

NATURAL CAPITAL

Energy conservation initiatives

Initiative description	Annual Electrical Energy Savings (Lakh KWH)	Annual Fuel Savings (TJ)
Deployment of Energy Efficient (EE) equipment	25.24	-
EE Lighting	8.84	-
Equipment modification	112.52	-
Installation of AFR Feeding System for Kilns	-	1,196.00
Process Modification	53.21	-
Grand Total	199.81	1,196.00

Emission management

We keep a track of our emissions through regular monitoring. This ensures that we are always well within the permissible limit while complying with the rules and regulations. We have set GHG emission reduction targets while aligning ourselves with the national commitments. We target to reduce our Scope 1 Green House Gas (GHG) emissions by 12.7% per tonne of cementitious material by 2030, from a 2019 base year. We have also targeted to reduce our Scope 2 GHG emissions by 27.1% per tonne of cementitious material. These targets have been validated by Science Based Target initiatives (SBTi).

	Unit	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Gross scope 1 emissions*	Thousand tonnes CO ₂ e	15,426	15,055	15,465	15,735
Net scope 1 emissions**	Thousand tonnes CO ₂ e	14,305	14,139	14,334	14,776
Scope 2 emissions***	Thousand tonnes CO ₂ e	191	254	241	331
Scope 3 emissions****	Thousand tonnes CO ₂ e	236	210	248	264

Note: Figures conforming to Global Cement and Concrete Association (GCCA) CO₂ and Energy Protocol, World Business Council for Sustainable Development (WBCSD) GHG Protocol and CDP Climate Change Reporting Guidance.

* Due to raw materials, kiln fuels and non-kiln fuels, including CO₂ from onsite power generation (all fossil sources)

**Due to raw materials, kiln fuels and non-kiln fuels, excluding CO₂ from onsite power generation and excluding CO₂ from alternative fuels

*** Scope 2 emissions: Emissions associated with purchased electricity from grid

**** The Scope 3 emissions includes following categories:

Category 3: Fuel and Energy related activities; Category 4: Upstream transportation and distribution; Category 6: Business Travel; Category 7: Employee Commuting; Category 8: Upstream Leased Assets; Category 9: Downstream transportation and distribution; Category 13: Downstream Leased Assets

Specific Net Scope 1 CO₂ emissions (Kg CO₂/tonne cement equivalent)

FY 2021-22	529
FY 2020-21	533
FY 2019-20	554
FY 2018-19	543

CO₂ emission of 529 Kg CO₂ per tonne cement and our specific gross Scope 1 CO₂ emission of 532 Kg per tonne cement during FY 2021-22.

1 Global Average (Excluding CO₂ from onsite power generation) = 604 Kg CO₂ / t cement Source: GCCA GNR 2019

2 Indian Average Sp. Net GHG emissions (Excluding CO₂ from onsite power generation) = 555 Kg CO₂/t cement Source: GCCA GNR 2019

Specific gross Scope 1 CO₂ emissions (Kg CO₂/tonne cement equivalent)

FY 2021-22	532
FY 2020-21	535
FY 2019-20	557
FY 2018-19	545

Our environment performance has remained one of the best and witnessed continuous improvement. Compared to global average of 604 Kg per tonne of cement and Indian average of 555 Kg per tonne of cement, we are well ahead of the curve with our specific net Scope 1

Air emissions

At Shree Cement, we take strict measures to track air emissions such as Oxides of Nitrogen (NOx), Oxides of Sulphur (SOx) and Particulate Matter (PM). We comply with applicable laws while deploying state of the art technology for air pollution control. Regular stack monitoring helps us to keep a check on the air emission parameters. Through our continuous efforts, we have been able to keep our emission levels well within the regulatory requirements. Our Ozone Depleting Substance (ODS) emissions stood at 0.13MT of CFCeq. During the reporting period. Further, there were no environmental non-compliance.

909 MT; 51.43 Gm/tonne clinker

Particulate Matter (PM)

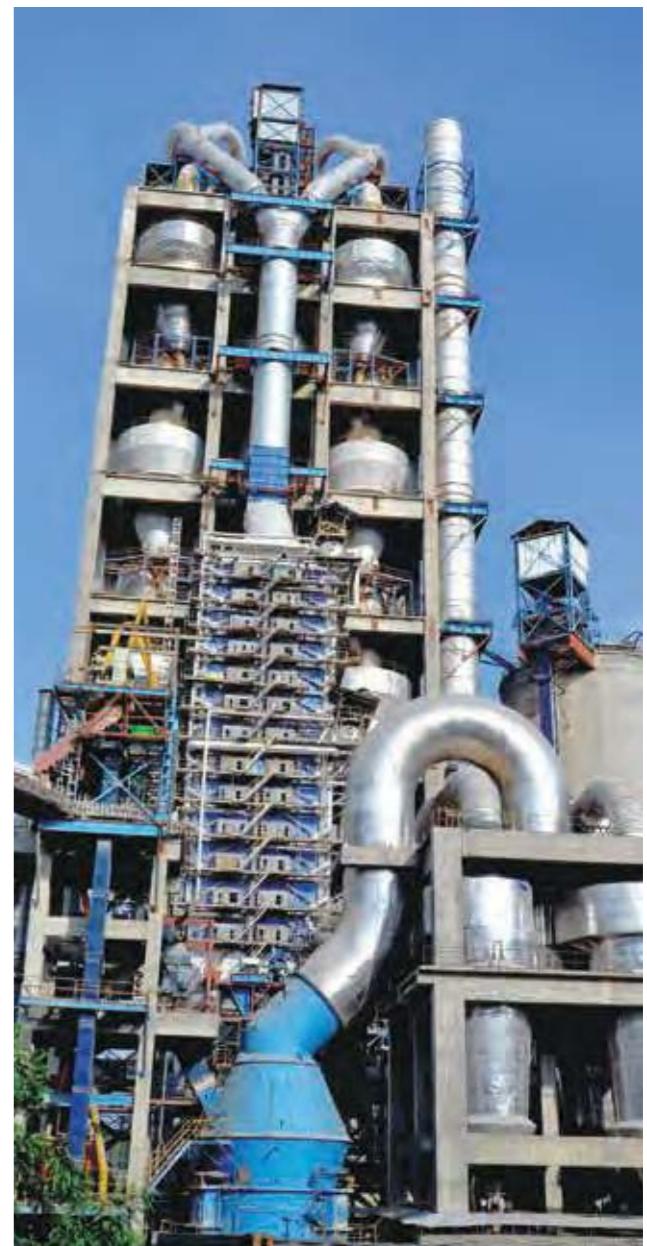
11,287 MT; 638.38 Gm/tonne clinker

Oxides of Nitrogen (NOx)

1,088 MT; 61.54 Gm/tonne clinker

Oxides of sulphur (SOx)

Our cement plant in Baloda Bazar, Chhattisgarh has been included in PAT III cycle (FY 2017-20) for assessment. The monitoring & verification audit for PAT Cycle-III has been completed and we have again overachieved our target and are entitled to claim 12,222 ESCerts. Our grinding units at Roorkee, Khushkhera, Jobner, Panipat, Bulandshahr and Aurangabad have been notified in PAT -VI cycle and targets have been notified for the same.



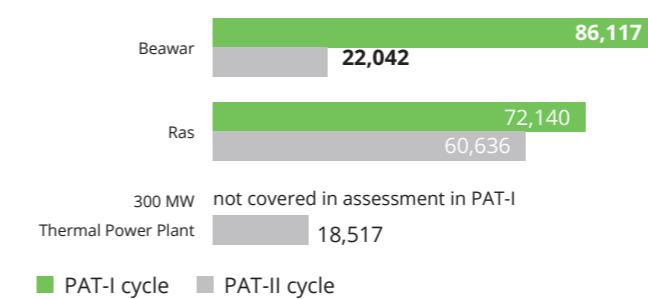
CDM Projects

We were the first cement company in India to register its project 'Optimum Utilisation of Clinker' with the United Nations Framework Convention on Climate Change (UNFCCC) under the Clean Development Mechanism (CDM). We were granted 4,50,000 units of Certified Emission Reductions (CERs) by UNFCCC for this project. Currently, we have two projects viz. waste heat recovery based power generation at Ras and generation of power through wind power plant at Kodla registered with gold standard through Verified Carbon Standard (VCS).

Performance under PAT

Our performance in energy conservation is getting exemplified at platforms like "Perform, Achieve & Trade" (PAT) scheme of the Govt. of India wherein we overachieved our targets in PAT Cycle I, II and III continuously. We have been awarded with the 'Best Performer' award for energy saving under PAT Cycle I by Bureau of Energy Efficiency. For Beawar and Ras plants, a total of 1,08,159 and 1,32,776 ESCerts have been issued under PAT cycle I & II respectively. Our 300 MW thermal power plant which was part of PAT Cycle II has also been accorded 18,517 ESCerts.

ESCert issued



NATURAL CAPITAL

Responsible consumption and Circular economy

Cement is a manufactured product made by blending different raw materials and firing them at a high temperature. Clinker quality is directly related to the chemistry of the raw materials used, main ingredient being limestone. Portland cement is the most widely produced by blending clinker and gypsum while blended cement is produced mostly by grinding clinker with other alternate raw materials such as blast furnace slag, natural pozzolanas, siliceous fly ash, etc. We have been consistently working on minimising usages of conventional raw material in cement production to conserve them for future. Consumption of each of the conventional raw materials within the reporting period is given below:

Conventional Raw Material	Unit	FY 2020-21	FY 2021-22
Limestone	MMT	25.55	26.54
Additives (Red ochre, red mud, bauxite, murum, laterite etc.)	MMT	0.35	0.41
Natural gypsum	MMT	0.30	0.13
Total	MMT	26.20	27.08

Alternative raw material

We pioneered in-house manufacture of synthetic gypsum at Ras and Beawar plant. Synthetic gypsum replaces mineral gypsum in cement manufacturing without impacting the quality of our product thereby deriving multiple benefits such as utilisation of hazardous material (spent acid) and low grade waste limestone while reducing demand for natural resource i.e., mineral gypsum. Additionally, we procure chemical gypsum which is a byproduct of industries like fertilizer industry, to replace mineral gypsum. Alternative sources



of gypsum contributed more than 85% of total gypsum consumption within the reporting year.

Replacement of Natural Gypsum	Unit	FY 2020-21	FY 2021-22
Chemical Gypsum	MMT	0.27	0.36
Synthetic Gypsum*	MMT	0.75	0.62
FGD Gypsum	MMT	0.01	0.04
Other Synthetic Gypsum	MMT	1.01	1.41
Total Alternative Gypsum MMT	2.04	2.43	
Alternative gypsum (excluding synthetic gypsum)	MMT	1.29	1.81

*Synthetic Gypsum is an intermediate product manufactured in-house using low grade limestone and spent acid, contributing to circular economy.

Consumption of natural gypsum (MMT)

FY 2021-22	0.13
FY 2020-21	0.30
FY 2019-20	0.38

Most of the alternative raw material or alternative fuel that we utilise within our processes is waste from other industries which would otherwise be dumped or incinerated, thus preventing huge environmental impacts of these wastes and turning them into useful material.

Other alternative raw material utilised within the reporting year is shown below:

Alternate Raw Material	Unit	FY 2020-21	FY 2021-22
Bed Ash	MMT	0.02	0.02
Fly Ash	MMT	6.52	7.11
GBFS Slag	MMT	0.48	0.31
Low-grade limestone	MMT	0.37	0.36
Marble Slurry	MMT	0.19	0.07
Sludge	MMT	0.01	0.02
Sulphuric Acid	MMT	0.25	0.26
Spent Sulphuric Acid	MMT	0.08	0.18
Alternative Raw Material MMT	7.92	8.33	

Alternative raw material consumption accounted to 27.23%* of the total raw material consumption within the reporting year vis-à-vis 26.01%** of previous year FY 2020-21.

Raw Material	Unit	FY 2020-21	FY 2021-22
Alternative Raw Material	MMT	7.92	8.33
Alternative gypsum less synthetic gypsum	MMT	1.29	1.81
Total Alternate Raw Material Consumed(A)	MMT	9.21	10.14
Total Conventional Raw Material (B)	MMT	26.20	27.08
Total Raw Material Consumed (C= A+B)	MMT	35.41	37.22
Alternate raw material consumption (D=A/C*100)	%	26.01	27.23

* % Alternative material is calculated considering alternative raw material and alternative gypsum excluding synthetic gypsum within total raw material consumption as Synthetic Gypsum is an intermediate product manufactured in-house using low grade limestone and spent acid.

** FY 2020-21 % alternative material values were recalculated by excluding manufactured synthetic gypsum quantities from total consumption quantity as this is an intermediary product.

Blended Cement

Production of blended cement i.e., Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement (CC), reduces consumption of natural resources like limestone and contributes to circular economy through utilisation of waste from other industries (such as fly ash and slag). As a result, our clinker factor came down from 63.70% in FY 2020-21 to 63.25% in FY 2021-22.

Blended cement form a major portion of our diverse range of product portfolio. Blended cement have lower clinker content leading to lower GHG emissions in manufacturing and hence are also defined as low-carbon product. We have avoided approx. 6.04 million tonnes of CO₂ by producing blended cement in FY 2021-22. Use of blended cement also help our customers achieve credits towards our various green building certifications such as LEED USGBC/IGBC and GRIHA.

Alternative Fuel

As a part of our strategy to reduce our carbon footprint, we have been focusing on replacing fossil fuel with Alternative Fuels. We have been able to increase the share of alternative fuel within total fuel consumption to 9.84% in FY 2021-22 against 6.03% in FY 2020-21. Alternative Fuel in the kilns helped us achieve a Thermal Substitution Rate (TSR) of 2.41% of the kiln thermal energy consumption during the reporting period FY 2021-22 as against 0.98% during FY 2020-21.

Waste management

Hazardous waste can have serious impact on the environment as well as the health and safety of the community and our workers. Our waste management approach includes properly utilising and disposing the waste that we are generating from our operations. Major portion of used oil generated from our premises at Ras, Beawar, Khushkhera and Jobner is co-processed while remaining is disposed-off through authorised recyclers. At all our other locations, entire used oil is disposed-off through authorised recyclers. The biomedical waste is disposed through authorised agency as per the regulatory norms. Further, the e-waste and the batteries generated are disposed through authorised recyclers.

Hazardous waste generation quantity

Type	Unit	FY 2020-21	FY 2021-22
Used oil	MT	97.31	125.85
Biomedical waste	MT	1.18	1.19
E-waste	MT	21.20	19.8
Batteries	MT	21.67	26.84
Total	MT	141.36	173.68

The non-hazardous waste generated from our operations majorly include scrap filter bags, cardboard, paper, mixed metals, plastic scrap, mixed rubber, wooden scrap and inert material. We have on-boarded recyclers and the non-hazardous waste is disposed through the registered recyclers only.

Non-hazardous waste generation quantity

Type	Unit	FY 2020-21	FY 2021-22
Scrap Filter Bags	Nos.	12,396	11,606
Inert Scrap	Nos.	-	9,716
Cardboard/paper Scrap	MT	7.76	8.57
Mixed Metal Scrap	MT	10,122	11,891
Mixed Metal Scrap	Nos.	12,546	8,971
Mixed Plastic Scrap	MT	291	305
Mixed Plastic Scrap	Nos.	16,83,054	14,20,963
Rubber Scrap	MT	235	314
Tyre scrap	Nos.	128	104
Wooden Scrap	MT	25.16	1.59

Food waste

Various awareness measures have been undertaken to minimise generation of food waste. We ensure that the food waste is segregated from other waste streams for its management in the most eco-friendly manner. During the reporting period, we generated 11.8 MT of food waste. Most of the food waste is fed to the animals while remaining is composted through compost pits, pipe composting and organic waste composting systems. Compost thus produced is used as manure for horticulture purposes.



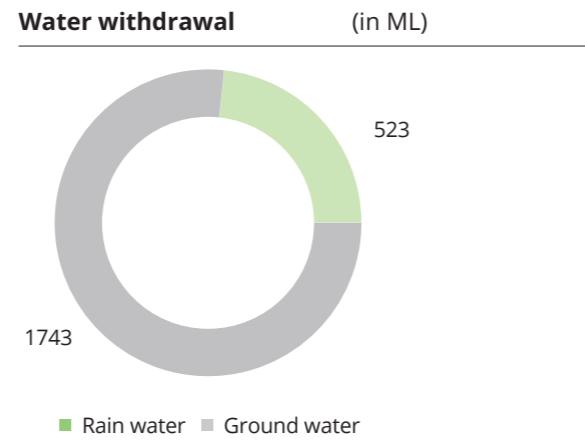
NATURAL CAPITAL

Water stewardship

Water management is a critical aspect for any organisation. As a responsible corporate citizen, we ensure careful management of water for our operations while taking care of the needs of the community. We follow a two-pronged approach as described below



We conform with all the applicable laws and regulations that safeguard water as a resource. Our water policy acts as a guiding principle that lays down our commitment to efficient water management through water harvesting, treatment of water discharge through water reuse, awareness sessions to educate people, water audits and regular monitoring of water consumption. Our water audits and regular monitoring helps us understand and assess the water related risks and plan suitable actions as required.



	Unit	FY 2020-21	FY 2021-22
Specific Water consumption	m3/MT of cement produced	0.084	0.082

Water Positivity

FY 2021-22	>5 times
FY 2020-21	>4 times
FY 1919-20	>3 times

Over the years, we have implemented various water conservation initiatives within and outside our premises. Some of these are installation of air cooled condensers, waste heat recovery system and drip irrigation system. Further, we have developed and maintained artificial rainwater harvesting and recharge measures among others. We also create awareness among the nearby villagers, farmers and school children to educate them for effective utilisation and conservation of water. During the reporting period, the total rainwater harvested across all our locations was 11,602 ML. These measures have resulted in our organisation being >5 times water positive.



CASE STUDY

Harvesting water to tackle water scarcity

Ground water availability and soil erosion are some of the challenges inherent to the area that we operate in. We took this as an opportunity to create various water harvesting structures and undertook pond deepening work in the nearby villages in collaboration with Prabhu Foundation. This also supported our villagers making them self-sufficient.

At our Ras plant, we developed a 7 Lakh KL capacity of water harvesting pit in block 2 of our mine. In addition, at our plant in Kodla, we excavated a rainwater harvesting pond in the plant area of approx. 2.5 Lakh KL capacity. The water coming from mining process and rainwater is stored in this water harvesting pond.

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Biodiversity Management

Managing biodiversity around mining and manufacturing operations play a critical part to preserve the ecosystem. We conduct ecological study in collaboration with our partners, university experts, research institutions and accredited consultants for the species and habitats around our operations. We also engage with local experts as well as with the forest departments to develop biodiversity action plans, wherever needed.

Our approach of mitigation includes avoiding, minimising and restoring. The matured mining dump area of our mining sites have already been restored through leveling and plantation of trees and grass on the slopes along the internal roads. We encourage plantation of native species since they consume less water and can thrive easily. We have planted some of the native species on the overburden around the mines and at boundaries.

Through our efforts of developing water storage areas and plantation of saplings, we have been able to restore habitats.

