

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 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 17<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 43<sup>rd</sup> AGM. The Board recommends the reappointment of Shri Prakash Narayan Chhangani. His reappointment at the 43<sup>rd</sup> 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 1<sup>st</sup> April, 2017. His tenure as Joint Managing Director completed on 31<sup>st</sup> March, 2022. The Board of Directors of the Company in its meeting held on 4<sup>th</sup> 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. 1<sup>st</sup> April, 2022 subject to approval of the members. Approval of Members was obtained by passing of Special Resolution through Postal Ballot on 1<sup>st</sup> April, 2022.

**Independent Directors** - The Board of Directors of the Company in its meeting held on 21<sup>st</sup> 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. 21<sup>st</sup> 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. 21<sup>st</sup> 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 43<sup>rd</sup> 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 29<sup>th</sup> 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 21<sup>st</sup> 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 43<sup>rd</sup> Annual General Meeting till the conclusion of 48<sup>th</sup> 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 43<sup>rd</sup> 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 31<sup>st</sup> March, 2023 at a remuneration as stated in the Notice convening the 43<sup>rd</sup> 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 43<sup>rd</sup> 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 21<sup>st</sup> May, 2021, 9<sup>th</sup> August, 2021, 29<sup>th</sup> October, 2021 and 4<sup>th</sup> 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 : 21<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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: 21<sup>st</sup> 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 31<sup>st</sup> March, 2022

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

1. <b>Brief outline on CSR Policy of the Company</b>	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.				
2. <b>Composition of CSR Committee*</b>	<b>Sl. No.</b>	<b>Name of Director</b>	<b>Designation / Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
	1.	Shri Nitin Dayalji Desai (appointed Chairman w.e.f. 4 <sup>th</sup> 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 <sup>th</sup> October, 2021 consequent upon cessation of office of Director)	Chairman, Independent Director	1	1
3. <b>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</b>	Composition of CSR Committee is available on Company's website at following link: <a href="https://www.shreecement.com/uploads/investors/shareholder/Committee_Composition_of_Board_of_Directors_20.pdf">https://www.shreecement.com/uploads/investors/shareholder/Committee_Composition_of_Board_of_Directors_20.pdf</a>  CSR policy of the Company is available at its website at <a href="https://www.shreecement.com/investors/policies">https://www.shreecement.com/investors/policies</a> .  Details about CSR activities of the Company are available at <a href="https://www.shreecement.com/sustainability#community">https://www.shreecement.com/sustainability#community</a>				
4. <b>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)</b>	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 <a href="https://www.shreecement.com/sustainability#community">https://www.shreecement.com/sustainability#community</a> .				

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Sl. No.	Financial Year	Amount available for set-off from preceding financial year (in ₹ Crore)				Amount required to be set off for the financial year, if any (in ₹ Crore)							
	1	2020-21	0.89				0.89							
	Total		0.89				0.89							
6. Average net profit of the company as per section 135 (5)	The average net profit of the Company for the last three financial years calculated in terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) is ₹ 2,650.71 Crore.													
7. (a) Two percent of average net profit of the company as per Section 135 (5)	₹ 53.01 Crore													
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL													
(c) Amount required to be set off for the financial year, if any	₹ 0.89 Crore													
(d) Total CSR obligation for the financial year (7a+7b-7c)	₹ 52.12 Crore													
8. (a) CSR amount spent or unspent for the financial year	Total amount spent for the Financial Year (₹ in Crore)		Amount Unspent (₹ in Crore)											
			Total amount transferred to Unspent CSR Account as per Section 135 (6)				Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)							
			Amount		Date of transfer		Name of the Fund		Amount		Date of transfer			
57.54		NIL		-		-		NIL		-				
(b) Details of CSR amount spent against ongoing projects for the financial year	(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)		(11)	
	Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹ Crore)	Amount spent in the current financial year (in ₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Crore)	Mode of implementation - Direct (Yes/ No)		Mode of implementation - through implementing Agency	
					State	District							Name	CSR Registration number
	NIL													
(c) Details of CSR amount spent against other than ongoing projects for the financial year	As Annexed (amount spent is ₹ 54.76 Crore)													

