:

- Review of performance of Non-Independent Directors;
- Review of performance of Board as a whole;
- Review of Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors; and
- Assess of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Independent Directors were assisted in this meeting by an Independent External Facilitator. A report compiled by External facilitator on the outcome of the meeting was also placed before the Board for its perusal.

Familiarization Programme for Independent Directors

A detailed presentation is provided to the Independent Directors of the Company at the time of their appointment, which covers their Role, Duties and Responsibilities, Company's strategy, business model, operations, markets, organisation structure, products etc. The said presentation is also provided to existing Independent Directors every year.

As part of board discussions, presentation on performance of the Company is given to the Board Members during the Board Meeting. Plant visits are also arranged for independent directors when they come at the Registered office for attending the Annual General Meeting of the Company, for better understanding of the Company's operations.

The details of such familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed on the website of the Company at link:-<http://www.shreecement.in/shareholding-information.html#>.

3. GOVERNANCE STRUCTURE

SCL has put in place a governance structure with defined roles and responsibilities of every constituent of the system. The shareholders of the company appoint the Directors who act as a trustee of the interests of all the stakeholders of the company. The Board of Directors discharges its responsibilities in an effective manner with the help of several Board Committees and the management of the Company. The Company Secretary acts as Secretary to all Committees of the Board. The Chairman is responsible for fostering a culture which enables the Board to carry out its function in a harmonious manner and ensure that the Board provides effective governance to the Company. The Chairman presides at meetings of the Board and of the shareholders of the Company. The Managing Director is responsible for overall management of the Company, providing strategic direction for business strategies, growth and expansion of business along with all other policy decisions having significant business and financial implications. The Jt. Managing Director is involved in the management of the company including all strategic and policy matters of the Company, along with providing critical insight and directions in the operational and management decisions of the Company. Core Committee comprising of senior executives of company and key functional heads execute the day to day operational matters under the overall guidance and supervision of Managing Director and Jt. Managing Director, thereby strengthening the effectiveness of control in management of affairs of Company.

Board Committees

The Board has constituted Committees of Directors to look into and monitor the matters falling within their terms of reference:

A. Audit and Risk Management Committee

A.1. Terms of Reference:-

The Audit and Risk Management Committee reviews the matters falling in its terms of reference and addresses larger issues that could be of vital concerns to the Company. The Committee constituted by the Board in terms of Section 177 of the Companies Act, 2013 meets the requirement of said section as well as of the Listing Regulations.

The terms of reference of the Committee broadly includes matters pertaining to review of financial

reporting process, adequacy of internal control systems, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures, risk management framework and other relevant matters. In particular, these include:

- Review the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement of the board's report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) qualification's, if any, in the draft audit report;
- Review the quarterly financial statements before submission to the board for approval;
- Reviewing the financial statements of subsidiaries in particular, the investments made by the unlisted subsidiaries of the Company, if any;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing and monitoring the auditor's independence & performance and effectiveness of audit process;
- Approval (including Omnibus approval) or any subsequent modification of transactions with related parties;
- Review of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls;
- Reviewing performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience, background, etc. of the candidate;
- Review the management discussion and analysis of financial condition and results of operations;
- Review the management letters / letters issued by the statutory auditors and internal audit reports on internal control weaknesses;
- Review of the appointment, removal and terms of remuneration of the chief internal auditor of the Company;
- Formulating and recommending the Risk Management Policy Procedure and Plans to the Board and review and evaluation of the Risk Management System;
- Carrying out any other function as mentioned in the terms of reference of the Audit and Risk Management Committee.

A.2. Composition, meetings and attendance of Audit and Risk Management Committee

All members of the Committee are financially literate, with Shri O. P. Setia, Chairman of the Committee, having the relevant accounting and financial management expertise. The "Audit Committee" and "Risk Management Committee" of the Board of Directors have been merged and renamed as "Audit and Risk Management Committee" in Board meeting held on 14th November, 2015.



During the year under review, the Committee met 3 (Three) times i.e. on 5th August, 2015, 14th November, 2015 and 2nd February, 2016.

The Composition of the Committee and particulars of attendance at the Committee Meetings are given below:

Name of Member	Category	Qualification of the Member	No. of Meetings Attended
Shri O. P. Setia – Chairman	Independent & Non-Executive Director	The Chairman is Master of Commerce and Ex-Managing Director of State Bank of India and has held many key positions in its associate banks. He possesses the requisite accounting and financial management expertise.	3
Shri R. L. Gaggar	Independent & Non-Executive Director	Member is a renowned Solicitor and Advocate based at Kolkata. He is practicing at the High Court of Kolkata for over 50 years. He has good accounting and financial management knowledge.	3
Dr. Y. K. Alagh	Independent & Non-Executive Director	Member is a noted Economist. He has good accounting and financial management knowledge.	3
Shri Nitin Desai	Independent & Non-Executive Director	Member is a noted Economist. He has good accounting and financial management knowledge.	3
Shri Shreekant Somany*	Independent & Non-Executive Director	Member is eminent Industrialist having rich experience of Business. He has good accounting and financial management knowledge.	1
Shri Sanjiv Krishnaji Shelgikar*	Independent & Non-Executive Director	Member is a veteran Chartered Accountant and possesses the requisite accounting and financial management expertise.	1
Shri Prashant Bangur*	Executive Director	Member is having expertise in Corporate Business Planning & Management and has good accounting and financial management knowledge.	1

* Inducted as members vide Board decision taken on 14th November, 2015 for merging of "Audit Committee" and "Risk Management Committee" as "Audit and Risk Management Committee".

A.3. Invitees to the Committee

The Chief Finance Officer (CFO) along with Representative(s) from Statutory and Internal Auditors of the Company are permanent invitees and remain present in the meetings for responding to the observations of the Committee. The Company Secretary acts as Secretary to the Committee.

B. Nomination cum Remuneration Committee

B.1. Terms of Reference:

Committee is empowered to:-

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- Carry out evaluation of every director's performance

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- Formulate the criteria for evaluation of Independent Directors of the company
- Recommend/review remuneration of the Managing Director(s) and Whole Time Director(s) based on their performance and defined assessment criteria
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties

B.2. Composition, meetings and attendance of the Nomination cum Remuneration Committee

The Nomination cum Remuneration Committee consists of all Independent Directors and during the year under review, the Committee met 2 (Two) times i.e. on 5th August, 2015 and 2nd February, 2016.

The Composition of the Committee and particulars of attendance at the Committee Meetings are given below:

Name of the Member	Category	No. of Meetings attended
Shri R. L. Gaggar - Chairman	Independent & Non-Executive Director	2
Shri O. P. Setia	Independent & Non-Executive Director	2
Shri Shreekant Somany	Independent & Non-Executive Director	2
Dr. Y. K. Alagh	Independent & Non-Executive Director	2

B.3. Performance evaluation criteria for Independent Directors

The Nomination cum Remuneration Committee lays down the performance evaluation criteria which covers attendance and contribution of director at Board/Committee Meetings, adherence to ethical standards and code of conduct of the Company, interpersonal relations with other directors, meaningful and constructive contribution and inputs in the Board/Committee meetings etc.

B.4. Remuneration Policy

SCL believes in nourishing a people friendly environment aimed at attaining high and sustainable growth where each and every personnel working with SCL is able to achieve the company's vision of being the best in the industry.

The objective of the remuneration policy is:-

- to enable the Nomination cum Remuneration Committee to attract highly qualified executives to join the Board of Directors of the Company and top management
- to enable the top management to attract, recruit and retain people at senior level positions in the organization
- to enable the top management working along with senior personnel and Human Resource group of the organization to attract, recruit, motivate and retain the best talent available to join its team
- to create value for all stakeholders in an efficient and responsible manner
- to ensure that the directors, executives and other employees are remunerated fairly and responsibly with the long term interest of the company in mind

The Policy covers appointment and fixing of remuneration for all the Directors as well as Key Management Personnel (KMP) of the company, which includes the Chief Financial Officer and the Company

Secretary. It also includes the appointment of other senior management personnel, which the Board may decide to appoint and who may report to the top management of the company. Further, the appointment and remuneration of other employees of the company shall also be guided by this policy although the specific implementation may be undertaken by the respective department responsible for hiring in the company.

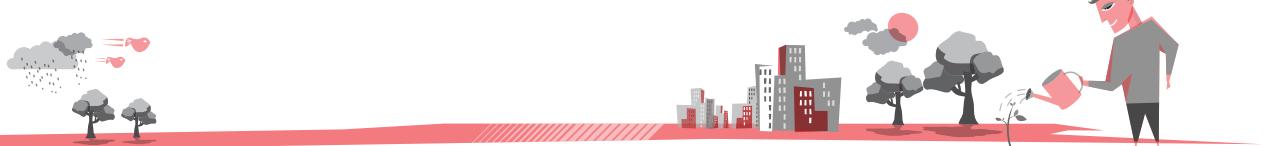
B.5. Remuneration of Directors

Executive Directors

The Remuneration of the Executive Directors is decided by the Board based on the recommendation of the Nomination cum Remuneration Committee. The remuneration of Executive Directors is decided based on following board criteria i.e. Industry trend, Remuneration package in other comparable Corporates, Job contents and key performance areas, Company's performance etc. The remuneration structure of the Executive Directors comprises of salary, contribution to Provident Fund, Superannuation Fund/other such funds or schemes, commission, perquisites & allowances and gratuity in accordance with Company's rules. Necessary approvals from shareholders are sought in the general meetings for confirming the remuneration package(s). Executive Directors are not paid any sitting fees for attending meetings of Board or Committee thereof.

Non-Executive Directors

The remuneration of the Non-Executive Directors comprises of sitting fees and Commission, if any. Non-Executive Directors are paid sitting fees of ₹ 50,000/- (which increased to ₹ 75,000/- from Board/Committee meetings held on 26th May, 2016) for each meeting of the Board/Committee of the Board attended by them which is within the limits as prescribed under the Companies Act 2013. Besides the sitting fees, they are also paid commission.



Payment of commission to Non-Executive Directors including Independent Directors is made based on their contribution at the Board, time spent on operational matters and other responsibilities assigned.

The details of remuneration package, fees paid etc. to Directors for the year ended on 31st March, 2016, for information of Members, are given hereunder:

(₹ in Lacs)

Director	Category	Fixed Component		Performance	Sitting Fees	Total
		Basic Salary	Allownaces, Perquisites and other Benefits\$			
Shri B. G. Bangur	Non-Executive Chairman	--	--	17.50	1.50	19.00
Shri H. M. Bangur	Managing Director	585.00	597.17	1350.00	--	2532.17
Shri Prashant Bangur	Jt. Managing Director	173.14	302.31	550.00	--	1025.45
Shri R. L. Gaggar	Independent Director	--	--	17.50	5.00	22.50
Shri Shreekant Somany	Independent Director	--	--	17.50	3.50	21.00
Shri O. P. Setia	Independent Director	--	--	17.50	5.00	22.50
Dr. Y. K. Alagh	Independent Director	--	--	17.50	5.00	22.50
Shri Nitin Desai	Independent Director	--	--	17.50	4.50	22.00
Dr. Leena Srivastava	Independent Director	--	--	17.50	2.50	20.00
Shri Sanjiv Krishnaji Shelgikar	Independent Director	--	--	17.50	2.50	20.00
Shri Ramakant Sharma	Non-Executive Director	--	--	17.50	2.00	19.50

\$ The Allowances, Perquisite and other Benefits include contribution to Provident Fund, Superannuation Fund, Leave Encashment and Gratuity(if paid). The value of perquisites is calculated in accordance with the rules framed under the Income Tax Act, 1961.

Service Contract, Notice Period, Severance Fees and Stock Options

- The appointments of Shri H. M. Bangur, Managing Director and Shri Prashant Bangur, Jt. Managing Director are for five years from the date of their appointment
- Notice period: As per the Rules of the Company
- Except Gratuity and Earned Leave at the end of the tenure, no other severance fees is payable
- No Stock Options are granted during the year

C. Stakeholders' Relationship Committee

C.1. Terms of Reference:

Committee is empowered to:-

- Review, on a periodic basis, status of cases relating to transfer, transmission of shares, issue of duplicate shares/debentures etc;
- Monitor expeditious redressal of investors' grievances;
- Review instances of non-receipt of Annual Report and declared dividend; and
- Consider all other matters related to all security holders of the Company.

C.2. Composition, meeting and attendance of the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of all Independent Directors and during the year under review met on 2nd February, 2016 and reviewed the status of

investors' complaints received and resolved during the calendar year 2015.

The Composition of the Committee and particulars of attendance at the Committee Meetings are given below:

Name of the Member	Category	No. of Meetings attended
Shri R. L. Gaggar – Chairman	Independent & Non-Executive Director	1
Dr. Y. K. Alagh	Independent & Non-Executive Director	1
Shri Nitin Desai	Independent & Non-Executive Director	1

C.3. Particulars of Investors' Complaints handled by the Company and its Registrar and Share Transfer Agent during the year are as under:

M/s. Karvy Computershare Pvt. Ltd., Hyderabad is acting as the Share Transfer Agent of the Company to carry out the share transfer and other related work. Shri S. S. Khandelwal, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Share Transfer Agent/Company has timely resolved/ attended all the complaints and no complaint or grievance remained unattended/unresolved at the end of the year.

Details of the complaints received and resolved during the calendar year ended 31st December, 2015 is as under:

Sl. No.	Nature of Complaints	No. of Complaints received	No. of Complaints resolved
I	Duplicate shares related issues	2	2
II	Shares transfer / transmission / deletion of name related issues	5	5
III	Demat related issues	1	1
Total		8	8

Further, the Company has paid listing fees to all the Stock Exchanges where its securities are listed for the financial year 2015-16.

D. Corporate Social and Business Responsibility Committee (CSBR Committee)

As required under Section 135 of the Companies Act, 2013, the Company has constituted CSBR committee of Directors inter-alia, to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on the activities in line with objectives given in CSR policy, monitor the CSR policy, etc. The Terms of reference and other details are as follows:-

D.1 Terms of Reference:

Committee is empowered to:-

- Formulate and recommend to the board, a Corporate Social Responsibility (CSR) Policy;
- Recommend the amount of expenditure to be incurred on the activities in line with objectives given in CSR policy;
- Oversee the Company's activities and contribution with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen;
- Review the performance of the Company on environment, governance and sustainability initiatives and matters;
- Approve the policies on principals as required in terms of Business Responsibility Reporting requirements and changes/modifications required from time to time in such policies;
- To approve Company's report on Business Responsibility Reporting requirements.

D.2. Composition, meeting and attendance of the CSBR Committee

During the year under review, the CSBR Committee met on 5th August, 2015. The composition and attendance of the Directors in the meeting are as under:

Name of the Member	Category	No. of Meetings attended
Shri O. P. Setia - Chairman	Independent & Non-Executive Director	1
Shri Prashant Bangur	Non-Independent & Executive Director	1
Shri Nitin Desai	Independent & Non-Executive Director	1
Dr. Leena Srivastava	Independent & Non-Executive Director	1
Shri Sanjiv Krishnaji Shelgikar*	Independent & Non-Executive	-
Shri Ramakant Sharma	Non-Executive Director	1

* Board in its meeting held on 14th November, 2015 inducted Shri Sanjiv Krishnaji Shelgikar as member of CSBR Committee. No committee meeting was held after induction of Shri Shelgikar till 31st March, 2016.



General Body Meetings

The required information under Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the "Shareholders' Information" separately in the annexure to this Corporate Governance Report.

Special resolution passed through Postal Ballot

There were no resolutions passed through postal ballot during the year 2015-16.

Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary. The Audit and Risk Management Committee of the Company reviews the financial statements, in particular, the investments, if any, made by its unlisted subsidiary company during the financial year. Copies of Minutes of the Board Meeting of Subsidiary Company are tabled at the subsequent Board Meeting of the company.

The policy for determining material subsidiaries as approved by the board, is posted on the website of the Company and can be accessed on the website of the Company at: <http://www.shreecement.in/pdf/Shree-material-subsidiary-policy.pdf>.

Disclosures

- Related Party Transactions:** During the year, your Company has entered into related party transactions, which were on arm's length basis and in the ordinary course of business. There were no material significant transactions with the related party as defined under section 188 of the Act. All related party transactions have been approved by the Audit and Risk Management Committee.

The policy on Related Party Transactions as approved by the Board is available on Company's website and can be accessed at:- <http://www.shreecement.in/pdf/Shree-related-party-transction-policy.pdf>.

- Non-compliance/strictures/penalties imposed:** No non-compliance/strictures/penalties have been imposed on the Company by the Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority on any matters related to capital markets during the last three years.

- Accounting Treatment:** Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit and Risk Management Committee in consultation with the Auditors.

- Risk Management:** Risk evaluation and management is an on-going process within the organisation. The Company has a well-defined risk management framework in place. The Company periodically places before the Audit and Risk Management Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company for its review.

- Details of compliance with mandatory requirements and adoption of non-mandatory requirements:** The Company has complied with all mandatory requirements of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosure of Compliance of Non-mandatory requirements as specified in Part E of the Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:-

- Non-Executive Chairman's Office:** The Chairman of the Company is Non-Executive Director. Company maintains a separate office with all necessary infrastructure and all assistance is made available to him to enable him to discharge his responsibilities effectively.
- Shareholder's Rights:** As the quarterly and half yearly financial performance along with significant events are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.

- c. **Modified opinion in Auditors Report:** The Company's financial statement for the year 2015-16 does not contain any modified audit opinion.
- d. **Separate posts of Chairperson and Chief Executive Officer:** Company is having separate posts of Chairman (Non-Executive) and Managing Director.
- e. **Reporting of Internal Auditor:** The Internal Auditors of the Company submits their reports to the Audit and Risk Management Committee and have direct access to the Committee.
- **Commodity price risk or foreign exchange risk and hedging activities:** Fuel is a major part of input being used by the company for Cement production and Power generation, which is exposed to price volatility. Company has adequate price

review mechanism to protect it against volatile fuel price movements.

Company's foreign exchange risk emanates from forex borrowings and import of fuel and other raw materials. All the forex borrowings are fully hedged against foreign currency fluctuations. As regards import of Fuel and other raw materials, the Company decides about the hedging based on prevailing market conditions, macro-economic factors, duration of position etc. The Company does not enter into any derivative instruments for trading or speculative purposes.

- **Disclosures of the Compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

Regulation	Particulars of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

Compliance Certification by CEO / CFO

The Managing Director and the Chief Finance Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The certificate for 2015-16 given by the Managing Director and the Chief finance Officer is annexed to this Report. The Managing Director and the Chief Finance Officer also give quarterly certification on financial results to the Board in terms of Regulation 33(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct

The Board of Directors has laid down a Code of Conduct known as 'Policy on Ethics, Transparency and Accountability' for all the Board Members and Employees of the Company. The code covers amongst other things the company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable development, health & safety, transparency and compliance of laws & regulations etc. The code of conduct is posted on the website of the Company.

All the Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by the Managing



Director is attached and forms part of the Annual Report of the Company.

Prevention of Insider Trading

As per the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015, the Company has formulated and implemented a Code of Internal Procedure and Conduct for Regulating, Monitoring and Reporting trading in securities of the Company by Insiders. All the Designated Persons as defined in the code are governed by this Code. The Company has appointed Shri S. S. Khandelwal, Company Secretary as Compliance Officer who is responsible for setting forth procedures & implementation of the Code.

Company has also formulated and uploaded on its official website Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information as envisaged under Regulation 8(1) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and nominated Company Secretary, Shri S. S. Khandelwal as Chief Investor Relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

COMMUNICATION TO STAKEHOLDERS

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

- The unaudited quarterly and audited annual financial results are announced immediately after approval from the Board and sent to respective

stock exchanges where the Company's shares are listed within the time specified in the listing regulations.

- Thereafter, these are circulated among media / news agencies / analyst etc. of the Company and are displayed on the Company's website www.shreecement.in. These results are published in all leading newspapers normally with Economic Times, Business Standard, Business Line, Dainik Bhaskar within forty-eight hours.
- Annual Report of the Company is sent to each shareholder prior to the Annual General Meeting.
- Company also sends reminders to all shareholders, whose dividends have remained unclaimed, before depositing the monies to Investors' Education and Protection Fund (IEPF).

NSE Electronic Application Processing System (NEAPS) and BSE online portal: The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are filed electronically on NEAPS. Similar filings are made to BSE on their Online Portal - BSE Corporate Compliance & Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Website: The Company's website www.shreecement.in contains a separate dedicated section 'Investor Centre' wherein online query lodging facility has been made available to the investors.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day & Date of AGM	Time	Venue
Friday, 12 th August, 2016	12.15 PM	"Rangmarch Auditorium" Bangur Nagar, Beawar - 305 901, Distt.: Ajmer, Rajasthan

a) Details of the Annual General Meeting held in the last three years are as under:

Year Ended	Day & Date of AGM	Time	Venue
30 th June, 2013	Friday, 25 th October, 2013	11:30 AM	Registered Office at Bangur Nagar, Beawar - 305 901, Distt.: Ajmer, Rajasthan
30 th June, 2014	Monday, 10 th November, 2014	11:30 AM	-do-
30 th June, 2015	Saturday, 14 th November, 2015	11.30 AM	-do-

b) Special Resolution(s) passed in previous three AGMs:

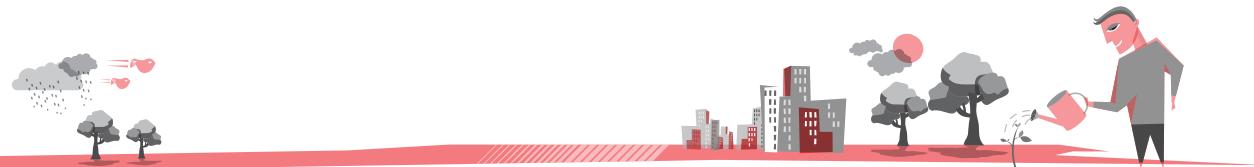
Date of AGM	Special Resolution(s) passed by Members
25 th October, 2013	a) Revision in remuneration of Shri Prashant Bangur, Whole Time Director of the Company w.e.f. 1 st April, 2013 b) Revision in maximum limit of annual increase in remuneration of Shri Mahendra Singh, Executive Director of the Company w.e.f. such date as may be decided by the Board.
10 th November, 2014	a) Payment of remuneration to Non-Executive Directors b) Authorization to Board of Directors for Borrowings under Section 180(1)(c) c) Authorization to Board of Directors for creation of charges/mortgages in respect of borrowings under section 180(1)(a) d) Authorization to Board of Directors for issue of Non-convertible Debentures (NCDs) through Private Placement pursuant to Section 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
14 th November, 2015	a) Authorization to Board of Directors for issue of Non-convertible Debentures (NCDs) through Private Placement pursuant to Section 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Financial Year and Tentative Financial Calendar

The current Financial Year of the Company is 1st July to 31st March (9 months period).

Tentative financial reporting for the Financial Year 2016-17 is as under:

Un-audited/Limited Review Results:	
First Quarter ended 30.06.2016	Within 45 days from the end of quarter
Second Quarter/half year ended 30.09.2016	Within 45 days from the end of quarter
Third Quarter ended 31.12.2016	Within 45 days from the end of quarter
Audited Results:	
Year ended 31.03.2017	Within 60 days from the end of the year



Date of Book Closure

Monday, 8th August, 2016 to Friday, 12th August, 2016 (Both days inclusive).