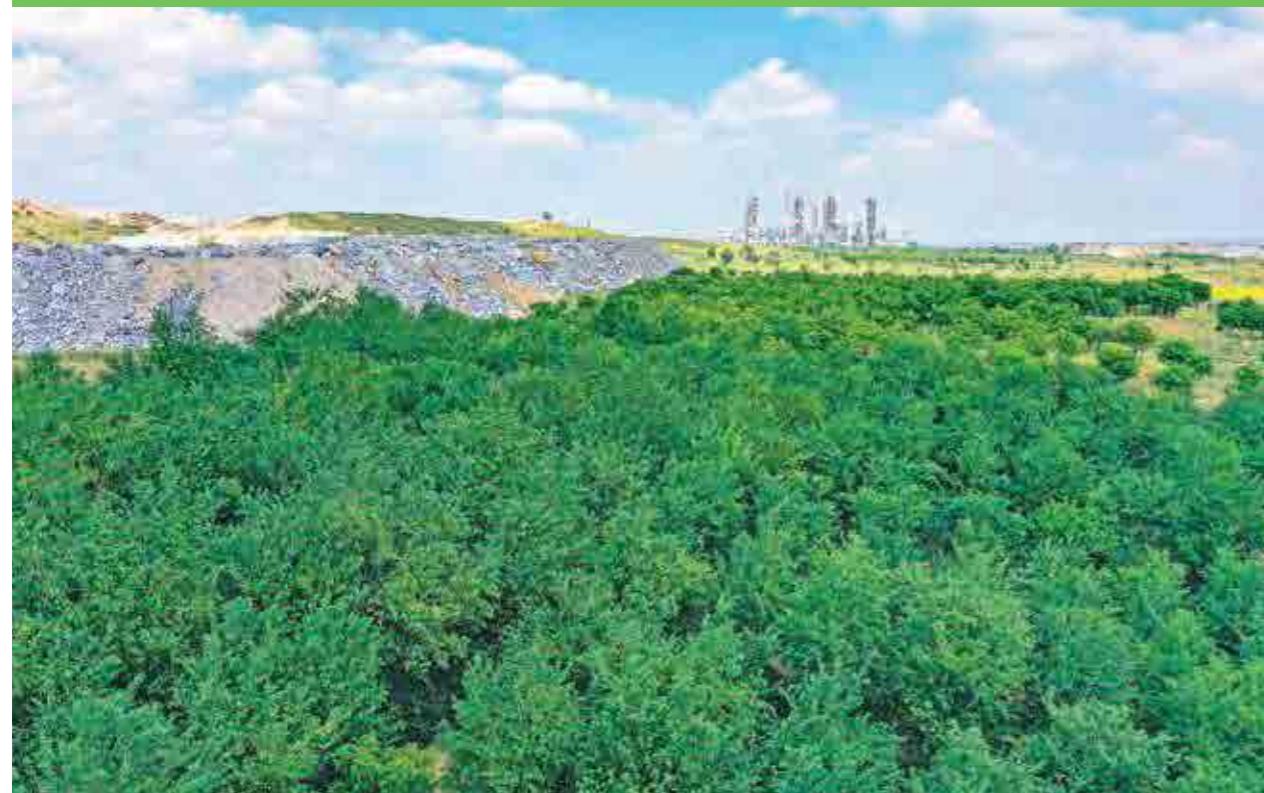
In addition, we ensure we do not operate or set up projects within any world heritage areas, protected or eco sensitive zones, high biodiversity value or the International Union for Conservation of Nature (IUCN) category protected areas. None of the areas affected by our operations include habitat of any critically endangered or vulnerable species as per IUCN red list and national conservation list. We also do not have any direct or indirect significant impact on the biodiversity of the geographical areas that we operate in.

CASE STUDY

Plantation of saplings around the facilities

Plantation of trees can act as carbon sink and help offset our carbon emissions. To protect our ecosystem, we take efforts to plant saplings in the nearby areas of the manufacturing facilities. The saplings are planted with tree guards and regular monitoring and maintenance is carried out to ensure they survive.

During the reporting period, we planted 84,646 saplings out of which 90% have survived.



Responsible Mining

With an increased focus on achievement of SDG 6 and judicious consumption of resource across the world, water management has evolved as a major challenge in global sustainability initiatives. At Shree Cement, water conservation has been at the forefront of sustainability initiatives. We adopted a multidimensional approach to conserve water which includes rainwater harvesting, restoring water bodies, and use of non-toxic chemicals in mines water harvesting pit to reduce the evaporation.

Earlier at Ras mines in Rajasthan, we used water tanker for sprinkling water for dust suppression. With the installation of automated water sprinkler along the permanent haul road of 1.5 km, we were able to save 178 KL water every day, and thus reducing overall water consumption.

Our prolonged approach for water management focuses on water conservation initiatives in and around the plant boundaries. With a commitment to give back to the communities and to secure water supplies without risking the local water systems, we constructed a rainwater harvesting pit in the mines of 13 lac KL capacity for improved water carrying capacity. Additionally, to reduce evaporation loss due to increased global temperature, we have started using bio-degradable chemical, EVALOCK, in mines water harvesting. This saves 30% water due to evaporation loss.

HUMAN CAPITAL

Our workforce powers our engine of productivity



Empowering people with value driven capabilities and skills to build the sustainable foundation

Our employees play a critical role in building foundation for a sustainable future. We have carefully designed policies, procedures and programmes aligned towards holistic development of our employees. This approach has helped us to secure 82 rank in India's best companies to work for 2021 survey conducted by 'Great Place To Work® Institute, India, putting us ahead of the curve.

Contribution to SDGs

	Good health and wellbeing		Quality Education
	Gender equality		Decent work and economic development
	Reduced inequality		

Capitals Connected



Highlights,
FY 2021-22

6,445
Permanent Employees

13,019
Contractual workmen

7.48%
Voluntary Employee Turnover Rate

89
'Great Place to work survey' score

1,35,244
Hours of Training and Skill Development

Associated Material Topics

Non-discrimination
Employee relations
Human rights

Occupational health and safety
Training and development

Focus areas

Employee health and wellbeing	Promoting occupational health and safety
Being a trustworthy employer	Boosting employee performance

Outcomes

- Ingrown leadership team
- Employment generation
- Employee Turnover rate
- Average hours of training and skill development
- Great Place To Work survey score

Inputs

- Employee Strength/Strong workforce
- Investment in Training and Skill Development
- Robust Health and Safety management system

HUMAN CAPITAL

Human capital forms the core of our business operations. With a strong workforce of 19,464 people, we are committed towards building a sustainable foundation for our business. Our approach towards health and safety is governed by robust health and safety management systems, providing a safe workplace for our employees.

As a result of employee centric policies, we featured in top 100 companies in India in the Great Place to Work (GPTW) survey 2021. GPTW ranked us among

the top 30 companies in the manufacturing and production sector for third consecutive year. We were also ranked among the best in cement and building materials sector. Owing to our continued excellence, we were awarded the 'Great Place to work - Commitment to being' Badge



Exhilarating our workforce

At SCL, our dynamic workforce is our strength and thus, we believe in providing equal opportunities to all, irrespective of gender, age, and place of origin. Following are the details of our diverse workforce:

Employee diversity during FY 2021-22

Employee Category	Male			Female			Grand Total		
	<30 years	30-50 Years	>50 years	Total	<30 years	30-50 Years	>50 years		
Senior Management	-	40	112	152	-	-	-	152	
Middle Management	-	714	198	912	1	10	2	925	
Junior Management	1,151	3,653	381	5,185	5	17	2	24	5,209
Workers (Permanent)	-	81	78	159	-	-	-	159	
Total- Permanent Employee	1,151	4,488	769	6,408	6	27	4	37	6,445
Workers (Contractual)	4,731	7,487	617	12,835	3	136	45	184	13,019
Total	5,882	11,975	1,386	19,243	9	163	49	221	19,464

Our senior management consists of General Manager (GM) and above, middle management consists of Manager to Additional General Manager (GM) whereas, our junior management consists of employees below Manager designation.

1:1.10

Ratio of Male to Female basic salary for Middle Management employees

1:1.02

Ratio of Male to Female basic salary for Junior Management employees



"We are invested in our human capital – through policies that empower and nurture, through training that stimulates and challenges, through a work environment that makes them feel they truly belong."

Mr. Sanjay Mehta
President (Commercial)



Permanent employees

FY 2021-22	6,445
FY 2020-21	6,259
FY 2019-20	6,185
FY 2018-19	5,837

All our permanent employees are of Indian origin. While majority of contractual workforce is from India, 30 of our contract men belong to Nepal.

In terms of gender diversity, we have 0.46% women in junior management position and 1.41% in women in middle management position.

We provide equal opportunities to all and have 5 employees who are differently abled.

Due to the exceptional support and the benefits that we provide to the employees, people do wish to join back to work with us. About 113 employees have joined us back since 2017 out of which 34 have joined in FY 2021-22 itself.

Our female employees are our most valued pool of talent. We provide maternity leave of six months to them. This ensures adequate caregiving by new mothers to their infants. During the reporting period, one female availed the maternity leave benefit, who would be joining back in the upcoming financial year.

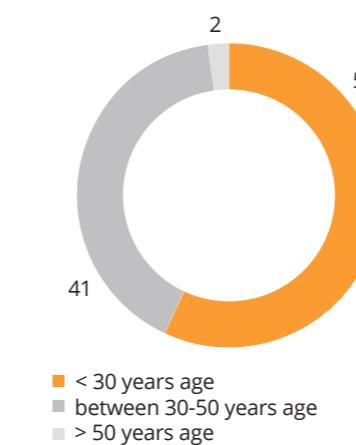
Encouraging new talent

Hiring talents with the right skills ensures the upkeep of an organisation and at SCL, we always welcome new talents to our team specially at junior and middle management level. We provide support to all our employees for their holistic development. The average hiring cost per employee is ₹ 6,065 per hire. The number of new employees hired during FY 2021-22 is provided in the table below.

Employees hired in FY 2021-22

Employee Category	Male				Female				Grand Total
	<30	30-50	>50	Total	<30	30-50	>50	Total	
Senior Management	-	8	4	12	-	-	-	-	12
Middle Management	1	44	7	52	1	-	-	-	53
Junior Management	460	283	5	748	1	3	-	4	752
Total	461	335	16	812	2	3	-	5	817

Employees hired in FY 2021-22 (%)



HUMAN CAPITAL

Employee Separations

The voluntary and total employee turnover rate for our permanent employees during the reporting period was 7.48% and 9.79% respectively. The details of the separation have been provided in the table below.

Employee Separation during FY 2021-22

Age	Voluntary separations		Other Separations [Retirement & Death]		Total separations		Total employee turnover rate
	Male	Female	Male	Female	Male	Female	
<30 years	136	-	17	-	153	-	13.20%
30-50 years	330	1	45	-	375	1	8.32%
>50 years	15	-	87	-	102	-	13.19%
Total	481	1	149	-	630	1	9.79%

The employee turnover rate for our male employee was 9.83%, whereas, for our female employees was 2.7%.

Nurturing the wellbeing of our employees

We understand that individuals produce the best possible results when they have sound state of physical and mental health. Hence, the wellbeing of our employees and their families is our top priority. Along with a competitive remuneration, all our permanent as well as contractual employees are covered under 'personal accidental cover'. Health insurance is extended to the families of permanent employees as well.

State-of-the art health facilities are provided at our workplaces and in our townships which can be availed by our staff as well as local communities. Wellness Management Centers (WMC) are developed at all our locations with deployment of qualified healthcare professionals. These centers are equipped with facilities for spirometry test, X-ray, Audiometry tests, eye care, road accident care and annual health checkup, etc.

COVID-19 vaccination drive was carried out at all our locations in 274 sessions during year FY 2021-22.

During the year, as the pandemic hit the country, we took proactive measures to facilitate our employees connected with the workplace through our online platform SPARQ. This application facilitated all workplace related details, information and activities in virtual manner for our employees to continue working from home.



Apart from health benefits, some of the additional key benefits provided to permanent as well as contractual employees at all levels include Employees' Pension Scheme (EPS), Employees' Provident Fund Scheme (EPFS), and Employees' Deposit Linked Insurance Scheme (EDLIS) as a part of PF. The benefits also include bonus as per the Bonus Act, as applicable.

Our existing ERP (oracle) implemented in the year 2008 helps in employee management through inclusion of salary payments, production data capturing and reporting, sales and material distribution, accounting, logistics etc. A Contractor Labour Management System (CLMS) is being implemented across our company. During FY 2021-22, CLMS was integrated with the ERP at Ras and Suratgarh for functions including attendance approval automation, wages calculation and payment.

Performance development of employees

Our employees put exceptional amount of hard work for the development of our organisation. To encourage and motivate them to reach their goals and targets, we have introduced employee development programme through which employees obtain regular performance reviews. Our employees at all levels are encouraged to set Specific, Measurable, Achievable, Relevant, Time bound (SMART) goals on which they receive continuous feedback throughout the year. This enhances their performance and skillset. During FY 2021-22, 100% employees received performance and career development review.

With the continued support and guidance that employees received they have attained new sets of skills which helped them to take new responsibilities in the organisation. Due to these efforts, about 75 open positions could be filled by internal employees during the reporting year.

Human Rights

We follow practices that are ethically and lawfully sound. We believe in respecting the rights of every individual across all our operations and this is reflected through our policies, procedures, and ethics trainings. We thus, ensure that we do not engage in forced labour or child labour.

Our policy on 'Ethics, Transparency and accountability, and Code of conduct' provides guidelines on:

- Employees conduct at workplace that ensures securing the company's assets and confidential information
- Providing equal opportunities to all our employees irrespective of age, gender, cultural and educational background, length of employment etc. and not tolerating discrimination on any grounds.
- Prohibition of any act of harassment that could result in a punishable offence.
- Business integrity, anti-bribery and anti-corruption norms are to be strictly practiced.
- Responsibility towards local communities and mechanism to fulfill the same.

We constantly strive to build awareness on human rights and transparency and thus, during the year we imparted 6,242 hours of training to 3,568 employees on 'Human Rights issues' covering around 55% of our employees. For ethics, transparency, and accountability 951 persons were trained with 1,876 hours of training.

We are in the process of developing human rights impact assessment framework to proactively identify and assess potential impacts and risks relating to human rights. Our Human Rights Due Diligence process is expected to be completed in the next couple of years.

Internal complaints committee

For the prevention, prohibition and redressal of sexual harassment and discrimination at workplace, we have formed the internal complaints committee. The committee is chaired by the senior most woman member of the organisation and has four members. We comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were zero cases of discrimination during the reporting period.

Labour relations

All our wage board workers are covered under collective bargaining agreements which allows us to maintain amicable relations through a consultative

Zero
Cases of
Child Labour

Zero
Cases of Sexual
Harassment

process with them and their representatives. Accordingly, we have 100% coverage for permanent workmen (employed as per contract Labor Regulation and Abolition Act 1970) under three registered trade unions affiliated with their country-wide trade unions namely Bhartiya Shree Cement Karmachari Sang (BMS), Shree Cement Works Union (AITUC) and Rashtriya Shree Cement Mazdoor Sangh (INTUC). Because of maintaining cordial relations with all our union members, there were no strikes or lock outs for the reporting period. We provide a minimum eight weeks notice to our employees and their representatives prior to the implementation of significant operational changes (such as closure) that could substantially affect them.

Grievance mechanism

To enable employees to address concerns without any hesitation, we have introduced the 'Whistle Blower' Policy. The policy enables addressing any fraud, suspicious or unethical activity in the company. It enables anyone including employees, customers, shareholders, vendors to be whistleblowers, the one who can bring any issues to light. The process for addressing the concerns include writing a letter to the compliance officer.

Training and development

The hard work and skills that our people bring to our company is the key to our success. Thus, nurturing their talent and motivating them to succeed helps us to be on the forefront. Our training and development programmes help employees improve their skills and knowledge base.

To enable continued learning and prevent the hindrance caused during the pandemic, we launched an online learning initiative 'Shree STEPS' with support of learning platform 'Edcast' that enabled virtual trainings during the testing times. With the help of this programme, traditional classroom style learning was completely transformed to online training within 10 days of the onset of the pandemic. With the shift from classroom to online training we could witness a 59% increase in time spent on learning.

During FY 2021-22, we conducted 403 training programmes and provided trainings to our employees on

HUMAN CAPITAL

various topics ranging from health and safety, skill upgradation, human rights issues and policies, trainings on ethics, transparency, and accountability, etc. The table below provides details on trainings hours:

Employee category	Total training hours		Average training hours per employee		
	Male	Female	Male	Female	Total
Senior Management	4936	-	32.47	0	32.47
Middle Management	61091	1079	66.99	82.99	67.21
Junior Management	67421	525	13.00	21.90	13.04
Workers	192	-	1.21		1.21
Total	133640	1604	20.86	43.37	20.98

For upskilling our employees with latest market technologies, we have provided about 30,792 hours of skill upgradation trainings and out of which 383 hours of trainings were provided to female employees.

Occupational health and safety

Workplace is the second home of employees, and we believe that safe work environment is the right of every employee. Our commitment towards providing safe environment to all our permanent and contractual employees as well as visitors serves above all purpose. Thus, we have built a robust safety management system based on ISO 45001 standard, which is globally recognised practice for safety management. Our occupational health and safety management system consist of providing trainings, toolbox talks and mock drills to employees and contractors. We also conduct safety inspections and joint safety audits. We have envisioned a zero-harm work environment approach towards occupational health and safety. To reduce injuries, we have undertaken mission zero injury as



a goal. We take various measures to achieve this goal such as imparting safety trainings, safety inspections and audits. We submit health and safety related details in our Board meetings on quarterly basis. We conduct regular independent external audit as well based on ISO 45001 standards to safeguard health and well-being at our workplace. Additionally, engaging activities such as contests and competitions help workers and employees understand more about occupational safety in a fun and interesting manner.

We provide medical benefits such as annual health checkups and health insurances to employees and their families. During COVID-19, we supported our employees with provisions such as special COVID-19 leaves. This leave could be availed if the employees themselves or their family members were tested positive for COVID-19. We also provided oxygen support when acute oxygen shortage was experienced during the second wave of pandemic. A special insurance coverage called 'Corona Kawach' of ₹ 2.5 lacs was introduced for all employees.

Furthermore, we have a structured onsite emergency control plan prepared in accordance with the Factories Act, 1948. This plan acts as a guiding principle to emergency procedures to protect plant, personal and general public, minimise damage to property and the environment and review accident after it has occurred in order to evaluate our efforts to improve emergency management response in the future.

Details of safety initiatives

Truck driver Training	112 programmes 2,453 participants
Toolbox Talks	9,258 programmes 83,263 participants
No. of Joint Safety Audits Conducted	476
No. of Mock Drill Conducted	58
Safety Inspections by Safety Department	1,032

Improving safety of Komatsu Dumpers

Dumpers are an important equipment for unloading material on site. Dumpers are prone to creating safety hazards while the body is raised. Hence, Komatsu dumpers are provided with a safety feature that prevents them from moving beyond first speed with raised body. Yet this feature does not eliminate the possibility of hazards or accidents completely.

To overcome this safety hazard, we explored the automatic control system and came up with an innovative solution where the rare breaks would be automatically applied when the dumpers raised body. Till now, we have applied this system in three Komatsu dumpers and would install in all the dumpers on site.

With this installation, we have eliminated a major safety hazard and are proud to be the first to install this system.



We have Standard Operating Procedures (SOPs) for identification of work-related health hazards such as exposure to carbon mono-oxide, sulfuric acid, dust pollution, noise pollution, heat among others. The SOPs also provide remedial measures for each of the health hazards.

Safety audits were conducted by us at Beawar and Ras power plants by team of auditors from National Safety Council, Mumbai. The council conducted a detailed audit for the safety management system, fire protection system, work place safety of plant machinery & maintenance system storage facilities. Additionally, we also conducted safety audit for electrical power supply distribution including the entire plant and facilities.

HUMAN CAPITAL



Details of Employee safety for FY 2021-22		
Details	Employee Safety details	Contractor safety details
Total manhours worked	1,08,61,505	2,47,45,839
Safety training No. of Programme	105	796
Safety training Participants	2671	12,025
Lost time injury (in number)	1	14
Fatalities (in number)	1	1
Occupational disease case (in number)	-	-

As a corrective measure for the fatalities and injuries that occurred during the year, we have taken all the necessary initiatives to further strengthen our safety related aspects, so that such incidents do not reoccur.

The table below provides details about health and safety related trainings conducted during the reporting period.

Health and safety Training during FY 2021-22			
Employee category	Hours of Training		
	Male	Female	Total
Senior Management	198	-	198
Middle Management	3,256	71	3,327
Junior Management	11,898	83	11,981
Workers (Permanent)	7	-	7
Total	15,359	154	15,513

During the year, several initiatives were taken across various plants and units for occupational health and safety. Some of the celebration have been described below;

National Road safety week

Like each year, this year too we observed the 33rd 'National Road Safety Week 2022' from 11th Jan to 17th Jan 2022 at all our units to impart road safety training to our employees. The theme of the year was "Sadak Suraksha-Jeevan Raksha". We displayed banners, road safety posters, films and distribution of leaflets related to road safety. As an incentive to attend the programme, free medical and eye check-up camps were held. The programme motivated participants to wear helmets and seat belts and follow road safety norms.