(d) Amount spent in Administrative Overheads	₹ 2.78 Crore																											
(e) Amount spent on Impact Assessment, if applicable	NIL																											
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 57.54 Crore																											
(g) Excess amount for set off, if any	<table><tr><th>Sl. No.</th><th>Particular</th><th>Amount (₹ in crore)</th></tr><tr><td>(i)</td><td>Two percent of average net profit of the company as per Section 135 (5) [Refer point 7(d)]</td><td>52.12</td></tr><tr><td>(ii)</td><td>Total amount spent for the Financial Year</td><td>57.54</td></tr><tr><td>(iii)</td><td>Excess amount spent for the financial year [(ii) – (i)]</td><td>5.42</td></tr><tr><td>(iv)</td><td>Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any</td><td>NIL</td></tr><tr><td>(v)</td><td>Amount available for set off in succeeding financial years [(iii)-(iv)]</td><td>5.42</td></tr></table>	Sl. No.	Particular	Amount (₹ in crore)	(i)	Two percent of average net profit of the company as per Section 135 (5) [Refer point 7(d)]	52.12	(ii)	Total amount spent for the Financial Year	57.54	(iii)	Excess amount spent for the financial year [(ii) – (i)]	5.42	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.42									
Sl. No.	Particular	Amount (₹ in crore)																										
(i)	Two percent of average net profit of the company as per Section 135 (5) [Refer point 7(d)]	52.12																										
(ii)	Total amount spent for the Financial Year	57.54																										
(iii)	Excess amount spent for the financial year [(ii) – (i)]	5.42																										
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL																										
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.42																										
9. (a) Details of Unspent CSR amount for the preceding three financial years	<table><tr><th>Sl. No.</th><th>Preceding Financial Year</th><th>Amount transferred to Unspent CSR Account under Section 135(6) (in ₹ Crore)</th><th>Amount spent in the reporting Financial Year (in ₹ Crore)</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any</th><th>Amount remaining to be spent in succeeding financial years (in ₹ Crore)</th></tr><tr><th></th><th></th><th></th><th></th><th>Name of the Fund</th><th>Amount (in ₹ Crore)</th><th>Date of transfer</th><th></th></tr><tr><td colspan="8">NIL</td></tr></table>	Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹ Crore)	Amount spent in the reporting Financial Year (in ₹ Crore)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ Crore)					Name of the Fund	Amount (in ₹ Crore)	Date of transfer		NIL										
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹ Crore)	Amount spent in the reporting Financial Year (in ₹ Crore)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ Crore)																					
				Name of the Fund	Amount (in ₹ Crore)	Date of transfer																						
NIL																												
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)	<table><tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th>(5)</th><th>(6)</th><th>(7)</th><th>(8)</th><th>(9)</th></tr><tr><th>Sl. No.</th><th>Project ID</th><th>Name of the Project</th><th>Financial year in which the project was commenced</th><th>Project duration</th><th>Total amount allocated for the project (in ₹ Crore)</th><th>Amount spent on the project in the reporting Financial Year (in ₹ Crore)</th><th>Cumulative amount spent at the end of reporting Financial Year (in ₹ Crore)</th><th>Status of the project -Completed/ Ongoing</th></tr><tr><td colspan="9">NIL</td></tr></table>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ Crore)	Amount spent on the project in the reporting Financial Year (in ₹ Crore)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Crore)	Status of the project -Completed/ Ongoing	NIL								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)																				
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ Crore)	Amount spent on the project in the reporting Financial Year (in ₹ Crore)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Crore)	Status of the project -Completed/ Ongoing																				
NIL																												
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)	<table><tr><td>(a)</td><td>Date of creation or acquisition of the capital asset(s)</td><td>Not Applicable</td></tr><tr><td>(b)</td><td>Amount of CSR spent for creation or acquisition of capital asset</td><td>NIL</td></tr><tr><td>(c)</td><td>Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.</td><td>Not Applicable</td></tr><tr><td>(d)</td><td>Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)</td><td>Not Applicable</td></tr></table>	(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable	(b)	Amount of CSR spent for creation or acquisition of capital asset	NIL	(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable	(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable															
(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable																										
(b)	Amount of CSR spent for creation or acquisition of capital asset	NIL																										
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable																										
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable																										
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5)	Not applicable																											