Dividend Payment Date

S. No.	Particular	Record Date	Payment Date
1	1 st interim dividend for year 2015-16	11 th February, 2016	12 th February, 2016
2	2 nd interim dividend for year 2015-16	18 th March, 2016	21 st March, 2016

Listing on Stock Exchange

Name of Stock Exchange	Stock Code
BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai - 400 001	500387
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	SHREECEM EQ

Name of the Depositories (for Demat only)	ISIN
National Securities Depository Ltd. Trade World, 'A' Wing, 4 & 5 Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400 013	INE070A01015
Central Depository Services (India) Ltd. P. J. Towers, 17 th Floor, Dalal Street, Fort, Mumbai - 400 001	INE070A01015

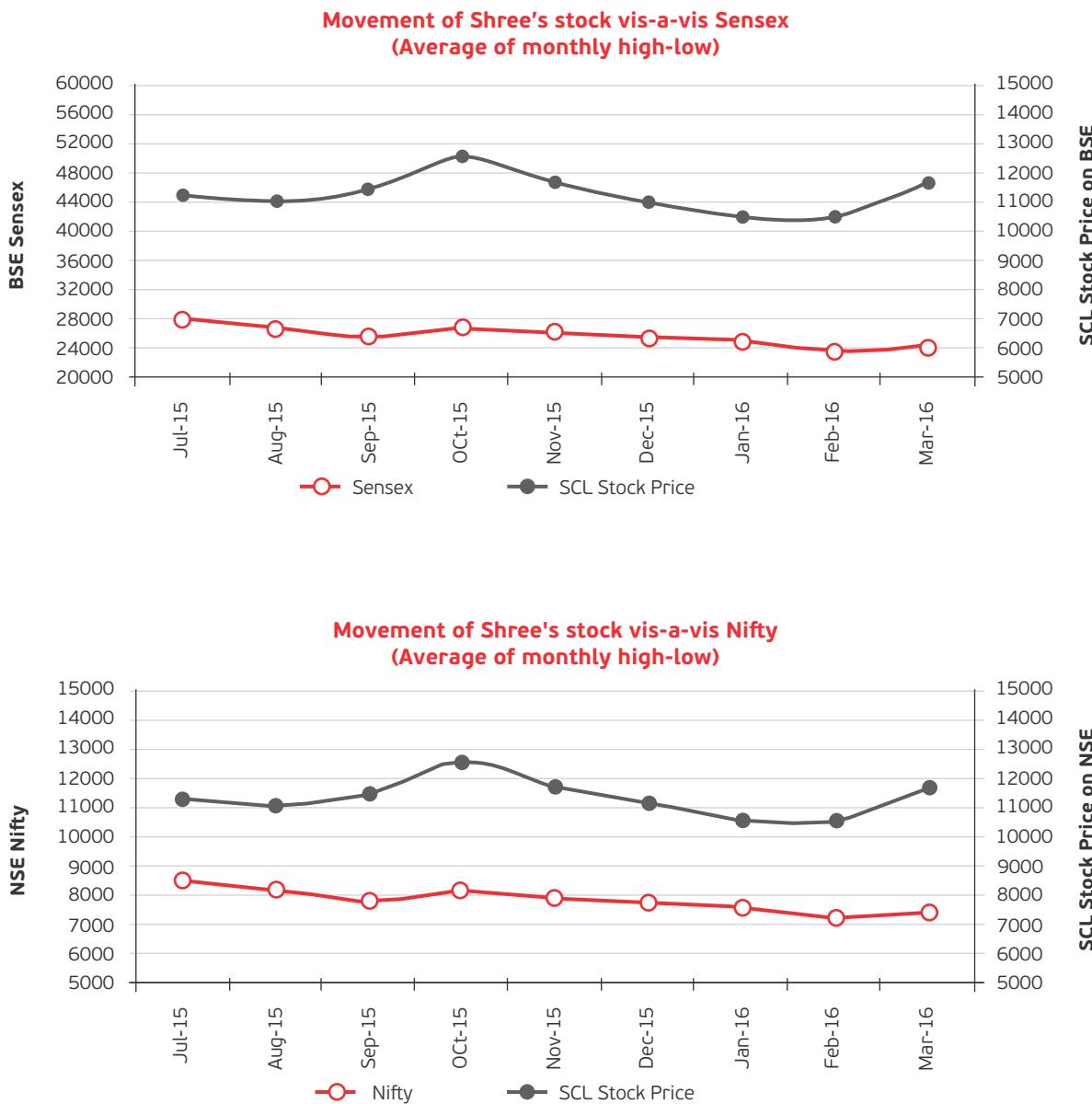
Corporate Identification Number (CIN): L26943RJ1979PLC001935

Market Price data

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Share)	High (₹)	Low (₹)	Volume (No. of Shares)
Jul-15	11,786.00	10,665.90	7,644	11,796.00	10,661.00	2,38,980
Aug-15	11,780.00	10,250.00	16,005	11,800.00	10,202.00	2,29,191
Sep-15	12,509.00	10,320.00	11,559	12,550.00	10,317.30	2,59,397
Oct-15	13,344.90	11,625.05	11,480	13,360.00	11,605.10	2,36,589
Nov-15	12,800.00	10,526.90	7,835	12,845.00	10,500.00	2,35,993
Dec-15	11,810.00	10,292.10	9,188	11,799.00	10,275.00	1,95,530
Jan-16	11,575.00	9,350.00	4,600	11,618.00	9,399.95	2,43,532
Feb-16	11,154.05	9,850.05	7,626	11,182.50	9,800.00	1,96,317
Mar-16	13,148.05	10,186.00	15,802	13,165.10	10,079.40	3,65,091
TOTAL			91,739			22,00,620

Performance in comparison to broad-based indices

Indices	BSE (Sensex)	SCL Quote at BSE (₹)	NSE (Nifty)	SCL Quote at NSE (₹)
01.07.2015 (open)	27,823.65	11,358.95	8,376.25	11,340.00
31.03.2016 (close)	25,341.86	12,420.90	7,738.40	12,420.50
Increase/(Decrease)	(2,481.79)	1,061.95	(637.85)	1,080.50



Share Transfer System

Transfer of shares in dematerialised form is done through the Depository Participant without any involvement of the Company/Share Transfer Agent. As regards transfer of share in physical form, the transfer document can be lodged with Karvy Computershare Pvt. Ltd., Registrar and Share Transfer Agent or with the Company.

The physical shares along with valid, duly executed and stamped Securities Transfer Form (Form No. SH-4) signed

by the member (or on his / her behalf) and the transferee, as and when received, are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferees complying with the rules in force. As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors in their meeting held on 14th November, 2015 decided to delegate the power of transfer/transmission/transposition of shares (except approval for issue of duplicate share certificates) to the



"Compliance Officer" i.e. Company Secretary of the Company. However, the said power delegated to Compliance Officer is in addition to the powers delegated to the Share Transfer Committee. The shares are transferred/transmitted after obtaining approval from Share Transfer Committee/Compliance Officer. Duly transferred share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. As required under Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Practicing Company Secretary has examined the records relating to Share Transfer Deeds, Registers and other related documents on half-yearly basis and has certified compliance with the provisions of the above Regulation. The certificates are forwarded to BSE and NSE where the Company's shares are listed.

Nomination facility

Investor holding shares in physical form may register Nomination in their folio(s) by sending duly completed Nomination form as enclosed with this Annual Report and send to the Registrar and Share Transfer Agent of the Company. Investors holding share in electronic form should contact their concerned Depository Participant (DP) directly for nomination.

Usage of electronic payment modes for making cash payments to the investors.

Shareholders can opt for receiving dividend credit directly in to their bank account by way of updating their Bank Account details with the Depository Participant (DP) in case the same are held in demat mode or with the Registrar & Share Transfer Agent viz., Karvy Computershare Pvt. Ltd. in case the shares are held in physical form.

Company, wherever it is possible based on the details submitted by members to R&T agent or Depository Participants, as the case may be, is using electronic modes such as RTGS, NEFT, NECS, Swift transfer for making payment of dividend amounts. In remaining cases, dividend warrants or demand drafts are issued in favour of members and dispatched to their recorded address.

Unclaimed Dividends

In accordance with the provisions of Section 205(A) of the

Companies Act, 1956 read with Investor Education and Protection Fund (Awareness and Protection of Investor), Rules 2001, dividend which remains unclaimed for a period of seven years from the date of transfer to the 'Unpaid Dividend Account' of the Company shall be transferred to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government. As per practice, Company sends reminders to shareholders whose dividend amount is unpaid before transferring the same to IEPF.

Shareholders are requested to revert to the Company, if they have not received/encashed their dividend warrants of relevant year(s). For the dates of transfer of unpaid dividend amount to IEPF, please refer the relevant section of Notice of the 37th Annual General Meeting of the Company.

In compliance with Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed dividend amounts lying with Companies) Rules, 2012, Company has uploaded the information in respect of dividend amounts remaining unpaid and unclaimed as on date of 36th Annual General Meeting of the Company with Ministry of Corporate Affairs. The same information has been uploaded on Company's website www.shreecement.in also as prescribed in the above referred rules. Shareholders can visit website of MCA / Company for checking the status of dividend amounts remaining unpaid/unclaimed in respect of their holding in the Company.

Unclaimed share certificates lying with Company / R&T agent

In compliance with the SEBI Circular No. CIR/CFD/DIL/10/2010 dated 16.12.2010, Company had after issuing three reminders to 11 shareholders holding 645 shares of the Company whose physical share certificates were remaining unclaimed/undelivered with Company, got the same dematerialised in "Shree Cement Limited - Unclaimed Suspense Account".

Disclosure pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 31st March, 2016 is given below:

Particulars	Aggregate number of Shareholders	Outstanding shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 st July, 2015	10	595
Number of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	1	50
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1	50
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 31 st March, 2016	9	545

Correspondence regarding change of address etc.

Shareholders are requested to ensure that all events of change of address, change in Bank Mandate etc., should be intimated to Company or Share Transfer Agent promptly. Such requests duly signed by all holders, where there are more than one, along with supporting documents such as proof of residence and proof of identification should be sent for updating Company's records. Shareholders who hold shares in dematerialised form should correspond with the Depository Participant with whom they have opened Demat Account(s).

Distribution of shareholding as on 31st March, 2016

S. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 – 50	11,643	72.60%	1,75,310	0.50%
2	51 – 100	1,882	11.73%	1,70,085	0.49%
3	101 – 200	939	5.86%	1,54,397	0.44%
4	201 – 500	734	4.58%	2,62,688	0.75%
5	501 - 1000	331	2.06%	2,60,256	0.75%
6	1001 - 5000	288	1.80%	6,22,463	1.79%
7	5001 - 10000	71	0.44%	5,35,290	1.54%
8	10001 and above	149	0.93%	3,26,56,736	93.74%
	TOTAL	16,037	100.00%	3,48,37,225	100.00%

Furnishing Permanent Account Number (PAN) for share transfer cases

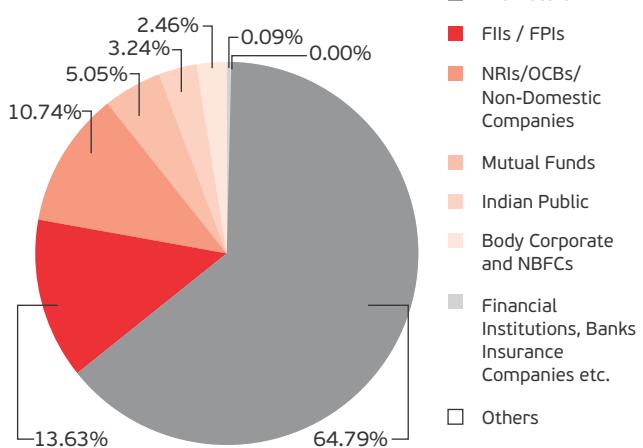
Regulation 40(7) read with Schedule VII of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that transferee(s) as well as transferor(s) shall furnish copy of PAN card for both securities market transactions and off market transactions involving transfer of shares in physical form of listed companies.

It shall be mandatory to furnish a copy of PAN in the following case:

- Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
- Transmission of shares to legal heir(s), where deceased shareholder was the sole holder of shares.
- Transposition of share, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
- In case of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors, the PAN card as submitted by the transferee(s) can be provided by furnishing sufficient evidence of the identity of the transferees like passport, voter ID card, driving licence, photo identity cards issued by statutory bodies, banks, public sector undertaking etc.



Shareholding Pattern



Description	No. of Shares held	
	31.03.16	% of holding
Promoters	2,25,69,797	64.79%
FIIs / FPIs	47,48,621	13.63%
NRIs / OCBs / Non-Domestic Companies	37,41,085	10.74%
Mutual Funds	17,57,751	5.05%
Indian Public	11,32,245	3.24%
Body Corporate and NBFCs	8,56,215	2.46%
Financial Institutions, Banks, Insurance Companies etc.	31,476	0.09%
Others - Directors / Relatives (non-Promoters)	35	0.00%
Total	3,48,37,225	100.00%

Dematerialisation of Shares & Liquidity

The trading in the Company's Equity Shares has been permitted in Demat form w.e.f. 29th November, 1999. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for maintaining and facilitating transactions in the Company's shares in electronic mode.

In view of the advantage offered by the Depository System, Members are requested to avail the facility of dematerialisation. As on 31st March, 2016, 88.80% (30th June, 2015, 88.74%) of the Company's share capital has been dematerialised.

Shareholders holding shares in Demat form are requested to give all instructions regarding the change of address, nomination, power of attorney and bank mandate directly to their Depository Participants.

The shares of the Company are actively traded at BSE and NSE and have adequate liquidity.

There were no outstanding GDRs / ADRs / Warrants or any other Convertible Instruments as on 31st March, 2016.

Cement and Power Plants

RAJASTHAN

1. **Beawar:** Bangur Nagar, Beawar, Distt.: Ajmer, Rajasthan - 305 901
2. **Ras:** Bangur City, Ras, Tehsil: Jaitaran, Distt.: Pali, Rajasthan - 306 107
3. **Khushkhera:** Plot No. SP-3 / A-II, RIICO Industrial Area, Khushkhera, Tehsil: Bhiwadi, Distt.: Alwar, Rajasthan - 301 707
4. **Suratgarh:** Near N.H.-15, Udaipur - Udasar, Tehsil: Suratgarh, Distt.: Sriganganagar, Rajasthan - 335 804
5. **Jobner (Jaipur):** Mahela - Jobner Road, Village: Aslapur, Tehsil: Phulera, Distt.: Jaipur, Rajasthan - 303 331

UTTARAKHAND

6. **Laksar (Roorkee):** Akbarpur - Oud, Tehsil: Laksar, Distt.: Haridwar, Uttarakhand - 247 663

BIHAR

7. **Aurangabad:** Industrial Growth Centre Biada, Near Jasolia More, Post: Mojurahi, Distt.: Aurangabad, Bihar - 824 102

CHHATTISGARH

8. **Baloda Bazar:** Village - Khapradih, Tehsil- Simga Distt.: Balodabazar, Chhattisgarh - 493 332

HARYANA

9. **Panipat:** Village - Khukhrarna, P.O. - Asan Kalan, Tehsil – Madlouda, Distt: Panipat - Haryana

UTTAR PRADESH

10. **Bulandshahr:** 12, Sikandrabad Industrial Area, Sikandrabad, Distt.: Bulandshahr, Uttar Pradesh - 203 205

Address for Correspondence:

Shree Cement Limited
Post Box No. 33,
Bangur Nagar, Beawar - 305 901, Distt: Ajmer, Rajasthan
Phone: +91-1462-228101-06
Fax: +91-1462-228117 / 228119
Toll Free No.: 1800 180 6003 / 6004
Email: shreebwr@shreecementltd.com

Shareholders' Queries:

Shri S. S. Khandelwal
Company Secretary
Tele: +91-1462-228101 to 06, Fax: +91-1462-228117/19
Toll Free: 1800 180 6003 / 6004
Exclusive e-mail ID for shareholders' queries:
khandelwalss@shreecementltd.com
Corporate Secretarial e-mail ID:
investor@shreecementltd.com

Clarifications on financial statement:

Shri Subhash Jajoo
Chief Finance Officer
Phone: +91-33-22390601-05
Fax: +91-33-22434226
E-mail: jajoos@shreecementltd.com

Registrar and Share Transfer Agents:

M/s. Karvy Computershare Pvt. Ltd.
Unit: SHREE CEMENT LIMITED
Contact Person: Mr. K. S. Reddy, Asstt. General Manager
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad-500032

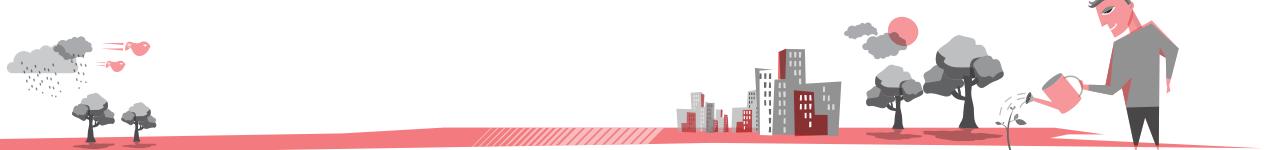
DECLARATION ON CODE OF CONDUCT

As provided under Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended on 31st March, 2016.

for **SHREE CEMENT LIMITED**

Place: Kolkata
Date: 26th May, 2016

H. M. Bangur
Managing Director



COMPLIANCE CERTIFICATE FROM CEO/CFO

[Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**The Board of Directors,
SHREE CEMENT LIMITED**

Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit and Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the auditors and the Audit and Risk Management Committee:
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date: 26th May, 2016

Subhash Jajoo
Chief Finance Officer

H. M. Bangur
Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of
SHREE CEMENT LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the nine months period ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by section 143(3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
 - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B. R. Maheswari & Co.**
Chartered Accountants
Firm's Registration No. 001035N

Sudhir Maheshwari
Partner
Membership No.081075

Place: Kolkata
Date: 26th May, 2016

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
 - 2) In respect of its inventories:
 - (a) The inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
 - 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
 - 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.
 - 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
 - 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under Section 148 of the Act, and are of the opinion that *prima facie*, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
 - 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and Cess not deposited by the Company are as follows:

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
(A) Excise and Service Tax				
Central Excise Act, 1944	Cenvat credit on Inputs and capital goods	1.06	1994-95 to 2011-12	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs and capital goods	0.09	2010-11	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs and capital goods	0.08	1997-98 & 2007-08 to 2008-09 & 2012-13 to 2013-14	Customs Excise & Service Tax Appellate Tribunal (CESTAT)



Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Credit of Service Tax	0.04	2008-09 to 2010-11	Commissioner (Appeals) of Central Excise
	Credit of Service Tax	9.91	2004-05 to 2008-09 & 2012-13 to 2013-14	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
Total (A)	11.18			
(B) Customs Duty				
Customs Act, 1962	Custom Duty Valuation	4.91	2012-13	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
Total (B)	4.91			
(C) Sales Tax				
Central Sales Tax Act, 1956	Partial Exemption Claim including interest	2.24	1998-99 to 2000-01	Rajasthan High Court, Jodhpur
Total (C)	2.24			
(D) Others				
The Rajasthan Finance Act, 2008	Environment & Health Cess	78.89	2007-08 to 2015-16	Rajasthan High Court, Jodhpur
Total (D)	78.89			
Grand Total (A+B+C+D)	97.22			

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non- cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kolkata
Date: 26th May, 2016

For **B. R. Maheswari & Co.**
Chartered Accountants
Firm's Registration No. 001035N

Sudhir Maheshwari
Partner
Membership No.081075

Annexure 'B' to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: 26th May, 2016

For B. R. Maheswari & Co.
Chartered Accountants
Firm's Registration No. 001035N

Sudhir Maheshwari
Partner
Membership No.081075

BALANCE SHEET as at 31st March, 2016

(₹ in Crore)

	Note	As at 31.03.2016	As at 30.06.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	34.84	34.84
Reserves and Surplus	3	6,145.38	5,241.56
		6,180.22	5,276.40
Non-Current Liabilities			
Long-Term Borrowings	4	520.92	401.41
Other Long-Term Liabilities	5	915.00	852.32
Long-Term Provisions	6	18.88	19.11
		1,454.80	1,272.84
Current Liabilities			
Short-Term Borrowings	7	195.75	214.95
Trade Payables			
Due to Micro and Small Enterprises	41	5.49	4.57
Due to Others		252.89	287.80
Other Current Liabilities	8	697.48	872.38
Short-Term Provisions	6	2.39	68.91
		1,154.00	1,448.61
	Total	8,789.02	7,997.85
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		3,050.17	2,921.19
Intangible Assets		-	83.14
Capital Work-in-Progress		264.50	511.10
Non-Current Investments	10	2,286.20	1,498.98
Deferred Tax Assets (Net)	11	263.37	195.19
Long-Term Loans and Advances	12	923.99	556.06
		6,788.23	5,765.66
Current Assets			
Current Investments	13	80.00	163.63
Inventories	14	815.19	918.86
Trade Receivables	15	328.62	476.39
Cash and Bank Balances	16	283.04	307.50
Short-Term Loans and Advances	12	469.32	350.54
Other Current Assets	17	24.62	15.27
		2,000.79	2,232.19
	Total	8,789.02	7,997.85
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board

For **B. R. Maheswari & Co.**

Chartered Accountants
Firm's Registration No. 001035N

B. G. Bangur
Chairman

H. M. Bangur
Managing Director

Prashant Bangur
Joint Managing Director

Sudhir Maheshwari
Partner
Membership No. 081075

Place : Kolkata
Date : 26th May, 2016

S. S. Khandelwal
Company Secretary

Subhash Jajoo
Chief Finance Officer

O. P. Setia
Independent Director &
Chairman of Audit Committee



STATEMENT OF PROFIT AND LOSS for the period ended 31st March, 2016

(₹ in Crore)

	Note	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
REVENUE			
Revenue from Operations (Gross)	18	6,244.07	7,176.84
Less: Excise Duty		676.32	723.27
Revenue from Operations (Net)		5,567.75	6,453.57
Other Income	19	120.11	137.85
		5,687.86	6,591.42
EXPENDITURE			
Cost of Materials Consumed	20	470.50	579.53
Changes in Inventories of Finished Goods and Work-in-Progress	21	3.28	(79.10)
Employee Benefits Expense	22	364.54	455.03
Power and Fuel		1,130.90	1,579.82
Freight and Forwarding Expenses	23	1,141.62	1,395.46
Finance Costs	24	75.12	120.63
Other Expenses	25	1,149.57	1,205.75
		4,335.53	5,257.12
Captive Consumption of Cement [Net of Excise Duty ₹ 1.75 Crore (Previous year ₹ 2.64 Crore)]		(12.92)	(26.77)
		4,322.61	5,230.35
PROFIT BEFORE DEPRECIATION, EXCEPTIONAL ITEMS AND TAX			
Depreciation and Amortisation Expense	9	908.41	924.78
Exceptional Items			
Assets Constructed at Others' Premises Written Off		2.30	35.46
		454.54	400.83
PROFIT BEFORE TAX			
Current Tax		123.98	95.81
Less: MAT Credit Entitlement		0.85	52.33
Net Current Tax		123.13	43.48
Prior Period Tax Expense (Net)		(55.34)	(16.65)
Deferred Tax (Credit) / Charge		(68.18)	(52.33)
		454.93	426.33
PROFIT FOR THE PERIOD			
Earnings per Equity Share of ₹ 10 each (In ₹)	37		
Cash		371.77	372.81
Basic and Diluted		130.59	122.38
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For and on behalf of the Board

For **B. R. Maheswari & Co.**

Chartered Accountants
Firm's Registration No. 001035N

B. G. Bangur
Chairman

H. M. Bangur
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Prashant Bangur
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Sudhir Maheshwari
Partner
Membership No. 081075

Place : Kolkata
Date : 26th May, 2016

S. S. Khandelwal
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Chief Finance Officer

O. P. Setia
Independent Director &
Chairman of Audit Committee

CASH FLOW STATEMENT for the period ended 31st March, 2016

(₹ in Crore)

Particulars	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	454.54	400.83
Adjustments For :		
Depreciation and Amortisation	908.41	924.78
Unrealised Foreign Exchange Rate Differences (Net)	(0.95)	0.13
Assets (acquired on acquisition) constructed at others' premises written off	-	23.70
Balances Written Back (Net)	(9.00)	(2.60)
Bad Debts Written Off	-	0.24
Provision No Longer Required	(0.38)	(7.85)
Provision / (Reversal of Provision) for Doubtful Receivables (Net)	0.03	(0.12)
Profit on Sale of Investments (Net)	(4.67)	(30.60)
Interest Income	(56.14)	(55.24)
Dividend Income	(38.40)	(24.42)
Profit on Sale of Fixed Assets (net) / Assets Written Off	8.76	1.54
Finance Costs	75.12	882.78
		120.63
		950.19
Operating Profit Before Working Capital Changes	1,337.32	1,351.02
Adjustments For :		
(Increase) / Decrease in Trade Receivables, Loans and Advances and Other Assets	(325.84)	(332.71)*
(Increase) / Decrease In Inventories	103.67	(104.37)*
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	16.28	(205.89)
		415.26*
Cash Generated From Operations		1,131.43
		1,329.20
Direct Taxes Paid (Net of Refunds)		(98.45)
		(90.64)
Net Cash From Operating Activities	1,032.98	1,238.56
* After adjustments pursuant to acquisition of net current assets which are classified as investing activities		
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital Work-in-Progress and Advances)	(736.43)	(1,124.93)
Sale of Fixed Assets	1.66	1.35
Purchases of Long Term Investments	(655.15)	(140.00)
Proceeds from Sale of Long Term Investments	267.47	2.99
(Purchases) / Proceeds of Current Investments (Net)	(271.23)	709.44
Purchase Consideration for Acquisition of Panipat Grinding Unit	-	(358.22)
Investments in a Subsidiary Company	-	(0.07)
Proceeds from Sale of Investments in a Subsidiary Company	-	0.01
Investments in Bank Deposits	(45.91)	(274.75)
Maturity of Bank Deposits	89.71	116.72
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.09)	(0.33)
Dividend Received	40.83	19.29
Interest Received	46.88	58.36
Net Cash Used in Investing Activities	(1,262.26)	(990.14)



(₹ in Crore)

Particulars	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	265.84	255.00
Repayment of Long Term Borrowings	(300.28)	(121.59)
Proceeds from Short Term Borrowings	46.60	-
Repayment of Short Term Borrowings	-	(518.59)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	(64.74)	101.95
Capital Subsidy	549.52	238.66
Interest and Financial Charges Paid	(89.17)	(124.64)
Dividend and Tax Paid there on (Interim and Final)	(159.24)	(89.34)
Net Cash From / (Used in) Financing Activities	248.53	(258.55)
Net Increase /(Decrease) in Cash and Cash Equivalents	19.25	(10.13)
Cash and Cash Equivalents as at the beginning of the Year	30.98	41.11
Cash and Cash Equivalents as at the end of the Year	50.23	30.98

The accompanying notes are an integral part of the Financial Statements.

Notes :

- 1 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2 Previous year figures have been regrouped and rearranged wherever necessary.
- 3 Cash and Cash Equivalents are as per note 16 of the Financial Statements.

As per our report of even date

For and on behalf of the Board

For B. R. Maheswari & Co.