National Safety Day

We celebrated the 51st 'National Safety Day' as the 'Safety Week' from 4th to 10th March, 2022. The theme for this year was "Nurture young minds – Develop safety culture". During this week, we organised several campaigns, activities and competitions to increase the awareness of people on industrial accidents and safety. Beawar unit won "State safety Award- 2022" for exemplary work done under areas related to safety, health and welfare of the workers in large scale industries category. State level competition was organised by Factories & Boiler Inspection Department Rajasthan in association with National Safety Council Rajasthan Chapter.



National Fire service day

Each year, all over the nation, 14th April is observed as 'National Fire Service Day' as a tribute to the brave fire fighters who lost their lives in the massive fire & explosion which occurred at Bombay Dockyard in 1944. Thus, all our units celebrated 'National Fire Service Day' on 14th April, 2021 following the theme "Maintenance of Fire Safety Equipment is Key to Mitigate Fire Hazards" which was directed by the Ministry of Home Affairs.

As a part of this programme, we organised a knowledge sharing session on fire prevention and fire fighting. Banners and posters on fire safety were displayed at strategic locations in all our plants. Through this programme, the knowledge and awareness about fire safety was enhanced among our employees.



FINANCIAL CAPITAL

Prudence, consistency, ambition - our key financial tenets.



Focusing on sustainable long term value creation for all our stakeholders

Financial Capital at Shree Cement is the combination of Shareholder's Equity and the Retained Earnings of the company which supports other capitals to serve our business purpose. Prudent capital allocation has been a constant area of focus for us, thereby creating long term sustainable economic value for all our stakeholders. This has helped us in serving our customers with the best quality products, earn a reasonable profit and distribute it amongst the shareholders in terms of dividend, contribute to the exchequer in the form of taxes & duties, and contribute to the betterment of society in which we operate through the CSR spend.

Contribution to SDGs



Decent work and economic development

Capitals Connected



Highlights,
FY 2021-22

₹14,306 CRORE
Revenue

₹8,601 CRORE
Investments
(Excluding investment in Subsidiaries)

₹4,185 CRORE
EBIDTA

₹86,711 CRORE
Market Capitalisation
(as on 31st March, 2022)

₹90 /SHARE (900%)
Dividend
(including final Dividend recommended)

17.2%
Return on Average Capital Employed

Associated Material Topics

Business Performance

Focus areas

Continuous increase in Market Share by timely capacity expansion at low cost

Cost efficient Cement production

Robust operating Cash Flows

Outcomes

- Revenue from Operations
- EBIDTA
- ROCE
- Dividend
- Market Capitalisation

Inputs

- Shareholder's Equity
- Net debt zero i.e. cash positive

FINANCIAL CAPITAL

Our robust business model is backed by completion of capacity expansion(s) within the scheduled time frame, optimising production cost, providing the best-in-class products to our customers thereby gaining market share. The cash thus generated is used in the investment for next leap of growth.

The result of the success of our lean business model and our continuous perseverance, is visible in the production capacity and revenue which has increased 3.4 times & 2.5 times respectively whereas our market capitalisation has increased 8.2 times in last 10 years.

As we look forward to our next leap of growth to achieve 80 MTPA capacity, the focus is on utilising the operating cash flows and maintaining a strong balance sheet with a minimum leverage. We continue to work on our path of prudent capital allocation for expanding cement capacity and clean energy initiatives to achieve sustainable growth for all our stakeholders.

Sustained value creation

Our shareholders have trusted us with their capital in our growth story throughout our journey. Thus, rewarding them with long term wealth creation has been our topmost priority. Our market capitalisation has grown from ₹146 Crore as on 31st March, 2002 to ₹86,711 Crore as on 31st March, 2022, implying a CAGR of 37.6% (excluding dividends) over the said period.

Market capitalisation (₹ in Crore)

31 st March, 2022	86,711
31 st March, 2017	59,513
31 st March, 2012	11,215
31 st March, 2007	3,214
31 st March, 2002	146

Our aim is to maintain a healthy and growing dividend pay-out for rewarding our shareholders. From time to time, we also declare special dividend to distribute the profits. In FY 2021-22, we have declared a total dividend of ₹90/ equity share (including final dividend of ₹45/share of face value of ₹10 each which is recommended by the Board and is subject to approval of shareholders of the Company). In line with the dividend distribution policy, we aim to continue sharing the profits with our shareholders by way of consistent and regular dividend pay-outs.

Dividend	(₹ per share)
FY 2021-22	90
FY 2020-21	60
FY 2019-20	110
FY 2018-19	60

Economic Value Creation* (Standalone numbers)		
Particulars	FY 2020-21	FY 2021-22
Revenues from Financial instruments and other sources	433	537
Adjusted Revenues	15,185	16,692
Total Value Added**	15,618	17,230
Operating costs	7,192	9,071
Employee wage and benefits	760	807
Payment to providers of funds	245	593
Payments to government	3,964	3,551
Community investments	46	58
Reinvested to maintain and develop operations	3,412	3,150
Total Value Retained and Distributed	15,618	17,230

* Numbers have been regrouped/rearranged wherever necessary

** Revenue gross of taxes, duties, levies, etc.

We have a proven track record of growing organically via setting up of our own plants within the timelines and at a lower capex per tonne than industry. This has helped us in growing at an accelerated pace and earning a higher return on capital employed. The latest of the many such examples is our recently commissioned 4.0 MTPA brownfield clinker plant in Chhattisgarh at a cost of around ₹1,000 Crore. This unit will help us in augmenting the clinker supplies for our plants in eastern region and serve the robust cement demand. We were able to setup the plant at cost lower than the industry benchmark. In addition to this, the plant was commissioned 6 months prior to the set timelines. This achievement was made possible because of well experienced project management team, faster decision making, robust project monitoring, innovative practises involving support to our vendors and contractors. We have also commissioned commercial operations of clinker grinding unit of 3.0 MTPA capacity at Patas in Pune district of Maharashtra. Commissioning of this unit was delayed due to COVID-19 and Right of Way issues.

Additionally, during the year, we announced the following capacity expansion:

- A grinding unit of 3.0 MTPA in Purulia, West Bengal at an investment of approximately ₹750 Crore via our subsidiary Shree Cement East Private Limited (SCEPL).
- An integrated cement plant of clinker capacity 3.8 MTPA and Cement capacity of up to 3.5 MTPA in Nawalgarh, Rajasthan at an investment of approximately ₹3,500 Crore.
- Solar power plants having capacity up to 106 MW at various locations at a capex of approximately ₹500 Crore.

The above capex is spread over the next two years and will be mainly funded via our internal accruals. After the commissioning of these plants, our cement capacity in India will increase to 52.9 MTPA.



FINANCIAL CAPITAL

Operating Margins through cost efficient operations

Our EBIDTA margin stood at 29% in FY 2021-22 compared to 35% in FY 2020-21, implying a margin compression primarily due to the sharp spike in cost of pet coke, coal and diesel during the year. We expect the industry to see some respite from input cost inflation from second half of FY 2022-23 onwards.

- Usage of Alternate Fuel (AFR):** In line with our strategy of building a sustainable business, we enhanced the quantity of alternate fuels within total fuels consumed from 6.0% in FY 2020-21 to 9.8% in FY 2021-22. By using the industrial waste of other industries, we not only try to bring down fuel cost, but also lower our carbon emissions, thereby protecting the environment.
- Multi Fuel Kilns:** All our plants have multi fuel kilns and can switch to the most economical fuel in a short period of time. While the price of pet coke was rising sharply, we replaced it with Imported coal from Australia and other countries which led to savings in fuel cost.



Use of Synthetic Gypsum: We are the pioneers in manufacturing our own synthetic gypsum from the limestone waste which is used as a replacement for natural gypsum leading to savings in raw material cost.

Investment in Renewable Energy: Our allocation of ₹500 Crore to setting up of solar power plants having capacity 106 MW will further enhance the proportion of clean energy usage in our total energy consumption. The same will reduce the fossil fuel consumption and help us in reducing carbon footprint. We also reap considerable savings in power cost from our huge WHR capacity.

Strong Branding: Our continued thrust on improving our product portfolio has helped us emerge as the most preferred brand among peers. This brand equity along with timely availability of our products in the market ultimately contributes to the profitability of the company. Our premium brands 'Roofon' and 'Bangur Power' continued to get encouraging response from the market and in FY 2021-22, they contributed 6.1% of the overall sales volume.

Robust cash flows leading to Strong Balance Sheet

Liquid Investment and cash and cash equivalents in our balance sheet stood at ₹8,617 Crore as on 31st March, 2022, thereby reflecting robust liquidity. We maintain a small proportion of gross debt in our balance sheet, which stood at ₹1,694 Crore as on 31st March, 2022. We end FY 2021-22 as a Net Debt Free company with positive cash of ₹6,923 Crore.

As a policy, we hedge all our foreign currency exposure to mitigate risks arising from volatility of fluctuating currency rates. This has inter alia helped us to remain competitive, certainty of results and improve profitability.

We have been reaffirmed with CRISIL AAA/ Stable and CRISIL A1+ ratings in respect of long-term and short-term bank loan facilities taken by us. Similarly, CARE another rating agency has assigned, CARE A1+ rating for our commercial paper issuance. It has also reaffirmed its highest issuer rating of CARE AAA (Stable) for our long term bank facilities and CARE A1+ for our short term bank facilities, indicating our high capacity to fulfill our financial obligations to all issuers.

On the back of our strong balance sheet, we have been able to negotiate best possible borrowing rates for our commercial paper issuance whereas our long term surplus funds were parked at higher returns, thereby further consolidating our working capital position. Similarly, for our upcoming expansion of solar power plants, we have successfully raised funds at lowest possible interest rates thereby further improving the return on investment of these projects.

Return Ratios

With our continued focus on faster project execution at the lowest capex cost and our cost leadership qualities, we generate robust Returns on Capital employed. Despite significant rise in input and fuel cost, our RoCE remained at a healthy level of 17.2% in FY 2021-22 as well as Return on Equity was also maintained at 13.8%.

Return Ratios (%)

	(%)
FY 2021-22	17.17
	13.76
FY 2020-21	19.56
	15.16
FY 2019-20	15.78
	12.14
FY 2018-19	10.76
	9.91

■ Return on average capital employed

■ Return on equity

In our quest to grow to 80 MTPA capacity by 2030, we will use our cash balance along with strong operating cash flows to further invest in capacity enhancements.

We are quite confident that given our cost leadership capabilities, prudent capital deployment and strong liquidity position, coupled with the government's focus on infrastructure development, we will be a key beneficiary of India's growth journey over the next decade.



"Zero debt, high returns on surplus funds, long-term hedges on foreign currency exposures have placed us on a strong wicket in a year that has seen unprecedented economic volatility, This robust position has strengthened our financial profile."

Mr. Subhash Jajoo
Chief Finance Officer

SOCIAL AND RELATIONSHIP CAPITAL

Helping to build a future that matters



Laying the foundation for strong and sustainable relationships that help us grow.

Local communities provide the social license for operation of business. Since our inception, we have developed trustworthy relationship with local communities, suppliers, and customers. With our growth over last three decades, our value chain has spread across different geographies involving multiple stakeholders. We have a robust stakeholder engagement mechanism wherein we engage with communities, customers and supply chain partners to building strong, transparent and trust based relationships with them.

Contribution to SDGs

1 NO POVERTY	No Poverty
2 ZERO HUNGER	Zero Hunger
3 GOOD HEALTH AND WELLBEING	Good health and wellbeing
4 QUALITY EDUCATION	Quality Education
5 GENDER EQUALITY	Gender equality
6 CLEAN WATER AND SANITATION	Clean Water and Sanitation
8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic development

Capitals Connected



Highlights,
FY 2021-22

6.27 LAC

Number of lives impacted

₹57.54 CRORE

Amount spent on community development initiatives

90%

Revenue from repeat customers

Associated Material Topics

Business Performance
Community development
Resettlement and rehabilitation
Customer satisfaction
Supply chain

Focus areas

Partnering the local community in development

Connecting with our customers

Creating long-term relations with our suppliers

Outcomes

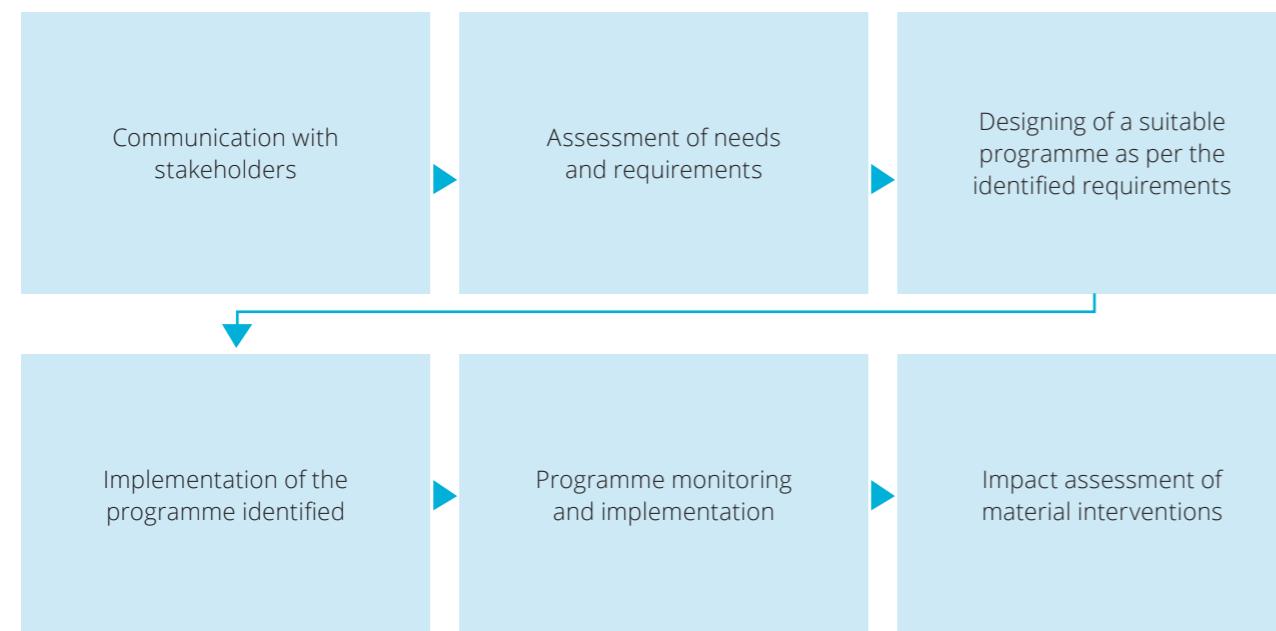
- Lives touched
- Suppliers assessed on ESG criteria
- Sustainable procurement
- Customer satisfaction score

Inputs

- Investment in Community development initiatives
- Dealer Base
- Depot strength
- Collaborations and Partnerships

SOCIAL AND RELATIONSHIP CAPITAL

Community consultation framework



Community consultation framework

We follow community development strategy with initiatives interlinked to our long term objectives for sustainable development. Our business and economic growth has always complimented community development. Our community development interventions are guided and monitored by a Board level committee headed by an Independent Director. For monitoring the CSR activities at the ground level, we have dedicated CSR teams which work in tandem with the local communities.

Our business objectives are aligned with the community development objectives of creating value for all. Thus our interventions related to Corporate Social Responsibility (CSR) are focused on thematic areas such as Healthcare, Water supply and sanitation, Environmental Protection, Art and culture, Rural Development and sports, Education, Gender equality and Women Empowerment, Sustainable livelihood, Support to veterans of armed forces and war widows.

Our process for community engagement starts with needs assessment. We take timely feedback from the local community to know their concerns and ensure that the activities are aligned towards fulfilment of their needs. We also carry out impact assessment to estimate impact of our initiatives and take feedback from the community on a regular basis. During the reporting period, there were zero cases of violation involving the rights of indigenous people.

Responsibility towards community

We are cognisant of the impact we have on the society, and we take steps to ensure community is adequately supported. We have identified the following thematic areas for our CSR activities.

Key thematic areas of CSR activities	
Thematic area	Amount spent in FY 2021-22 (in ₹ Cr)
Healthcare, Water, Sanitation and hygiene	5.10
Rural and community infrastructure development	23.53
Environmental protection	1.90
Culture and arts promotion	13.39
Women empowerment and support to old age & needy	3.39
Education and sustainable livelihood	6.81
Promotion of sports	0.33
Support to war widows and dependents	0.31
CSR overheads	2.78

We were able to positively impact lives of more than 6.27 Lac people through our community development initiatives during the reporting period.

Our engagement with the community

To create a positive impact on the local communities where we operate, we have undertaken several initiatives.

Educating the community for a better literacy

Education builds a strong social foundation for the community. To strengthen the core social structure of our communities, we have undertaken educational drives under the following initiatives:

Quality Education

- We try to improve the quality of education in government schools by providing basic infrastructure and facilities including construction of classroom, upgrading facilities, providing study materials, uniforms, etc. We regularly facilitate schools with teachers based on assessment of student teacher ratio.
- To improve the digital hold of the local communities, we have established computer learning centers.



Inclusive Education

- Under 'Shree Ki Pathshala' initiative, we provide tuition classes to students appearing for 10th standard board exam.



SOCIAL AND RELATIONSHIP CAPITAL

Sustainable livelihood

Our initiatives for improving the livelihood of the local communities are focused on agricultural as well as non-agricultural activities.

Agricultural initiatives

Agricultural initiatives are further classified on skill development and yield improvement.

- We help farmers to improve their skills by organising visits to nearest Krishi Vigyan Kendra.
- To ensure improved yield, we provide agricultural tools, high-quality seeds and fodder cultivation seeds for livestock farmers.



Non-agricultural initiatives

- We encourage the practical knowledge enhancement of students by providing internship opportunities to students from IITs and IIMs.
- Similarly, ITI passed out students get vocational training in the nearby mines.



Healthcare

We provide healthcare facilities to our local communities through our Wellness Management centers (WMC) as well as through the organising health camps. Our health initiatives are focused on areas such as COVID relief, health benefits to new mothers & their babies and cleanliness and hygiene programmes.

COVID-19 Relief

- We took initiative to fight against COVID-19 by establishing COVID care center near our facility in Karnataka at Sedam, and distribution of COVID essentials such as masks, sanitizers, medical kits, medicines, etc. in the nearby communities.
- From our in-house oxygen plants in facilities at Ras (Rajasthan), Baloda Bazar (Chhattisgarh) and Kodla (Karnataka), we refilled oxygen cylinders of government hospitals on free-of-cost basis.



Hygiene, cleanliness and water

- Through our 'Shree Swachhata' project, we try to increase awareness about cleanliness and hygiene through awareness campaigns where we distribute dustbins, diaries with cleanliness slogans on it and celebrating cleanliness weeks.
- We have undertaken water supply activities by constructing public water huts, bore wells and distribution of RO water facility to remote villages during peak summers.



SOCIAL AND RELATIONSHIP CAPITAL

Women empowerment and skill development

Women empowerment plays a key role in development of the society and thus we have taken initiatives around three focus areas to improve the status of women in society:

Vocational training for Women

- We support rural women by providing them training on income generation activities such as beauty parloring, sewing & tailoring, hand embroidery, carding and spinning, pickle and sauce.



Improving the status of girl child in the family

- Girl deserves equal respect in the family and we support girls of rural communities by providing housing essentials like bed, mattress, utensils, and more to girls above the age of 18 who are getting married.
- We also provide a ₹ 5,000 Fixed Deposit at the time of birth of girl child which they can encash on attaining the age of 18.



Community infrastructure and rural development

Development of infrastructure such as roads and transport connectivity lead to the overall development of a locality or region. We undertake projects for developing and improving infrastructure in the vicinity of our operations as mentioned below.

- We carry out construction, repair and upgradation of community assets such as Gram Panchayat building, drains, community centers in villages, community toilets, stages, waiting stands and sheds, etc.
- We build water reservoir pots for animals in public places.
- We have constructed and repaired roads in nearby villages for smooth and safe commute.



Support to veterans of armed forces, war widows and their dependents

As a respect to martyred soldiers who sacrificed their lives for the nation, we have launched 'Project Naman'. Under Project Naman, we support dependents of martyred soldiers by providing cement to build their homes.

Social welfare and promotion of art and culture

Preserving the local arts and crafts is an essential component of local cultural development. We have undertaken the following social welfare projects for promotion of local arts and culture:

- Support to institutions for organisation of events that enable artists to showcase their talent in the field of painting, music, theatre, local folk, literature, poetry etc. and promote the same in masses.
- Organisation of fairs and events that help showcase Indian traditional art forms and promote social harmony.
- Contributed for preservation, construction, maintenance and upgradation of sites of historical importance/ local history and ancient tradition



SOCIAL AND RELATIONSHIP CAPITAL

Promotion of sports

We believe in the overall development of students and young people and thus inculcate habit and encourage sports with the following interventions:

- Supporting district sports association in organising various sporting events.
- Support in construction and renovation of sports club and stadiums and sporting facilities.
- Organising sporting events in schools for students and distributing sports equipment to the needy.



Environmental sustainability

Environment protection of the surrounding areas of our operations is our top priority along with sustainable operations. Our primary intervention in this field is development of green cover for which following initiatives were taken:

- Distribution of plant saplings among farmers for plantation to cover the open areas and development of green belt
- Provision of plant saplings for growing fruit bearing plants, hybrid vegetable crop seeds and in-house tree guards.
- Conducting school plantation programmes to encourage students to plant saplings.
- Conducting mass tree plantation activities in association with govt. administration plant saplings to develop green belts in nearby areas.

Relating with our consumer needs

At SCL, we have stringent guidelines, procedures, and well-structured mechanism to meet the expectations of our customers. We have served our customers for over three decades now and with their satisfaction level appearing today, we can endorse of having a strong customer base. Our revenue from repeat customers during FY 2021-22 is 90% of total revenue. We also take all precautions to ensure customer privacy and resultantly there have been zero instances of breach or loss of customer data during the reporting period.

Customer Satisfaction Score (%)

FY 2021-22	85
FY 2020-21	80

Revenue from repeat customers (%)

FY 2021-22	90
FY 2020-21	85

Value creation at a glance

Advertisement and publicity spent in FY 2021-22	₹ 142.83 Crore
Total number of dealers as on 31 st March, 2022	30,672
Total number of depots as on 31 st March, 2022	1,156

Focus areas for customers

The four primary focus areas for customers are as follows:

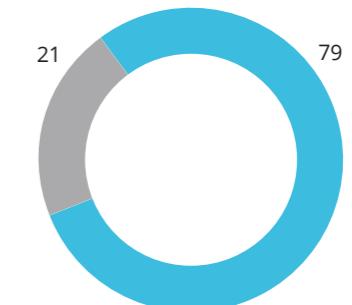
On time and quality delivery of products

Environmental sustainability of the product to accomplish sustainability goals

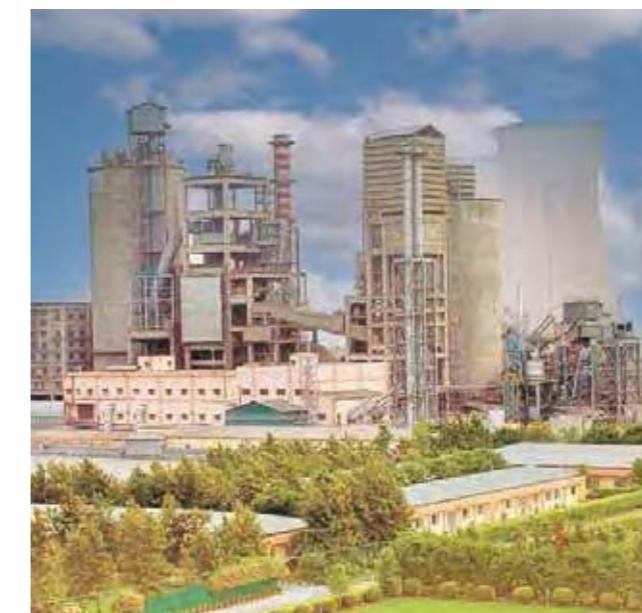
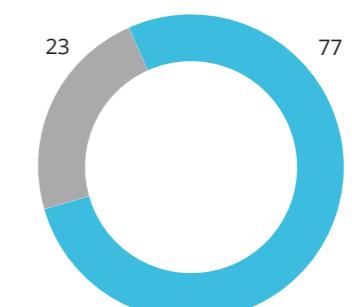
Guidelines for efficient use of the products

Timely acknowledgement and resolution of feedback and complaints

Customer Segment FY 2021-22 (%)



Customer Segment FY 2020-21 (%)



CASE STUDY

Fighting Corona with Oxygen

During the period of March to June 2021 when the second wave of COVID-19 hit India, the entire nation was suffering with acute shortage of oxygen impacting the lives of thousands. At this point in time, we decided to be a corona warrior and stood to serve the nation. Our employees worked relentlessly and operated our in-house oxygen plants beyond capacity to uninterruptedly produce oxygen and refill oxygen cylinders for government hospitals on free of charge basis. About 36,000 oxygen cylinders were re-filled from all oxygen plants at Ras, Balodabazar and Kodla facilities during year FY 2021-22. Apart from this, we provided our own oxygen cylinders to the government hospitals.



SOCIAL AND RELATIONSHIP CAPITAL

Leveraging power of social media

To connect to our customers, business partners and other stakeholders, we have expanded use of social media and created campaigns on contemporary and relevant topics. Our campaigns have been appreciated and widely shared by users across various social media platforms. Following are the glimpses of the campaigns conducted by us.

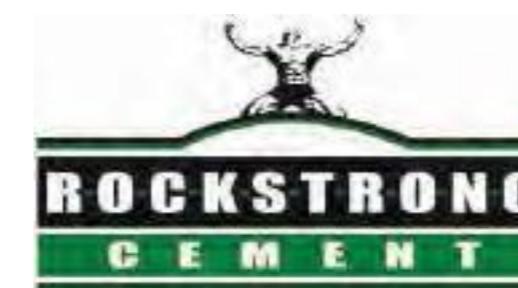


Our Brand Catalogue

Our brands 'Shree Ultra Jung Rodhak', 'Bangur Cement' and 'Rockstrong' have, over the years, established a firm presence in the minds of people as a quality product with easy availability. To penetrate and serve the niche segments, we introduced 'Bangur Power' and 'Roofon'. We have been receiving amazing responses from our targeted customers and have quickly been able to fill the gaps in customer needs in our catchment area.

Bangur Power – A premium offering

Bangur Power, a premium grade cement, has met immediately with strong market acceptance in the market. It has continued its upward swing ever since its



"We remain close to our customers for they are always the truest voice. Providing insights into what is most needed, what is evolving... Capturing their wisdom and carrying it back within is the surest way to remain ahead."

Mr. Diwakar Payal
President (Marketing)

SOCIAL AND RELATIONSHIP CAPITAL



We have well defined checks in place to ensure that all our products match the quality standards of 'Bureau of Indian Standards'(BIS). To ensure that our products do not have any negative impact on the health of the customers, we have identified Material Safety Data Sheet (MSDS) that can help identify potential health risk and keep them at minimum level. We also regularly monitor environment and health attributes including water, energy, emissions etc. from cement production to reduce any adverse impact. There were no incidents of non-compliance related to product labeling or health and safety from our products in FY 2021-22.

Establishing Connections for the Future

To ensure the delivery of our products in the assured quality and to avoid wastage of product, we have undertaken several initiatives, some of these initiatives are listed below:

Improving packing quality with LPP bags

Cement is generally packed in woven bags that leads to spilling and wastage. This also results in cement blowing in air affecting the ambient air quality. We thus, pack all our products in Laminated Poly Propylene (LLP) bag. LLP bags ensure that no product is spilled thus preserving the ambient air quality and avoidance of wastage of product.

Efficient use of cement by masons

Masons form the backbone of the construction industry and are actual users of the cement. We, thus, train

masons on optimal use of cement during construction to avoid wastage of product that eventually results in conserving precious limestone used in the production of cement.

Shree Technical awareness Van

Shree Technical Van is an innovative programme launched by us for improving the quality of housing. Van has several facilities such as sample of good and bad quality materials, molds for casting and testing materials. The van travels to locations that are situated at far end distances. A qualified civil engineer accompanies the van and demonstrates people and masons on construction of houses with optimal use of resources.

Digital initiative to bring all influencers under one roof

After extensive survey and market research, we have developed a mobile app namely 'Nirman Mitra' for bringing the influencers like masons, contractors, architects, retainers, etc. under one roof. This app is being used for running engagement programmes for these influencers across the market under operation. In this app, more than 3.5 Lac influencers are registered and out of which, more than 25% are participating in our various schemes on regular basis. After its development, we launched a quantity based scheme for them which kept them engaged with us. This resulted in spike in sales from the counters of our dealers and retailers and the network's confidence enhanced in our brand.

Sustainable Supply Chain

The sustainability of cement begins at the stage of selection and procurement of input materials and services. Thus, a timely supply of input materials, in good quality gives an edge for business operations. The relationship that we have built with our suppliers, service providers, contractors and transporters over the past three decades helps us in operating our production cycle in a timely and efficient manner.

We believe in community development and mutual upliftment and thus, procure most of our raw materials from local businesses. Indigenous raw material and store & spares consumption during the reporting period was 99% of the total raw material and stores & spares consumption. We have a vendor code of conduct that defines minimum standards of ethical and responsible behaviour which must be met by them. This is applicable to all our manufacturers and suppliers covering various environment and social parameters such as human rights, forced labour, child labour, safe and hygienic working conditions, fair competition and anticorruption, corporate social responsibility and more. This ensures integration of environment, social and governance criteria in the supply chain management.

For ensuring environmental sustainability, we strongly encourage our existing suppliers to undergo environment and social impact assessment while selected new suppliers are assessed through third party to understand their processes, strengths, and capabilities before onboarding. During the reporting period, six new suppliers were screened on the basis of various environment and social parameters. We give preference to new vendors and suppliers who comply with all environmental and social assessments. During FY 2021-22, we have onboarded all our 817 new suppliers within stores category through our robust onboarding agreements. We did not identify any negative environmental or social impact in our supply chain.

To build upon a sustainable supply chain, we are also working closely with our critical suppliers. For us, critical supplier is the one with whom the annual business is more than ₹ 5 Crore in previous year or the vendors who are supplying the product for which they are the only / major source. During the year, we have identified 68 suppliers as critical suppliers under stores category.

CASE STUDY

Replicating success stories, achieving efficiency

For transfer of clinker to our Patas grinding unit from clinker plant at Kodla, the transporters started using 14-wheeler trucks as prevalent and available in the region. 14-wheeler trucks have carrying capacity of ~40 MT. In our manufacturing facilities situated in Northern India, 22-wheeler trucks are used that have capacity of ~55 MT. Thus, the 22-wheeler trucks have greater efficiency compared to 14-wheeler trucks as prevalent in Southern India. To replicate the efficiency of our Northern India plants, we

encouraged transporters engaged with North units with 22 wheelers truck to operate in Kodla to Patas as well. From this encouragement and opportunity to work with us, the transporters started operating in that region as well with 22-wheeler trucks which resulted in optimising the freight by utilising higher capacity and fuel efficiency. It ended up being 'win-win' for us and the transporters.



SOCIAL AND RELATIONSHIP CAPITAL

CASE STUDY

Continuation of uninterrupted supplies in Delhi Market by CNG Trucks

At time, particularly in winters, with soaring pollution in Delhi, the government bans plying of diesel vehicles from time-to-time including imposition of heavy tax/ charge at the time of entry. This hinders our ability to serve our customers through road transport during such period. Delhi has been our key market with lead of 60-70 KM from our Khushkhera grinding unit. To continue serving this market, we converted 100% of our

small vehicles on CNG through encouragement and demonstrating the cost-benefit analysis. This again resulted in 'win-win' for both us and transporters. The transporters could use their vehicles which otherwise could have been stuck due to ban and, we were able to serve our customers without any interruption. This proved an environment friendly solution vis-à-vis conventional transportation.



Shifting road transport to rail transport to save cost as well as reduce emission

Regular availability of vehicles is a common challenge for our Eastern India operations. Also, the vehicles available are mostly of low capacity vehicle. This results in un-economical inter-unit clinker movements in the region compared to other operational geographies of the company. Also, low capacity vehicle result in higher scope 3 emission compared to higher

capacity vehicles. To negate this, we decided to shift to rail transport by assuring them guaranteed traffic throughout the year. Sensing the potential, Railway authorities also allowed us applicable discount under Station-to-Station (STS) scheme. This has resulted in cost-efficient inter-unit clinker transfers as well as low carbon emission compared to road transportation.



Our key Associations

We have been engaging with several reputed agencies for discussions related to employees, business partners, climate change, global warming and sustainable business development, communities and other the relevant topics. Some of our key associations are as follows:



CEMENT
MANUFACTURERS
ASSOCIATION



Confederation of Indian
Industry (CII)



Bureau of Energy
Efficiency (BEE)



National Council for Cement
and Building Materials
(NCCBM)



Global Cement Concrete
Association (GCCA)
(national and global membership)



The Energy
and Resource
Institute (TERI)



Global Reporting
Initiative (GRI)



Federation of Indian
Chambers of Commerce and
Industry (FICCI)



TARA

Technology
and Action for Rural
Advancement (TARA)



Indian Institute
of Technology
(IIT) Delhi

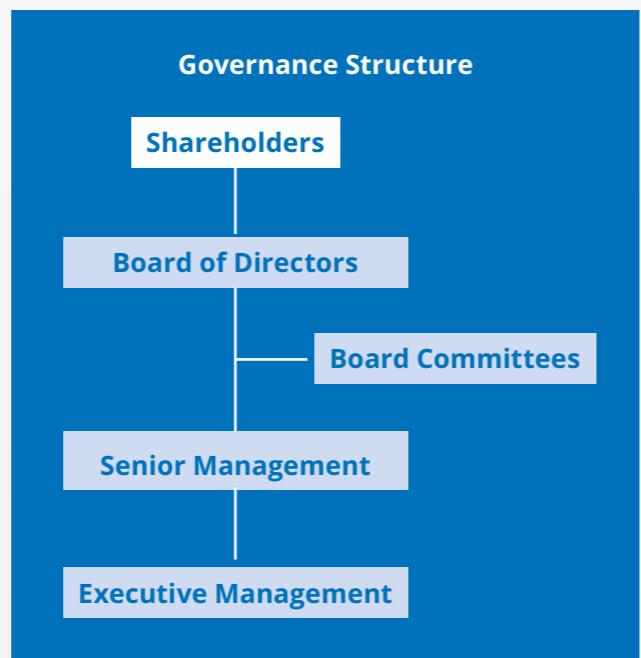
GOVERNANCE

Mainstreaming our development through Governance

Corporate governance for us is pivotal to drive our growth and development. It acts as catalyst to realise our vision and mission across the organisation and implement set of process and procedures of achieving our goals. Since our inception, we believed in adopting good governance practices for fulfilling our vision and mission.

Guiding principles

Our guiding principles are defined by the vision, commitment, expectations and responsibilities to progress continuously towards our goals. We believe in being utmost accountable to our stakeholders by maintaining transparency and following an ethical code of conduct. This governs our relationship with stakeholders to climb the continuous trajectory of growth and development.



Responsible governance structure

We follow a formalised structure for decision making, ensuring accountability for all our activities. We have integrated sustainability considerations in our structure and decision making process. In the structure, our Board of Directors is at the helm having overall responsibility of setting the vision and provide overall leadership and guidance to achieve them. Our Board of Directors bring an array of experience to the table ranging from expertise in construction material, cement, risk and others. This helps in bringing a diverse range of ideas. Currently, we have 9% females in the board of directors. We work with a purpose to ensure that we fulfill our commitment to all our stakeholders. The execution of the objectives is streamlined through the committees comprising the board members and senior management personnel.

Ethics and Values

We believe in the principle of trust, which can be derived through ethical practices, transparency, and accountability to stakeholders. This philosophy is embedded in our DNA in alignment with our vision of being a leader in creating prosperity and happiness for all stakeholders through innovation and sustainable practices. Our policy on Ethics, Transparency and Accountability and Code of Conduct imbibes our values and ethics and provide set of procedures of ethical and transparent conduct of business.

There were zero cases of corruption and bribery during the reporting period.

Conduct at workplace

- Protecting company's assets and properties
- Protecting confidential information
- Non-discrimination and equal opportunities
- Health and safety
- Prohibition on threats or acts of violence or any form of harassment

Integrity in business practices

- Compliance of applicable laws and regulations
- Fulfilling contractual obligations
- Maintaining business integrity, avoiding conflict of interest
- Zero tolerance on bribery and corruption
- Accuracy of records and information

Conduct for the community

- Protection and care for environment
- Respecting human rights
- Continuous engagement with stakeholders and communities
- Active in public policy advocacy

Curator of stakeholder's assets

At SCL, we believe that our priority is to upkeep the trust that our stakeholders have bestowed upon us with their funds and assets. This trust has been the stepping-stone of our growth and belief to always keep creating value for them. Our Initial Public Offering (IPO) launched in the year 1985 has given an Internal Rate of Return (IRR) of 25.6% till 31st March, 2022 which suggests that ₹100 invested in 1985 have a value of approx ₹4.60 Lac in year 2022.

Our dividend payouts have continuously increased since the year 2000 and the return on average capital employed for FY 2021-22 stood at healthy 17.2%. We owe this success to the hard work put across by our employees at all levels along with our managerial persons, board of directors and governing body.

Transparency and walking the talk

We are regarded as one of the lowest cost and most efficient cement manufacturers in the industry and we constantly try to keep that mark up. The faith and trust reposed by our stakeholders has stemmed from our ability to clearly communicate our vision to our stakeholders and ability to 'walk-the-talk' on the same. We have always adhered to high level of corporate governance practices and have been impeccable in our conduct. In terms of performance, we have completed majority of our projects within/ ahead of time and budget thereby delivering high return on investment for our stakeholders. Recognising the same, India's top rating agency CRISIL has reaffirmed its highest rating of CRISIL AAA/ Stable and CRISIL A1+ for long term and short term bank facilities taken by us. Similarly, CARE another rating agency has assigned, CARE A1+ rating for our commercial paper issuance. It has also re-affirmed its highest issuer rating of CARE AAA (Stable) for our long term bank facilities and CARE A1+ for our short term bank facilities, indicating our high capacity to fulfill our financial obligations to all issuers.

We keep close communication with our stakeholders through Annual and Sustainability Reports. Our Annual Report FY 2020-21 was shared with shareholders in the month of July 2021 while our Sustainability Report FY 2020-21 was released in January 2022.

Climate change and Governance

Our Board of Directors have the overall responsibility of guiding and steering the climate vision and set up procedures & systems to conduct the operations in adherence to its vision.

The Environmental, Social and Governance (ESG) Committee has the primary responsibility to implement environment friendly interventions across our operation and undertake activities to ensure commitment to the society and formulation of effective governance mechanism to conform compliance to applicable regulations. The committee consists of Senior Executives who carry continuous monitoring and implementation of our policies. Our remuneration policy considers sustainability performance of our company while determining the remuneration of the Working Directors, Key Management Personnel and Senior Executives. This further ensures and motivates implementation of the various sustainability initiatives that we undertake.

To ensure compliance with applicable laws and regulations including related to environment and climate change, Corporate Social and Business Responsibility (CSBR) Committee of Board along with ESG Committee monitors and reviews compliance requirements specified under various legislations.

GOVERNANCE

Board of Directors

B.G. Bangur

Chairman



Mr. B. G. Bangur is B.Com. (Hons) from Calcutta University and he brings to Shree an extensive experience of the Industry. He is Director in The Marwar Textiles (Agency) Pvt. Ltd., Shree Global FZE, Shree Enterprises Management Ltd., Shree International Holding Ltd., Union Cement Company (PrJSC), Ansh Trading DMCC, Ansh Investment Limited and SCL Investment Corp Pte. Ltd. He has also been actively associated with various philanthropic and charitable institutions and trusts.

R. L. Gaggar

Independent Director



Mr. R. L. Gaggar is a B.A. (Hons) from Calcutta University and is a renowned Solicitor and Advocate based at Kolkata. He is practicing as a Solicitor and an Advocate at the High Court of Kolkata for more than 50 years. Mr. Gaggar is also on the Board of Duroply Industries Limited (Formerly Sarda Plywood Industries Ltd), TIL Limited, Paharpur Cooling Towers Ltd, Sumedha Fiscal Services Ltd, Machino Polymers Ltd, Subhash Kabini Power Corporation Ltd, International Combustion (India) Ltd. and Machino Polmers India Pvt. Limited.