Chartered Accountants
Firm's Registration No. 001035N

B. G. Bangur
Chairman

H. M. Bangur
Managing Director

Prashant Bangur
Joint Managing Director

Sudhir Maheshwari

Partner
Membership No. 081075

Place : Kolkata
Date : 26th May, 2016

S. S. Khandelwal
Company Secretary

Subhash Jajoo
Chief Finance Officer

O. P. Setia
Independent Director &
Chairman of Audit Committee

Notes Forming Part of Financial Statements

NOTE - 1 - SIGNIFICANT ACCOUNTING POLICIES

I. Accounting Convention

The Financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Company (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 unless stated otherwise hereinafter. Accounting Policies not specifically referred to, are consistent with Generally Accepted Accounting Principles in India.

II. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

III. Fixed Assets

Fixed assets (Tangible and Intangible) are disclosed at cost less accumulated depreciation/amortization and impairment loss, if any. Cost comprises of purchase price and attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any) except free hold land not containing mineral reserves which is disclosed at cost less impairment loss, if any.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized at cost (net of credit availed, if any).

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

IV. Capital Work-In-Progress

- Capital work-in-progress is carried at cost and Pre-operative expenditure during construction period which is allocated to the fixed assets on the completion of project.
- Expenditures on construction of assets for Company's use at premises owned by Government/Local Authorities/others are charged to Statement of Profit and Loss in the year of expenditure.

V. Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

VI. Depreciation and Amortization

Tangible Assets

- Depreciation is provided on Written down Value method in accordance with the provisions of Schedule II to the Companies Act, 2013 or the rates prescribed in the Income Tax Act, 1961 and rules made thereunder, whichever is higher. However, in case of those assets whose WDV as per the Income Tax Act, 1961 is lower than the WDV as per books, additional depreciation is provided to align the Book WDV with WDV as per the Income Tax Act, 1961.
- Leasehold land is amortized over the period of lease.
- Freehold Land bearing mineral reserves is amortized over its estimated commercial life based on the unit-of-production method.

Intangible Assets

- Expenditure on Computer Software is amortized in the year in which it is capitalized.
- Amount paid for Mining rights is amortized in the year in which amount is paid.
- Goodwill is amortized within one year.

VII. Foreign Currency Transactions

Foreign currency transactions are recorded by applying the exchange rates on the date of transaction.

At each Balance sheet date, foreign currency monetary items are reported using the closing rates. Non Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.



Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Derivative Instruments

Derivative financial instruments are used to hedge risk associated with foreign currency fluctuations and interest rates. The derivative contracts are closely linked with the underlying transactions and are intended to be held till maturity. These are accounted on the date of their settlement and realized gain/loss in respect of settled contracts is recognized in the Statement of Profit and Loss.

The premium or discount on forward exchange contracts is amortised over the life of the contract.

VIII. Investments

Investments, that are intended to be held for not more than one year, from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Current Investments are carried at lower of cost or fair market value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

IX. Inventories

a) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

b) Work-in-progress and Finished goods

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

X. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash on hand, balances with banks and fixed deposits with banks with an original maturity of three months or less.

XI. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured:

- a) Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Sales are disclosed net of sales tax / VAT, trade discounts and returns, as applicable.
- b) Power supplied under banking arrangements is accounted for as per terms of related agreements. Quantity of power banked is recorded as loan transaction valued at cost or net realizable value, whichever is lower and recognized as revenue when the same is returned and sold to an ultimate customer.
- c) Dividend income on investments is accounted for when the right to receive the payment is established.
- d) Interest is recognized using the time-proportion method, based on rates implicit in the transaction.
- e) Certain insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

XII. Government Grants/Subsidies

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Government grants/subsidies, which are capital in nature, are credited to capital reserve.

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the period to match them with the related costs.

XIII. Employee Benefits

Defined Contribution Plan

Superannuation, Provident Fund and National Pension Scheme are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss of the year in which the contributions to the respective funds are due.

Defined Benefit Plan

- a) Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
- b) Contribution to provident Fund set up by the Company in respect of a few employees is also defined benefit plan and contribution is charged to Statement of Profit and Loss of the year in which the contribution is due.

- c) Encashable leave in case of employees covered by Cement Wage Board is considered as defined benefit plan and is accounted for on the basis of actuarial valuation, as at the Balance Sheet date.

Other Benefits

Non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance sheet.

Actuarial gains and losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arise.

XIV. Operating Leases

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

XV. Borrowing Costs

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

XVI. Research and Development

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related Fixed Assets.

XVII. Mines Reclamation Expenditure

The Company provides for the expenditure to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted.

XVIII. Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. The identification of geographical segment is based on the areas in which major operating divisions of the Company operates.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

XIX. Taxation

Tax expenses comprises of Current and Deferred Tax.

Current Tax is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognized for all the timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each Balance sheet date.

XX. Provisions, Contingent Liabilities and Contingent Assets

Provisions in respect of present obligation arising out of past events are made in the accounts if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

The contingent liabilities are disclosed, unless the possibility of outflow of resources is remote. Contingent Assets are generally neither recognized nor disclosed in the financial statements.

XXI. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



NOTE 2 - SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Authorised		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00
15,00,000 (Previous Year 15,00,000) Cumulative Preference Shares of ₹100/- each	15.00	15.00
	75.00	75.00
Issued, Subscribed and Paid-up		
3,48,37,225 (Previous Year 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84
	34.84	34.84

2.1 Details of shareholders holding more than 5% shares of the Company:

Name of Shareholders	Number of Shares Held as at 31.03.2016	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 30.06.2015	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86

- 2.2 The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.
- 2.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 2.4 The Board of Directors of the Company has declared Interim Dividends of ₹ 24 per share (two interim dividends at the rate of ₹ 12 per equity share each on 2nd February, 2016 and 10th March, 2016).
- 2.5 As no fresh issue of shares or reduction in capital was made during the current period as well as during the previous year, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.
- 2.6 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the period.

NOTE 3 - RESERVES AND SURPLUS

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Capital Reserve		
As per last Financial Statements	806.12	567.46
Add: Addition During the Period	549.52	238.66
	1,355.64	806.12
Capital Redemption Reserve		
As per last Financial Statements	15.00	15.00
	15.00	15.00
Securities Premium Reserve		
As per last Financial Statements	26.53	26.53
	26.53	26.53
Debenture Redemption Reserve		
As per last Financial Statements	200.00	200.00
Less: Transferred to General Reserve	200.00	-
	-	200.00
General Reserve		
As per last Financial Statements	3,000.00	2,500.00
Add: Transferred from Surplus in the Statement of Profit and Loss	300.00	500.00
Add: Transferred from Debenture Redemption Reserve	200.00	-
	3,500.00	3,000.00
Special Reserve (Refer Note 3.1)		
As per last Financial Statements	500.00	500.00
	500.00	500.00
Surplus in the Statement of Profit and Loss		
As per Last Financial Statements	693.91	867.04
Add: Profit for the Period	454.93	426.33
	1,148.84	1,293.37
Less: Appropriations		
Transferred to General Reserve	300.00	500.00
Interim Dividends on Equity Shares	83.61	34.84
Tax on Interim Dividends	17.02	5.92
Proposed Final Dividend on Equity Shares	-	48.77
Tax on Final Dividend	-	9.93
	400.63	599.46
Net Surplus	748.21	693.91
	6,145.38	5,241.56

- 3.1 There are disputes raised by various statutory authorities related to taxes, legal and other matters, which are under various stages of litigation. As a measure of prudence, the management has created a special reserve to meet any eventuality that may arise in the future.



NOTE 4 - LONG-TERM BORROWINGS

(₹ in Crore)

	Non-Current Portion		Current Maturities	
	As at 31.03.2016	As at 30.06.2015	As at 31.03.2016	As at 30.06.2015
Secured				
Redeemable Non Convertible Debentures (NCDs)				
Nil (Previous year 2,000) 8.42% NCDs of ₹ 10,00,000/- each	-	-	-	200.00
Term Loans from Banks	520.84	401.29	146.28	100.24
Vehicle Loan from Others	0.08	0.12	0.05	0.04
	520.92	401.41	146.33	300.28
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)	-	-	(146.33)	(300.28)
	520.92	401.41	-	-

4.1 Nature of securities and terms of repayment of each loan:

(₹ in Crore)

Sl. No.	Nature of Securities	Rate of Interest	Loan Amount as at 31.03.2016	Loan Amount as at 30.06.2015	Terms of Repayment
Non Convertible Debentures					
1	These debentures (redeemable at par) are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable fixed assets on the first charge basis, pari passu with other term lenders. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnagar (Gujarat).	8.42%	-	200.00	Redeemed during the year 2015-16
Term Loans from Banks					
2	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	9.42% 9.65% 9.50%	21.28 - 125.00	63.85 57.68 125.00	Fully Repayable on 08.09.2016 Paid during the year 2015-16 Fully Repayable on 15.10.2016
3	Specific charge over immovable assets of the Company situated at Beawar, Rajasthan and movable fixed assets of all the plant locations. The charge shall rank pari passu with existing lenders.	8.30% 8.30%	255.00 265.84	255.00 -	Fully Repayable on 08.05.2020 Fully Repayable on 24.09.2020
Vehicle Loan from Others					
4	Secured by Hypothecation of the vehicle	10.09%	0.13	0.16	Repayable in 31 equated monthly installments w.e.f. 03.04.2016
TOTAL			667.25	701.69	
Less: Current Maturities			146.33	300.28	
Total Non-Current Portion			520.92	401.41	

NOTE 5 - OTHER LONG-TERM LIABILITIES

	(₹ in Crore)	
	As at 31.03.2016	As at 30.06.2015
Security Deposits from Customers, Vendors and Others	299.08	281.35
Statutory Liabilities	615.92	570.97
	915.00	852.32

NOTE 6 - PROVISIONS

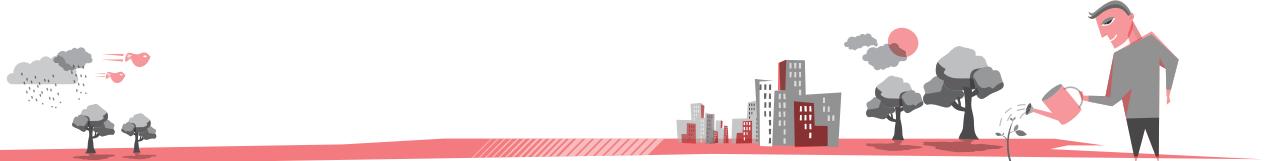
	Long-Term		Short-Term	
	As at 31.03.2016	As at 30.06.2015	As at 31.03.2016	As at 30.06.2015
Provision for Employee Benefits				
Gratuity	-	-	0.09	0.10
Other Staff Benefit Schemes	1.06	0.94	0.20	3.13
Other Provisions				
Income Tax (Net of Advance Tax)	-	-	1.34	6.12
Wealth Tax	-	-	-	0.26
Mines Reclamation Expenses (Refer Note 38)	17.82	18.17	0.76	0.60
Proposed Dividend - Final	-	-	-	48.77
Tax on Final Dividend	-	-	-	9.93
	18.88	19.11	2.39	68.91

NOTE 7 - SHORT-TERM BORROWINGS

	(₹ in Crore)	
	As at 31.03.2016	As at 30.06.2015
Secured		
Loans Repayable on Demand from Banks (Refer Note 7.1)	136.35	170.86
Bank and Book Overdraft (Refer Note 7.2)	13.86	44.09
Unsecured		
Buyers Credit from Banks	45.54	-
	195.75	214.95

7.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on First charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company on second charge basis.

7.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 16).



NOTE 8 - OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Current Maturities of Long-Term Borrowings (Refer Note 4)	146.33	300.28
Interest Accrued but not Due on Borrowings	8.74	11.15
Customers Advances	92.85	93.04
Withholding and Other Taxes Payable	47.81	74.62
Payable for Capital Goods	96.89	96.85
Security Deposits and Retention Money	2.89	6.82
Provident Fund and Superannuation Payable	8.96	6.99
Investor Education and Protection Fund shall be credited by the following amount:		
- Unpaid Dividend (There are no amounts due and outstanding to said fund as at 31.03.2016)	1.82	1.73
Other Statutory Liabilities	79.04	68.39
Other Payables (Refer Note 8.1)	212.15	212.51
	697.48	872.38

8.1 Other Payables include the liability related to Employees, Rebate and Discount to customers etc.

NOTE 9 - FIXED ASSETS

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	As at 30.06.2015	Additions During the Period	Deductions/ Adjustments During the Period	As at 31.03.2016	Up to 30.06.2015	Provisions During the Period	Deductions/ Adjustments During the Period	Up to 31.03.2016	
Tangible Assets :									
Free Hold Land	507.92	32.80	-	540.72	3.72	0.80	-	4.52	536.20
Lease Hold Land	200.88	5.77	-	206.65	4.21	2.45	-	6.66	199.99
Buildings	387.24	97.98	9.32	475.90	120.30	31.66	-	151.96	323.94
Plant and Machinery	7,230.85	812.80 (a)	5.70	8,037.95	5,336.19	770.75	3.31	6,103.63	1,934.32
Railway Siding	39.46	3.33	-	42.79	22.64	2.94	-	25.58	17.21
Furniture and Fixtures	41.10	2.48	0.20	43.38	26.79	3.43	0.19	30.03	13.35
Office Equipments	62.84	7.37	1.42	68.79	49.68	7.52	1.21	55.99	12.80
Vehicles	38.69	2.34	2.86	38.17	24.26	3.57	2.02	25.81	12.36
Sub Total	8,508.98	964.87	19.50	9,454.35	5,587.79	823.12 (b)	6.73	6,404.18	3,050.17
Intangible Assets :									
Goodwill	110.86	-	-	110.86	27.72	83.14	-	110.86	-
Computer Software	13.45	3.15	-	16.60	13.45	3.15	-	16.60	-
Mining Rights	16.33	-	-	16.33	16.33	-	-	16.33	-
Sub Total	140.64	3.15	-	143.79	57.50	86.29	-	143.79	-
Total (A)	8,649.62	968.02	19.50	9,598.14	5,645.29	909.41	6.73	6,547.97	3,050.17
Capital Work-in-Progress (B)									264.50
Grand Total (A+B)									3,314.67

Notes Forming Part of Financial Statements

NOTE 9 - FIXED ASSETS (contd...)

(₹ in Crore)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK
	As at 30.06.2014	Additions During the Year	Pursuant to Acquisition During the Year	Deductions/ Adjustments During the Year	As at 30.06.2015	Up to 30.06.2014	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 30.06.2015	As at 30.06.2015
Tangible Assets :										
Free Hold Land	558.70	41.36	6.49	98.63	507.92	3.08	0.64	-	3.72	504.20
Lease Hold Land	95.08	105.80	-	-	200.88	1.94	2.27	-	4.21	196.67
Buildings	234.67	111.52	42.99	1.94	387.24	90.64	29.66	-	120.30	266.94
Plant and Machinery	5,828.60	1,239.98 (a)	162.40	0.13	7,230.85	4,493.98	842.32	0.11	5,336.19	1,894.66
Railway Siding	34.73	4.73	-	-	39.46	17.58	5.06	-	22.64	16.82
Furniture and Fixtures	38.05	2.95	0.24	0.14	41.10	20.95	5.95	0.11	26.79	14.31
Office Equipments	54.27	9.18	0.34	0.95	62.84	37.98	12.49	0.79	49.68	13.16
Vehicles	36.49	5.19	0.10	3.09	38.69	20.67	5.94	2.35	24.26	14.43
Sub Total	6,880.59	1,520.71	212.56	104.88	8,508.98	4,686.82	904.33 (b)	3.36	5,587.79	2,921.19
Intangible Assets :										
Goodwill	-	-	110.86	-	110.86	-	27.72	-	27.72	83.14
Computer Software	10.67	2.78	-	-	13.45	10.67	2.78	-	13.45	-
Mining Rights	16.33	-	-	-	16.33	16.33	-	-	16.33	-
Sub Total	27.00	2.78	110.86	-	140.64	27.00	30.50	-	57.50	83.14
Total (A)	6,907.59	1,523.49	323.42	104.88	8,649.62	4,713.82	934.83	3.36	5,645.29	3,004.33
Capital Work-in-Progress (B)									511.10	
Grand Total (A+B)									3,515.43	

(a) Includes ₹ 3.41 Crore (Previous Year ₹ 0.94 Crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹ 1.00 Crore (Previous Year ₹ 10.05 Crore) on assets during construction period.

NOTE 10 - NON-CURRENT INVESTMENTS (valued at cost, unless stated otherwise)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2016		As at 30.06.2015		
		No.	Amount	No.	Amount	
LONG TERM (OTHER THAN TRADE)						
QUOTED						
Bonds						
National Bank for Agriculture and Rural Development (Refer Note 10.3)						
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20,000	2,09,340	228.90	2,09,340	228.90	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	86,640	91.43	86,640	91.43	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	5,000	5.29	5,000	5.29	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	180	0.22	180	0.22	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180	0.22	180	0.22	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460	0.55	460	0.55	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65	0.07	65	0.07	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	3,14,660	307.45	3,14,660	307.45	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	11,800	11.36	11,800	11.36	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	16,160	15.26	16,160	15.26	
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	1,26,845	111.24	1,26,845	111.24	



NOTE 10 - NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2016		As at 30.06.2015	
		No.	Amount	No.	Amount
National Housing Bank (Refer Note 10.3)					
Zero Coupon NHB Bonds - 24DC18	10,000	3,27,711	160.10	3,27,711	160.10
Zero Coupon NHB Bonds - 31MR19	10,000	83,760	39.21	83,760	39.21
Indian Railway Finance Corporation					
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,00,000	50.00	5,00,000	50.00
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.21	-	-
7.28% IRFC Tax Free Bonds- 21DC30	1,000	1,51,000	15.10	-	-
7.18% IRFC Tax Free Bonds - 19FB23	1,000	2,50,000	25.10	-	-
7.15% IRFC Tax Free Bonds- 21AG25	10,00,000	159	15.94	-	-
7.35% IRFC Tax Free Bonds - 22MR31	1,000	1,76,350	17.64	-	-
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.08	-	-
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.06	-	-
Power Finance Corporation					
8.70% Power Finance Corporation Bonds - 14MY20	10,00,000	-	-	880	87.98
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	200	20.22	-	-
Power Grid Corporation					
8.64% Power Grid Corporation of India Bonds - 08JL21	12,50,000	-	-	120	14.95
National Highways Authority of India					
8.20% NHAI Tax Free Bonds - 25JN22	1000	11,88,951	119.50	11,88,951	119.50
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.09	-	-
7.35% NHAI Tax Free Bonds - 11JN31	1,000	1,42,849	14.28	-	-
7.39% NHAI Tax Free Bonds - 9MR31	1,000	3,85,462	38.55	-	-
Housing and Urban Development Corporation Limited					
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	1,00,000	9.65	1,00,000	9.65
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.35	-	-
7.07% HUDCO Tax Free Bonds - 01OT25	10,00,000	100	9.97	-	-
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	2,80,279	28.03	-	-
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	4,51,746	45.17	-	-
India Infrastructure Finance Company Limited					
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	50,000	5.43	-	-
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	5,50,000	55.40	-	-
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.32	-	-
Indian Renewable Energy Development Agency Limited					
7.49% IREDA Tax Free Bonds - 21JN31	1,000	7,60,903	76.32	-	-
National Bank for Agriculture and Rural Development					
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,00,796	40.08	-	-
Canfin Homes Limited					
8.41% Canfin Homes Bonds - 30JN19	10,00,000	141	14.06	-	-
LIC Housing Finance Limited					
9.30% LIC Housing Bonds - 14SP22	10,00,000	150	15.58	-	-

NOTE 10 - NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2016		As at 30.06.2015		
		No.	Amount	No.	Amount	
Preference Shares						
Infrastructure Leasing and Financial Services Limited						
16.06% Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25 March, 2021	7,500	28,000	35.00	28,000	35.00	
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16 May, 2021	7,500	52,000	65.41	52,000	65.41	
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5 October, 2022	7,500	13,500	20.82	-	-	
IL&FS Financial Services Ltd.						
16.99% / 17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30 March, 2021	7,500	33,400	50.10	-	-	
Zee Entertainment Enterprises Limited						
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annually instalments from 5 March, 2018 to 5 March, 2022	10	4,50,00,000	41.25	-	-	
UNQUOTED						
Preference Shares						
Tata Capital Limited						
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18 Aug, 2021	1,000	10,00,000	100.00	10,00,000	100.00	
8.33% Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21 April, 2022	1,000	4,00,000	40.00	4,00,000	40.00	
In Units of Mutual Funds						
L&T Triple Ace Bond Fund-Bonus	10	1,47,78,590	2.50	1,47,78,590	2.50	
Reliance Income Fund Growth Plan-Bonus Option	10	50,25,686	2.57	50,25,686	2.57	
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	2,32,43,489	25.00	-	-	
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	2,26,44,722	25.00	-	-	
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	5,67,06,597	60.00	-	-	
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	2,36,78,727	25.00	-	-	
IDFC Arbitrage Fund - Dividend - (Direct Plan)	10	1,94,20,493	25.00	-	-	
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	3,05,85,160	45.00	-	-	
JM Arbitrage Advantage Fund (Direct) - Dividend Option	10	2,78,46,362	30.00	-	-	
Investments in Subsidiary Companies						
Fully Paid Equity Shares						
Shree Global Pte. Ltd.	1 USD	20,000	0.12	20,000	0.12	
TOTAL			2,286.20		1,498.98	



10.1 AGGREGATE COST AND MARKET VALUE OF QUOTED INVESTMENTS :

(₹ in Crore)

	As at 31.03.2016		As at 30.06.2015	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted Investments:				
- In Bonds and Preference shares	1,906.01	2,589.95	1,353.79	1,910.60
Total	1,906.01	2,589.95	1,353.79	1,910.60
10.2 AGGREGATE COST OF UNQUOTED INVESTMENTS	380.19		145.19	
10.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.				

NOTE 11 - DEFERRED TAX ASSETS (NET)

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Deferred Tax Assets		
Arising on account of :		
Long-term and Short-term Capital Losses	15.79	14.24
Expenses allowed for tax purpose when paid	187.67	172.28
Depreciation and Amortisation	59.75	20.43
Others	0.16	0.15
Less: Deferred Tax Liabilities		
Arising on Account of :		
Others	-	11.91
	263.37	195.19

NOTE 12 - LOANS AND ADVANCES

(₹ in Crore)

	Long-Term		Short-Term	
	As at 31.03.2016	As at 30.06.2015	As at 31.03.2016	As at 30.06.2015
(Unsecured, Considered Good)				
Capital Advances	349.52	319.57	-	-
Advances Recoverable in Cash or in Kind or for Value to be Received	419.08	106.25	338.31	215.74
Deposits with Government Departments and Others	31.59	32.49	13.79	12.30
Balance with Customs, Excise and Port Trust etc. on Current Accounts	-	-	108.42	114.07
Loans and Advances to Staff and Workers	2.31	1.88	5.62	3.82
Advance Tax (Net of Provisions)	14.09	-	-	-
MAT Credit Entitlement	107.40	95.87	-	-
Prepaid Expenses	-	-	3.18	4.61
	923.99	556.06	469.32	350.54

NOTE 13 - CURRENT INVESTMENTS

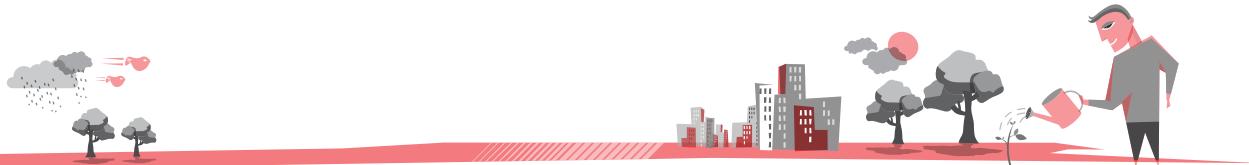
(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2016		As at 30.06.2015		
		No.	Amount	No.	Amount	
CURRENT PORTION OF LONG TERM INVESTMENTS (OTHER THAN TRADE) (valued at cost, unless stated otherwise)						
QUOTED						
Bonds						
Indian Railway Finance Corporation						
8.50% Indian Railway Finance Corporation Bonds - 22JU20	10,00,000	-	-	650.000	64.79	
Rural Electrification Corporation						
8.65% Rural Electrification Corporation Bonds - 15JN19	10,00,000	-	-	200.000	19.95	
8.65% Rural Electrification Corporation Bonds - 22JN20	10,00,000	-	-	50.000	4.98	
UNQUOTED						
Preference Shares						
L&T Finance Holding Limited						
8.75% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 25 March, 2016	100	-	-	61,55,000.000	62.50	
8.75% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 31 March, 2016	100	-	-	11,41,136.000	11.41	
OTHER CURRENT INVESTMENTS (OTHER THAN TRADE) (valued at lower of cost or fair market value)						
UNQUOTED						
In Units of Mutual Funds						
Kotak Floater Short Term - Direct Plan - Growth	10	40,256.759	10.00	-	-	
HDFC Cash Management Fund - Savings Plan- Direct Plan - Growth Option	10	31,628.275	10.00	-	-	
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	40,948.253	10.00	-	-	
UTI - Money Market Fund - Institutional Plan - Direct Plan - Growth	10	58,922.561	10.00	-	-	
Axis Liquid Fund - Direct Growth (CFDGG)	10	59,590.725	10.00	-	-	
IDFC Cash Fund - Growth (Direct Plan)	10	54,357.758	10.00	-	-	
ICICI Prudential Liquid - Direct Plan - Growth	10	4,46,245.093	10.00	-	-	
Birla Sun Life Floating Rate Fund Short Term Plan-Growth - Direct Plan	10	4,95,909.736	10.00	-	-	
TOTAL			80.00		163.63	

13.1 AGGREGATE COST AND MARKET VALUE OF CURRENT INVESTMENTS :

(₹ in Crore)

	As at 31.03.2016		As at 30.06.2015	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted Investments:				
- In Bonds	-	-	89.72	90.22
Total	-	-	89.72	90.22
13.2 AGGREGATE COST OF UNQUOTED INVESTMENTS	80.00		73.91	



NOTE 14 - INVENTORIES (Valued at Lower of Cost and Net Realisable Value)

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Raw Materials [Includes in transit ₹ 2.81 Crore (Previous year ₹ 2.39 Crore)]	43.94	27.26
Fuel [Includes in transit ₹ 65.19 Crore (Previous year ₹ 239.31 Crore)]	208.63	334.87
Stores and Spares	367.25	359.84
Packing Materials	11.72	9.96
Work-in-Progress [Includes in transit ₹ 7.64 Crore (Previous year ₹ 11.11 Crore)]	114.67	97.28
Finished Goods [Includes in transit ₹ 17.92 Crore (Previous year ₹ 28.71 Crore)]	68.98	89.65
	815.19	918.86

NOTE 15 - TRADE RECEIVABLES

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2016	As at 30.06.2015	As at 31.03.2016	As at 30.06.2015
Outstanding for a Period Exceeding Six Months from the Date they are Due for Payment				
Secured, Considered Good	-	-	0.38	0.22
Unsecured				
Considered Good	-	-	5.96	5.71
Considered Doubtful	0.45	0.42	-	-
	0.45	0.42	6.34	5.93
Less: Provision for Doubtful Receivables	0.45	0.42	-	-
	-	-	6.34	5.93
Others				
Secured, Considered Good	-	-	151.67	116.44
Unsecured				
Considered Good	-	-	170.61	354.02
Considered Doubtful	-	-	-	-
	-	-	322.28	470.46
Less: Provision for Doubtful Receivables	-	-	-	-
	-	-	322.28	470.46
	-	-	328.62	476.39

NOTE 16 - CASH AND BANK BALANCES

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Cash and Cash Equivalents:		
Balances with Banks	49.74	30.59
Cash on Hand	0.49	0.39
	50.23	30.98
Other Bank Balances:		
Earmarked Balance with Banks for Unpaid Dividend	1.82	1.73
Margin Money (Pledged with Banks)	1.83	2.50
Fixed Deposits with Banks (Refer Note 16.1 to 16.3)		
Maturity more than three months and upto twelve months	20.16	63.29
Maturity more than twelve months	209.00	209.00
	232.81	276.52
	283.04	307.50

16.1 Deposits of ₹ 19.00 Crore (Previous year ₹ 19.00 Crore) are pledged with banks against overdraft facilities.

16.2 ₹ 10.00 Crore (Previous year ₹ 53.19 Crore), given as security to Government department and others.