H.M. Bangur

Managing Director



Mr. 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. Mr. Bangur is President of Rajasthan Foundation, Kolkata Chapter. Mr. Bangur was the President of the Cement Manufacturers' Association (CMA) between 2007 and 2009 and Ex-executive Member of FICCI. He has been awarded with the prestigious "Ernst & Young Entrepreneur of the Year Award 2016" and "Forbes Leadership Award 2017". He is also Chairman of "The Bengal" an NGO actively engaged with Kolkata Police to provide all possible help to the old age people living alone.

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 Master's Degree in Economics from University of Pennsylvania. He is Vice Chairman of Sardar Patel Institute of Economic and Social Research, Ahmedabad. He is President of the Trust of The Indian Society of Labour Economics and was President of the Institute of Human Development, New Delhi and Chairman of Advisory Committee of N. M. Sadguru Water and Development Foundation, Dahod (Gujarat). He was earlier the Minister of Power and for Planning and Programme Implementation with additional charge of the Ministry of Science and 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 by its MD Neera Tanden (currently close associate of US President), the findings of which were presented in Paris. He was also invited to develop a sustainable development scenario for 2030 for the Canadian G8/G20 Munk Institute for the G20 meeting in Seoul. He is a Nominated Member of the PMs Advisory Committee for Celebrating the 75th Year of India's Independence. Dr. Alagh is on the Board of ADJB Production Pvt. Ltd.

Prashant Bangur

Joint Managing Director



RMC
CSBR

Mr. 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. He joined the Board of the Company in 2012. Mr. Bangur is a Committee Member of Indian Chamber of Commerce, Kolkata and also Member of Managing Committee of Bharat Chamber of Commerce & Industry, Kolkata and of Indian School of Business, Hyderabad. He is member of National Management Committee of Cement Manufacturers' Association (CMA), which is the prime body for policy advocacy for Cement Industry in India. He is a strong proponent of sustainable development, considering his contribution and role in sustainable development initiatives. He is also Director in Khemka Properties Pvt. Ltd., Ragini Properties Pvt. Ltd., Indian Chamber of Commerce and SCL Investment Corp Pte. Ltd.

Chairman

Member

AC Audit Committee

CSBR Corporate Social and Business Responsibility Committee

NRC Nomination cum Remuneration Committee

RMC Risk Management Committee

SRC Stakeholder Relationship Committee

GOVERNANCE

Shreekant Somany
Independent Director



AC
NRC

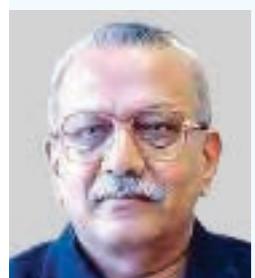
Mr. Shreekant Somany is an industrialist who holds a Bachelor of Science degree from Calcutta University and is currently on the Board of Somany Ceramics Limited, SR Continental Limited, Somany Bathware Limited (formerly known as Somany Global Ltd.) and JK Tyre & Industries Limited. He is also the President of Indian Ceramic Society and Member of National Council - Confederation of Indian Industry (CII).

Zubair Ahmed
Independent Director



Mr. Zubair Ahmed is a senior business leader with outstanding credentials of over 40 years in managing businesses across Asia, Middle East and Africa. Started his career with Unilever International in their Middle East Operations. After 15 years of a very successful career with Unilever across countries and increasing levels of responsibilities, joined as Managing Director of Gillette India Ltd and then on to GSK Consumer Healthcare India Ltd as Managing Director. Thereafter, moved on to Singapore in 2015 as Head of GSK Consumer Health Care businesses across countries of Asia, Middle East and Africa and then subsequently appointed Chairman of GSK Consumer Health Care India. Post retirement in 2018, he worked as advisors to some of the leading private equity and consumer companies in India. His key strength lies in putting together strategic high growth plans to unlock the true value of companies and their brands through a successful execution based on a clear understanding of the category, competition, organisational structure, culture and competencies required for success. He is on the Board of Shaafi Naturcure LLP (Designated Partner).

Nitin Dayalji Desai
Independent Director



CSBR
SRC
AC

Mr. 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. Mr. Desai is the Chairman of the Governing Council of 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. Mr. Desai has worked at senior levels in the Planning Commission from 1973 to 1987. From 1988 to 1990, he was the Chief Economic Advisor and Secretary in the Department of Economic Affairs in the Ministry of Finance. In 1990, he joined the United Nations as Deputy Secretary General of the 1992 Rio Summit on Environment and Development and served later as Under Secretary General dealing with economic and social affairs from 1993 to 2003. He is on the Board of Shakti Sustainable Energy Foundation.

Uma Ghurka
Independent Director



CSBR

Ms. Uma Ghurka graduated with a B.Tech degree in Electrical Engineering from IIT, Madras in 1975. She is a seasoned technocrat and a renowned entrepreneur. With a penchant for developing innovative products that find application across major industries to our daily lives, she founded Thermopads group. With an over 40 years of experience in building and leading business, Ms. Uma Gurkha brings with her a rich repertoire of technical and business acumen. She has also been an active member of various professional, entrepreneurship and social organisations. Among several eminent positions held by her she has also been a Non-Executive Director in State Bank of Hyderabad. She was also honored with "Best Woman entrepreneur of the year -1984" by President of India. She is presently Whole Time Director of Thermopads Pvt. Ltd. and Director in Thermo Cables Ltd., Thermo Polymers Pvt. Ltd., Thermosystems Pvt. Ltd. & Confederation of Women Entrepreneurs of India.

Sanjiv Krishnaji Shelgikar
Independent Director



RMC
CSBR
AC

Mr. 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 Magrolia Leasing and Infotech Pvt. Ltd., Archangel Leasing and Infotech Pvt. Ltd., Microcredit Initiative of Grameen, Joy Holdings Private Limited, Taegutek India Private Limited, Shree Global FZE and Shree International Holding Limited.

P. N. Chhangani
Whole Time Director



RMC
CSBR

Mr. P. N. Chhangani is a Chemical Graduate having over 35 years of rich experience in Cement and Related Industries. He was working with the Company as President (Works) and Supervising overall Cement Plant Operations of the Company. He is on the Board of Shree Cement Foundation.

GOVERNANCE

Management Team



Shri Diwakar Payal
President (Marketing)



Shri Sanjay Mehta
President (Commercial) and
Chief Happiness Officer



Shri Arvind Khicha
Jt. President (Commercial)



Shri K.C. Gandhi
Jt. President (Materials
Management)



Shri Shrinath Savoor
Chief Sustainability Officer



Shri Man Mohan Rathi
Jt. President (Power Plants)



**Shri Sumit Rajender
Pal Malhotra**
Jt. President (Marketing)



Shri R. K. Agarwal
Jt. President (Projects)



Shri Vinay Saxena
Sr. Vice President (Operations)



Shri S.S. Khandelwal
Company Secretary



Shri K.K. Jain
Vice President (Accounts and
Contract Cell)



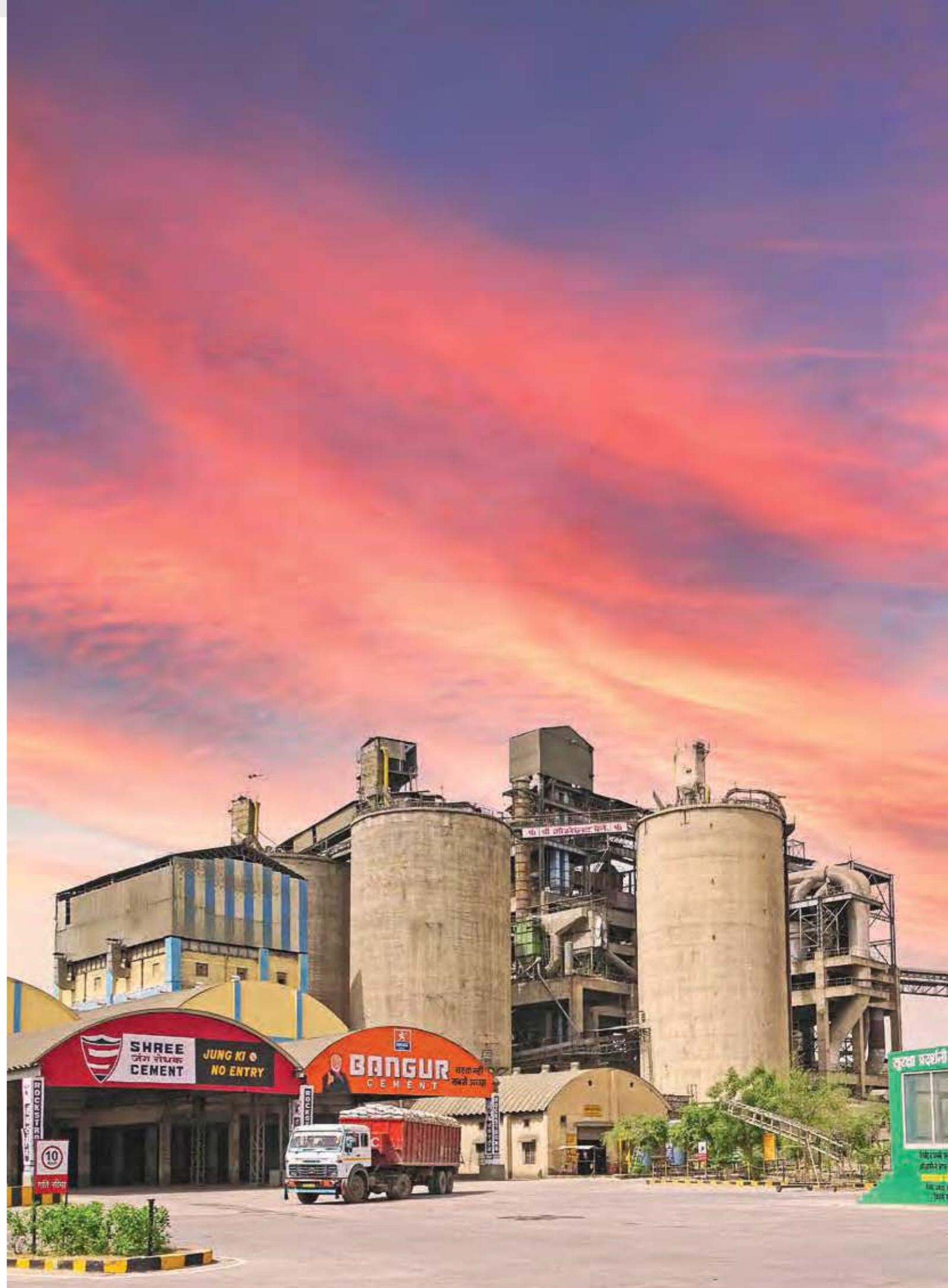
Shri Satish Chander
Vice President (Operations)



Shri Yogesh Mehta
Vice President (Logistics)



Shri Subhash Jajoo
Chief Finance Officer



PERFORMANCE OVER THE YEARS

Delivering confidently in a challenging year

Operational Metrics

Cement Production	(Lacs tonnes)
FY 2021-22	276.92
FY 2020-21	263.61
FY 2019-20	241.15
FY 2018-19	250.63
FY 2017-18	222.02

Clinker Production	(Lacs tonnes)
FY 2021-22	176.99
FY 2020-21	171.25
FY 2019-20	165.57
FY 2018-19	176.50
FY 2017-18	151.34

Shareholder Value Creation

Dividend	(₹ per Share)
FY 2021-22	90
FY 2020-21	60
FY 2019-20 Including Additional Dividend of ₹40/-	110
FY 2018-19	60
FY 2017-18	50

Book Value	(₹ per Share)
As on 31 st March, 2022	4,786.73
As on 31 st March, 2021	4,226.65
As on 31 st March, 2020	3,585.41
As on 31 st March, 2019	2,754.92
As on 31 st March, 2018	2,553.83

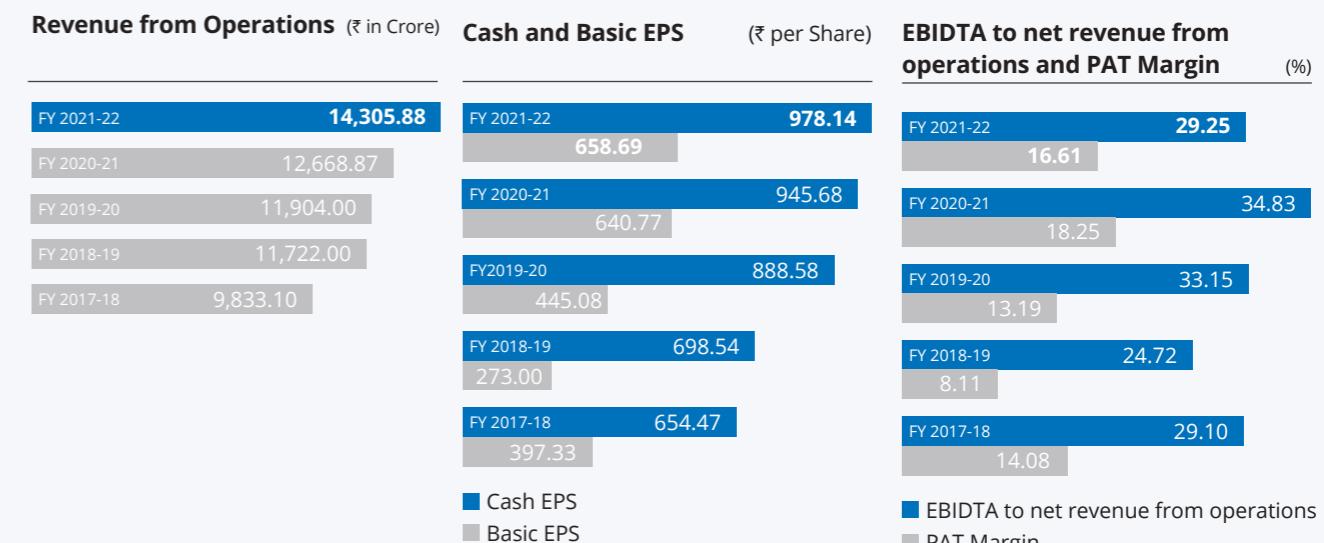
Balance Sheet Analysis

Capital Employed and Shareholders' fund	(₹ in Crore)
As at 31 st March, 2022	19,285.05
	17,270.87
As at 31 st March, 2021	17,383.30
	15,250.07
As at 31 st March, 2020	16,080.61
	12,936.42
As at 31 st March, 2019	12,395.34
	9,597.39
As at 31 st March, 2018	12,299.81
	8,896.83

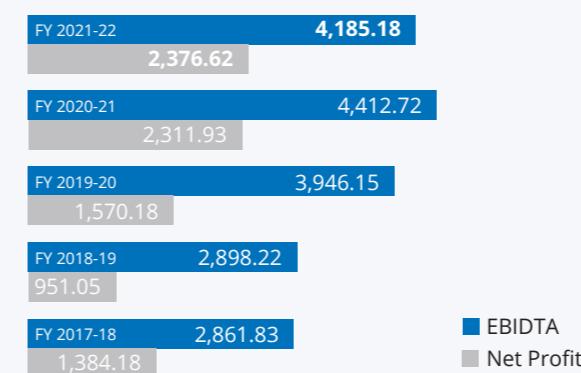
■ Capital Employed
■ Shareholders' fund

Return on Average Capital Employed	(%)	Return on Net Worth	(%)
FY 2021-22	17.17	FY 2021-22	13.76
FY 2020-21	19.56	FY 2020-21	15.16
FY 2019-20	15.78	FY 2019-20	12.14
FY 2018-19	10.76	FY 2018-19	9.91
FY 2017-18	18.43	FY 2017-18	15.56

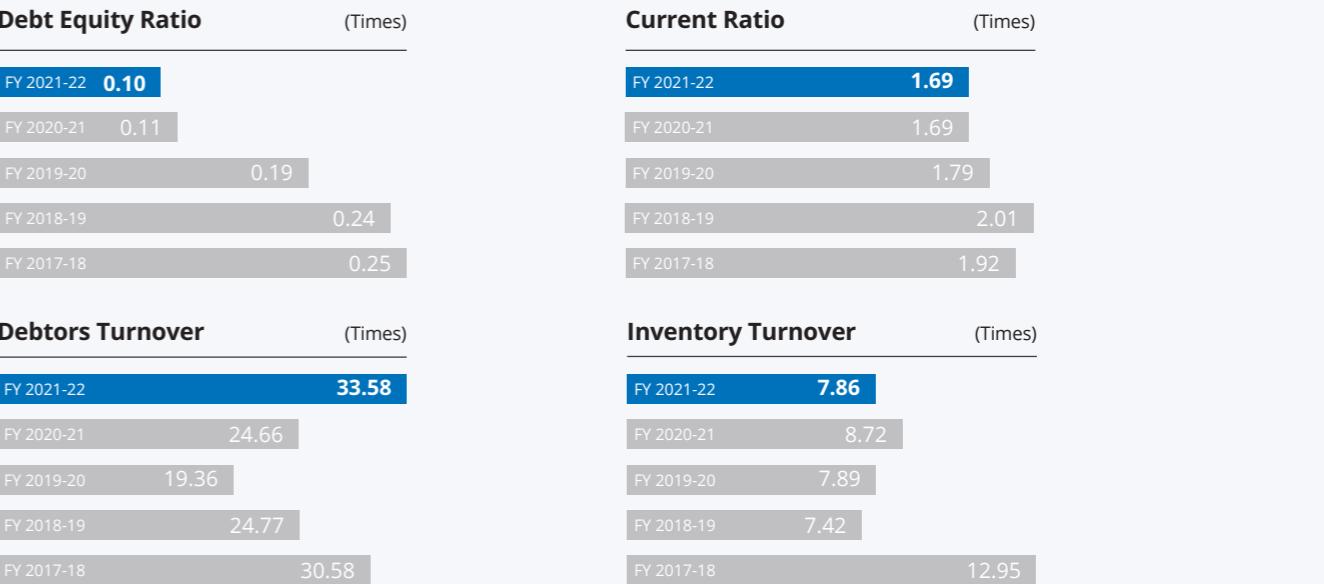
Financial Operations



EBIDTA and Net Profit



Key Ratios



FIVE YEARS HIGHLIGHTS

Operational Performance

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Cement Production (Lac MT)	222.02	250.63	241.15	263.61	276.92
Cement and Clinker Sales (Lac MT)	225.34	258.61	249.24	268.41	277.37
Net Power Generation (Lac Kwh)	25,622	32,536	26,600	16,185	19,108
Power Consumption (Kwh/Tonne of Cement)	68.67	69.05	70.54	68.65	67.15
Fuel Consumption (Kcal/ Kg of Clinker)	728	719	721	727	733

Financial Performance

Profit & Loss Statement

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Net Revenue from Operations	9,833.10	11,722.00	11,904.00	12,668.87	14,305.88
Other Income	389.05	245.40	271.62	432.89	537.34
Total Net Revenue	10,222.15	11,967.40	12,175.62	13,101.76	14,843.22
EBIDTA	2,861.83	2,898.22	3,946.15	4,412.72	4,185.18
Depreciation and Amortisation	899.40	1,391.68	1,699.42	1,139.90	1,036.48
Finance Costs	135.27	246.98	286.52	247.10	217.78
Exceptional Items	-	178.13	-	-	-
Profit before Tax	1,827.16	1,081.43	1,960.21	3,025.72	2,930.92
Tax Expense	442.98	130.38	390.03	713.79	554.30
Net Profit	1,384.18	951.05	1,570.18	2,311.93	2,376.62
Cash EPS (in ₹)	654.47	698.54	888.58	945.68	978.14
Basic and Diluted EPS (in ₹)	397.33	273.00	445.08	640.77	658.69

Balance Sheet

Particulars	As at 31 st March, 2018	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2022
Net Block of Fixed Assets	3,589.18	4,475.67	3,978.67	3,817.71	4,738.48
Shareholders' Fund	8,896.83	9,597.39	12,936.42	15,250.07	17,270.87
Total Capital Employed	12,299.81	12,395.34	16,080.61	17,383.30	19,285.05

Key Ratios

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
EBIDTA to Net Revenue from Operations (%)	29.10	24.72	33.15	34.83	29.25
Return on Net Worth (%)	15.56	9.91	12.14	15.16	13.76
Return on Average Capital Employed (%)	18.43	10.76	15.78	19.56	17.17

PERFORMANCE HIGHLIGHTS (SINCE BEGINNING)

Year	Clinker Production (Lakh MT)	Cement Sales (Lac MT)	Net Revenue (₹ in Crore)	Shareholders' Fund (₹ in Crore)	Book Value (₹ per Share)
1985 (8 months)	2.60	2.67	22.01	15.46	10.11
1996-97 (15 months)	10.79	11.62	208.95	182.03	52.25
1997-98	14.36	16.62	280.59	190.57	54.70
1998-99	19.45	20.91	372.76	196.54	56.42
1999-00	22.85	23.10	409.68	219.39	60.82
2000-01	21.13	24.00	466.85	247.06	66.61
2001-02 (9 months)	16.25	18.02	333.51	215.61	57.58
2002-03	22.85	27.25	455.69	222.40	63.84
2003-04	22.94	28.41	473.23	251.38	72.16
2004-05	24.83	30.61	582.08	289.49	83.10
2005-06	27.71	32.03	669.39	296.30	85.05
2006-07	35.06	48.33	1,367.98	454.55	130.48
2007-08	46.23	63.34	2,109.12	672.81	193.13
2008-09	64.18	77.36	2,710.63	1,210.02	347.33
2009-10	80.45	92.71	3,632.12	1,833.24	526.23
2010-11	74.65	93.38	3,453.53	1,986.18	570.13
2011-12 (15 months)	102.88	142.06	5,799.52	2,733.93	784.77
2012-13	86.82	122.77	5,590.25	3,843.65	1,103.32
2013-14	98.62	140.66	5,887.31	4,710.87	1,352.25
2014-15	113.18	157.45	6,453.57	5,276.40	1,514.59
2015-16 (9 months)	96.83	141.08	5,513.64	6,845.53	1,965.00
2016-17	136.82	200.73	8,594.30	7,698.14	2,209.74
2017-18	151.34	220.18	9,833.10	8,896.83	2,553.83
2018-19	176.50	248.76	11,722.00	9,597.39	2,754.92
2019-20	165.57	239.46	11,904.00	12,936.42	3,585.41
2020-21	171.25	263.18	12,668.87	15,250.07	4,226.65
2021-22	176.99	275.60	14,305.88	17,270.87	4,786.73
GROWTH	Since Beginning	45.38	68.81	433.31	1,116.87
	Absolute No. of Times	20.50	29.65	85.58	94.88
	25 Years	8.17	11.47	32.17	80.10
	20 Years	2.15	2.43	3.08	6.32
	10 Years	1.29	1.37	1.66	2.24
CAGR	Since Beginning	11.18%	12.47%	18.37%	21.53%
	25 Years	12.84%	14.52%	19.48%	19.97%
	20 Years	11.07%	12.97%	18.95%	24.50%
	10 Years	7.96%	9.26%	11.92%	20.24%
	5 Years	5.28%	6.55%	10.73%	17.54%

Note: Figures have been annualised for calculation of Absolute No. of Times and CAGR, wherever required.