16.3 ₹ Nil (Previous Year ₹ 30.00 Crore) are earmarked against debentures due for redemption in next 12 months as per provisions of Companies Act, 2013.

NOTE 17 - OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Interest Accrued		
On Deposits	5.17	2.40
On Tax Free and Other Bonds	19.36	12.87
Assets Held for Disposal	0.09	-
	24.62	15.27

NOTE 18 - REVENUE FROM OPERATIONS (GROSS)

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Sale of Products		
Cement	5,614.15	6,338.60
Clinker	34.49	118.27
Power	590.99	699.63
	6,239.63	7,156.50
Revenue from Power Trading		
Revenue from Traded Power	167.81	177.23
Less: Purchase of Traded Power	163.39	170.58
	4.42	6.65
Other Operating Revenue		
	0.02	13.69
	6,244.07	7,176.84



NOTE 19 - OTHER INCOME

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Interest Income		
On Fixed Deposits	18.62	14.65
On Tax Free and Other Bonds	20.51	31.52
On Income Tax and Sales Tax Refund	11.18	7.26
Others	5.83	1.81
Dividend from Investments (Other than Trade)		
Long term	30.86	20.36
Current	7.54	4.06
Profit on Sale of Investments (Other than Trade)		
Long term (Net)	0.91	1.14
Current (Net)	3.76	29.46
Profit on Sale of Fixed Assets (Net)	0.60	0.40
Provision No Longer Required	0.38	7.85
Balances Written Back (Net)	9.00	2.60
Other Non Operating Income	10.92	16.74
	120.11	137.85

NOTE 20 - COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Raw Materials Consumed		
Gypsum	133.52	130.32
Fly Ash	166.13	217.65
Clinker	22.32	52.51
Red Ochre and Slag	46.16	31.47
Sulphuric Acid	25.23	43.58
Others	77.14	104.00
	470.50	579.53

NOTE 21 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015	(Increase)/Decrease
Closing Stock			
Work-in-Progress	114.67	97.28	(17.39)
Finished Goods	68.98	89.65	20.67
	183.65	186.93	3.28
Opening Stock			
Work-in-Progress	97.28	49.16	(48.12)
Finished Goods	89.65	58.67	(30.98)
	186.93	107.83	(79.10)
(Increase) / Decrease	3.28	(79.10)	

NOTE 22 - EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Salaries, Wages and Bonus	324.54	394.98
Contribution to Provident and other Funds	31.24	49.62
Staff Welfare Expenses	8.76	10.43
	364.54	455.03

NOTE 23 - FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
On Finished Products	808.92	958.61
On Inter Unit Clinker Transfer	332.70	436.85
	1,141.62	1,395.46

NOTE 24 - FINANCE COSTS

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Interest Expenses	85.28	103.57
Other Borrowing Costs	1.48	17.48
Applicable Net Gain/Loss on Foreign Currency Transactions and Translation	-	3.06
	86.76	124.11
Less: Interest and Other Borrowing Costs Capitalised	11.64	3.48
	75.12	120.63



NOTE 25 - OTHER EXPENSES

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Stores and Spares Consumed	210.75	236.36
Packing Materials Consumed	188.55	245.66
Royalty and Cess	183.55	160.19
Mines Reclamation Expenses	0.28	0.43
Excise Duty on Captive Consumption of Clinker	17.92	25.17
Repairs to Plant and Machinery	123.90	111.05
Repairs to Buildings	12.40	14.11
Rent	13.59	12.38
Insurance	2.12	2.29
Rates and Taxes	14.87	7.91
Travelling	23.91	27.07
Commission to Non-executive Directors	1.58	1.40
Directors' Sitting Fees and Expenses	0.45	0.44
Advertisement and Publicity	53.69	42.86
Discount, Sales Promotion and Other Selling Expenses	192.78	194.18
Excise duty variance on Closing/Opening Stock (Refer note 30)	(1.96)	5.20
Foreign Exchange Rate Differences (Net)	2.66	15.90
Corporate Social Responsibility Expenses	14.75	18.49
Assets Written Off	9.36	1.94
Bad Debts Written Off	-	0.24
Provision / (Reversal of Provision) for Doubtful Receivables (Net)	0.03	(0.12)
Miscellaneous (Refer Note 25.1)	84.39	82.60
	1,149.57	1,205.75

25.1 Miscellaneous Expenses include the payments made to Auditors:

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Statutory Auditors		
Audit Fees	0.27	0.25
Tax Audit Fees	0.06	0.05
Certification / Other Services	0.11	0.09
Reimbursement of Expenses	0.10	0.09
Cost Auditors		
Audit Fees	0.03	0.02
Certification / Other Services	0.02	0.01
Reimbursement of Expenses [₹ 13431 (Previous year ₹ 14933)]	-	-

26 CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

- a. Custom duty ₹ 56.56 Crore (Previous year ₹ 56.56 Crore).
 - b. Income tax matters ₹ 3.26 Crore (Previous Year ₹ Nil).
- 27** The Competition Commission of India (CCI) had, vide its order dated 30th July, 2012, imposed penalty of ₹ 397.51 Crore on the Company. On Company's appeal, Competition Appellate Tribunal (COMPAT), vide its interim order dated 29th April, 2014, had granted stay on CCI Order on the condition that the Company deposits 10% of the penalty amounting to ₹ 39.75 Crore. The Company had deposited the said amount in compliance of the conditions of the order. Penalty of ₹ 397.51 Crore was disclosed as a contingent liability in the financial statements up to the previous year ended 30th June, 2015. The COMPAT by its final order dated 11th December, 2015 set aside order dated 30th July, 2012 passed by the CCI. COMPAT has remanded the matter back to CCI for fresh adjudication. Further, in terms of the COMPAT's final order, the Company has received refund of ₹ 39.75 Crore being 10% amount of penalty with accumulated interest deposited with COMPAT.
- 28** Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 201.21 Crore (Previous Year ₹ 249.60 Crore).
- 29** Capital Work-in-Progress includes pre-operative expenses of ₹ 10.60 Crore (Previous Year ₹ 36.87 Crore) which includes depreciation of ₹ Nil (Previous Year ₹ 2.46 Crore) on assets during construction period.
- 30** Excise duty on sales amounting to ₹ 676.32 Crore (Previous year ₹ 723.27 Crore) has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / decrease in stock amounting to ₹ (1.96) Crore [Previous year ₹ 5.20 Crore] has been considered as other expenses.
- 31** During the year the Company has, with retrospective effect, changed the accounting policy for amortization of leasehold land containing mineral reserve from unit of production method to over the period of lease. This change will give a systematic basis of amortization charge, representative of the time pattern over which the economic benefits flow to the company. Had the Company not changed the accounting policy profit after tax for the current year would have been higher by ₹ 1.88 Crore.

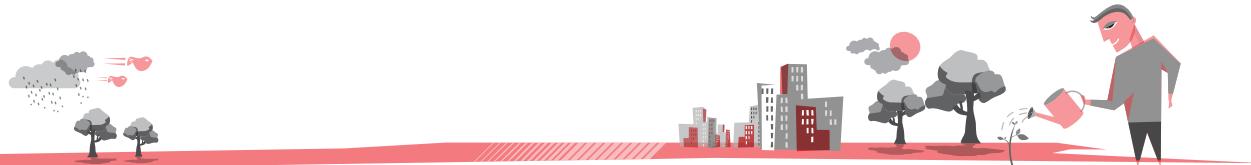
32 EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ in Crore)

Particulars	2015-16	2014-15
Capital	3.41	0.94
Revenue	13.01	13.34
Total	16.42	14.28

33 a) Unhedged Foreign Currency Exposure

Sl. No.	Purpose	Currency	As at 31.03.2016		As at 30.06.2015	
			Foreign Currency in Crore	₹ in Crore	Foreign Currency in Crore	₹ in Crore
1	Outstanding Creditors for Spares, Capital Goods and Fuel	USD	0.46	30.70	2.15	137.07
2	Outstanding Creditors for Spares and Capital Goods	JPY	-	-	0.06	0.03
3	Outstanding Creditors for Spares and Capital Goods [13850 GBP (Previous Year 20600 GBP)]	GBP	-	0.13	-	0.21
4	Outstanding Creditors for Spares, Capital Goods and consultancy	EURO	0.04	2.67	0.04	3.03
5	Buyers Credit	USD	0.69	45.54	-	-
6	Interest Payable [12233 USD (Previous Year Nil)]	USD	-	0.08	-	-



b) The details of Derivatives outstanding at the year end are as follows:

Nature of Contract	Currency	Buy Amount		Purpose
		As at 31.03.2016	As at 30.06.2015	
		Foreign Currency in Crore		
Currency and Interest rate Swaps	USD	8.44	6.50	Hedging of Loans

34 EMPLOYEE BENEFITS

(I) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	2015-16	2014-15
Superannuation	4.79	6.50
Provident fund	21.89	26.42
National Pension Scheme	0.90	0.32
Total	27.58	33.24

(ii) Defined Benefit Plans:

- (A) **Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Sl. No.	Particulars	Gratuity (Funded Plan)	
		As at 31.03.2016	As at 30.06.2015
I Change in Obligation			
1	Present Value of defined benefit obligation at the beginning of the year	147.92	122.42
2	Current service cost	12.13	14.92
3	Interest cost	8.88	9.79
4	Actuarial (gain)/loss on obligation	(4.98)	5.41
5	Liabilities transferred pursuant to an acquisition of Business Unit	-	0.41
6	Benefits paid	(5.72)	(5.03)
7	Present value of defined benefit obligation at the end of the year	158.23	147.92
II Change in the Fair Value of Plan Assets			
1	Fair Value of plan assets at the beginning of the year	147.82	122.40
2	Expected return on plan assets	12.24	11.43
3	Contributions by employer	3.46	18.61
4	Actuarial gain/(loss) on plan assets	0.34	-
5	Assets acquired pursuant to an acquisition of Business Unit	-	0.41
6	Benefits paid	(5.72)	(5.03)
7	Fair value of plan assets at the end of the year	158.14	147.82
III Expenses recognized in the Statement of Profit and Loss			
1	Current service cost	12.13	14.92
2	Interest cost	8.88	9.79
3	Expected return on plan assets	(12.24)	(11.43)
4	Net actuarial (gain)/loss recognized in the current year	(5.32)	5.41
5	Expenses recognized in the Statement of Profit and Loss	3.45	18.69

34 EMPLOYEE BENEFITS (contd...)

(₹ in Crore)

Sl. No.	Particulars	Gratuity (Funded Plan)	
		As at 31.03.2016	As at 30.06.2015
IV	Amount recognized in the Balance Sheet as at the end of the year		
1	Present value of defined benefit obligation	158.23	147.92
2	Fair Value of plan assets at the end of the year	158.14	147.82
3	Funded status [Surplus/(Deficit)]	(0.09)	(0.10)
4	Net asset/(liability) as at the end of the year	(0.09)	(0.10)
V	The major categories of plan assets as a percentage of total plan		
1	Qualifying Insurance Policy	100%	100%
VI	Actuarial Assumptions		
1	Discount rate	8.00% p.a.	8.00% p.a.
2	Mortality rate	IALM (2006-08 Ultimate)	IALM (2006-08 Ultimate)
3	Withdrawal rate	1-3% depending on age	1-3% depending on age
4	Actual return on plan assets	12.58	11.43

- a) The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.
- b) Basis used to determine expected rate of return on assets:

The expected return on plan assets is based on market expectation, at the beginning of the period, which is used for calculating returns over the entire life of the related obligation. The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India.

- c) Amount for the current and previous four years are as follows:

(₹ in Crore)

Gratuity-Funded plan	As at				
	31-3-16	30-6-15	30-6-14	30-6-13	30-6-12
Defined benefit obligation	158.23	147.92	122.42	97.87	72.13
Plan assets	158.14	147.82	122.40	97.65	71.92
Surplus/ (deficit)	(0.09)	(0.10)	(0.02)	(0.22)	(0.21)
Experience Adjustment Gain / (Loss) for Plan Liabilities	9.49	(2.45)	(3.33)	(2.59)	(6.41)
Experience Adjustment Gain / (Loss) for Plan Assets	(0.36)	0.12	(0.49)	0.04	-

- d) The Company expects to contribute ₹ 18 Crore (Previous Year ₹ 15 Crore) to gratuity fund in next year.

(B) Provident fund managed by a trust set up by the Company:

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2016.



The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	2015-16	2014-15
Plan assets at year end, at fair value	45.00	41.28
Present value of defined obligation at year end	45.00	41.28
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	2015-16	2014-15
Discounting Rate	7.75%	8.00%
Expected Guaranteed Interest Rate	8.80%	8.75%
Expected Rate of Return on Assets	8.80%	8.75%

(iii) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 8.79 Crore (Previous Year ₹ 11.47 Crore).

35 SEGMENT REPORTING

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

(₹ in Crore)

Particulars	2015-16				2014-15			
	Cement	Power	Inter Segment Eliminations	Total	Cement	Power	Inter Segment Eliminations	Total
Revenue								
External Sales	4,972.32	595.43	-	5,567.75	5,747.24	706.33	-	6,453.57
Inter Segment Revenue	-	581.11	(581.11)	-	-	680.23	(680.23)	-
Total Revenue	4,972.32	1,176.54	(581.11)	5,567.75	5,747.24	1,386.56	(680.23)	6,453.57
Results								
Segment Results (Profit before Finance Costs, Exceptional items and Tax)	(45.29)	478.04	-	432.75	(36.75)	483.41	-	446.66
Add: Un-allocated Income	-	-	-	99.21	-	-	-	110.26
Less: Finance Costs	-	-	-	75.12	-	-	-	120.63
Profit before exceptional items and Tax	-	-	-	456.84	-	-	-	436.29
Less: Exceptional Items	-	-	-	2.30	-	-	-	35.46
Profit before Tax	-	-	-	454.54	-	-	-	400.83
Less : Tax (Credit)/ Expenses	-	-	-	(0.39)	-	-	-	(25.50)
Profit after Tax	-	-	-	454.93	-	-	-	426.33
Segment Assets	5,256.69	417.80	-	5,674.49	4,959.52	716.75	-	5,676.27
Un-allocated Assets	-	-	-	3,114.53	-	-	-	2,321.58
Total Assets	-	-	-	8,789.02	-	-	-	7,997.85
Segment Liabilities	1,294.19	122.01	-	1,416.20	1,243.47	186.00	-	1,429.47
Un-allocated Liabilities and Provisions	-	-	-	27.63	-	-	-	87.17
Total Liabilities	-	-	-	1,443.83	-	-	-	1,516.64
Depreciation and Amortization	742.52	165.89	-	908.41	838.48	86.30	-	924.78
Capital expenditure	684.39	37.03	-	721.42	1,345.43	155.45	-	1,500.88
Significant Non Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

B. Geographical Segment is identified as the secondary segment and details are given below:

(₹ in Crore)

Particulars	2015-16	2014-15
Segment Revenue from Operations (Net)		
Within India	5,562.27	6,411.73
Outside India	5.48	41.84
Total	5,567.75	6,453.57

All the assets of the Company are within India.

36 RELATED PARTY DISCLOSURE (AS PER AS-18 "RELATED PARTY DISCLOSURES" SPECIFIED UNDER SECTION 133 OF THE COMPANIES ACT, 2013)

Relationships:

(a) Parties where control exists:

- (i) Shree Global Pte. Ltd. Subsidiary Company
- (ii) Katni Industries Private Ltd. Subsidiary Company (up to 15.03.15)

(b) Enterprises over which Key Management Personnel (KMP) are able to exercise significant influence with whom there were transactions during the year:

- (i) The Kamla Company Limited
- (ii) Shree Capital Services Ltd.
- (iii) Aqua Infra Project Limited
- (iv) Asish Creations Pvt. Ltd.
- (v) Alfa Buildhome Pvt. Ltd.
- (vi) Rajasthan Forum
- (vii) The Bengal
- (viii) Sant Parmanand Hospital

(c) Key Management Personnel:

- (i) Shri H. M. Bangur Managing Director
- (ii) Shri Prashant Bangur Joint Managing Director

(d) Relatives to Key Management Personnel:

- (i) Shri B. G. Bangur Father of Shri H. M. Bangur

Disclosure of Related Party Transactions:-

(a) Parties where control exists:

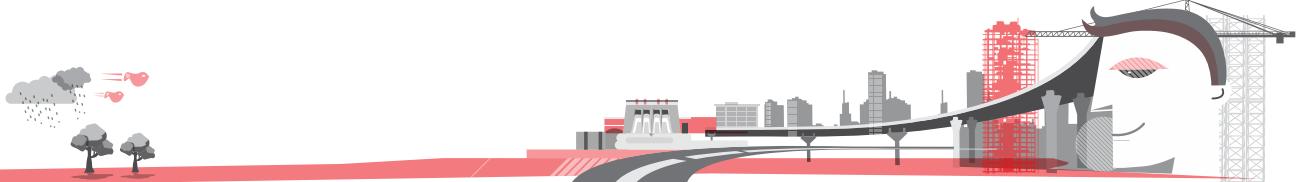
(₹ in Crore)

Particulars	2015-16	2014-15
Equity contribution		
- Shree Global Pte. Ltd.	-	0.07

(b) Enterprises over which KMPs are able to exercise significant influence:

(₹ in Crore)

Particulars	2015-16	2014-15
Usage charges of common facilities		
- The Kamla Company Limited	0.42	0.57
- Aqua Infra Project Limited	0.08	0.11
Payment for office rent		
- Alfa Buildhome Pvt. Ltd.	1.57	1.95
- Shree Capital Services Ltd.	0.18	0.24
Purchases of Stores and spares		
- Aqua Infra Project Limited	-	0.11
Sale of Goods		
- Sant Parmanand Hospital	0.08	0.13



36 RELATED PARTY DISCLOSURE (contd...)

(₹ in Crore)

Particulars	2015-16	2014-15
Receiving of Services		
- Asish Creations Pvt. Ltd.	-	0.01
Contribution towards Social Activities		
- Rajasthan Forum	0.51	0.33
- The Bengal	0.41	0.32
- Sant Parmanand Hospital	0.04	0.04
Security deposit balance at the year end		
- Alfa Buildhome Pvt. Ltd.	0.45	0.45

(c) Key Management Personnel:

(₹ in Crore)

Particulars	2015-16	2014-15
Remuneration:		
- Shri H. M. Bangur	25.32	26.25
- Shri Prashant Bangur	10.26	9.51
Total	35.58	35.76

(d) Relatives to Key Management Personnel:

(₹ in Crore)

Particulars	2015-16	2014-15
Director commission, Sitting Fee and reimbursement of expenses		
- Shri B. G. Bangur	0.22	0.22

37 EARNINGS PER SHARE (EPS)

A. Basic and Diluted EPS:

Particulars	2015-16	2014-15
Profit attributable to Equity shareholders	₹ in Crore	454.93
Equity share capital	₹ in Crore	34.84
Weighted average number of Equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	130.59
		122.38

B. Cash EPS: (Profit for the year + Depreciation + Deferred Tax) / Weighted average number of Equity shares outstanding

38 MOVEMENT OF PROVISION FOR MINES RECLAMATION EXPENSES

(₹ in Crore)

Particulars	2015-16	2014-15
Opening Provision	18.77	18.88
Add : Provision during the year	0.28	0.43
Less : Utilization during the year	0.47	0.54
Closing Provision	18.58	18.77

39 OPERATING LEASE

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

40 OTHER NOTES

(A) Value of imports during the year calculated on CIF basis:

Sl. No.	Particulars	(₹ in Crore)	
		2015-16	2014-15
(i)	Raw Materials	15.06	12.06
(ii)	Fuel	503.00	1570.90
(iii)	Stores, Spare Parts and Components	18.27	14.18
(iv)	Capital Goods	18.11	127.79

(B) Expenditure incurred in foreign currencies:

Sl. No.	Particulars	(₹ in Crore)	
		2015-16	2014-15
(i)	Foreign Travel	0.24	0.33
(ii)	Consultancy charges (#)	3.07	4.78
(iii)	Interest	0.14	1.73
(iv)	Others	0.69	0.72

(#) For Capital Projects ₹ 2.47 Crore (Previous Year ₹ 2.91 Crore)

(C) Value of imported and indigenous raw materials, stores, spare parts and components consumed and their percentage to total consumption:

(a) Raw Materials:

Sl. No.	Particulars	2015-16		2014-15	
		Value (₹ in Crore)	%	Value (₹ in Crore)	%
(i)	Imported	56.76	12.06	54.92	9.48
(ii)	Indigenous	413.74	87.94	524.61	90.52

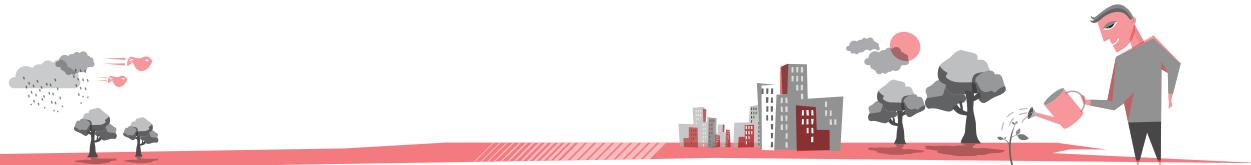
(b) Stores, Spare Parts and Components:

Sl. No.	Particulars	2015-16		2014-15	
		Value (₹ in Crore)	%	Value (₹ in Crore)	%
(i)	Imported	16.46	7.81	16.23	6.87
(ii)	Indigenous	194.29	92.19	220.13	93.13

(D) Net dividend remitted to non-resident shareholders in foreign currency:

(a) Final Dividend

Sl. No.	Particulars	2015-16	2014-15
(i)	No. of non-resident share holders	1	-
(ii)	No. of shares held	36,00,000	-
(iii)	Year to which dividend relates	2014-15	-
(iv)	Amount remitted (₹ in Crore)	5.04	-



(b) Interim Dividend

Sl. No.	Particulars	2015-16	2014-15
(i)	No. of non-resident share holders	1	1
(ii)	No. of shares held	36,00,000	36,00,000
(iii)	Year to which dividend relates	2015-16	2013-14 & 2014-15
(iv)	Amount remitted (₹ in Crore)	8.64	7.92

- 41** Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the said Act.
- 42** Previous year figures have been regrouped and rearranged wherever necessary.
- 43** Figures less than 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lac.
- 44** Section 2(41) of the Companies Act, 2013 requires Company to have its financial year ending on 31st March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the Company is for a nine months period from 1st July, 2015 to 31st March, 2016. Accordingly, the figures for the current financial year are not comparable to those of the previous year.