AWARDS AND ACCOLADES

Recognition that lauds our all-round excellence



Award of Honour to Laksar unit by SIDCUL Manufacturers Association Uttarakhand for 'Outstanding Service During COVID - 19'



Five Star Rating to Nimbetti Limestone Mine by Ministry of Mines for three consecutive years - FY 2017-18, FY 2018-19 and FY 2019-20



Green Leaf Environmental Excellence - Platinum Award to Ras plant by Apex India Foundation



Significant Achievement in HR Excellence for 12th CII National HR Excellence Award, 2021-22



Challengers Award - Mega Large Business at Sustainability 4.0 Awards 2021 by Frost & Sullivan and TERI



Silver medal for Kodla unit at National Award for Manufacturing Competitiveness 2021-22 by International Research Institute of Manufacturing®



Supply Chain and Logistic Excellence (SCALE) Award - 2021 - by Confederation of Indian Industry (CII) for 6th consecutive year



Gold award in manufacturing sector for 'People Engagement Practices' by Confederation of Indian Industry (CII)



First prize in Cement Sector in Rajasthan Energy Conservation Award - 2021 by Department of Energy, Govt. of Rajasthan



Among India's 100 Best Places to Work for 2021 by Great Place to Work® Institute, India



Best Workplaces™ in Cement and Building Materials Industry by Great Place to Work® Institute, India



Great place to work Certified by Great Place to Work® Institute, India

GRI CONTENT INDEX

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GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
102-1	Name of the organisation	Shree Cement at a glance	2	-
102-2	Activities, brands, products, and services	Shree Cement at a glance	4-5	-
102-3	Location of headquarters	Corporate Governance report	173	-
102-4	Location of operations	Our Operational Reach	7	-
102-5	Ownership and legal form	Shree Cement at a glance	2-7	-
102-6	Markets served	Shree Cement at a glance	4-5	-
102-7	Scale of the organisation	Shree Cement at a glance	2-3	-
102-8	Information on employees and other workers	Human Capital, Employee diversity	58	-
102-9	Supply chain	Social and Relationship Capital	86	-
102-10	Significant changes to the organisation and its supply chain	Strategic overview Intellectual Capital, Manufactured Capital	85	-
102-11	Precautionary Principle or approach	Natural Capital	44-55	-
102-12	External initiatives	Social and Relationship Capital CSR Initiatives	87	-
102-13	Membership of associations	Social and Relationship Capital Our key Associations	87	-
102-14	Statement from senior decision-maker	Leadership message	8, 10, 12	-
102-15	Key impacts, risks, and opportunities	Risks and Opportunities	20	-
102-16	Values, principles, standards, and norms of behavior	Shree Cement at a glance	3	-
102-18	Governance structure	Governance	88	-
102-17	Mechanisms for advice and concerns about ethics	Human Capital, Grievance mechanism	61	-
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance	89	-
102-22	Composition of the highest governance body and its committees	Governance	88	-
102-30	Effectiveness of risk management processes	Risks and Opportunities	20	-
102-40	List of stakeholder groups	Stakeholder engagement	24	-
102-41	Collective bargaining agreements	Human Capital, Labor Relations	61	-
102-42	Identifying and selecting stakeholders	Stakeholder engagement	24	-
102-43	Approach to stakeholder engagement	Stakeholder engagement	24	-
102-44	Key topics and concerns raised	Stakeholder engagement	24	-
102-45	Entities included in the consolidated financial statements	Consolidated Financial statement	263	-
102-46	Defining report content and topic Boundaries	About the Report	Inside cover page	-
102-47	List of material topics	Materiality assessment	26	-
102-48	Restatements of information	Natural Capital	51	-
102-49	Changes in reporting	About the Report	Inside cover page	-
102-50	Reporting period	About the Report	Inside cover page	-
102-51	Date of most recent report	Governance	89	-
102-52	Reporting cycle	About the Report	Inside cover page	-
102-53	Contact point for questions regarding the report	About the Report	Inside cover page	-
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	Inside cover page	-
102-55	GRI content index	Mapping with the frameworks	102	-
102-56	External assurance	About the report	Inside cover page	-

Disclosure Number	Disclosure Title	Reference in the report	Page Number	Omission
200 Series (Economic Topics)				
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103-3	Evaluation of the management approach	Financial Capital	68	-
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Financial Capital	68	-
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Governance	88	-
103-2	The management approach and its components	Governance	88	-
103-3	Evaluation of the management approach	Governance	88	-
GRI 205: Anti-corruption 2016				
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GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Corporate Governance Report	152	-
103-2	The management approach and its components	Corporate Governance Report	152	-
103-3	Evaluation of the management approach	Corporate Governance Report	152	-
GRI 206: Anti-competitive behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Responsibility Report	151	-
300 Series (Environmental Topics)				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Natural Capital	50	-
103-2	The management approach and its components	Natural Capital	50	-
103-3	Evaluation of the management approach	Natural Capital	50	-
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	Natural Capital	50	-
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Natural Capital	46	-
103-2	The management approach and its components	Natural Capital	46	-
103-3	Evaluation of the management approach	Natural Capital	46	-
GRI 302: Energy 2016				
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302-3	Energy intensity	Natural Capital	46	-
302-5	Reduction of Energy Consumption	Natural Capital	48	-
GRI 303: Water and Effluents 2018				
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303-2	Management of water discharge related impacts	Natural Capital	52	-
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303-5	Water Consumption	Natural Capital	52	-

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103-3	Evaluation of the management approach	Natural Capital	54	-
GRI 304: Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural Capital	54	-
304-2	Significant impacts of activities, products and services on biodiversity	Natural Capital	54	-
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Natural Capital	54	-
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Natural Capital	48	-
103-2	The management approach and its components	Natural Capital	48	-
103-3	Evaluation of the management approach	Natural Capital	48	-
GRI 305: Emissions 2016				
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305-2	Energy indirect (Scope 2) GHG emissions	Natural Capital	48	-
305-3	Other indirect (Scope 3) GHG emissions	Natural Capital	48	-
306-6	Emissions of ozone-depleting substances (ODS)	Natural Capital	48	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital	49	-
GRI 306: Waste 2020				
306-1	Waste generation and significant waste - related impacts	Natural Capital	51	-
306-2	Management of significant waste-related impacts	Natural Capital	51	-
306-3	Waste generated	Natural Capital	51	-
306-4	Waste diverted from disposal	Natural Capital	51	-
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GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Social and Relationship Capital	85	-
103-2	The management approach and its components	Social and Relationship Capital	85	-
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GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	Social and Relationship Capital	85	-
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GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Human Capital	58	-
103-2	The management approach and its components	Human Capital	58	-
103-3	Evaluation of the management approach	Human Capital	58	-
GRI 401: Employment 2016				
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	59, 60	-

Disclosure Number	Disclosure Title	Reference in the report	Page Number	Omission
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GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Human Capital	61	-
103-2	The management approach and its components	Human Capital	61	-
103-3	Evaluation of the management approach	Human Capital	61	-
GRI 402: Labor/Management Relations				
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103-3	Evaluation of the management approach	Human Capital	61	-
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GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Human Capital	61	-
103-2	The management approach and its components	Human Capital	61	-
103-3	Evaluation of the management approach	Human Capital	61	-
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labour	Human Capital	61	-
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GRI 411: Rights of Indigenous People 2016				
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GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Human Capital	61	-
103-2	The management approach and its components	Human Capital	61	-
103-3	Evaluation of the management approach	Human Capital	61	-
GRI 412: Human rights assessment 2016				
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103-1	Explanation of the material topic and its Boundary	Social and Relationship Capital, Responsibility towards community	74-80	-
103-2	The management approach and its components	Social and Relationship Capital, Responsibility towards community	74-80	-
103-3	Evaluation of the management approach	Social and Relationship Capital, Responsibility towards community	74-80	-
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments and development programmes	Social and Relationship Capital, Community Infrastructure and Rural Development	74-80	-
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Social and Relationship Capital	85	-
103-2	The management approach and its components	Social and Relationship Capital	85	-
103-3	Evaluation of the management approach	Social and Relationship Capital	85	-
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Social and Relationship Capital	85	-
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GRI 103: Management Approach 2016				
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103-1	Explanation of the material topic and its Boundary	Social and Relationship Capital	84	-
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GRI 416: Customer Health and Safety 2016				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Social and Relationship Capital	84	-
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103-1	Explanation of the material topic and its Boundary	Social and Relationship Capital	84	-
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GRI 417: Marketing and Labeling				
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GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Corporate Governance Report	154	-
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Mapping with UNGC Principles

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Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Human Capital	61
Principle 2: Make sure that they are not complicit in human right abuses.	Human Capital	61
Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Capital	61
Principle 4: The elimination of all forms of forced and compulsory labour.	Human Capital	61
Principle 5: The effective abolition of child labour	Human Capital	61
Principle 6: The elimination of discrimination in respect of employment and occupation.	Human Capital	61
Principle 7: Business should support a precautionary approach to environmental challenges.	Natural Capital	48
Principle 8: Undertake initiatives to promote greater environmental responsibility.	Natural Capital	48
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Natural Capital	48
Principle 10: Business should work against corruption in all its forms, including extortion and bribery.	Governance	89

Contribution to Sustainable Development Goals (SDGs)

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SDG 2 Zero Hunger	Social and Relationship Capital	72
SDG 3 Good health and wellbeing	Human Capital	56, 72
SDG 4 Quality Education	Social and Relationship Capital, Human Capital	56, 72
SDG 5 Gender equality	Social and Relationship Capital	56, 72
SDG 6 Clean Water and Sanitation	Social and Relationship Capital, Natural Capital, Human Capital	72, 44, 56
SDG 7 Affordable and Clean Energy	Natural Capital	44
SDG 8 Decent work and Economic Growth	Social and Relationship Capital, Financial Capital, Manufactured Capital, Human Capital	38, 56, 66, 72
SDG 9 Industry Innovation and Infrastructure	Intellectual capital, Manufactured Capital	32, 38
SDG 10 Reduced inequality	Human Capital	56
SDG 11 Sustainable Cities and Communities	Natural Capital	44
SDG 12 Responsible Consumption and Production	Natural Capital, Intellectual capital, Manufactured Capital	32, 38, 44
SDG 13 Climate Action	Natural Capital	44

Alignment with the GCCA Sustainability Charter

GCCA Category	Principle	Page No.
Health and Safety	Apply the good safety practice guidelines	62-64
	Promote the sharing of good health practices	62-64
Climate Change and Energy	Develop a climate change mitigation strategy, and publish targets and processes	23
Social Responsibility	Publish a code of conduct incorporating the principles of internationally proclaimed human rights	61
	Apply the Social Impact Assessment guidelines	74-80
	Establish a systematic dialogue process with stakeholders	24-25
Environment and Nature	Apply the Environment and Nature guidelines	46-55
	Set emission targets and report publicly on progress	46-55
Circular Economy	Promote the principles of circular economy across the value chain	50-51
	Apply the guidelines developed for fuel and raw material use in cement production	50-51

Alignment with the NVG Principles

NVG Principle	Description	Page No.
Principle 1	Businesses should conduct and govern themselves with ethics, transparency and accountability	89
Principle 2	Maximising the sustainability of goods and services throughout their lifecycle	50, 48, 85
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Principle 4	Inclusive growth through stakeholder engagement	25
Principle 5	Businesses should respect and promote human rights	61
Principle 6	Protecting the environment	46-55
Principle 7	Policy advocacy	87-94
Principle 8	Inclusive growth and equitable development	74-80
Principle 9	Value to customers	81-84

Sustainability Performance Indicators

Parameters	Key Performance Indicator	Unit	Data	Coverage (% of clinker production)
Climate Protection	Total CO ₂ emissions – gross	Million tCO ₂ e	15.73	100
	Total CO ₂ emissions – net	Million tCO ₂ e	14.77	100
	Specific Net Scope 1 emissions	Kg / tonne cement	529	
	Specific Gross Scope 1 emissions	Kg / tonne cement	532	
	Independent third-party assurance of CO ₂ data (frequency)	Annual		100
Emissions Reductions	Specific NOx emissions	G/tonne clinker	638.38	
	Specific SO ₂ emissions	G/tonne clinker	61.54	
	Specific PM emissions	G/tonne clinker	51.43	
	Ozone Depleting Substance (ODS)	Metric tonnes of CFC-11	0.13	
	Clinker produced with monitoring of major and minor emissions	%		100
Independent third-party assurance of emissions data (frequency from 2011)	Clinker produced with continuous monitoring of major emissions	%		100
	Independent third-party assurance of emissions data (frequency from 2011)	%		Annual

SUSTAINABILITY PERFORMANCE INDICATORS

Parameters	Key Performance Indicator	Unit	Data	Coverage (% of clinker production)
Fuels and raw material	Specific heat consumption of clinker production	KCal / Kg of clinker	733	
	Alternative Fuel Rate (Including Biomass)	%	9.84	
	Biomass Fuel Rate	%	0.4	
	Alternative Raw Materials Rate	%	27.23	
	Clinker/Cement Ratio	%	63.25	
	Sites with quarry rehabilitation plans in place	%	100	
	Sites with community engagement plans in place	%	100	
Biodiversity KPI no.1	Number of quarries within, containing or adjacent to areas designated for their high biodiversity value, as defined by GRI 304	Number	0	
Biodiversity KPI no.2	Quarries with high biodiversity value where biodiversity management plans are actively implemented	%	NA	
Water	Total water discharge by source	Million m ³	0	
	Total water discharge by quality and destination	Million m ³	0	
	Destination: Surface water	Million m ³	0	
	Destination: Groundwater	Million m ³	0	
	Destination: Water discharge for offsite treatment	Million m ³	0	
	Destination: Water discharge to others	Million m ³	0	
	Total water consumption (for cement)	Million m ³	2.28	
	Percentage of sites with a water recycling system	%	100	
	Specific water consumption	m ³ /MT of cement produced	0.082	
	Water reused	Million m ³	0.336	
Employee Health and Safety	No. of fatalities (directly employed)	Number	1	
	No. of fatalities per 10,000 directly employed	Number	1.78	
	No. of fatalities (indirectly employed)	Number	1	
	No. of fatalities (3 rd party)	Number	0	
	No. of Lost time injuries (directly employed)	Number	1	
	Lost time injury per 1m man-hours (directly employed)	Number	0.09	
	No. of Lost time injuries (indirectly employed contractors and subcontractors)	Number	14	
	Lost time injury per 1m man-hours (indirectly employed)	Number	0.57	
	Total no. of lost time injuries	Number	15	
	Independent third-party assurance of safety data (frequency)		Annual	

IFC Performance Indicators

Category	Unit	Value/Reference to Section
Occupational Health & Safety		
Accident rate - Direct Employee	LTI per million hrs.	0.09
Accident rate - Indirect Employee	LTI per million hrs.	0.57
Fatality Rate	Per million - man hours worked	0.09
Fatality Rate (indirect)	Per million hours worked	0.04
Occupational Health & Safety monitoring programme		Annual
Resource use and waste		
Hazardous waste - Liquid (Used Oil)	KL	149.82
Hazardous waste - Solid	Metric Tonnes	47.82
Air emissions levels for cement manufacturing		
Dust	G/tonne clinker	51.43
NOx - for cement facilities	G/tonne clinker	638.38
SO ₂ for cement facilities	G/tonne clinker	61.54
CO ₂ - from decarbonisation (raw material)	tCO ₂ e	9,483,478
CO ₂ - from fuel (kiln)	tCO ₂ e	5,128,829
HCl	Mg/Nm3	4.483
Hydrogen Fluoride	Mg/Nm3	0.378
Total Organic Carbon	Mg/Nm3	4.071
Dioxins – Furans	Mg/Nm3	0.016
Cadmium & Thallium	Mg/Nm3	0.003
Mercury (Hg)	Mg/Nm3	0.001
Effluent Level Cement Manufacturing		
pH	NA	Zero Effluent Discharge
Total Suspended Solids	NA	Zero Effluent Discharge
Temperature increase	NA	Zero Effluent Discharge
Resource Energy Consumption		
Materials-substitute raw materials used in clinker production (Fuel)	%	9.84
Substitute raw materials in cement production	Million tonnes	10.13
Fuel energy - cement	GJ/tonne of cement	2.39
Electrical energy - cement	GJ/tonne of cement	0.17

Board's Report and Management Discussion and Analysis

Dear Members,

The Directors take pleasure in presenting their 43rd Report and Audited Financial Statements of the Company for the financial year 2021-22. Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL PERFORMANCE

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

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	14,305.88	12,668.87	15,009.56	13,559.77
Other Income	537.34	432.89	545.89	438.26
Total Income	14,843.22	13,101.76	15,555.45	13,998.03
Total Expenditure	10,658.04	8,689.04	11,301.63	9,480.32
Profit Before Interest, Depreciation and Taxes (PBIDT)	4,185.18	4,412.72	4,253.82	4,517.71
Finance Costs	217.78	247.10	216.12	251.29
Depreciation and Amortization expenses	1,036.48	1,139.90	1,145.88	1,262.34
Profit Before Tax	2,930.92	3,025.72	2,891.82	3,004.08
Tax Expense	554.30	713.79	555.21	714.49
Profit After Tax	2,376.62	2,311.93	2,336.61	2,289.59
Profit attributable to Owners of the Company	-	-	2,331.94	2,285.87
Profit attributable to Non-Controlling Interest	-	-	4.67	3.72

Key highlights of the year (Standalone performance)-

- Sale volume (cement and clinker) witnessed an increase of 3% in 2021-22 from 26.84 million tons of previous year to 27.74 million tons during 2021-22. A notable improvement was seen in sales volume from Kodla unit in Southern India which went up significantly from 2.26 million tons to 2.69 million tons.
- Net revenue from operations grew by 13% from ₹ 12,669 Crore to ₹ 14,306 Crore mainly due to increase in sales volumes.
- **Key Cost components-** Company faced input cost pressure due to spiraling inflation as a result of rising coal, diesel and other input costs. Key details for 2021-22 were as below:

(a) **Raw material-** Rising diesel prices led to increased mining cost despite continued optimization drive in our limestone mining operations. All major inputs including fly-ash witnessed increase compared to previous year. Resultantly, overall raw material cost increased by 20% from ₹ 834 Crore in FY 2020-21 to ₹ 1,002 Crore in FY 2021-22.

(b) **Power & Fuel-** Global commodity crisis and supply disruption resulted in high cost of fuel and power for the Company. Company's cost optimization measures continued to help Company contain the impact. Its focus on energy management practices helped reduce power consumption per ton of cement from 68.65 kWh/ ton of year 2020-21 to 67.15 kWh/ ton of in year 2021-22. Company also increased share of green power in total energy consumption. Overall power and fuel cost shot up by 52% compared from ₹ 2,082 Crore in previous year to ₹ 3,161 Crore in FY 2021-22.

(c) **Logistics Cost-** Logistics and transportation costs witnessed increase of 7% from ₹ 3,037 Crore in FY 2020-21 to ₹ 3,241 Crore in FY 2021-22. Company continues to work on efficiency improvement initiatives, routes rationalization and raising use of technological tools in supply management, etc. to keep the logistics cost under check. One notable development was the work on building rail connectivity for some of its cement plants which will help enhance movement of materials through Railways and help contain the transportation cost.

- Overall the year witnessed continued input price rise leading to higher cost of production and freight. Resultantly, Profit Before Interest Depreciation and Tax (PBIDT) for the year 2021-22 came down by 5% to ₹ 4,185 Crore compared to ₹ 4,413 Crore of previous year 2020-21.

Key Financial Ratios

Key financial ratios showing the financial performance of the Company are as under:-

Particulars	2021-22	2020-21*	% Change	Remarks
Operating Profit Margin (without other income) (%)	25.50	31.41	-18.83%	Decreased mainly due to increase in power and fuel cost
Net Profit Margin (%)	16.61	18.25	-8.97%	
Return on Net Worth (%)	13.76	15.16	-9.23%	
Interest Coverage Ratio (Times)	19.22	17.86	7.61%	Improved due to reduction in finance cost
Debtors Turnover (Times)	33.58	24.66	36.14%	Improved due to increase in revenue from operations & decrease in trade receivables
Inventory Turnover (Times)	7.86	8.72	-9.84%	Reduced due to increase in inventory
Current Ratio (Times)	1.69	1.69	-	No change
Debt-Equity Ratio (Times)	0.10	0.11	-9.20%	No significant change

* Ratios updated wherever necessary due to re-grouping/ re-classification of underlying financial numbers

2. DIVIDEND AND RESERVES

The Board of Directors have recommended a final dividend of ₹ 45/- per equity share amounting to ₹ 162.36 Crore for the year 2021-22 for approval of the members at the 43rd Annual General Meeting of the Company. The total dividend for 2021-22 aggregates to ₹ 90/- per equity share which includes interim dividend of ₹ 45/- per equity share paid for the year 2021-22. During the year 2020-21, Company had paid dividend of ₹ 60/- per share amounting to ₹ 216.48 Crore for the year 2020-21.

The Board of Directors of the Company in line with provisions of Regulation 43A of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) had approved Dividend Distribution Policy on 12th August, 2016. The policy is uploaded on Company's website and can be accessed at the link <https://www.shreecement.com/uploads/cleanupload/dividend-distribution-policy.pdf>.

3. MANAGEMENT OUTLOOK OF MACRO ECONOMY AND INDUSTRY

I. Indian Economy-Developments and Outlook

The biggest question as regards economic growth in 2021-22 is concerned was whether India's GDP would regain pre-pandemic levels. Based on advance estimates, GDP data for 2021-22 suggests that it has. With an expected growth rate of 8.9% in 2021-22, India's GDP is likely to be 1.8% more than what it was in 2019-20. The swift recovery, after the pandemic induced contraction, is mainly due to the rapid vaccination coverage as well as accommodative monetary and fiscal policy support. Government's policy

thrust on quickening virtuous cycle of growth via capex and infrastructure spending has increased capital formation in the economy lifting the investment to GDP ratio (GFCF) at around 28.3 percent in 2021-22 (based on Second Advance Estimates) from 26.6 percent in 2020-21 (based on Final Revised Estimates). The private investment is also on the path of recovery.

Currently, because of government's thrust on capital expenditure and improved corporate sector's financial health, economy stands on strong growth momentum. Strong GST collection is a testimony to the strong macro-economic fundamentals of the Indian economy. Continued support by RBI by way of accommodative policy stance is also helping the economy. Rising number of private investment projects under implementation in manufacturing sector and increasing mobilization of risk capital bode well for acceleration in private investment. A sturdy and cleaned-up banking sector stands ready to support private investment adequately. Expected increase in private consumption levels will propel capacity utilization, thereby fueling private investment activity. There are thus signals indicating that India is poised for stronger investment.

If regaining pre-pandemic levels was the biggest challenge for 2021-22, the major challenge in 2022-23 is going to be to return to a high growth trajectory. There is greater uncertainty on this question led by elevated international commodity prices, increasing inflation, tight monetary policies, ongoing geopolitical crisis between Russia and

Ukraine and continuing global supply-side disruptions.

Over the past few years, Government has undertaken several structural reforms aimed at fulfilling the vision of Atmanirbhar Bharat and speeding up infrastructure development. The Production Linked Incentive (PLI) scheme launched in 2020 with an intent to give boost to the domestic manufacturing is attracting large investment. PLI Scheme covering 14 sectors is likely to result in manufacturing of \$500 billion worth goods in the next five years. During 2021-22, Government has initiated GatiShakti - a National Master Plan for Multi-modal Connectivity that will accelerate development of seamless multi-modal transport network and reduce the infrastructure gap. The Government is taking many more such steps to continue the growth momentum going. The initial estimates of real economy growth of year 2022-23 are projected at around 7.5 percent to 8 percent. There are challenges however in terms of heightened fears of inflation, emergence of another COVID wave and rising geo-political tensions. RBI's stand on macro trends after Ukraine crisis has been instructive with focus being on gradual withdrawal of accommodation to control the inflation while supporting growth. All in all, while the Indian economy's fundamentals appear capable of weathering the above challenges, Government and RBI will need to do continuous monitoring of external developments and take actions accordingly. Considering this, the overall outlook remains cautiously positive.

II. Cement Industry – Development and Outlook

On the back of a lower base, the cement production is estimated to have clocked a solid growth of around 20% during FY22 over FY21. With production volumes of around 345-350 million tons, the industry is expected to have surpassed pre-COVID levels by around 6%.

The solid growth during FY22 is largely because of rising government spending on infrastructure, continuation of strong demand from real estate sector and rural and affordable housing segment. Higher fiscal deficit of 6.9% during FY22 provided the

Government with extra cushion for spending on infrastructure and development thereby creating demand for other sectors such as cement. The continuation of accommodative monetary policy by RBI ensured easy credit terms for housing finance, which in turn generated continued strong demand from housing segment. On the back of good monsoon and remunerative MSP/ market prices, the rural incomes have seen upward movement resulting in higher spending on housing. With continued focus of the Government on affordable housing, both urban and rural affordable housing schemes have witnessed higher allocation and spending. All in all, FY 2022 has been a good year as far as demand is concerned. Industry has however faced the challenge of high input costs because of inflationary pressures. The coal prices have jumped significantly due to pandemic induced supply side disruptions as well as Ukrainian-Russia conflict which has increased the cost of power and fuel significantly. High crude oil prices and general inflation has increased the cost of transportation and other input costs. Overall, the inflationary pressures have significantly increased costs and impacted the margins.

Going forward, the demand conditions are expected to be strong. The factors such as higher fiscal space with Government for capital and infrastructure spending, rising rural incomes and continuation of Government's flagship scheme of affordable housing will drive cement demand. RBI is considering to gradually withdraw its accommodative stance which is likely to make housing finance dearer. This, however, is unlikely to hit housing demand in the near term. The outlook for cement demand is considered positive.

4. NEW/EXPANSION PROJECTS

- Projects completed during the year-** During the year 2021-22, commercial operation of Clinker Grinding Unit having capacity of 3.0 Million Ton Per Annum (MTPA) at Patas in Pune District of Maharashtra and Clinkerisation Unit (Kiln-3) having capacity of 12,000 Tons Per Day (4.0 MTPA) at Baloda Bazar, near Raipur in Chhattisgarh, has been started.

- **New Projects undertaken during the year-** During the year, the Company has started work on the following projects: -

Integrated Cement Plant(s)	At Gothra in Nawalgarh Tehsil of Rajasthan having Clinker Capacity of 3.80 MTPA and Cement Capacity of upto 3.50 MTPA. The project is scheduled to be completed by Quarter ending March, 2024.
Solar Power Plants	At different locations aggregating to 106 MWp to meet captive power requirement of cement plants of the Company. The same are expected to be completed by Quarter ending September, 2022.

- **New Projects undertaken by wholly owned subsidiary during the year-** Company's wholly owned subsidiary, Shree Cement East Pvt. Ltd. has started work on setting up of clinker grinding unit at Village Digha & Parbatpur, in Purulia District of West Bengal having capacity of 3.0 MTPA. The project is likely to be completed by Quarter ending June, 2023.

5. RISK MANAGEMENT

Company's risk management process is designed to identify and mitigate risks that have the potential to materially impact its business objectives and maintains a balance between managing risk and making most of the opportunities. The Board is responsible for overseeing the overall risk management framework of the Company. The Risk Management Committee of Board, keeps an eye on execution of the risk management plan of the Company and advises the management on strengthening mitigating measures wherever required. The actual identification, assessment and mitigation of risks are however done by key executives of the Company in consultation with professional firm in a systematic manner. The risks are prioritised according to significance and likelihood. Risks having high likelihood and high significance are classified as 'key risk'.

The details of the Key Risks identified by the Company and its mitigation measures are given in 'Risks and the Mitigation Strategies' section of this Annual Report at page no. 20.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company has put in place adequate internal control systems commensurate with its size of operations. Company's internal control systems include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework, etc. Company has laid down 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. The framework is in compliance with the requirements of the Companies Act, 2013. The Company periodically assesses design as-well-as operational effectiveness of its internal controls across multiple functions and locations through extensive internal audit exercises. For carrying out internal audit, Company has an experienced in-house team manned by professionals. Based on the assessment and observations of internal audit, process owners undertake corrective action in their respective areas of operations, and thereby strengthen the processes and controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board on periodical basis. The Audit Committee evaluates the adequacy and effectiveness of internal financial control systems periodically.

Further, during the year, to improve and strengthen processes, finding opportunities for automation and optimizing costs, the Company has appointed different external agencies for conducting internal audit of different geographical locations of the Company. For this purpose, three renowned audit firms have been engaged viz. a viz. one audit firm earlier.

7. HUMAN RESOURCES / INDUSTRIAL RELATIONS

Over last two years, we have seen the world order getting reinvented in a zillion ways. And along with it, changes have happened the way we work. As new practices figured out, it's proven that people are the only competitive advantage that differentiate a company and its culture, the one that is most difficult to replicate, the advantage that walks out of the door every single day.

At SCL, people have been at the core of our business since our founding years. One of the few organizations that has Care and Happiness for all stakeholders as its guiding philosophy. The values that have become especially significant in these past years, the years that witnessed high turnover all over. Creating Happiness for all our stakeholders is the 'WHY' that our organization

has been founded on, this drives the 'WHAT' – what needs to be done to create happiness, followed by the 'HOW' – how do we do this. Purpose that drives the practice which defines the process. Few highlights for the last year were viz. a viz. one audit firm earlier.

a) A step ahead toward a Learning

Organisation- As an extension of School of Training Education and Personal Success ('STEPS'), the Company launched a unified portal <https://www.shreesteps.com/> of its own, that aggregates all its initiatives towards building a learning organization. This was combined with native apps such as edcast for Android and iOS platforms to enable Anytime-Anywhere learning. The Company also introduced byte sized learning content to enable learning in the pace of work.

b) Simplified joining experience- Recruitz, an app and online portal was launched to introduce a seamless joining experience for new hires from Selection to On-Boarding. It not only enhanced the joining experience, but also reduced process redundancies and increased efficiencies.

c) Improved process time in HR enabled

by automation- Multiple processes that were partially offline were automated 100%, thereby reducing response and solution time. This also adds to the data and predictive analytics for HR, which would help us build processes for the future.

d) Being there for people- The Health & Wellness teams organized regular vaccination camps across locations to ensure that all employees and their families were vaccinated. This was supported by a portal developed by Company's in-house team, which tracked vaccination status and sent regular follow ups to ensure 100% compliance. Along with it the Health, Wellness and Administration team supported people who tested positive, helping them with medicines, food, periodic check-ups, oxygen support, tie up with hospitals, etc.

e) Significant Achievement in HR Excellence-

The Confederation of Indian Industries (CII) recognized the Company under category 'Significant Achievement in HR Excellence', which was a 100-point improvement from the last year, a milestone in our journey towards excellence. This recognition is based on a

detailed examination of Company's policies and practices as per the framework designed by CII followed by an onsite audit by senior members of the industry.

f) Commitment to being a Great Place to Work-

The Company was certified as a Great Place to Work for the 3rd consecutive year and also earned a badge for 'Commitment to Being a Great Place to Work'. This was in addition to recognition of (a) being among India's 100 Best Places to Work for, (b) among India's Top 30 in the Manufacturing Sector for 3rd consecutive year and (c) among the best companies in Cement and Building Materials.

g) Industrial Relations- Company considers its employees as its biggest asset. It therefore, always strives to build healthy relationship with them and resolve issues through dialogue and discussions. As a result, employee relations remained cordial during the year. Total number of employees as on 31st March, 2022 were 6,445.

8. OCCUPATIONAL HEALTH AND SAFETY

Following a 'Safety First' approach, health and safety is a top priority area of the Company. Company has built a robust safety management system based on the globally recognized and practised OHSAS 18001 standard to institutionalize the organisation-wide focus on Occupational Health and Safety.

Safety Committees' have been formed at all manufacturing units with equal representation from both management and non-management categories. These committees play a pivotal role in achieving the objective of 'Safety First' by undertaking assessment of safety issues on an ongoing basis and implementing suitable initiatives and programs for the same. To transform the way workers' look at safety and make them aware and adopt best practices related to safety, these Committees periodically organise online and offline trainings, mentoring and coaching with the help of internal and external safety experts. This has helped bringing about a consistent positive change to the workers' safety performance. Such interactions are also helping the plant level safety committees get feedback from workers and thereby identifying hazards and minimise the recurrence of the same. The Company has established a structured hazard identification and risk assessment process which helps it identify potential risks which could have resulted in production disruptions and liabilities.

To provide its employees and contractual workers access to quality and instant healthcare services, Company has established 'Wellness Management Centres' (WMC) at all the locations. WMCs are equipped with qualified doctors and modern facilities which help carry out day to day health-care services and also conduct annual health check-ups for employees & contract workers. Health talks by experts and specialists are also organised to propagate awareness on chronic and lifestyle diseases.

All safety initiatives and employee engagement programs have been designed to ensure their continuous review and monitoring. Through a regular internal audit protocol, the Company assesses the overall safety performance and examines the existing procedures, systems and control measures for fire & safety hazards. Observations and recommendations are implemented by concerned departments within set timelines. As part of the process, monthly safety performance of all grinding units are reviewed and discussed with all safety professionals for implementation of common safety system and practices.

9. SUSTAINABILITY

Sustainability is at the forefront of the Company since inception and imbibed in its business model as a way of life. Company's operational strategy is built on a long-term commitment to experiment and implement new ideas for improving efficiencies, minimising the use of input resources and promote circular economy in the process. Following were key initiatives / developments:-

- a) Generation of power from renewable resources-** Company continued to lay strong focus on increasing use of renewable energy (RE) as part of its sustainability agenda. While Company maintains its leadership position with regard to use of RE in its total energy consumption, it is steadily ramping up its RE power generation capacity spanning across Waste Heat Recovery (WHR), Solar and Wind power plants. During the Company has increased share of renewable energy in total energy consumption from 47.9% in FY 2020-21 to 48.2% in FY 2021-22. It has already undertaken work on setting up solar power plant capacity of 106 MWp at different locations for meeting its captive requirement. The Company continues its recognition of having the largest WHR capacity in World Cement Industry excluding China. This apart, in terms of operational efficiency of WHRP, Company is regarded as one of the best in

the industry. During the year, the Company installed 10.5 MW wind power plant in Maharashtra and 8.4 MW in Karnataka. Its total renewable power generation capacity (including WHR) stood at 263 MW at the end of financial year 2021-22.

- b) Energy Conservation-** Energy conservation derives extreme focus of the Company and has seen numerous innovations and initiatives over the years ranging from shop-floor experiments to large capex. This has helped Company to reduce its carbon intensity and rationalize production costs. More details on initiatives taken in the area of energy conservation are given in **Annexure - 3** to this report. Company's performance in energy conservation field is getting exemplified at platforms like "Perform, Achieve & Trade" (PAT) scheme of the Govt. of India wherein the Company overachieved its targets in PAT Cycle I, II and III continuously. The Company was awarded with the 'Best Performer' award for energy saving under PAT Cycle I by Bureau of Energy Efficiency.
- c) Alternative Fuels and Raw Materials-** Company is constantly working on to increase usage of alternative raw materials and fuels in its operations. Company uses of wastes of various industries such as Pharma, Chemical, Sponge Iron as alternate fuel. Company has also started utilizing MSW (Municipal Solid Waste), RDF (Refused Derived Fuel) and Agriculture Crop Residue as alternate fuel to conserve the natural resources. These measures have helped the Company to improve its Thermal Substitution Rate to 2.41% in FY 2021-22. As alternative raw materials, the Company has been using marginal grade limestone and quarry rejects with high grade material in a cost effective manner. Company's share of alternate fuel and raw material in total fuel and raw material consumption stood at 9.84% and 27.23% in FY 2021-22.
- d) Green products-** The Company has been producing blended cement under following categories: Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement (CC) conforming strictly to the specified BIS norms. Blended cement contributes to sustainable design by making concrete stronger and durable, reducing consumption of natural resources such as limestone, lowering greenhouse gas emissions and contributes to a circular

economy by utilizing wastes from power, iron and steel plants. Use of blended cement also has cost benefits for Company's customers. The share of blended cement in total cement production stood at 75.13% in FY 2021-22.

- e) Emission Reduction-** Company has been constantly working on ways to reduce its carbon emissions. Over the years, measures such as installation of waste heat recovery plants, increased production of blended cement, increased usage of renewable energy, etc. have been taken by the Company in this direction. The Company has targeted to reduce Scope-1 GHG emissions by 12.7% per ton of cementitious materials by 2030 from a 2019 base year and Scope-2 GHG emissions by 27.1% per ton of cementitious materials within the same timeframe. These have been validated by Science Based Targets initiative (SBTi). Further as part of its membership of Global Cement and Concrete Association (GCCA), it is committed to achieve the carbon goals as are decided by GCCA from time to time.
- f) Water Conservation-** Water is increasingly becoming a scarce and precious natural resource. The Company has been working on two-pronged approach of optimising water consumption as well as increasing availability of water through water harvesting and recharging. Company's macro level initiatives in this regard such as installation of Air Cooled Condensers in all its thermal power plants and setting-up Waste Heat Recovery based power plants have been a great success. Micro initiatives include construction of rain water harvesting structures around operating sites and mining area, installation of Sewage Treatment Plants for treating domestic waste water, use of recycled water in operations, online monitoring of ground water level, installation of water sensors & fixtures, etc. which help in reducing water consumption, increase water availability and reduce dependence on ground water.
- g) Sustainability Reporting-** Company released its 17th annual Corporate Sustainability Report for the reporting period 2020-21 titled "Progressing Responsibly with hard work and innovation". The said report was prepared in accordance with the "GRI Standards – Comprehensive Option" and assured by an independent certifying agency.