Signature to Note 1 to 44

As per our report of even date

For and on behalf of the Board

For **B. R. Maheswari & Co.**

Chartered Accountants
Firm's Registration No. 001035N

B. G. Bangur

Chairman

H. M. Bangur

Managing Director

Prashant Bangur

Joint Managing Director

Sudhir Maheshwari

Partner
Membership No. 081075

S. S. Khandelwal

Company Secretary

O. P. Setia

Independent Director &
Chairman of Audit Committee

Place : Kolkata

Date : 26th May, 2016

Subhash Jajoo

Chief Finance Officer

INDEPENDENT AUDITORS' REPORT

To the Members of
SHREE CEMENT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016 and its consolidated profit and its consolidated cash flows for the nine months period ended on that date.

Other Matters

We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 0.03 Crore as



at 31st March, 2016, total revenues of ₹ Nil and net cash flows amounting to ₹ 0.03 Crore for the nine months period ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, to the extent applicable, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 26 to the consolidated financial statements;
 - ii. The Group did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

Place: Kolkata
Date: 26th May, 2016

For **B. R. Maheswari & Co.**
Chartered Accountants
Firm's Registration No. 001035N

Sudhir Maheshwari
Partner
Membership No.081075

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Holding Company") as of 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: 26th May, 2016

For B. R. Maheswari & Co.
Chartered Accountants
Firm's Registration No. 001035N

Sudhir Maheshwari
Partner
Membership No.081075

CONSOLIDATED BALANCE SHEET as at 31st March, 2016

(₹ in Crore)

	Note	As at 31.03.2016	As at 30.06.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	34.84	34.84
Reserves and Surplus	3	6,145.27	5,241.47
		6,180.11	5,276.31
Non-Current Liabilities			
Long-Term Borrowings	4	520.92	401.41
Other Long-Term Liabilities	5	915.00	852.32
Long-Term Provisions	6	18.88	19.11
		1,454.80	1,272.84
Current Liabilities			
Short-Term Borrowings	7	195.75	214.95
Trade Payables			
Due to Micro and Small Enterprises	41	5.49	4.57
Due to Others		252.91	287.83
Other Current Liabilities	8	697.48	872.38
Short-Term Provisions	6	2.39	68.91
		1,154.02	1,448.64
Total		8,788.93	7,997.79
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		3,050.17	2,921.19
Intangible Assets		-	83.14
Capital Work-in-Progress		264.50	511.10
Non-Current Investments	10	2,286.08	1,498.86
Deferred Tax Assets (Net)	11	263.37	195.19
Long-Term Loans and Advances	12	923.99	556.06
		6,788.11	5,765.54
Current Assets			
Current Investments	13	80.00	163.63
Inventories	14	815.19	918.86
Trade Receivables	15	328.62	476.39
Cash and Bank Balances	16	283.05	307.54
Short-Term Loans and Advances	12	469.34	350.56
Other Current Assets	17	24.62	15.27
		2,000.82	2,232.25
Total		8,788.93	7,997.79
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For **B. R. Maheswari & Co.**

Chartered Accountants
Firm's Registration No. 001035N

B. G. Bangur
Chairman

H. M. Bangur
Managing Director

Prashant Bangur
Joint Managing Director

Sudhir Maheshwari
Partner
Membership No. 081075

Place : Kolkata
Date : 26th May, 2016

S. S. Khandelwal
Company Secretary

Subhash Jajoo
Chief Finance Officer

O. P. Setia
Independent Director &
Chairman of Audit Committee



STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the period ended
31st March, 2016

(₹ in Crore)

	Note	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
REVENUE			
Revenue from Operations (Gross)	18	6,244.07	7,176.84
Less: Excise Duty		676.32	723.27
Revenue from Operations (Net)		5,567.75	6,453.57
Other Income	19	120.11	137.85
		5,687.86	6,591.42
EXPENDITURE			
Cost of Materials Consumed	20	470.50	579.53
Changes in Inventories of Finished Goods and Work-in-Progress	21	3.28	(79.10)
Employee Benefits Expense	22	364.54	455.03
Power and Fuel		1,130.90	1,579.82
Freight and Forwarding Expenses	23	1,141.62	1,395.46
Finance Costs	24	75.12	120.63
Other Expenses	25	1,149.60	1,205.78
		4,335.56	5,257.15
Captive Consumption of Cement [Net of Excise Duty ₹ 1.75 Crore (Previous year ₹ 2.64 Crore)]		(12.92)	(26.77)
		4,322.64	5,230.38
PROFIT BEFORE DEPRECIATION, EXCEPTIONAL ITEMS AND TAX			
Depreciation and Amortisation Expense	9	908.41	924.78
Exceptional Items			
Assets Constructed at Others' Premises Written Off		2.30	35.46
		454.51	400.80
PROFIT BEFORE TAX			
Current Tax		123.98	95.81
Less: MAT Credit Entitlement		0.85	52.33
Net Current Tax		123.13	43.48
Prior Period Tax Expense (Net)		(55.34)	(16.65)
Deferred Tax (Credit) / Charge		(68.18)	(52.33)
		454.90	426.30
PROFIT FOR THE PERIOD			
Earnings per Equity Share of ₹ 10 each (In ₹)	37		
Cash		371.77	372.80
Basic and Diluted		130.58	122.37
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For **B. R. Maheswari & Co.**

Chartered Accountants
Firm's Registration No. 001035N

B. G. Bangur
Chairman

H. M. Bangur
Managing Director

Prashant Bangur
Joint Managing Director

Sudhir Maheshwari
Partner
Membership No. 081075

Place : Kolkata
Date : 26th May, 2016

S. S. Khandelwal
Company Secretary

Subhash Jajoo
Chief Finance Officer

O. P. Setia
Independent Director &
Chairman of Audit Committee

CONSOLIDATED CASH FLOW STATEMENT

for the period ended 31st March, 2016

(₹ in Crore)

Particulars	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015	
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax	454.51	400.80	
Adjustments For :			
Depreciation and Amortisation	908.41	924.78	
Unrealised Foreign Exchange Rate Differences (Net)	(0.95)	0.13	
Assets (acquired on acquisition) constructed at others' premises written off	-	23.70	
Balances Written Back (Net)	(9.00)	(2.60)	
Bad Debts Written Off	-	0.24	
Provision No Longer Required	(0.38)	(7.85)	
Provision / (Reversal of Provision) for Doubtful Receivables (Net)	0.03	(0.12)	
Profit on Sale of Investments (Net)	(4.67)	(30.60)	
Interest Income	(56.14)	(55.24)	
Dividend Income	(38.40)	(24.42)	
Profit on Sale of Fixed Assets (net) / Assets Written Off	8.76	1.54	
Finance Costs	75.12	882.78	120.63
Operating Profit Before Working Capital Changes	1,337.29		1,350.99
Adjustments For :			
(Increase) / Decrease in Trade Receivables, Loans and Advances and Other Assets	(325.84)		(332.72)*
(Increase) / Decrease In Inventories	103.67		(104.37)*
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	16.28	(205.89)	415.25* (21.84)
Cash Generated From Operations	1,131.40		1,329.15
Direct Taxes Paid (Net of Refunds)		(98.45)	(90.64)
Net Cash From Operating Activities	1,032.95		1,238.51
* After adjustments pursuant to acquisition of net current assets which are classified as investing activities			
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Including Capital Work-in-Progress and Advances)	(736.43)		(1,124.93)
Sale of Fixed Assets	1.66		1.35
Purchases of Long Term Investments	(655.15)		(140.00)
Proceeds from Sale of Long Term Investments	267.47		2.99
(Purchases) / Proceeds of Current Investments (Net)	(271.23)		709.44
Purchase Consideration for Acquisition of Panipat Grinding Unit	-		(358.22)
Proceeds from Sale of Investments in a Subsidiary Company	-		0.01
Investments in Bank Deposits	(45.91)		(274.75)
Maturity of Bank Deposits	89.71		116.72
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.09)		(0.33)
Dividend Received	40.83		19.29
Interest Received	46.88		58.36
Net Cash Used in Investing Activities	(1,262.26)		(990.07)



(₹ in Crore)

Particulars	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	265.84	255.00
Repayment of Long Term Borrowings	(300.28)	(121.59)
Proceeds from Short Term Borrowings	46.60	-
Repayment of Short Term Borrowings	-	(518.59)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	(64.74)	101.95
Capital Subsidy	549.52	238.66
Interest and Financial Charges Paid	(89.17)	(124.64)
Dividend and Tax Paid there on (Interim and Final)	(159.24)	(89.34)
Net Cash From / (Used in) Financing Activities	248.53	(258.55)
Net Increase /(Decrease) in Cash and Cash Equivalents	19.22	(10.11)
Cash and Cash Equivalents as at the beginning of the Year	31.02	41.13
Cash and Cash Equivalents as at the end of the Year	50.24	31.02

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes :

- 1 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- 2 Previous year figures have been regrouped and rearranged wherever necessary.
- 3 Cash and Cash Equivalents are as per note 16 of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For **B. R. Maheswari & Co.**

Chartered Accountants
Firm's Registration No. 001035N

B. G. Bangur
Chairman

H. M. Bangur
Managing Director

Prashant Bangur
Joint Managing Director

Sudhir Maheshwari

Partner
Membership No. 081075

Place : Kolkata
Date : 26th May, 2016

S. S. Khandelwal
Company Secretary

Subhash Jajoo
Chief Finance Officer

O. P. Setia
Independent Director &
Chairman of Audit Committee

Notes Forming Part of Consolidated Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

I. Accounting Convention

The Financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Company (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 unless stated otherwise hereinafter. Accounting Policies not specifically referred to, are consistent with Generally Accepted Accounting Principles in India.

II. Use of Estimates

The preparation of financial statements in conformity

with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

III. Principles of Consolidation:

The Subsidiaries (which alongwith Shree Cement Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Sl. No.	Name of the Subsidiary Company	Country of Incorporation	% age Shareholding	
			As at 31.03.2016	As at 30.06.2015
1	Shree Global Pte. Ltd.	Singapore	100%	100%

The Consolidated Financial Statements of the Group are prepared on following basis:

- a) The Consolidated Financial Statements are prepared in accordance with Accounting Standard-21 "Consolidated Financial Statements" specified under section 133 of the Companies Act, 2013, read with rule 7 of the Company (Accounts) Rules, 2014.
- b) The Financial Statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating Intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with AS-21.
- c) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's Standalone Financial Statements.
- d) The Financial Statements of the Company and its Subsidiaries used in the consolidation are drawn upto the same reporting date i.e. 31st March, 2016.

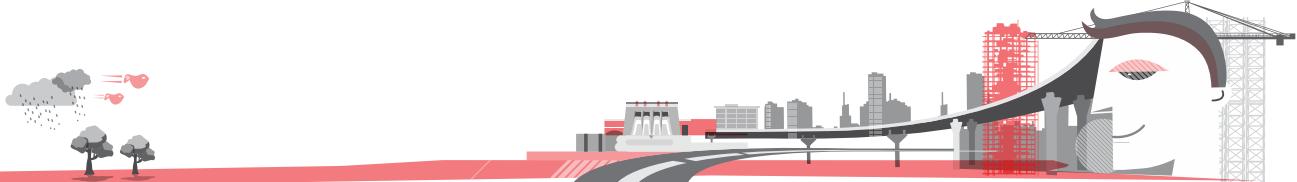
The Financial Statements of foreign Subsidiaries have been re-stated in Indian Rupees considering them as non-integral part of the Group's operations and the resultant exchange gain/loss on conversion has been carried forward as 'Foreign Currency Translation Reserve'.

IV. Fixed Assets

Fixed assets (Tangible and Intangible) are disclosed at cost less accumulated depreciation/amortization and impairment loss, if any. Cost comprises of purchase price and attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any) except free hold land not containing mineral reserves which is disclosed at cost less impairment loss, if any.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized at cost (net of credit availed, if any).

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.



V. Capital Work-In-Progress

- a) Capital work-in-progress is carried at cost and Pre-operative expenditure during construction period which is allocated to the fixed assets on the completion of project.
- b) Expenditures on construction of assets for Company's use at premises owned by Government/Local Authorities/others are charged to Statement of Profit and Loss in the year of expenditure.

VI. Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

VII. Depreciation and Amortization

Tangible Assets

- a) Depreciation is provided on Written down Value method in accordance with the provisions of Schedule II to the Companies Act, 2013 or the rates prescribed in the Income Tax Act, 1961 and rules made thereunder, whichever is higher. However, in case of those assets whose WDV as per the Income Tax Act, 1961 is lower than the WDV as per books, additional depreciation is provided to align the Book WDV with WDV as per the Income Tax Act, 1961.
- b) Leasehold land is amortized over the period of lease.
- c) Freehold Land bearing mineral reserves is amortized over its estimated commercial life based on the unit-of-production method.

Intangible Assets

- a) Expenditure on Computer Software is amortized in the year in which it is capitalized.
- b) Amount paid for Mining rights is amortized in the year in which amount is paid.
- c) Goodwill is amortized within one year.

VIII. Foreign Currency Transactions

Foreign currency transactions are recorded by applying the exchange rates on the date of transaction.

At each Balance sheet date, foreign currency monetary items are reported using the closing rates. Non Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Derivative Instruments

Derivative financial instruments are used to hedge risk associated with foreign currency fluctuations and interest rates. The derivative contracts are closely linked with the underlying transactions and are intended to be held till maturity. These are accounted on the date of their settlement and realized gain/loss in respect of settled contracts is recognized in the Statement of Profit and Loss.

The premium or discount on forward exchange contracts is amortised over the life of the contract.

IX. Investments

Investments, that are intended to be held for not more than one year, from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Current Investments are carried at lower of cost or fair market value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

X. Inventories

a) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

b) Work-in-progress and Finished goods

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

XI. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash on hand, balances with banks and fixed deposits with banks with an original maturity of three months or less.

XII. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured:

- a) Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Sales are disclosed net of sales tax / VAT, trade discounts and returns, as applicable.
- b) Power supplied under banking arrangements is accounted for as per terms of related agreements. Quantity of power banked is recorded as loan transaction valued at cost or net realizable value, whichever is lower and recognized as revenue when the same is returned and sold to an ultimate customer.
- c) Dividend income on investments is accounted for when the right to receive the payment is established.

- d) Interest is recognized using the time-proportion method, based on rates implicit in the transaction.
- e) Certain insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

XIII. Government Grants/Subsidies

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Government grants/subsidies, which are capital in nature, are credited to capital reserve.

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the period to match them with the related costs.

XIV. Employee Benefits

Defined Contribution Plan

Superannuation, Provident Fund and National Pension Scheme are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss of the year in which the contributions to the respective funds are due.

Defined Benefit Plan

- a) Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
- b) Contribution to provident Fund set up by the Company in respect of a few employees is also defined benefit plan and contribution is charged to Statement of Profit and Loss of the year in which the contribution is due.
- c) Encashable leave in case of employees covered by Cement Wage Board is considered as defined benefit plan and is accounted for on the basis of actuarial valuation, as at the Balance Sheet date.

Other Benefits

Non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance sheet.



Actuarial gains and losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arise.

XV. **Operating Leases**

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

XVI. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

XVII. **Research and Development**

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related Fixed Assets.

XVIII. **Mines Reclamation Expenditure**

The Company provides for the expenditure to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted.

XIX. **Segment Reporting**

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. The identification of geographical segment is based on the areas in which major operating divisions of the Company operates.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

XX. **Taxation**

Tax expenses comprises of Current and Deferred Tax.

Current Tax is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognized for all the timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each Balance sheet date.

XXI. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions in respect of present obligation arising out of past events are made in the accounts if it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

The contingent liabilities are disclosed, unless the possibility of outflow of resources is remote. Contingent Assets are generally neither recognized nor disclosed in the financial statements.

XXII. **Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTE 2 - SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Authorised		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00
15,00,000 (Previous Year 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00
	75.00	75.00
Issued, Subscribed and Paid-up		
3,48,37,225 (Previous Year 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84
	34.84	34.84

2.1 Details of shareholders holding more than 5% shares of the Company:

Name of Shareholders	Number of Shares Held as at 31.03.2016	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 30.06.2015	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86

- 2.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
- 2.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 2.4 The Board of Directors of the Company has declared Interim Dividends of ₹ 24 per share (two interim dividends at the rate of ₹ 12 per equity share each on 2nd February, 2016 and 10th March, 2016).
- 2.5 As no fresh issue of shares or reduction in capital was made during the current period as well as during the previous year, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.
- 2.6 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the period.



NOTE 3 - RESERVES AND SURPLUS

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Capital Reserve		
As per last Financial Statements	806.12	567.46
Add: Addition During the Period	549.52	238.66
	1,355.64	806.12
Capital Redemption Reserve		
As per last Financial Statements	15.00	15.00
	15.00	15.00
Securities Premium Reserve		
As per last Financial Statements	26.53	26.53
	26.53	26.53
Debenture Redemption Reserve		
As per last Financial Statements	200.00	200.00
Less: Transferred to General Reserve	200.00	-
	-	200.00
General Reserve		
As per last Financial Statements	3,000.00	2,500.00
Add: Transferred from Surplus in the Statement of Profit and Loss	300.00	500.00
Add: Transferred from Debenture Redemption Reserve	200.00	-
	3,500.00	3,000.00
Special Reserve (Refer Note 3.1)		
As per last Financial Statements	500.00	500.00
	500.00	500.00
Foreign Currency Translation Reserve		
As per last Financial Statements [₹ 33018 as at 30.06.2015 (₹ 28704 as at 30.06.2014)]	-	-
Add: Addition During the Period ₹ 26150 (Previous Year ₹ 4314)	-	-
	0.01	-
Surplus in the Statement of Profit and Loss		
As per Last Financial Statements	693.82	866.98
Add: Profit for the Period	454.90	426.30
	1,148.72	1,293.28
Less: Appropriations		
Transferred to General Reserve	300.00	500.00
Interim Dividends on Equity Shares	83.61	34.84
Tax on Interim Dividends	17.02	5.92
Proposed Final Dividend on Equity Shares	-	48.77
Tax on Final Dividend	-	9.93
	400.63	599.46
Net Surplus	748.09	693.82
	6,145.27	5,241.47

- 3.1 There are disputes raised by various statutory authorities related to taxes, legal and other matters, which are under various stages of litigation. As a measure of prudence, the management has created a special reserve to meet any eventuality that may arise in the future.

NOTE 4 - LONG-TERM BORROWINGS

(₹ in Crore)

	Non-Current Portion		Current Maturities	
	As at 31.03.2016	As at 30.06.2015	As at 31.03.2016	As at 30.06.2015
Secured				
Redeemable Non Convertible Debentures (NCDs)				
Nil (Previous year 2,000) 8.42% NCDs of ₹ 10,00,000/- each	-	-	-	200.00
Term Loans from Banks	520.84	401.29	146.28	100.24
Vehicle Loan from Others	0.08	0.12	0.05	0.04
	520.92	401.41	146.33	300.28
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)	-	-	(146.33)	(300.28)
	520.92	401.41	-	-

4.1 Nature of securities and terms of repayment of each loan:

(₹ in Crore)

Sl. No.	Nature of Securities	Rate of Interest	Loan Amount as at 31.03.2016	Loan Amount as at 30.06.2015	Terms of Repayment
Non Convertible Debentures					
1	These debentures (redeemable at par) are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable fixed assets on the first charge basis, pari passu with other term lenders. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnagar (Gujarat).	8.42%	-	200.00	Redeemed during the year 2015-16
Term Loans from Banks					
2	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	9.42%	21.28	63.85	Fully Repayable on 08.09.2016
		9.65%	-	57.68	Paid during the year 2015-16
		9.50%	125.00	125.00	Fully Repayable on 15.10.2016
3	Specific charge over immovable assets of the Company situated at Beawar, Rajasthan and movable fixed assets of all the plant locations. The charge shall rank pari passu with existing lenders.	8.30%	255.00	255.00	Fully Repayable on 08.05.2020
		8.30%	265.84	-	Fully Repayable on 24.09.2020
Vehicle Loan from Others					
4	Secured by Hypothecation of the vehicle	10.09%	0.13	0.16	Repayable in 31 equated monthly installments w.e.f. 03.04.2016
	TOTAL		667.25	701.69	
	Less: Current Maturities		146.33	300.28	
	Total Non-Current Portion		520.92	401.41	



NOTE 5 - OTHER LONG-TERM LIABILITIES

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Security Deposits from Customers, Vendors and Others	299.08	281.35
Statutory Liabilities	615.92	570.97
	915.00	852.32

NOTE 6 - PROVISIONS

(₹ in Crore)

	Long-Term		Short-Term	
	As at 31.03.2016	As at 30.06.2015	As at 31.03.2016	As at 30.06.2015
Provision for Employee Benefits				
Gratuity	-	-	0.09	0.10
Other Staff Benefit Schemes	1.06	0.94	0.20	3.13
Other Provisions				
Income Tax (Net of Advance Tax)	-	-	1.34	6.12
Wealth Tax	-	-	-	0.26
Mines Reclamation Expenses (Refer Note 38)	17.82	18.17	0.76	0.60
Proposed Dividend - Final	-	-	-	48.77
Tax on Final Dividend	-	-	-	9.93
	18.88	19.11	2.39	68.91

NOTE 7 - SHORT-TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Secured		
Loans Repayable on Demand from Banks (Refer Note 7.1)	136.35	170.86
Bank and Book Overdraft (Refer Note 7.2)	13.86	44.09
Unsecured		
Buyers Credit from Banks	45.54	-
	195.75	214.95

- 7.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book debts and all other current assets of the Company on First charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company on second charge basis.
- 7.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 16).

NOTE 8 - OTHER CURRENT LIABILITIES

(₹ in Crore)

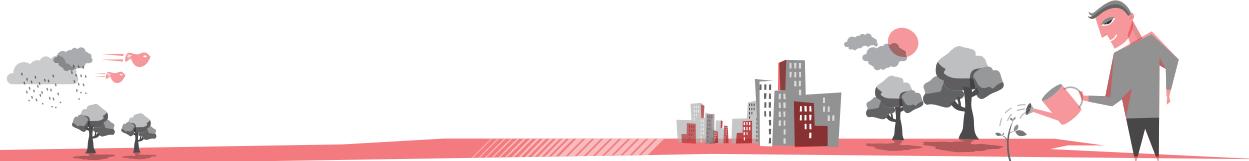
	As at 31.03.2016	As at 30.06.2015
Current Maturities of Long-Term Borrowings (Refer Note 4)	146.33	300.28
Interest Accrued but not Due on Borrowings	8.74	11.15
Customers Advances	92.85	93.04
Withholding and Other Taxes Payable	47.81	74.62
Payable for Capital Goods	96.89	96.85
Security Deposits and Retention Money	2.89	6.82
Provident Fund and Superannuation Payable	8.96	6.99
Investor Education and Protection Fund shall be credited by the following amount:		
- Unpaid Dividend (There are no amounts due and outstanding to said fund as at 31.03.2016)	1.82	1.73
Other Statutory Liabilities	79.04	68.39
Other Payables (Refer Note 8.1)	212.15	212.51
	697.48	872.38

8.1 Other Payables include the liability related to Employees, Rebate and Discount to customers etc.

NOTE 9 - FIXED ASSETS

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK As at 31.03.2016
	As at 30.06.2015	Additions During the Period	Deductions/ Adjustments During the Period	As at 31.03.2016	Up to 30.06.2015	Provisions During the Period	Deductions/ Adjustments During the Period	Up to 31.03.2016	
Tangible Assets :									
Free Hold Land	507.92	32.80	-	540.72	3.72	0.80	-	4.52	536.20
Lease Hold Land	200.88	5.77	-	206.65	4.21	2.45	-	6.66	199.99
Buildings	387.24	97.98	9.32	475.90	120.30	31.66	-	151.96	323.94
Plant and Machinery	7,230.85	812.80 (a)	5.70	8,037.95	5,336.19	770.75	3.31	6,103.63	1,934.32
Railway Siding	39.46	3.33	-	42.79	22.64	2.94	-	25.58	17.21
Furniture and Fixtures	41.10	2.48	0.20	43.38	26.79	3.43	0.19	30.03	13.35
Office Equipments	62.84	7.37	1.42	68.79	49.68	7.52	1.21	55.99	12.80
Vehicles	38.69	2.34	2.86	38.17	24.26	3.57	2.02	25.81	12.36
Sub Total	8,508.98	964.87	19.50	9,454.35	5,587.79	823.12 (b)	6.73	6,404.18	3,050.17
Intangible Assets :									
Goodwill	110.86	-	-	110.86	27.72	83.14	-	110.86	-
Computer Software	13.45	3.15	-	16.60	13.45	3.15	-	16.60	-
Mining Rights	16.33	-	-	16.33	16.33	-	-	16.33	-
Sub Total	140.64	3.15	-	143.79	57.50	86.29	-	143.79	-
Total (A)	8,649.62	968.02	19.50	9,598.14	5,645.29	909.41	6.73	6,547.97	3,050.17
Capital Work-in-Progress (B)								264.50	
Grand Total (A+B)								3,314.67	



NOTE 9 - FIXED ASSETS (contd...)

(₹ in Crore)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 30.06.2014	Additions During the Year	Pursuant to Acquisition During the Year	Deductions/ Adjustments During the Year	As at 30.06.2015	Up to 30.06.2014	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 30.06.2015	As at 30.06.2015	
Tangible Assets :											
Free Hold Land	558.70	41.36	6.49	98.63	507.92	3.08	0.64	-	3.72	504.20	
Lease Hold Land	95.08	105.80	-	-	200.88	1.94	2.27	-	4.21	196.67	
Buildings	234.67	111.52	42.99	1.94	387.24	90.64	29.66	-	120.30	266.94	
Plant and Machinery	5,828.60	1,239.98 (a)	162.40	0.13	7,230.85	4,493.98	842.32	0.11	5,336.19	1,894.66	
Railway Siding	34.73	4.73	-	-	39.46	17.58	5.06	-	22.64	16.82	
Furniture and Fixtures	38.05	2.95	0.24	0.14	41.10	20.95	5.95	0.11	26.79	14.31	
Office Equipments	54.27	9.18	0.34	0.95	62.84	37.98	12.49	0.79	49.68	13.16	
Vehicles	36.49	5.19	0.10	3.09	38.69	20.67	5.94	2.35	24.26	14.43	
Sub Total	6,880.59	1,520.71	212.56	104.88	8,508.98	4,686.82	904.33 (b)	3.36	5,587.79	2,921.19	
Intangible Assets :											
Goodwill	-	-	110.86	-	110.86	-	27.72	-	27.72	83.14	
Computer Software	10.67	2.78	-	-	13.45	10.67	2.78	-	13.45	-	
Mining Rights	16.33	-	-	-	16.33	16.33	-	-	16.33	-	
Sub Total	27.00	2.78	110.86	-	140.64	27.00	30.50	-	57.50	83.14	
Total (A)	6,907.59	1,523.49	323.42	104.88	8,649.62	4,713.82	934.83	3.36	5,645.29	3,004.33	
Capital Work-in-Progress (B)										511.10	
Grand Total (A+B)										3,515.43	

(a) Includes ₹ 3.41 Crore (Previous Year ₹ 0.94 Crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹ 1.00 Crore (Previous Year ₹ 10.05 Crore) on assets during construction period.

NOTE 10 - NON-CURRENT INVESTMENTS (valued at cost, unless stated otherwise)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2016		As at 30.06.2015		
		No.	Amount	No.	Amount	
LONG TERM (OTHER THAN TRADE)						
QUOTED						
Bonds						
National Bank for Agriculture and Rural Development (Refer Note 10.3)						
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20,000	2,09,340	228.90	2,09,340	228.90	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	86,640	91.43	86,640	91.43	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	5,000	5.29	5,000	5.29	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	180	0.22	180	0.22	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180	0.22	180	0.22	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460	0.55	460	0.55	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65	0.07	65	0.07	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	3,14,660	307.45	3,14,660	307.45	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	11,800	11.36	11,800	11.36	
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	16,160	15.26	16,160	15.26	
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	1,26,845	111.24	1,26,845	111.24	

NOTE 10 - NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2016		As at 30.06.2015	
		No.	Amount	No.	Amount
National Housing Bank (Refer Note 10.3)					
Zero Coupon NHB Bonds - 24DC18	10,000	3,27,711	160.10	3,27,711	160.10
Zero Coupon NHB Bonds - 31MR19	10,000	83,760	39.21	83,760	39.21
Indian Railway Finance Corporation					
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,00,000	50.00	5,00,000	50.00
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.21	-	-
7.28% IRFC Tax Free Bonds- 21DC30	1,000	1,51,000	15.10	-	-
7.18% IRFC Tax Free Bonds - 19FB23	1,000	2,50,000	25.10	-	-
7.15% IRFC Tax Free Bonds- 21AG25	10,00,000	159	15.94	-	-
7.35% IRFC Tax Free Bonds - 22MR31	1,000	1,76,350	17.64	-	-
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.08	-	-
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.06	-	-
Power Finance Corporation					
8.70% Power Finance Corporation Bonds - 14MY20	10,00,000	-	-	880	87.98
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	200	20.22	-	-
Power Grid Corporation					
8.64% Power Grid Corporation of India Bonds - 08JL21	12,50,000	-	-	120	14.95
National Highways Authority of India					
8.20% NHAI Tax Free Bonds - 25JN22	1,000	11,88,951	119.50	11,88,951	119.50
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.09	-	-
7.35% NHAI Tax Free Bonds - 11JN31	1,000	1,42,849	14.28	-	-
7.39% NHAI Tax Free Bonds - 9MR31	1,000	3,85,462	38.55	-	-
Housing and Urban Development Corporation Limited					
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	1,00,000	9.65	1,00,000	9.65
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.35	-	-
7.07% HUDCO Tax Free Bonds - 01OT25	10,00,000	100	9.97	-	-
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	2,80,279	28.03	-	-
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	4,51,746	45.17	-	-
India Infrastructure Finance Company Limited					
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	50,000	5.43	-	-
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	5,50,000	55.40	-	-
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.32	-	-
Indian Renewable Energy Development Agency Limited					
7.49% IREDA Tax Free Bonds - 21JN31	1,000	7,60,903	76.32	-	-
National Bank for Agriculture and Rural Development					
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,00,796	40.08	-	-
Canfin Homes Limited					
8.41% Canfin Homes Bonds - 30JN19	10,00,000	141	14.06	-	-
LIC Housing Finance Limited					
9.30% LIC Housing Bonds - 14SP22	10,00,000	150	15.58	-	-



NOTE 10 - NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2016		As at 30.06.2015	
		No.	Amount	No.	Amount
Preference Shares					
Infrastructure Leasing and Financial Services Limited					
16.06% Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25 March, 2021	7,500	28,000	35.00	28,000	35.00
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16 May, 2021	7,500	52,000	65.41	52,000	65.41
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5 October, 2022	7,500	13,500	20.82	-	-
IL&FS Financial Services Ltd.					
16.99% / 17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30 March, 2021	7,500	33,400	50.10	-	-
Zee Entertainment Enterprises Limited					
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annually instalments from 5 March, 2018 to 5 March, 2022	10	4,50,00,000	41.25	-	-
UNQUOTED					
Preference Shares					
Tata Capital Limited					
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18 Aug, 2021	1,000	10,00,000	100.00	10,00,000	100.00
8.33% Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21 April, 2022	1,000	4,00,000	40.00	4,00,000	40.00
In Units of Mutual Funds					
L&T Triple Ace Bond Fund-Bonus	10	1,47,78,590	2.50	1,47,78,590	2.50
Reliance Income Fund Growth Plan-Bonus Option	10	50,25,686	2.57	50,25,686	2.57
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	2,32,43,489	25.00	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	2,26,44,722	25.00	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	5,67,06,597	60.00	-	-
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	2,36,78,727	25.00	-	-
IDFC Arbitrage Fund - Dividend - (Direct Plan)	10	1,94,20,493	25.00	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	3,05,85,160	45.00	-	-
JM Arbitrage Advantage Fund (Direct) - Dividend Option	10	2,78,46,362	30.00	-	-
TOTAL			2,286.08		1,498.86

Notes Forming Part of Consolidated Financial Statements

10.1 AGGREGATE COST AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

	As at 31.03.2016		As at 30.06.2015	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted Investments:				
- In Bonds and Preference shares	1,906.01	2,589.95	1,353.79	1,910.60
Total	1,906.01	2,589.95	1,353.79	1,910.60
10.2 AGGREGATE COST OF UNQUOTED INVESTMENTS	380.07		145.07	
10.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.				

NOTE 11 - DEFERRED TAX ASSETS (NET)

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Deferred Tax Assets		
Arising on account of :		
Long-term and Short-term Capital Losses	15.79	14.24
Expenses allowed for tax purpose when paid	187.67	172.28
Depreciation and Amortisation	59.75	20.43
Others	0.16	0.15
Less: Deferred Tax Liabilities		
Arising on Account of :		
Others	-	11.91
	263.37	195.19

NOTE 12 - LOANS AND ADVANCES

(₹ in Crore)

	Long-Term		Short-Term	
	As at 31.03.2016	As at 30.06.2015	As at 31.03.2016	As at 30.06.2015
(Unsecured, Considered Good)				
Capital Advances	349.52	319.57	-	-
Advances Recoverable in Cash or in Kind or for Value to be Received	419.08	106.25	338.31	215.74
Deposits with Government Departments and Others	31.59	32.49	13.81	12.32
Balance with Customs, Excise and Port Trust etc. on Current Accounts	-	-	108.42	114.07
Loans and Advances to Staff and Workers	2.31	1.88	5.62	3.82
Advance Tax (Net of Provisions)	14.09	-	-	-
MAT Credit Entitlement	107.40	95.87	-	-
Prepaid Expenses	-	-	3.18	4.61
	923.99	556.06	469.34	350.56



NOTE 13 - CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2016		As at 30.06.2015		
		No.	Amount	No.	Amount	
CURRENT PORTION OF LONG TERM INVESTMENTS (OTHER THAN TRADE) (valued at cost, unless stated otherwise)						
QUOTED						
Bonds						
Indian Railway Finance Corporation						
8.50% Indian Railway Finance Corporation Bonds - 22JU20	10,00,000	-	-	650.000	64.79	
Rural Electrification Corporation						
8.65% Rural Electrification Corporation Bonds - 15JN19	10,00,000	-	-	200.000	19.95	
8.65% Rural Electrification Corporation Bonds - 22JN20	10,00,000	-	-	50.000	4.98	
UNQUOTED						
Preference Shares						
L&T Finance Holding Limited						
8.75% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 25 March, 2016	100	-	-	61,55,000.000	62.50	
8.75% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 31 March, 2016	100	-	-	11,41,136.000	11.41	
OTHER CURRENT INVESTMENTS (OTHER THAN TRADE) (valued at lower of cost or fair market value)						
UNQUOTED						
In Units of Mutual Funds						
Kotak Floater Short Term - Direct Plan - Growth	10	40,256.759	10.00	-	-	
HDFC Cash Management Fund - Savings Plan- Direct Plan - Growth Option	10	31,628.275	10.00	-	-	
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	40,948.253	10.00	-	-	
UTI - Money Market Fund - Institutional Plan - Direct Plan - Growth	10	58,922.561	10.00	-	-	
Axis Liquid Fund - Direct Growth (CFDGG)	10	59,590.725	10.00	-	-	
IDFC Cash Fund - Growth (Direct Plan)	10	54,357.758	10.00	-	-	
ICICI Prudential Liquid - Direct Plan - Growth	10	4,46,245.093	10.00	-	-	
Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Direct Plan	10	4,95,909.736	10.00	-	-	
TOTAL			80.00		163.63	

13.1 AGGREGATE COST AND MARKET VALUE OF CURRENT INVESTMENTS

(₹ in Crore)

	As at 31.03.2016		As at 30.06.2015	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted Investments:				
- In Bonds	-	-	89.72	90.22
Total	-	-	89.72	90.22
13.2 AGGREGATE COST OF UNQUOTED INVESTMENTS	80.00		73.91	

Notes Forming Part of Consolidated Financial Statements

NOTE 14 - INVENTORIES (Valued at Lower of Cost and Net Realisable Value)

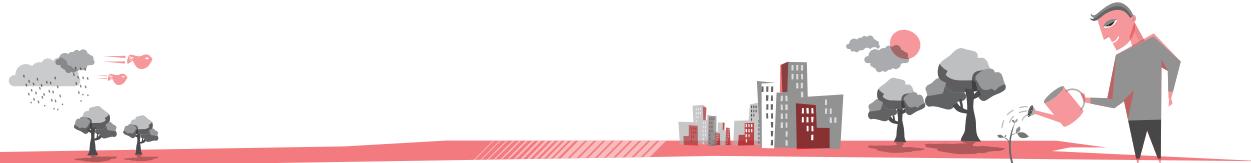
(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Raw Materials [Includes in transit ₹ 2.81 Crore (Previous year ₹ 2.39 Crore)]	43.94	27.26
Fuel [Includes in transit ₹ 65.19 Crore (Previous year ₹ 239.31 Crore)]	208.63	334.87
Stores and Spares	367.25	359.84
Packing Materials	11.72	9.96
Work-in-Progress [Includes in transit ₹ 7.64 Crore (Previous year ₹ 11.11 Crore)]	114.67	97.28
Finished Goods [Includes in transit ₹ 17.92 Crore (Previous year ₹ 28.71 Crore)]	68.98	89.65
	815.19	918.86

NOTE 15 - TRADE RECEIVABLES

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2016	As at 30.06.2015	As at 31.03.2016	As at 30.06.2015
Outstanding for a Period Exceeding Six Months from the Date they are Due for Payment				
Secured, Considered Good	-	-	0.38	0.22
Unsecured				
Considered Good	-	-	5.96	5.71
Considered Doubtful	0.45	0.42	-	-
	0.45	0.42	6.34	5.93
Less: Provision for Doubtful Receivables	0.45	0.42	-	-
	-	-	6.34	5.93
Others				
Secured, Considered Good	-	-	151.67	116.44
Unsecured				
Considered Good	-	-	170.61	354.02
Considered Doubtful	-	-	-	-
	-	-	322.28	470.46
Less: Provision for Doubtful Receivables	-	-	-	-
	-	-	322.28	470.46
	-	-	328.62	476.39



NOTE 16 - CASH AND BANK BALANCES

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Cash and Cash Equivalents:		
Balances with Banks	49.75	30.63
Cash on Hand	0.49	0.39
	50.24	31.02
Other Bank Balances:		
Earmarked Balance with Banks for Unpaid Dividend	1.82	1.73
Margin Money (Pledged with Banks)	1.83	2.50
Fixed Deposits with Banks (Refer Note 16.1 to 16.3)		
Maturity more than three months and upto twelve months	20.16	63.29
Maturity more than twelve months	209.00	209.00
	232.81	276.52
	283.05	307.54

- 16.1 Deposits of ₹ 19.00 Crore (Previous year ₹ 19.00 Crore) are pledged with banks against overdraft facilities.
 16.2 ₹ 10.00 Crore (Previous year ₹ 53.19 Crore), given as security to Government department and others.
 16.3 ₹ Nil (Previous Year ₹ 30.00 Crore) are earmarked against debentures due for redemption in next 12 months as per provisions of Companies Act, 2013.

NOTE 17 - OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31.03.2016	As at 30.06.2015
Interest Accrued		
On Deposits	5.17	2.40
On Tax Free and Other Bonds	19.36	12.87
Assets Held for Disposal	0.09	-
	24.62	15.27

NOTE 18 - REVENUE FROM OPERATIONS (GROSS)

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Sale of Products		
Cement	5,614.15	6,338.60
Clinker	34.49	118.27
Power	590.99	699.63
	6,239.63	7,156.50
Revenue from Power Trading		
Revenue from Traded Power	167.81	177.23
Less: Purchase of Traded Power	163.39	170.58
	4.42	6.65
Other Operating Revenue	0.02	13.69
	6,244.07	7,176.84

NOTE 19 - OTHER INCOME

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Interest Income		
On Fixed Deposits	18.62	14.65
On Tax Free and Other Bonds	20.51	31.52
On Income Tax and Sales Tax Refund	11.18	7.26
Others	5.83	1.81
Dividend from Investments (Other than Trade)		
Long term	30.86	20.36
Current	7.54	4.06
Profit on Sale of Investments (Other than Trade)		
Long term (Net)	0.91	1.14
Current (Net)	3.76	29.46
Profit on Sale of Investments in a subsidiary Company (Previous year ₹ 36652)	-	-
Profit on Sale of Fixed Assets (Net)	0.60	0.40
Provision No Longer Required	0.38	7.85
Balances Written Back (Net)	9.00	2.60
Other Non Operating Income	10.92	16.74
	120.11	137.85

NOTE 20 - COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Raw Materials Consumed		
Gypsum	133.52	130.32
Fly Ash	166.13	217.65
Clinker	22.32	52.51
Red Ochre and Slag	46.16	31.47
Sulphuric Acid	25.23	43.58
Others	77.14	104.00
	470.50	579.53

NOTE 21 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015	(Increase)/Decrease
Closing Stock			
Work-in-Progress	114.67	97.28	(17.39)
Finished Goods	68.98	89.65	20.67
	183.65	186.93	3.28
Opening Stock			
Work-in-Progress	97.28	49.16	(48.12)
Finished Goods	89.65	58.67	(30.98)
	186.93	107.83	(79.10)
(Increase) / Decrease	3.28	(79.10)	



NOTE 22 - EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Salaries, Wages and Bonus	324.54	394.98
Contribution to Provident and other Funds	31.24	49.62
Staff Welfare Expenses	8.76	10.43
	364.54	455.03

NOTE 23 - FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
On Finished Products	808.92	958.61
On Inter Unit Clinker Transfer	332.70	436.85
	1,141.62	1,395.46

NOTE 24 - FINANCE COSTS

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Interest Expenses	85.28	103.57
Other Borrowing Costs	1.48	17.48
Applicable Net Gain/Loss on Foreign Currency Transactions and Translation	-	3.06
	86.76	124.11
Less: Interest and Other Borrowing Costs Capitalised	11.64	3.48
	75.12	120.63

NOTE 25 - OTHER EXPENSES

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Stores and Spares Consumed	210.75	236.36
Packing Materials Consumed	188.55	245.66
Royalty and Cess	183.55	160.19
Mines Reclamation Expenses	0.28	0.43
Excise Duty on Captive Consumption of Clinker	17.92	25.17
Repairs to Plant and Machinery	123.90	111.05
Repairs to Buildings	12.40	14.11
Rent	13.59	12.38
Insurance	2.12	2.29
Rates and Taxes	14.87	7.91
Travelling	23.91	27.07
Commission to Non-executive Directors	1.58	1.40
Directors' Sitting Fees and Expenses	0.45	0.44
Advertisement and Publicity	53.69	42.86
Discount, Sales Promotion and Other Selling Expenses	192.78	194.18
Excise duty variance on Closing/Opening Stock (Refer note 30)	(1.96)	5.20
Foreign Exchange Rate Differences (Net)	2.66	15.90
Corporate Social Responsibility Expenses	14.75	18.49
Assets Written Off	9.36	1.94
Bad Debts Written Off	-	0.24
Provision / (Reversal of Provision) for Doubtful Receivables (Net)	0.03	(0.12)
Miscellaneous (Refer Note 25.1)	84.42	82.63
	1,149.60	1,205.78

25.1 Miscellaneous Expenses include the payments made to Auditors:

(₹ in Crore)

	For the Nine Months ended 31.03.2016	For the Year ended 30.06.2015
Statutory Auditors		
Audit Fees	0.27	0.25
Tax Audit Fees	0.06	0.05
Certification / Other Services	0.11	0.09
Reimbursement of Expenses	0.10	0.09
Cost Auditors		
Audit Fees	0.03	0.02
Certification / Other Services	0.02	0.01
Reimbursement of Expenses [₹ 13431 (Previous year ₹ 14933)]	-	-



26 CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

- a. Custom duty ₹ 56.56 Crore (Previous year ₹ 56.56 Crore).
 - b. Income tax matters ₹ 3.26 Crore (Previous Year ₹ Nil).
- 27** The Competition Commission of India (CCI) had, vide its order dated 30th July, 2012, imposed penalty of ₹ 397.51 Crore on the Company. On Company's appeal, Competition Appellate Tribunal (COMPAT), vide its interim order dated 29th April, 2014, had granted stay on CCI Order on the condition that the Company deposits 10% of the penalty amounting to ₹ 39.75 Crore. The Company had deposited the said amount in compliance of the conditions of the order. Penalty of ₹ 397.51 Crore was disclosed as a contingent liability in the financial statements up to the previous year ended 30th June, 2015. The COMPAT by its final order dated 11th December, 2015 set aside order dated 30th July, 2012 passed by the CCI. COMPAT has remanded the matter back to CCI for fresh adjudication. Further, in terms of the COMPAT's final order, the Company has received refund of ₹ 39.75 Crore being 10% amount of penalty with accumulated interest deposited with COMPAT.
- 28** Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 201.21 Crore (Previous Year ₹ 249.60 Crore).
- 29** Capital Work-in-Progress includes pre-operative expenses of ₹ 10.60 Crore (Previous Year ₹ 36.87 Crore) which includes depreciation of ₹ Nil (Previous Year ₹ 2.46 Crore) on assets during construction period.
- 30** Excise duty on sales amounting to ₹ 676.32 Crore (Previous year ₹ 723.27 Crore) has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / decrease in stock amounting to ₹ (1.96) Crore [Previous year ₹ 5.20 Crore] has been considered as other expenses.
- 31** During the year the Company has, with retrospective effect, changed the accounting policy for amortization of leasehold land containing mineral reserve from unit of production method to over the period of lease. This change will give a systematic basis of amortization charge, representative of the time pattern over which the economic benefits flow to the company. Had the Company not changed the accounting policy profit after tax for the current year would have been higher by ₹ 1.88 Crore.

32 EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ in Crore)

Particulars	2015-16	2014-15		
			Foreign Currency in Crore	₹ in Crore
Capital	3.41	0.94		
Revenue	13.01	13.34		
Total	16.42	14.28		

33 a) Unhedged Foreign Currency Exposure:

Sl. No.	Purpose	Currency	As at 31.03.2016		As at 30.06.2015	
			Foreign Currency in Crore	₹ in Crore	Foreign Currency in Crore	₹ in Crore
1	Outstanding Creditors for Spares, Capital Goods and Fuel	USD	0.46	30.70	2.15	137.07
2	Outstanding Creditors for Spares and Capital Goods	JPY	-	-	0.06	0.03
3	Outstanding Creditors for Spares and Capital Goods [13850 GBP (Previous Year 20600 GBP)]	GBP	-	0.13	-	0.21
4	Outstanding Creditors for Spares, Capital Goods and consultancy	EURO	0.04	2.67	0.04	3.03
5	Buyers Credit	USD	0.69	45.54	-	-
6	Interest Payable [12233 USD (Previous Year Nil)]	USD	-	0.08	-	-

b) The details of Derivatives outstanding at the year end are as follows:

Nature of Contract	Currency	Buy Amount		Purpose
		As at 31.03.2016	As at 30.06.2015	
		Foreign Currency in Crore		
Currency and Interest rate Swaps	USD	8.44	6.50	Hedging of Loans

34 EMPLOYEE BENEFITS

(I) Contribution to defined contribution plans recognized as expenses are as under:

Particulars	(₹ in Crore)	
	2015-16	2014-15
Superannuation	4.79	6.50
Provident fund	21.89	26.42
National Pension Scheme	0.90	0.32
Total	27.58	33.24

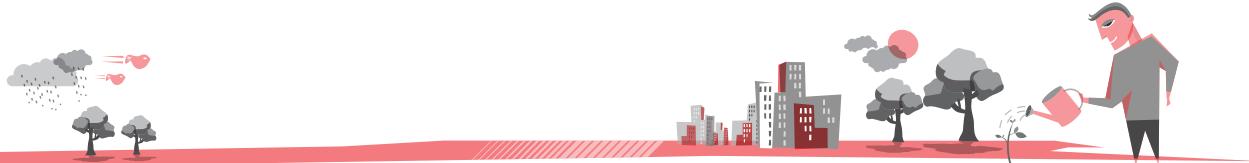
(ii) Defined Benefit Plans:

(A) Gratuity - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Sl. No.	Particulars	Gratuity (Funded Plan)	
		As at 31.03.2016	As at 30.06.2015
I Change in Obligation			
1	Present Value of defined benefit obligation at the beginning of the year	147.92	122.42
2	Current service cost	12.13	14.92
3	Interest cost	8.88	9.79
4	Actuarial (gain)/loss on obligation	(4.98)	5.41
5	Liabilities transferred pursuant to an acquisition of Business Unit	-	0.41
6	Benefits paid	(5.72)	(5.03)
7	Present value of defined benefit obligation at the end of the year	158.23	147.92
II Change in the Fair Value of Plan Assets			
1	Fair Value of plan assets at the beginning of the year	147.82	122.40
2	Expected return on plan assets	12.24	11.43
3	Contributions by employer	3.46	18.61
4	Actuarial gain/(loss) on plan assets	0.34	-
5	Assets acquired pursuant to an acquisition of Business Unit	-	0.41
6	Benefits paid	(5.72)	(5.03)
7	Fair value of plan assets at the end of the year	158.14	147.82
III Expenses recognized in the Statement of Profit and Loss			
1	Current service cost	12.13	14.92
2	Interest cost	8.88	9.79
3	Expected return on plan assets	(12.24)	(11.43)
4	Net actuarial (gain)/loss recognized in the current year	(5.32)	5.41
5	Expenses recognized in the Statement of Profit and Loss	3.45	18.69



34 EMPLOYEE BENEFITS (contd...)

(₹ in Crore)

Sl. No.	Particulars	Gratuity (Funded Plan)	
		As at 31.03.2016	As at 30.06.2015
IV Amount recognized in the Balance Sheet as at the end of the year			
1	Present value of defined benefit obligation	158.23	147.92
2	Fair Value of plan assets at the end of the year	158.14	147.82
3	Funded status [Surplus/(Deficit)]	(0.09)	(0.10)
4	Net asset/(liability) as at the end of the year	(0.09)	(0.10)
V The major categories of plan assets as a percentage of total plan			
1	Qualifying Insurance Policy	100%	100%
VI Actuarial Assumptions			
1	Discount rate	8.00% p.a.	8.00% p.a.
2	Mortality rate	IALM (2006-08 Ultimate)	IALM (2006-08 Ultimate)
3	Withdrawal rate	1-3% depending on age	1-3% depending on age
4	Actual return on plan assets	12.58	11.43

- a) The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.
- b) Basis used to determine expected rate of return on assets:

The expected return on plan assets is based on market expectation, at the beginning of the period, which is used for calculating returns over the entire life of the related obligation. The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India.