The Company has also consistently issued its Business Responsibility Report as part of Annual Report since year 2012-13 disclosing its performance with respect to various Business Responsibility principles. This apart, it has been consistently participating in various benchmarking and rating exercises such as CDP, Dow Jones Sustainability Index, MSCI sustainability index, etc. to gauge its performance with peers and improve upon the same. Company is part of various global industry membership such as Global Cement and Concrete Association wherein also it shares its performance details on various aspects.

- h) Engaging as knowledge partner -** In a unique initiative, during the year, the Company, held discussions with World Bank to act as a knowledge partner with them, on projects / programs relating to sustainability and climate change. The Company has offered to participate in initiatives, workshops, training programs, etc. relating to sustainability issues and fund research in the areas of Carbon Capture Usage & Storage (CCUS), use of waste materials, resource conservation, power storage technology and pollution control measures. It also offered its facilities for setting-up pilot projects in these areas.

The Company, as part of its membership with Global Cement and Concrete Association, has participated in INNOVANDI project, which is designed to accelerate deployment of enabling technologies for CCUS. Under this initiative, the Company is collaborating with other member companies to identify solutions and technologies to address cement and concrete's carbon footprint.

10. CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, Company was in compliance with the provisions relating to corporate governance as provided under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The compliance report is provided in the Corporate Governance section of this Annual Report. The Auditor's Certificate on Corporate Governance is enclosed at **Annexure - 1**.

11. BUSINESS RESPONSIBILITY REPORTING

Company is also releasing Business Responsibility Report (BRR) as part of this Annual Report covering its compliances towards the Business Responsibility Principles enunciated by the Securities and Exchange Board of India as required under Regulation 34(2) (f) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

12. CORPORATE SOCIAL RESPONSIBILITY

As part of its triple bottom-line approach to its business, Company has always considered the community as its key stakeholder. It believes that the community around its operations should also grow and prosper in the same manner as does its own business. Accordingly, Corporate Social Responsibility forms an integral part of the Company's business philosophy. To oversee all its CSR initiatives and activities, the Company has constituted a Board-level Committee - Corporate Social and Business Responsibility Committee. The major thrust areas of the Company include healthcare, education, women empowerment, infrastructure support, integrated rural development, etc. which are aligned to the areas specified under Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities of FY 2021-22 with requisite details in the specified format as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) is enclosed at **Annexure - 2** and forms part of this report. The CSR Policy of the Company may be accessed on website of the Company at link <https://www.shreecement.com/investors/policies>.

13. SUBSIDIARY COMPANIES

The Company has following subsidiaries:

S. No.	Name of Subsidiaries	Nature of Interest
1	Shree Global FZE	
2	Raipur Handling and Infrastructure Private Limited	
3	Shree Cement East Private Limited	Wholly Owned Subsidiaries
4	Shree Cement North Private Limited	
5	Shree Cement South Private Limited	
6	Shree Enterprises Management Ltd	
7	Shree International Holding Ltd	
8	Union Cement Company PrJSC	Step-down Subsidiaries
9	U C N Co. Ltd LLC (earlier Union Cement Norcem Co. Ltd. LLC)	

S. No.	Name of Subsidiaries	Nature of Interest
10	Shree Cement East Bengal Foundation	Subsidiary Company (Incorporated under Section 8 of the Companies Act, 2013)

Audited financial statements of the subsidiaries of the Company are available on the website of the Company. The shareholders, who wish to receive a copy of Annual Accounts of the Subsidiary Companies, may request the Company Secretary for the same. The policy for determining material subsidiaries as approved by the Board can be accessed on the website of the Company at link <https://www.shreecement.com/investors/policies>.

Pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiary companies in prescribed Form AOC-1 is given in the Consolidated Financial Statements of Company and forms part of this Annual Report.

14. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company have been prepared in terms of provisions of Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) by following the applicable Accounting Standards notified by the Ministry of Corporate Affairs and forms part of this Annual Report.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company, to the best of their knowledge and belief and according to the information and explanations obtained by them, state that:

- In the preparation of the annual accounts for the year ended 31st March, 2022 the applicable accounting standards have been followed and there are no material departures from the same;
- They have selected such accounting policies, judgments and estimates that are reasonable and prudent and have applied them consistently so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the statement of Profit and Loss as well as Cash Flow of the company for the year ended on that date;
- Proper and sufficient care has been taken 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;
- The annual accounts have been prepared on a going concern basis;
- Necessary internal financial controls have been laid down by the Company and the same are commensurate with its size of operations and that they are adequate and were operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES & INDIVIDUAL DIRECTORS

In terms of requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and provisions of Companies Act, 2013, Nomination cum Remuneration Committee of the Board of Directors of the Company specified the manner for effective evaluation of performance of Board, its Committees and Individual Directors.

Based on the same, the Board carried out annual evaluation of its own performance, performance of its Committees, Individual Directors including Independent Directors during the year. Company had adopted the evaluation parameters as suggested by the Institute of Company Secretaries of India and Securities and Exchange Board of India with suitable changes from Company's perspective. 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 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, inter-personal relations with other Directors, meaningful and constructive contribution and inputs in the Board/ Committee meetings, etc.

For the above evaluation, the Board members completed questionnaires providing feedback on different parameters as already stated above including on performance of Board / Committees

/ Directors, engagement levels, independence of judgment and other criteria. This is followed with review and discussions at the level of Board. The results of evaluation showed high level of commitment and engagement of Board, its various committees and working directors.

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 were also evaluated in the said meeting.

The Independent Directors well appreciated the functioning of the Board of Directors, Working Directors as well as Committee of the Board. They were also highly satisfied with leadership role played by the Chairman.

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

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Director retiring by rotation - In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Prakash Narayan Chhangani (DIN: 08189579), Director of the Company (designated as Whole Time Director) will retire by rotation in the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. Item seeking approval of members for the same is included in the Notice convening the 43rd AGM. The Board recommends the reappointment of Shri Prakash Narayan Chhangani. His reappointment at the 43rd AGM as a director retiring by rotation would not constitute break in his appointment as a Whole Time Director.

Key Managerial Personnel - Shri Prashant Bangur (DIN: 00403621) was last appointed as Joint Managing Director of the Company for a period of 5 years from 1st April, 2017. His tenure as Joint Managing Director completed on 31st March, 2022. The Board of Directors of the Company in its meeting held on 4th February, 2022, on the recommendation of Nomination cum Remuneration Committee and after evaluating

his performance and considering the Company's growth under his stewardship, approved his reappointment as Jt. Managing Director of the Company for a period of 5 (five) years w.e.f. 1st April, 2022 subject to approval of the members. Approval of Members was obtained by passing of Special Resolution through Postal Ballot on 1st April, 2022.

Independent Directors - The Board of Directors of the Company in its meeting held on 21st May, 2022, on the recommendation of Nomination cum Remuneration Committee), appointed Mr. Zubair Ahmed (DIN: 00182990) as Additional Director of the Company w.e.f. 21st May, 2022. He holds office as Additional Director up to the date of the ensuing Annual General Meeting. Further, the Board appointed him as Independent Director of the Company for a period of 5 (five) years w.e.f. 21st May, 2022 subject to approval of the members.

Profile and other information of the aforesaid Directors, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 forms part of the Notice convening the 43rd Annual General Meeting.

During the year, Shri Om Prakash Setia (DIN: 00244443) resigned from the position of the Independent Director of the Company effective from close of Business Hours on 29th October, 2021 due to his personal reasons. Further, at the time of resignation, he confirmed that there were no material reasons for his decision to resign.

In accordance with Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). They have also confirmed the compliance of Rule 6 of the Companies (Appointment and Qualification of Directors) Rule, 2014 regarding inclusion of their name in the data bank of Indian Institute of Corporate Affairs (IICA).

18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In order to acquaint the new directors with the Company, a detailed presentation is given to them

at the time of their appointment which covers their role, duties and responsibilities, Company's strategy, business model, operations, markets, organizational structure, products, etc. A detailed presentation along similar lines is sent to existing Independent Directors every year to keep them apprised of the above details.

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 familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at link <https://www.shreecement.com/investors/shareholder-information>.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is set out at **Annexure - 3** which forms part of this report.

20. 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 top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, 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 such working hours as are provided under the Articles of Association of the Company and any member interested in obtaining such information may write

to the Company Secretary and the same will be furnished on request.

21. AUDITORS

I. Statutory Auditors

M/s. Gupta & Dua, Chartered Accountants (Firm Registration No. 003849N), who are the Statutory Auditors of the Company, shall hold office till the conclusion of the ensuing Annual General Meeting. They have given their report on the Annual Financial Statements for Financial Year 2021-22. The Audit Report does not contain any qualification, reservation or adverse remark. As per the provisions of Section 139 of the Companies Act 2013, the term of office of M/s. Gupta & Dua, as Statutory Auditors of the company will conclude with effect from the conclusion of the ensuing AGM of members of the Company.

The Board of Directors of the Company in its meeting held on 21st May, 2022, on the recommendation of Audit Committee, appointed M/s. B R Maheswari & Co LLP, Chartered Accountants (Firm Registration No. 001035N/N500050) as the Statutory Auditors of the Company for a period of 5 (Five) consecutive years commencing from the conclusion of ensuing 43rd Annual General Meeting till the conclusion of 48th AGM, subject however to approval of the members at the ensuing AGM. The Statutory Auditors have confirmed their independence status and eligibility for their appointment.

The members' attention is drawn to a Resolution proposing the appointment of M/s. B.R. Maheswari & Co LLP, Chartered Accountants, as Statutory Auditors of the Company which is included in the Notice convening the 43rd AGM.

II. Secretarial Auditors

The Board had appointed M/s. Pinchaa & Co., Company Secretaries as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2021-22. They have submitted their report in prescribed format and the same is enclosed at **Annexure - 5**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

III. Cost Auditors

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of

Directors of the Company have appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur (Firm Registration No. 00024) to conduct the cost audit for the financial year ending 31st March, 2023 at a remuneration as stated in the Notice convening the 43rd Annual General Meeting of the members. As required under the Companies Act, 2013, the remuneration payable to cost auditors has to be placed before the Members at the general meeting for ratification. Hence, a resolution seeking ratification of remuneration by the Members, payable to the Cost Auditors, forms part of the Notice of the ensuing 43rd AGM.

The Cost Auditors are in process of conducting the audit of cost records for year 2021-22 and shall submit their report in due course.

22. OTHER DISCLOSURES

(a) **Composition of Audit Committee-** The Audit Committee comprises of Shri Shreekant Somany as Chairman, Shri R. L. Gaggar, Dr. Y. K. Alagh, Shri Nitin Desai and Shri Sanjiv Krishnaji Shelgikar as other Members. More details are given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

(b) **Details of Meetings of Board and its Committees-** The Board of Directors of your Company met 4 times during the year to deliberate on various matters. The meetings were held on 21st May, 2021, 9th August, 2021, 29th October, 2021 and 4th February, 2022. Further details are available in the Corporate Governance Report forming part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

(c) **Annual Return-** In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at link <https://www.shreecement.com/investors/shareholder-information>.

(d) **Particulars of Loans, Guarantees or Investments-** Details of Loans, Guarantees and Investments covered under the

provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in Notes to the standalone financial statements.

- (e) Related Party Transactions-** All Related Party Transactions during the financial year 2021-22 were on arm's length basis and in ordinary course of business. They were all in compliance with the applicable provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). All such transactions are placed before the Audit Committee for review/approval. The necessary omnibus approvals have been obtained from Audit Committee wherever required. There were no material Related Party Contracts/ Arrangements/Transactions made by the Company during the year 2021-22 that would have required Shareholders' approval under provisions of Section 188 of the Companies Act, 2013 or of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The Company has adopted a Related Party Transactions Policy duly approved by the Board, which is uploaded on the Company's website & may be accessed at link <https://www.shreecement.com/investors/policies>.

Further, in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the transactions with person/entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company are as under:

Name of the Entity	% Holding in the Company	Amount (₹ Crore)	Nature of Transaction
Shree Capital Services Ltd.	24.90%	0.48	Payment of Office Rent

- (f) Deposits from Public-** The Company has not accepted any deposits from public covered under Chapter V of the Companies Act, 2013 during the year and as such, no amount on account of principal or interest on deposits from public was outstanding.

(g) Managing the Risk of Fraud, Corruption and Unethical Business Practices

Vigil Mechanism/Whistle Blower Policy-

The Company has adopted a Whistle Blower Policy and 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 Committee. The Whistle Blower Policy may be accessed on the website of the Company at link <https://www.shreecement.com/investors/policies>.

Ethics, Transparency and Accountability

Policy & Code of Conduct- Company believes in the principle of trust, which can be derived through ethical practices, transparency and accountability to stakeholders. Keeping the same into account, Company has in place policy of Ethics, Transparency and Accountability Policy & Code of Conduct. Every director and employee is required to adhere to the said policy. The details of the policy can be accessed on the website of the Company at link <https://www.shreecement.com/investors/policies>.

Anti-Bribery and Anti-Corruption Policy-

To conduct the business in an ethical, honest and transparent manner, the Board of Directors of the Company has adopted Anti-Bribery and Anti-Corruption Policy. Company has zero tolerance approach toward bribery and corruption. Every individual or group of individuals, associated with the Company in any form, be it director or employee or worker or contractor or dealer or supplier is required to follow the said policy. The details of the policy can be accessed on the website of the Company at link <https://www.shreecement.com/investors/policies>.

- (h) Remuneration Policy-** Company firmly believes in nurturing a people friendly environment, which is geared to drive the organisation towards high and sustainable growth. Each and every personnel working with Company strives to achieve the

Company's vision of being the best in the industry. 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 (KMP) and other employees.

The directors and KMPs are appointed on the recommendation of Nomination cum Remuneration Committee in terms of Companies Act, 2013. The factors for deciding the Remuneration of working directors, KMPs and senior executives includes, responsibility and profile of Individual, remuneration packages of peer group, accolades and recognition conferred on the individual, performance of the sector in which company operates, overall performance of the Company including its ESG/sustainability performance.

The Remuneration Policy can be accessed on the website of the Company at link <https://www.shreecement.com/investors/policies>.

(i) Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace- The Company has complied with the provisions of the constitution of the Internal Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and 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 thereunder. Company has formed an 'Internal Complaints Committee' for prevention & redressal of sexual harassment at workplace. The Committee has 6 members and is chaired by a senior woman member of the organisation. The Company has not received any complaint of sexual harassment during the financial year 2021-22.

- (j) 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.
- (k) 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.
- (l) Maintenance of Cost Records-** Company is required to maintain cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013, accordingly such accounts and records are made and maintained by the Company.
- (m) Compliance with Secretarial Standards-** Company has complied with the Secretarial Standards issued by Institute of Companies Secretaries of India (ICSI) on Board Meetings (SS- 1) and General Meetings (SS-2).

23. ACKNOWLEDGEMENT

The Directors take this opportunity to express their deep sense of gratitude to its Central and State Governments and local authorities for their continued co-operation and support. They also would like to place on record their sincere appreciation for the commitment, hard work and high engagement level of every member of the Shree family without which the exemplary performance of the Company year after year, would not have been possible. The Directors would also like to thank various stakeholders of the Company including customers, dealers, suppliers, lenders, transporters, advisors, local community, etc. for their continued committed engagement with the Company. The Directors would also like to thank the Members of the Company for confidence and trust reposed in them.

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

Place: Kolkata
Date : 21st May, 2022

ANNEXURE TO BOARD REPORT

Annexure-1 to the Board's Report

Independent Auditors' Certificate on Corporate Governance

To,
The Members of
Shree Cement Limited

1. We, Gupta & Dua, Chartered Accountants, the Statutory Auditors of Shree Cement Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing (Obligation and Disclosure requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This Responsibility includes the Design, implementation and maintenance of internal controls and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2022.
8. We 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 **Gupta & Dua**

Chartered Accountants

Firm's Registration No.: 003849N

Place: Kolkata
Date: 21st May, 2022
UDIN: 22085323AJNBRT5935

Mukesh Dua
Partner
Membership No.: 085323

Annexure-2 to the Board's Report

Annual Report on Corporate Social Responsibility Activities for year ended 31st March, 2022

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended)]

1. Brief outline on CSR Policy of the Company	<p>Company follows a balanced growth model where economic growth walks hand in hand with care for the society and environment. Its progress is thus underlined by strict adherence to environment preservation, social upliftment and financial prudence. Company has made social development an integral part of its business objectives so as to bring about a meaningful change in the lives of people/ communities associated with it. The projects / activities undertaken by the Company in the field of corporate social responsibility fall within the broad framework of Schedule VII to the Companies Act, 2013 which inter alia include education, healthcare, sustainable livelihood, women empowerment, rural and infrastructure development, environment protection, supporting widows / dependents of martyrs of armed forces and promotion of art & culture, epitomizing a holistic approach to inclusive growth.</p>																																							
2. Composition of CSR Committee*	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Sl. No.</th> <th style="text-align: left; padding: 5px;">Name of Director</th> <th style="text-align: left; padding: 5px;">Designation / Nature of Directorship</th> <th style="text-align: center; padding: 5px;">Number of meetings of CSR Committee held during the year</th> <th style="text-align: center; padding: 5px;">Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">1.</td><td style="padding: 5px;">Shri Nitin Dayalji Desai (appointed Chairman w.e.f. 4th February, 2022)</td><td style="padding: 5px;">Chairman, Independent Director</td><td style="text-align: center; padding: 5px;">1</td><td style="text-align: center; padding: 5px;">1</td></tr> <tr> <td style="padding: 5px;">2.</td><td style="padding: 5px;">Shri Prashant Bangur</td><td style="padding: 5px;">Member, Jt. Managing Director</td><td style="text-align: center; padding: 5px;">1</td><td style="text-align: center; padding: 5px;">1</td></tr> <tr> <td style="padding: 5px;">3.</td><td style="padding: 5px;">Shri Sanjiv Krishnaji Shelgikar</td><td style="padding: 5px;">Member, Independent Director</td><td style="text-align: center; padding: 5px;">1</td><td style="text-align: center; padding: 5px;">1</td></tr> <tr> <td style="padding: 5px;">4.</td><td style="padding: 5px;">Ms. Uma Ghurka</td><td style="padding: 5px;">Member, Independent Director</td><td style="text-align: center; padding: 5px;">1</td><td style="text-align: center; padding: 5px;">1</td></tr> <tr> <td style="padding: 5px;">5.</td><td style="padding: 5px;">Shri P. N. Chhangani</td><td style="padding: 5px;">Member, Whole Time Director</td><td style="text-align: center; padding: 5px;">1</td><td style="text-align: center; padding: 5px;">1</td></tr> <tr> <td style="padding: 5px;">6.</td><td style="padding: 5px;">Shri O.P. Setia (ceased w.e.f. 29th October, 2021 consequent upon cessation of office of Director)</td><td style="padding: 5px;">Chairman, Independent Director</td><td style="text-align: center; padding: 5px;">1</td><td style="text-align: center; padding: 5px;">1</td></tr> </tbody> </table>					Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	1.	Shri Nitin Dayalji Desai (appointed Chairman w.e.f. 4 th February, 2022)	Chairman, Independent Director	1	1	2.	Shri Prashant Bangur	Member, Jt. Managing Director	1	1	3.	Shri Sanjiv Krishnaji Shelgikar	Member, Independent Director	1	1	4.	Ms. Uma Ghurka	Member, Independent Director	1	1	5.	Shri P. N. Chhangani	Member, Whole Time Director	1	1	6.	Shri O.P. Setia (ceased w.e.f. 29 th October, 2021 consequent upon cessation of office of Director)	Chairman, Independent Director	1	1
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3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	<p>Composition of CSR Committee is available on Company's website at following link: https://www.shreecement.com/uploads/investors/shareholder/Committee_Composition_of_Board_of_Directors_20.pdf</p> <p>CSR policy of the Company is available at its website at https://www.shreecement.com/investors/policies.</p> <p>Details about CSR activities of the Company are available at https://www.shreecement.com/sustainability#community</p>																																							
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)	<p>Reports of impact assessment carried out by an independent agency in terms of sub-rule (3) of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) in respect of projects or programs completed in FY 2020-21 involving outlay of ₹ 1.00 Crore or more have been uploaded on website of the Company at https://www.shreecement.com/sustainability#community.</p>																																							