- c) Amount for the current and previous three years are as follows:

Gratuity-Funded plan	As at			
	31-3-16	30-6-15	30-6-14	30-6-13
Defined benefit obligation	158.23	147.92	122.42	97.87
Plan assets	158.14	147.82	122.40	97.65
Surplus/ (deficit)	(0.09)	(0.10)	(0.02)	(0.22)
Experience Adjustment Gain / (Loss) for Plan Liabilities	9.49	(2.45)	(3.33)	(2.59)
Experience Adjustment Gain / (Loss) for Plan Assets	(0.36)	0.12	(0.49)	0.04

- d) The Company expects to contribute ₹ 18 Crore (Previous Year ₹ 15 Crore) to gratuity fund in next year.

(B) Provident fund managed by a trust set up by the Company:

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2016.

Notes Forming Part of Consolidated Financial Statements

The details of the plan assets and obligations position are as follows:

Particulars	₹ in Crore	
	2015-16	2014-15
Plan assets at year end, at fair value	45.00	41.28
Present value of defined obligation at year end	45.00	41.28
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	2015-16	2014-15
Discounting Rate	7.75%	8.00%
Expected Guaranteed Interest Rate	8.80%	8.75%
Expected Rate of Return on Assets	8.80%	8.75%

(iii) **Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 8.79 Crore (Previous Year ₹ 11.47 Crore).**

35 SEGMENT REPORTING

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

Particulars	2015-16				2014-15			
	Cement	Power	Inter Segment Eliminations	Total	Cement	Power	Inter Segment Eliminations	Total
Revenue								
External Sales	4,972.32	595.43	-	5,567.75	5,747.24	706.33	-	6,453.57
Inter Segment Revenue	-	581.11	(581.11)	-	-	680.23	(680.23)	-
Total Revenue	4,972.32	1,176.54	(581.11)	5,567.75	5,747.24	1,386.56	(680.23)	6,453.57
Results								
Segment Results (Profit before Finance Costs, Exceptional items and Tax)	(45.32)	478.04	-	432.72	(36.78)	483.41	-	446.63
Add: Un-allocated Income	-	-	-	99.21	-	-	-	110.26
Less: Finance Costs	-	-	-	75.12	-	-	-	120.63
Profit before exceptional items and Tax	-	-	-	456.81	-	-	-	436.26
Less: Exceptional Items	-	-	-	2.30	-	-	-	35.46
Profit before Tax	-	-	-	454.51	-	-	-	400.80
Less : Tax (Credit)/ Expenses	-	-	-	(0.39)	-	-	-	(25.50)
Profit after Tax	-	-	-	454.90	-	-	-	426.30
Segment Assets	5,256.71	417.80	-	5,674.51	4,959.54	716.75	-	5,676.29
Un-allocated Assets	-	-	-	3,114.42	-	-	-	2,321.50
Total Assets	-	-	-	8,788.93	-	-	-	7,997.79
Segment Liabilities	1,294.21	122.01	-	1,416.22	1,243.50	186.00	-	1,429.50
Un-allocated Liabilities and Provisions	-	-	-	27.63	-	-	-	87.17
Total Liabilities	-	-	-	1,443.85	-	-	-	1,516.67
Depreciation and Amortization	742.52	165.89	-	908.41	838.48	86.30	-	924.78
Capital expenditure	684.39	37.03	-	721.42	1,345.43	155.45	-	1,500.88
Significant Non Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-



B. Geographical Segment is identified as the secondary segment and details are given below:

(₹ in Crore)

Particulars	2015-16	2014-15
Segment Revenue from Operations (Net)		
Within India	5,562.27	6,411.73
Outside India	5.48	41.84
Total	5,567.75	6,453.57

All the assets of the Company are within India.

36 RELATED PARTY DISCLOSURE (AS PER AS-18 "RELATED PARTY DISCLOSURES" SPECIFIED UNDER SECTION 133 OF THE COMPANIES ACT, 2013)

Relationships:

(a) Enterprises over which Key Management Personnel (KMP) are able to exercise significant influence with whom there were transactions during the year:

- (i) The Kamla Company Limited
 - (ii) Shree Capital Services Ltd.
 - (iii) Aqua Infra Project Limited
 - (iv) Asish Creations Pvt. Ltd.
 - (v) Alfa Buildhome Pvt. Ltd.
 - (vi) Rajasthan Forum
 - (vii) The Bengal
 - (viii) Sant Parmanand Hospital

(b) Key Management Personnel:

- (i) Shri H. M. Bangur Managing Director
(ii) Shri Prashant Banjur Joint Managing Director

(c) Relatives to Key Management Personnel:

- (i) Shri B. G. Bangur Father of Shri H. M. Bangur

Disclosure of Related Party Transactions:

(a) Enterprises over which KMPs are able to exercise significant influence:

(₹ in Crore)

Particulars	2015-16	2014-15
Usage charges of common facilities		
- The Kamla Company Limited	0.42	0.57
- Aqua Infra Project Limited	0.08	0.11
Payment for office rent		
- Alfa Buildhome Pvt. Ltd.	1.57	1.95
- Shree Capital Services Ltd.	0.18	0.24
Purchases of Stores and spares		
- Aqua Infra Project Limited	-	0.11
Sale of Goods		
- Sant Parmanand Hospital	0.08	0.13
Receiving of Services		
- Asish Creations Pvt. Ltd.	-	0.01
Contribution towards Social Activities		
- Rajasthan Forum	0.51	0.33
- The Bengal	0.41	0.32
- Sant Parmanand Hospital	0.04	0.04
Security deposit balance at the year end		
- Alfa Buildhome Pvt. Ltd.	0.45	0.45

(b) Key Management Personnel:

Particulars	(₹ in Crore)	
	2015-16	2014-15
Remuneration		
- Shri H. M. Bangur	25.32	26.25
- Shri Prashant Bangur	10.26	9.51
Total	35.58	35.76

(C) Relatives to Key Management Personnel:

Particulars	(₹ in Crore)	
	2015-16	2014-15
Director commission, Sitting Fee and reimbursement of expenses		
- Shri B. G. Bangur	0.22	0.22

37 EARNINGS PER SHARE (EPS)

A. Basic and Diluted EPS:

Particulars	(₹ in Crore)	
	2015-16	2014-15
Profit attributable to Equity shareholders	₹ in Crore	454.90
Equity share capital	₹ in Crore	34.84
Weighted average number of Equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	130.58
		122.37

B. Cash EPS: (Profit for the year + Depreciation + Deferred Tax) / Weighted average number of Equity shares outstanding

38 MOVEMENT OF PROVISION FOR MINES RECLAMATION EXPENSES

Particulars	(₹ in Crore)	
	2015-16	2014-15
Opening Provision	18.77	18.88
Add : Provision during the year	0.28	0.43
Less : Utilization during the year	0.47	0.54
Closing Provision	18.58	18.77

39 OPERATING LEASE

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

40 OTHER NOTES

(A) Value of imports during the year calculated on CIF basis:

Sl. No.	Particulars	(₹ in Crore)	
		2015-16	2014-15
(i)	Raw Materials	15.06	12.06
(ii)	Fuel	503.00	1570.90
(iii)	Stores, Spare Parts and Components	18.27	14.18
(iv)	Capital Goods	18.11	127.79



(B) Expenditure incurred in foreign currencies:

(₹ in Crore)

Sl. No.	Particulars	2015-16	2014-15
(i)	Foreign Travel	0.24	0.33
(ii)	Consultancy charges (#)	3.07	4.78
(iii)	Interest	0.14	1.73
(iv)	Others	0.69	0.72

(#) For Capital Projects, ₹ 2.47 Crore (Previous Year ₹ 2.91 Crore)

(C) Value of imported and indigenous raw materials, stores, spare parts and components consumed and their percentage to total consumption:

(a) Raw Materials:

Sl. No.	Particulars	2015-16		2014-15	
		Value (₹ in Crore)	%	Value (₹ in Crore)	%
(I)	Imported	56.76	12.06	54.92	9.48
(II)	Indigenous	413.74	87.94	524.61	90.52

(b) Stores, Spare Parts and Components:

Sl. No.	Particulars	2015-16		2014-15	
		Value (₹ in Crore)	%	Value (₹ in Crore)	%
(i)	Imported	16.46	7.81	16.23	6.87
(ii)	Indigenous	194.29	92.19	220.13	93.13

(D) Net dividend remitted to non-resident shareholders in foreign currency:

(a) Final Dividend

Sl. No.	Particulars	2015-16	2014-15
(i)	No. of non-resident share holders	1	-
(ii)	No. of shares held	36,00,000	-
(iii)	Year to which dividend relates	2014-15	-
(iv)	Amount remitted (₹ in Crore)	5.04	-

(b) Interim Dividend

Sl. No.	Particulars	2015-16	2014-15
(I)	No. of non-resident share holders	1	1
(ii)	No. of shares held	36,00,000	36,00,000
(iii)	Year to which dividend relates	2015-16	2013-14 & 2014-15
(iv)	Amount remitted (₹ in Crore)	8.64	7.92

Notes Forming Part of Consolidated Financial Statements

- 41** Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the said Act.
- 42** Statement containing salient features of the financial statements of subsidiaries/associate companies /joint ventures (Form AOC-1-Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A : Subsidiaries

Particulars	Shree Global Pte. Ltd.	
	Amount in USD	Amount in INR
Share Capital	20,000	11,55,300
Reserves & Surplus	(20,035.94)	(11,57,684)
Total Assets	4,409.55	2,92,498
Total Liabilities	4,445.49	2,94,882
Investments	-	-
Turnover	-	-
Profit / (Loss) before taxation	(5,137.33)	(3,39,017)
Provision for Taxation	-	-
Profit / (Loss) after taxation	(5,137.33)	(3,39,017)
Proposed Dividend	-	-
% of shareholding	100	100

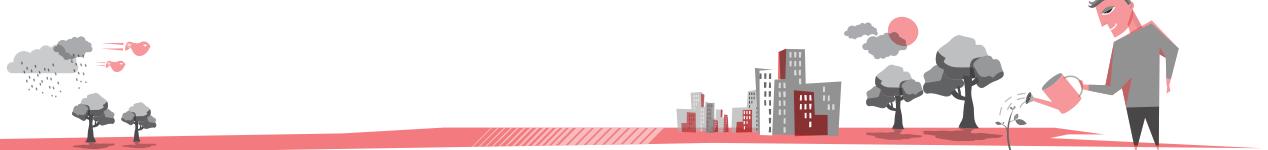
Note - For converting the figures given in foreign currency appearing in the accounts of the subsidiary company into equivalent INR, following exchange rates are used.

Currency	Balance Sheet (Closing rate)	Statement of Profit and Loss (Average rate)
United States Dollars (USD) - Indian Rupee	66.33	65.99

Name of subsidiary company which are yet to commence operations:

Sl. No.	Name of Subsidiary Companies
1.	Shree Global Pte. Ltd.

Part B of the Form AOC-I is not applicable as there are no associate companies / Joint Ventures of the Company as on 31st March, 2016.



43 Additional information, as required under Schedule III of the Companies Act, 2013 of Enterprises consolidated as Subsidiary/Associates/Joint Ventures:

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated Net Assets	₹ in Crore	As % of Consolidated Profit or (Loss)	₹ in Crore
Parent				
Shree Cement Limited	100.01	6,180.22	100.01	454.93
Subsidiaries - Indian				
No Indian Subsidiary	-	-	-	-
Subsidiaries - Foreign				
Shree Global Pte. Limited	-	-	(0.01)	(0.03)
Adjustment due to consolidation	(0.01)	(0.11)	-	-
TOTAL	100.00	6,180.11	100.00	454.90

44 Previous year figures have been regrouped and rearranged wherever necessary.

45 Figures less than 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lac.

46 Section 2(41) of the Companies Act, 2013 requires Company to have its financial year ending on 31st March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the Company is for a nine months period from 1st July, 2015 to 31st March, 2016. Accordingly, the figures for the current financial year are not comparable to those of the previous year.

Signature to Note 1 to 46

As per our report of even date

For and on behalf of the Board

For **B. R. Maheswari & Co.**

Chartered Accountants
Firm's Registration No. 001035N

B. G. Bangur
Chairman

H. M. Bangur
Managing Director

Prashant Bangur
Joint Managing Director

Sudhir Maheshwari

Partner
Membership No. 081075

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director &
Chairman of Audit Committee

Place : Kolkata

Date : 26th May, 2016

Subhash Jajoo
Chief Finance Officer

RATIO ANALYSIS

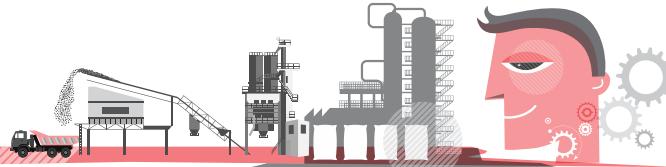
FINANCIAL PERFORMANCE RATIOS

	2011-12 [#]	2012-13	2013-14	2014-15	2015-16 [#]
Raw Material Cost / Total Turnover (%)	8.98	8.11	9.13	10.31	10.48
Fuel & Power Cost / Total Turnover (%)	23.15	23.98	21.07	22.01	18.11
Manpower & Admin Cost / Total Turnover (%)	6.36	7.02	7.88	8.72	8.52
Net Interest / Total Turnover (%)	2.08	2.09	0.76	0.91	0.30
Profit Before Depreciation & Tax / Total Turnover (%)	24.28	25.22	22.09	18.96	21.86
Depreciation / Total Turnover (%)	13.48	7.06	8.40	12.89	14.55
Net Profit / Total Turnover (%)	9.55	16.27	12.03	5.94	7.29
Net Profit / Net Turnover (%)	10.66	17.96	13.37	6.61	8.17
Cash Profit / Total Turnover (%)	23.06	22.95	19.68	18.10	21.82
ROCE (PBIT / Avg. Capital Employed) (%)	15.50	24.14	15.52	7.64	9.39
Return on Net Worth (%)	18.65	26.13	16.16	7.36	8.72
Turnover / Average Capital Employed (%)	108.81	113.47	107.54	105.18	110.70
EBIDTA / Net Turnover (With Other Income) (%)	31.18	31.29	26.75	22.96	25.87
EBIDTA / Net Turnover (Without Other Income) (%)	28.38	27.92	23.61	20.82	23.71
Earning Per Share (₹)	177.54	288.19	225.98	122.38	130.59
Cash Earning Per Share (₹)	428.88	406.34	369.74	372.81	371.77

BALANCE SHEET RATIOS

	2011-12 [#]	2012-13	2013-14	2014-15	2015-16 [#]
Debt -Equity Ratio (Times)	0.56	0.20	0.12	0.14	0.11
Debtors Turnover (Days)	12.75	18.62	16.54	24.23	14.47
Inventory Turnover (Days)	35.43	31.39	45.16	46.73	35.90
Current Ratio (Times)	1.37	1.60	1.56	1.61	1.73
Quick Ratio (Times)	1.11	1.23	1.02	0.98	1.03
Book Value Per Share (₹)	784.77	1,103.32	1,352.25	1,514.59	1,774.03

[#] Figures of 2011-12 and 2015-16 have been annualized wherever necessary.



CORPORATE INFORMATION

Board of Directors

Shri B. G. Bangur
Shri H. M. Bangur
Shri Prashant Bangur
Shri R. L. Gaggar
Shri O. P. Setia
Shri Shreekant Somany
Dr. Y. K. Alagh
Shri Nitin Desai
Dr. Leena Srivastava
Shri Sanjiv Krishnaji Shelgikar
Shri Ramakant Sharma

Chief Finance Officer

Shri Subhash Jajoo

Senior Executives

Shri Diwakar Payal
Shri P. N. Chhangani
Shri Kuldeep Verma
Shri Sanjay Mehta

Shri K. C. Gandhi
Shri Arvind Khicha
Shri S. C. Suthar
Shri Shrinish Savoor
Shri M. M. Rathi
Shri Rakesh Bhargava

Shri Vinay Saxena
Shri R. K. Agarwal
Shri Manoj Kumar Mahla
Shri Narip Bajwa
Shri Himanshu Dewan
Shri Sharad Rajvanshi
Shri Ravi Kant Tiwari
Shri S. P. Nema
Shri N. C. Jain
Shri Anil Shukla
Shri R. N. Dani
Shri S. K. Soni
Shri Yogesh Mehta
Shri Devendra Tripathi
Shri K. K. Jain
Shri S. L. Bhansali
Shri Anil Kaushik
Shri K. K. Talwar
Shri Sanjay Jain
Shri S. C. Maheshwari
Shri S. K. Gupta
Shri A. K. Gupta
Shri A. K. Srivastav

- Chairman
- Managing Director
- Jt. Managing Director
- President (Marketing)
- President (Works)
- Jt. President (Marketing)
- Jt. President (Commercial) and Chief Happiness Officer
- Jt. President (Material Management)
- Sr. Vice President (Commercial)
- Sr. Vice President (Mines)
- Sr. Vice President (Strategy)
- Vice President (Power Plant)
- Vice President (R&D) and Chief Climate & Sustainability Officer
- Vice President (Operations)
- Vice President (Projects)
- Vice President (P&A)
- Vice President (Marketing)
- Vice President (Marketing)
- Vice President (Marketing)
- Vice President (Liasion and P&A)
- Vice President (Project - Technical)
- Jt. Vice President (Finance & Internal Audit)
- Jt. Vice President (Purchase)
- Jt. Vice President (Costing & MIS)
- Jt. Vice President (Sales Accounts)
- Jt. Vice President (Logistics)
- Jt. Vice President (Logistics)
- Jt. Vice President (Accounts & Contract Cell)
- Jt. Vice President (Legal)
- Jt. Vice President (Marketing)
- Jt. Vice President (Marketing)
- Jt. Vice President (Operations)
- Jt. Vice President (Operations)
- Jt. Vice President (Project Accounts)
- Jt. Vice President (Project - Civil)
- Jt. Vice President (Project - Mechanical)

Company Secretary

Shri S. S. Khandelwal

Bankers

State Bank of Bikaner & Jaipur
State Bank of India
ICICI Bank Ltd.
Axis Bank Ltd.
Standard Chartered Bank
HDFC Bank Ltd.
DBS Bank Ltd.
The Bank of Tokyo-Mitsubishi UFJ Ltd.
J P Morgan Chase Bank N. A.
BNP Paribas
Sumitomo Mitsui Banking Corporation

Advertising Consultant

Shri Alyque Padamsee

Statutory Auditors

M/s. B. R. Maheswari & Co., New Delhi

Secretarial Auditors

M/s. P. Pincha & Associates, Jaipur

Cost Auditors

M/s. K. G. Goyal & Associates, Jaipur

Internal Auditors

M/s. P. K. Ajmera & Co., Ahmedabad

Registered Office

Bangur Nagar, Beawar - 305 901,
Distt. Ajmer, Rajasthan
Phone: +91-1462-228101-06
Fax: +91-1462-228117/19
Toll Free No.: 1800 180 6003-04
website: www.shreecement.in
email: sclbwr@shreecementltd.com

Corporate Office

21, Strand Road, Kolkata - 700 001
Phone: +91-33-22390601-05
Fax: +91-33-22434226
email: sclcal@shreecementltd.com

COMPANY'S PLANTS & MARKETING OFFICES

Integrated Cement Plants and Power Plants

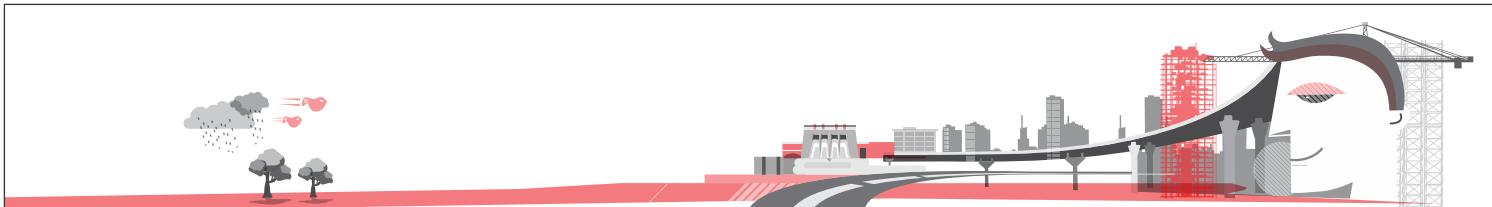
Beawar: Bangur Nagar, Beawar - 305 901, Distt.: Ajmer, Rajasthan (India) Phone: +91-1462-228101-06 Fax: +91-1462-228117 / 228119 Email: shreebwr@shreecementltd.com	Ras: Bangur City, Ras, Tehsil: Jaitaran - 306 107 Distt.: Pali, Rajasthan (India) Phone: +91-1462-228101-06 Fax: +91-1462-228117 / 228119 Email: shreebwr@shreecementltd.com	Raipur: Village Khapradih, Tehsil- Simga, Distt.: Balodabazar, Chhattisgarh (India) Phone: +91-771-2430007 / 2430023
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Split Grinding Units

Khushkhera: Plot No. SP 3-II, A-1, RIICO Industrial Area, Khushkhera (Bhiwadi), Distt.: Alwar, Rajasthan.	Jobner (Jaipur): Mahela-Jobner Road, Village: Aslapur, Distt.: Jaipur, Rajasthan.
Suratgarh: Near N.H. 15, Udaipur Udasar, Tehsil: Suratgarh, Distt.: Sriganganagar, Rajasthan.	Laksar (Roorkee): Akbarpur - Oud, Distt.: Haridwar, Uttarakhand.
Panipat: Village – Khukhranna, P.O. – AsanKalan, Tehsil – Madlouda, Distt: Panipat, Haryana.	Aurangabad: Industrial Growth Centre, Biada, Near Jasoia More, Post: Mojurahi, Distt.: Aurangabad, Bihar.
Bulandshahr: 12, Sikandrabad Industrial Area, Sikandrabad, Distt.: Bulandshahr, Uttar Pradesh	

Marketing Offices

Shree Ultra Cement	Bangur Cement	Rockstrong Cement
Delhi: 122-123, Hans Bhawan 1 Bahadur Shah Zafar Marg, New Delhi - 110 002 Phone: +91-11-23370828, 23379829 Fax: +91-11-23370499	Delhi: 6B, 6 th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi - 110 001 Phone: +91-11-23702794-95 Fax: +91-11-23702796	Delhi: 10-A, DCM Building, 16-Barakhamba Road Connaught Place, New Delhi - 110 001 Phone: +91-11-23731084-85 Fax: +91-11-23731084
Jaipur: SB-187, 2 nd Floor, Shree Corporate Tower Opp. Rajasthan University, JLN Marg, Jaipur - 302 015 Phone: +91-141-6611200 Fax: +91-141-6611219	Jaipur: SB-187, 3 rd Floor, Shree Corporate Tower Opp. Rajasthan University, JLN Marg, Jaipur - 302 015 Phone: +91-141-6611000, 6611322 Fax: +91-141-6611315	Jaipur: SB-187, 4 th Floor, Shree Corporate Tower Opp. Rajasthan University, JLN Marg, Jaipur - 302 015 Phone: +91-141-6611000 Fax: +91-141-6611421



NOTES

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Members Feedback Form for
Shree Cement Limited
Annual Report 2015-16

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)
Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119
E-Mail: shreebwr@shreecementltd.com **Website:** www.shreecement.in
CIN: L26943RJ1979PLC001935

Name: _____ e-mail id: _____

Address: _____

_____ Pin: _____

DP ID: _____ Client ID: _____

Folio No. (In case of physical holding): _____

No. of Equity Shares held: _____

Signature of Member

	Excellent	Very Good	Good	Satisfactory	Needs improvement
Statutory Section					
- Directors' Report & MDA, Report on Corporate Governance & BRR					
- Reporting of Financial Statements					
Non-Statutory Section					
- Theme of Annual Report					
- Chairman, MD, Jt. MD, President (Marketing) and President (Works) Messages					
- Other theme based write-ups					

Suggest what other issues should be covered in the Report?

Suggest the areas, if any, where more details should be reported?

Please mail your feedback to:

S. S. Khandelwal

Company Secretary

Shree Cement Limited

Bangur Nagar, Beawar – 305 901, Distt. Ajmer, Rajasthan

Ph: +91-1462-228101-06 Fax: +91-1462-228117/119

E-mail: investor@shreecementltd.com

Research, Concept, Content, Design and Development by
marshmallow
A Creative Division of Metieta Advertising Pvt. Ltd.
ping@marshmallow.in



www.shreecement.in

CIN No. L26943RJ1979PLC001935



SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)

Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119

E-Mail: shreebwr@shreecementltd.com **Website:** www.shreecement.in

CIN: L26943RJ1979PLC001935

NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Members of **SHREE CEMENT LIMITED** will be held at the Registered Office of the Company at "**Rangmanch Auditorium**", **Bangur Nagar, Beawar – 305 901, District Ajmer (Rajasthan)** on Friday, 12th August, 2016 at 12.15 P.M. to transact the following business:-

Ordinary Business :

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2016 (9 months period) and the reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016 (9 months period).
2. To confirm the payment of 1st and 2nd Interim Dividends on equity shares for the financial year ended 31st March, 2016 (9 months period).
3. To appoint a Director in place of Shri Prashant Bangur (DIN:00403621), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. B. R. Maheswari & Company, Chartered Accountants, New Delhi (Firm Registration No.: 001035N) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of the Thirty Seventh

Annual General Meeting until the conclusion of the next Annual General Meeting to be held thereafter at such remuneration, plus service tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Special Business :

5. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions :**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors viz. M/s. K. G. Goyal and Associates, Cost Accountants appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2017, be paid the remuneration of ₹ 3,00,000/- (Rupees three lac only) plus service tax as applicable and reimbursement of out of pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolutions :**

"RESOLVED THAT subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any

statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded for redesignation of Shri Prashant Bangur (DIN: 00403621) from Whole Time Director to "Joint Managing Director" w.e.f. 2nd February, 2016 for remaining period of his tenure i.e. up to 22nd August, 2017 without change in other terms & conditions including remuneration as approved earlier by the Members in the Annual General Meeting of the Company held on 16th October, 2012."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as **Special Resolutions**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Shri H. M. Bangur (DIN: 00244329) as Managing Director of the Company for a period of five years w.e.f 1st April, 2016 upon terms and conditions as to remuneration specified and set out in the annexed Explanatory Statement to the Notice convening this Annual General Meeting, with authority to the Board of Directors to alter or vary the same from time to time with effect from such date or dates in such manner as may be agreed to between the Board of Directors and Shri H. M. Bangur."

"RESOLVED FURTHER THAT in absence or inadequacy of the profits in any Financial Year, Shri H. M. Bangur shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement, subject however, to the necessary approvals/ceilings specified under Schedule V of the Companies Act, 2013 (including any statutory modifications and re-enactments thereof for the time being in force)."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolutions**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches during a period of one year from the date of passing of the resolution upto an amount not exceeding overall borrowing limits of the Company as approved from time to time on private placement basis to bank(s)/financial institution(s)/Trust(s)/other eligible investor(s) and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and to deal with all matters connected therewith or incidental thereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof formed for the purpose), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution, including determining the terms and conditions of the non-convertible Debentures."

By order of Board of Directors
for **SHREE CEMENT LIMITED**

Place: Kolkata
Date: 26th May, 2016

S. S. KHANDELWAL
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 8th August, 2016 to Friday, 12th August, 2016 (both days inclusive).
7. (A) The Company has transferred all unclaimed dividend declared upto the Accounting year 1994-95 to the General Revenue Account of the Central Govt. as required under Companies (Transfer to the General

Revenue Account of the Central Government) Rules, 1978. Members who have so far not claimed or collected their dividends declared up to the aforesaid year are requested to claim such dividends from the Registrar of Companies, G/6-7, Second Floor, Residency Area, Civil Lines, Jaipur, Rajasthan by making an application in Form II of the said Rules.

(B) Under section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, the Company had transferred the unpaid or unclaimed dividends for the financial years 1995-96 to 2007-08 from time to time on respective due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 14th November, 2015 (date of last Annual General Meeting) on the website of the Company (www.shreecement.in), as well as on the website of the Ministry of Corporate Affairs.

(C) The members who have not yet encashed the dividend warrant(s) for the year 2008-09 and onwards are requested to approach to the Company with their warrants for revalidation. Dividends for these years, which remain unclaimed for a period of 7 years, will be transferred by the Company to Investor Education and Protection Fund (IEPF) set up by the Government of India.

The details of unpaid dividend and last date of transfer in IEPF are given here under :

Year	Type of Dividend	Dividend per share (₹)	Date of declaration of Dividend	Dividend Amount unpaid as on 31.03.2016 (₹ Lac)	Last date for transfer of unpaid dividend in investor Educational and Protection Fund
2008-09	Interim	5	28.04.2009	6.51	03.06.2016
	Final	5	24.07.2009	6.01	29.08.2016
2009-10	Interim	5	21.01.2010	6.06	26.02.2017
	Final	8	14.08.2010	9.86	19.09.2017
2010-11	Interim	6	31.01.2011	7.23	06.03.2018
	Final	8	01.08.2011	9.90	06.09.2018
2011-12	First Interim	6	23.01.2012	7.97	28.02.2019
	Second Interim	6	15.05.2012	8.22	20.06.2019
	Final	8	16.10.2012	11.56	21.11.2019
2012-13	Interim	8	29.04.2013	12.23	04.06.2020
	Final	12	25.10.2013	18.73	30.11.2020
2013-14	First Interim	10	27.01.2014	17.63	04.03.2021
	Second Interim	12	25.08.2014	20.25	30.09.2021
2014-15	Interim	10	25.08.2014	16.87	30.09.2021
	Final	14	14.11.2015	22.51	20.12.2022
2015-16	First Interim	12	02.02.2016	22.51	10.03.2023
	Second Interim	12	10.03.2016	41.47	15.04.2023

8. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also required to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialized form and with the registrar and share transfer agent in respect of shares held in physical form.

9. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.

10. Karvy Computershare Pvt. Ltd. is acting as Share Transfer Agent (RTA) for both physical and electronic form of shareholdings. All communications relating to shares should be addressed to:-

Karvy Computershare Pvt. Ltd.

Unit: **SHREE CEMENT LIMITED**

Karvy Selenium Tower B, Plot No. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
Attn: Mr. K. S. Reddy, Assistant General Manager

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are,

therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar viz. Karvy Computershare Pvt. Ltd./Company.

12. As per the provisions of Section 72 of the Companies Act 2013, facility for making nominations is available to individuals holding shares in the Company. Members holding shares in physical form, may obtain the Nomination Form from the Registered Office of the Company or RTA or can download from the Company's website viz. www.shreecement.in under the section 'Investor Center'. Members holding shares in electronic form (demat mode) shall approach their DPs for completing the nomination formalities.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
14. Non-Resident Indian Members are requested to inform Karvy, immediately on:
 - (a) Change in their residential status on return to India for permanent settlement;
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.
15. Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative has introduced enabling provisions for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail ID's with the Company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs). If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

16. Instructions for E-Voting and other instructions relating thereto are as under:

- (I) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) The facility for voting, through polling paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting through polling paper. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
- (iii) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide remote e-voting facility.
- (iv) The Board of Directors of the Company has appointed Shri Pradeep Pincha, Practicing Company Secretary, as Scrutinizer to scrutinize the remote e-voting in a fair and transparent manner.
- (v) Voting rights of the shareholders (for voting through remote e-voting or through polling papers at the meeting) shall be in proportion to share of the paid-up equity share capital of the Company as on the cut-off date i.e. 5th August, 2016. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting.
- (vi) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 5th August, 2016, may obtain the User ID and password in the manner as mentioned below:

- (a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : **MYEPWD<space>E-Voting Event Number+Folio No. or MYEPWD<space>DP ID Client ID to 9212993399**

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE>XXXXSCL12345
- (b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (c) Member may call Karvy's toll free number 1-800-3454-001.
- (d) Member may also send an e-mail request to evoting@karvy.com
- (vii) If the member is already registered with Karvy e-voting platform then, he can use his existing User ID and password for casting the vote through remote e-voting.
- (viii) Instructions and other information relating to remote e-voting:
 - A. In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the R & T/ Depository Participant(s)]:
 - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - (c) After entering these details appropriately, click on "LOGIN".

- (d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number for Shree Cement Limited.
- (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to

- send scanned certified true copy (PDF/JPEG Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: ppincha@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image(s) of the above mentioned documents should be named as "SHREE CEMENT LIMITED_EVENT NO."
- B. In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:
- (a) User ID and initial password - These will be sent separately.
 - (b) Please follow all steps from Sr. No. (a) to (l) as mentioned at point no. (A) above, to cast your vote.
- (ix) The remote e-voting facility will be available during the following period:
 - (a) Commencement of remote e-voting : 9.00 a.m. (IST) on 9th August, 2016
 - (b) End of remote e-voting : 5.00 p.m. (IST) on 11th August, 2016
 - (c) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
 - (d) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting i.e. 12th August, 2016.
 - (x) Once the vote on a resolution is caste by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 - (xi) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website i.e. <https://evoting.karvy.com>.

17. As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of Directors who are proposed to be appointed/re-appointed are given below and form part of Notice.

Sr. No.	Nature of Information	Item No. 3 of Notice	Item No. 7 of Notice
1	Name	Shri Prashant Bangur	Shri H. M. Bangur
2	Age	36 Years	63 Years
3	Nationality	Indian	Indian
4	Qualification	B.Sc., M.B.A.	B. E. (Chemical)
5	Nature of expertise in specific functional areas	Business Planning and Corporate Management	Business Planning and Corporate Management
6	Relationships between Directors inter-se	Son of Shri H. M. Bangur, Managing Director and grand son of Shri B. G. Bangur, Chairman	Son of Shri B. G. Bangur, Chairman and father of Shri Prashant Bangur, Joint Managing Director.
7	Director of Company since (date)	23.8.2012	31.7.1992
8	List of Listed Entities in which Directorship held	Shree Cement Ltd.	Shree Cement Ltd.
9	Member of Committees of the Board of Listed Entities	Shree Cement Ltd. <ul style="list-style-type: none"> - Audit and Risk Management Committee - Business Operations Committee - Share Transfer Committee 	Shree Cement Ltd. <ul style="list-style-type: none"> - Business Operations Committee - Share Transfer Committee
10	Number of shares held in the Company	57,475 equity shares	4,42,438 equity shares

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

The Board of Directors of your Company on the recommendation of the Audit and Risk Management Committee, approved the appointment and remuneration of M/s. K. G. Goyal and Associates, Cost Accountants, Jaipur to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2017.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing the resolution(s) for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2017.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolutions.

The Board of Directors recommends the Ordinary Resolutions set out at Item No. 5 of the Notice for approval by the Members.

Item No. 6

Shri Prashant Bangur was appointed as Whole Time Director of the Company by Members in the Annual General Meeting held on 16th October, 2012 for five years w.e.f. 23rd August, 2012. Shri Bangur has been taking part in all strategic decisions of the Company and now holds higher responsibilities with respect to all the affairs of the Company. Keeping the said facts in view, the Board of Directors of the Company, in its meeting held on 2nd February, 2016 on the recommendation of Nomination cum Remuneration Committee re-designated Shri Bangur from "Whole Time Director" to "Joint Managing Director" w.e.f. 2nd February, 2016 for remaining period of his tenure i.e. up to 22nd August, 2017, subject to approval of members. The other terms and conditions as to remuneration would remain un-changed.

Shri Prashant Bangur is interested in the resolution. Shri B. G. Bangur and Shri H. M. Bangur, directors of the Company being relatives, considered interested in the said

resolutions. The other relatives of Shri Prashant Bangur may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolutions.

The Board of Directors recommends the Special Resolutions set out at Item No. 6 of the Notice for approval by the Members.

Item No. 7

Shri H. M. Bangur was appointed as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2011. His tenure as Managing Director has expired on 31st March, 2016. Under the stewardship of Shri H. M. Bangur, the Company has scaled great heights and has expanded its operations significantly and also undertaken several new initiatives. Board of Directors of the Company in its meeting held on 2nd February, 2016 on the recommendation of Nomination cum Remuneration Committee re-appointed Shri H. M. Bangur as Managing Director of the Company for further period of 5 years w.e.f. 1st April, 2016 on the following terms & conditions as to remuneration and subject to approval of members:

(a) Basic Salary :

- (i) FY 2016-17 : (1st April, 2016 to 31st March, 2017) :
₹ 76,50,000 per month
- (ii) FY 2017-18 : (1st April, 2017 to 31st March, 2018) :
₹ 90,00,000 per month
- (iii) FY 2018-19: (1st April, 2018 to 31st March, 2019) :
₹ 1,06,00,000 per month
- (iv) FY 2019-20 : (1st April, 2019 to 31st March, 2020) :
₹ 1,25,00,000 per month
- (v) FY 2020-21 : (1st April, 2020 to 31st March, 2021) :
₹ 1,47,00,000 per month

(b) Commission :

Such commission on net profits as may be decided by the Board of Directors in its absolute discretion for each financial year or part thereof.

(C) Perquisites/Allowances:

- (1) Retaining Allowances: 13.50% of Basic Salary.
- (2) House Rent Allowance: He shall be entitled to and be paid House Rent Allowance @ 60% of Basic Salary.
- (3) Medical Reimbursement: All expenses incurred for self and family in India and / or abroad including hospitalization, nursing home and surgical treatment shall be reimbursed at actual.
- (4) Leave Travel Concession: Reimbursement of leave travel expenses for self and family, once in a year for proceeding on leave at actual.
- (5) Club Fees: Payment of fees of Clubs including admission and life membership fees.
- (6) Conveyance Facility: The Company shall provide vehicle(s) for both business and personal use and bear all expenses relating to such vehicles, fuel costs, repairs, maintenance, running expenses including driver(s) salary etc.
- (7) Telephone, Internet Connection and other communication facilities: The Company shall bear all expenses regarding telephone, internet connectivity and other communication facilities at his residence.
- (8) Personal Accident Insurance : As per rules of the Company
- (9) Company's contribution to Provident Fund, Superannuation Fund, Annuity Fund etc.: As per rules of the Company.
- (10) Leave: Entitled for leave with full pay or encashment thereof as per rules of the Company.
- (11) Gratuity: As per the rules of the Company.
- (12) Other perquisites/Allowances:

Subject to overall ceiling on remuneration as prescribed under the applicable provisions of Companies Act, 2013 or such higher ceiling as may be applicable from time to time during his tenure, he may be given any other allowances,

benefits and perquisites as the Board of Directors may from time to time, decide at its desecration. However the aggregate amount of such allowances, benefits (excluding commission) and perquisites (excluding items at serial nos. 9 to 11) will not exceed 150% of Basic salary of that year.

The Board is further empowered to make any variation in terms & conditions as to remuneration of Shri Bangur.

Explanation

"Family means the spouse, the dependent children and dependent parents of such director.

The total remuneration payable to Shri H. M. Bangur by way of salary, commission, perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 197, 198 and other relevant provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

Minimum Remuneration:

In the absence or inadequacy of the profits in any year, Shri H. M. Bangur shall be entitled to receive and be paid the above remuneration as minimum remuneration in that year by way of salary, allowances, perquisite and other benefits as stated above, subject, however, to the necessary approvals/ceiling specified under Schedule V of the Companies Act, 2013.

Shri H. M. Bangur, being appointee, interested in the resolutions. Shri B. G. Bangur and Shri Prashant Bangur, directors of the Company being relatives, considered interested in the said resolutions. The other relatives of Shri H. M. Bangur may be deemed to be interested in the resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolutions.

The Board of Directors recommends the Special Resolutions set out at Item No. 7 of the Notice for approval by the Members.

Item No. 8

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under Section 42 of the Act deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company is required to obtain previous approval of its shareholders by way of special resolution only once in a year for all the offers or invitations for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of secured debentures.

Keeping in view the above provisions of the Companies Act, 2013, the members of the Company, at the 36th Annual General Meeting held on 14th November, 2015, had authorised the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, in one or more tranches, upto an amount not exceeding overall borrowing limits of the Company. The members may note that the Company has not made any private

placement of non-convertible debentures pursuant to the said authorization.

To augment the financial resources, the Board may, at an appropriate time, offer or invite subscription for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches on private placement basis. Accordingly, consent of the members is sought for passing the Special Resolutions as set out at Item No. 8 of the Notice. This resolution is an enabling resolution and authorises the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the date of passing this resolutions.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolutions.

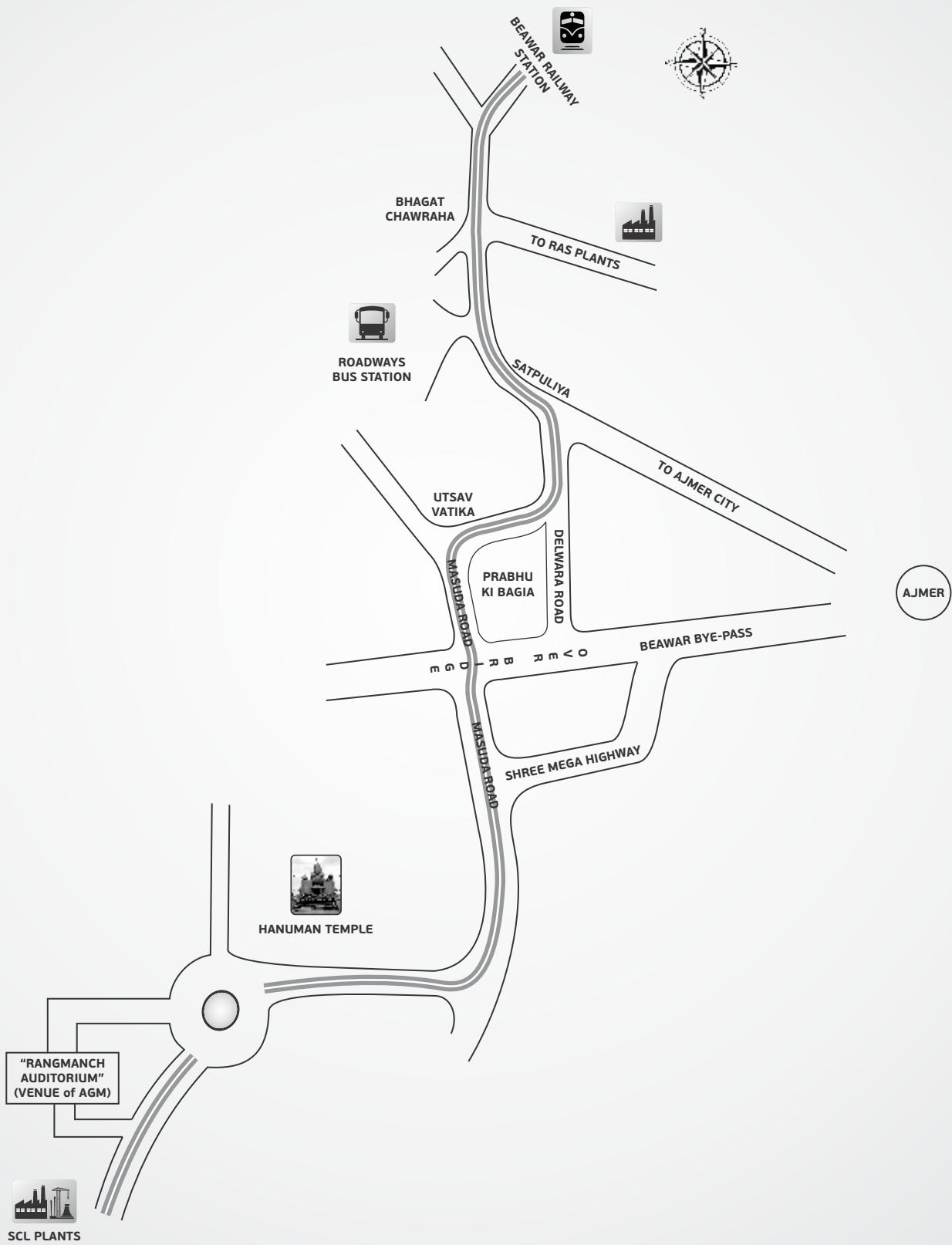
The Board of Directors recommends the Special Resolutions set out at Item No. 8 of the Notice for approval by the Members.

By order of Board of Directors
for **SHREE CEMENT LIMITED**

Place: Kolkata
Date: 26th May, 2016

S. S. KHANDELWAL
Company Secretary

ROUTE MAP TO THE VENUE OF THE 37th AGM OF THE COMPANY





SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)

Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119

E-Mail: shreebwr@shreecementltd.com **Website:** www.shreecement.in

CIN: L26943RJ1979PLC001935

Dear Shareholder,

Subject: Registration of your email ID with the Depository Participant / Company

The Companies Act, 2013 allows the companies to send annual report /notices/documents and other communication to shareholders through electronic mode and also provides that an advance opportunity atleast once in a Financial year to be given to the members for registering their e-mail addresses and changes therein.

Your company, accordingly, proposes to effect delivery of annual report/notices/documents and other communication, from time to time, in electronic mode through e-mail, to those members who have provided their e-mail address. Your Company therefore requests you to register your e-mail address with your Depository Participant/Company to receive annual report /notices/documents and other communication in electronic form.

The members are requested to notify the change, from time to time, in their e-mail address to the concerned depository (in case of dematerialized shares) or to the Company / R & T Agent (in case of physical shares), as the case may be.

Thanking you,

Yours faithfully,

S. S. KHANDELWAL

Company Secretary

Encl: E-Mail Registration Form

E-Mail Registration Form
(For members holding shares in physical form only)

To,

M/s Karvy Computershare Private Ltd.

Unit: **Shree Cement Limited**

Karvy Selenium Tower B,
Plot No 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032
Phone No.: +91-40-67161526

M/s. Shree Cement Limited,

Secretarial Department,
Bangur Nagar,
Beawar-305 901,
Distt. Ajmer (Rajasthan)

Folio No.: _____

Name of the 1st Registered Holder: _____

E-Mail address: _____

Contact No.: _____

I/We, member(s) of Shree Cement Limited hereby give my /our consent to receive the annual report / notices / documents and other communications, from time to time, in electronic mode through my/our above e-mail address.

Signature 1st Registered Holder _____

Place:

Date :



SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)

Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119

E-Mail: shreebwr@shreecementltd.com **Website:** www.shreecement.in

CIN: L26943RJ1979PLC001935

FORM NO. SH-13

NOMINATION FORM

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,

SHREE CEMENT LIMITED,

C/o. Karvy Computershare Pvt Ltd,

Attn: Mr. K. S. Reddy

Karvy Selenium Tower B, Plot No 31 & 32

Gachibowli, Financial District,

Nanakramguda, Serilingampally

Hyderabad - 500 032

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF THE NOMINEE/S -

a)	Name
b)	Date of Birth
c)	Father's/Mother's/Spouse's name
d)	Occupation
e)	Nationality
f)	Address
g)	E-mail id
h)	Relationship with the Security holder

(3) IN CASE NOMINEE IS A MINOR -

a)	Date of Birth
b)	Date of attaining majority
c)	Name of guardian
d)	Address of Guardian

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY -

a)	Name
b)	Date of Birth
c)	Father's/Mother's/Spouse's name
d)	Occupation
e)	Nationality
f)	Address
g)	E-mail id
h)	Relationship with the Security holder
i)	Relationship with the minor nominee

Name and address of Guardian (to be furnished only in the case the nominee is minor)

.....
.....

Specimen signature of Nominee / Guardian (in case of nominee is minor)

Signature of Security Holder

Name and address of the Security Holder

.....
.....

Signature of Witness

Name & Address of the Witness

.....
.....

INSTRUCTIONS :

1. Please read the instructions given below very carefully and follow the same. If the form is not filed as per instructions, the same will be rejected.
2. The cancellation or variation of nomination can be made by Individuals holding shares on their own behalf singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta or Hindu Undivided Family, Holders of Power of Attorney cannot nominate.
3. If in any case a Minor is nominated by way of variation in nomination, the name and address of the Guardian should be provided.
4. Details of all holders in a folio need to be filled. Else the request will be rejected.
5. The cancellation or variation of nomination will be registered only when it is complete in all respects including the signature of all registered holders (as per the specimen lodged with the company).
6. The cancellation or variation of Nomination form shall be filed in duplicate with the Share Transfer Agents M/s. Karvy Computershare Pvt. Ltd., Unit: Shree Cement Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, who will return one copy thereof to the Shareholders. Along with the form, proof of identity (eg. PAN card, Passport etc.) and address proof (eg. Telephone bill, Electricity Bill etc.) of security holder is also required.
7. Upon receipt of a duly executed nomination form, the Company/Share Transfer Agent of the Company will register the form and allot a registration number. The registration number and Folio No. should be quoted by the nominee in all future correspondence.
8. This form is meant for shareholders holding shares in physical mode.
9. Shareholders holding shares in dematerialized mode, cancellation/variation in nomination is required to be filled with the Depository Participants (DPs) in their prescribed form.

FOR OFFICE USE ONLY

Nomination Registration Number and Date

Share Registrar/Company Seal



SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)

Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119

E-Mail: shreebwr@shreecementltd.com **Website:** www.shreecement.in

CIN: L26943RJ1979PLC001935

Form No. MGT -11

PROXY FORM

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s):
Registered Address:
E-mail ID:
Folio No. / DP ID and Client ID:

I/We, being the Member(s) having _____ shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____

Address: _____

Signature: _____ or failing him/her

2. Name: _____ E-mail ID: _____

Address: _____

Signature: _____ or failing him/her

3. Name: _____ E-mail ID: _____

Address: _____

Signature: _____, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting, to be held on Friday, 12th August, 2016 at 12.15 P.M. at the Registered Office of the Company at 'Rangmanch Auditorium', Bangur Nagar, Beawar – 305 901, District Ajmer (Rajasthan) and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

P.T.O.

Resolution No.	Description	For*	Against*
1.	Adoption of Audited financial statements of the Company for the financial year ended 31 st March, 2016, the reports of the Board of Directors' and Auditors thereon.		
2.	Confirmation of payment of Interim Dividends on equity shares.		
3.	Re-appointment of Shri Prashant Bangur, who retires by rotation.		
4.	Appointment of M/s. B. R. Maheswari & Company, Chartered Accountants, New Delhi as Statutory Auditors of the Company.		
5.	Approval of the remuneration of the M/s K. G. Goyal and Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2016-17.		
6.	Approval for re-designation of Shri Prashant Bangur, from Whole Time Director, to "Joint Managing Director" w.e.f. 2 nd February, 2016 for remaining period of his tenure		
7.	Approval of re-appointment of Shri H. M. Bangur as Managing Director of the Company for a period of five years w.e.f 1 st April, 2016.		
8.	Authorization to Board of Directors for issue of Non-convertible Debentures (NCDs) through Private Placement pursuant to Section 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.		

* Please put a (✓) in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this ----- day of ----- 2016.



Signature of Share holder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorization should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.