Place: Kolkata  
Date: 21<sup>st</sup> May, 2022

**H. M. Bangur**  
Managing Director  
DIN: 00244329

**Nitin Dayalji Desai**  
Chairman – Corporate Social and  
Business Responsibility Committee  
DIN: 02895410

## Annexure to CSR Report (Point 8 (c) of the CSR Report)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in crore)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Organizing health camps, running health management centres, running mother & child healthcare programs, developing sanitation facilities and raising awareness, support to victims & accidents and expenses on COVID-19 mitigation and relief measures	<b>Item (i):</b> Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Yes	Rajasthan, Uttarakhand, Chhattisgarh, Haryana, Bihar, Uttar Pradesh, Karnataka, Jharkhand, Odisha, Maharashtra, Gujarat, West Bengal	Ajmer, Pali, Jaipur, Alwar, Sriganganagar, Roorkee, Baloda Bazar, Panipat, Aurangabad, Jamui, Bulandshahr, Kalaburgi, Seraikela-Kharsawan, Cuttack, Pune, Bhuj, Bardhaman	4.85	Yes*	Shree Foundation Trust	CSR00000358
								Yuva Un-stoppable	CSR00000473
2.	Water supply through tankers and construction/ repair/ renovation of water tanks, hand-pumps in nearby communities	<b>Item (i):</b> Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Yes	Rajasthan, Chhattisgarh, Uttar Pradesh, Jharkhand, Haryana, Uttarakhand	Ajmer, Pali, Jaipur, Alwar, Baloda Bazar, Bulandshahr, Panipat, Roorkee, Seraikela-Kharsawan	0.25	Yes*	Shree Foundation Trust	CSR00000358
3.	Support for improved agriculture yield, distribution of high quality seeds and agriculture equipment to farmers	<b>Item (ii):</b> Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Rajasthan, Chhattisgarh	Ajmer, Pali, Baloda Bazar	0.37	Yes	Shree Foundation Trust	CSR00000358



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in crore)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
4.	Financial assistance, civil works, furniture & fixtures, education material, sanitation facilities, uniforms, etc. in govt. schools, celebration of national days, imparting computer education and training, financial assistance to needy students, company run schools, Shree Ki Pathshala project, on-site training to ITI pass outs and Project Muskan	<b>Item (ii):</b> Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Rajasthan, Chhattisgarh, Haryana, Uttar Pradesh, Jharkhand, Odisha, Karnataka, Gujarat, West Bengal	Ajmer, Pali, Jaipur, Alwar, Sriganganagar, Baloda Bazar, Panipat, Bulandshahr, Ahmedabad, Kalaburgi, Seraikela-Kharsawan, Cuttack, Kolkata	6.44	Yes*	Shree Foundation Trust	CSR00000358
								Education for All Trust	CSR00004554
5.	Support for marriage of BPL girls of marginalized communities, financial assistance on birth of girl child, training and skill development of rural women and formation of SHG for undertaking entrepreneurial activities	<b>Item (iii):</b> Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Yes	Rajasthan, Uttarakhand, Chhattisgarh, Haryana, Jharkhand	Ajmer, Pali, Jaipur, Alwar, Sriganganagar, Panipat, Roorkee, Baloda Bazar, Seraikela-Kharsawan	0.33	Yes	Shree Foundation Trust	CSR00000358

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in crore)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
6.	Basic facilities, security and medical services to old-aged people, distribution of essential items, food, etc. to needy people on various occasions and ad-hoc basis	<b>Item (iii):</b> Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Yes	Rajasthan, Uttarakhand, Haryana, Jharkhand, West Bengal, Maharashtra	Ajmer, Ras, Alwar, Panipat, Roorkee, Seraikela-Kharsawan, Kolkata, Bardhaman, Pune	3.06	Yes*	Shree Foundation Trust	CSR00000358
								The Bengal	CSR00000583
7.	Tree plantation in schools and nearby areas, green belt development, nurturing and maintenance of plants and saplings, support for livestock management, construction of feed mangers for farming cattle	<b>Item (iv):</b> Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Yes	Rajasthan, Uttarakhand, Uttar Pradesh, Bihar, Chhattisgarh, Haryana, Jharkhand	Ajmer, Pali, Jaipur, Alwar, Jhunjhunu, Sriganganagar, Roorkee, Bulandshahr, Aurangabad, Baloda Bazar, Panipat, Seraikela-Kharsawan	1.90	Yes*	Shree Foundation Trust	CSR00000358
8.	Support for rural cultural programs, festivals and melas, development works at various social and religious places/institutions of nearby areas, contributions for various events to promote & protect art, music, dance, literature, poetry, theatre, social welfare, etc. and support to institutions of repute engaged in activities in line with the CSR policy	<b>Item (v):</b> Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts	Yes	Rajasthan, Uttar Pradesh, Chhattisgarh, Haryana, Uttarakhand, Karnataka, Jharkhand, Odisha, Maharashtra, West Bengal, Bihar	Ajmer, Pali, Alwar, Jaipur, Bulandshahr, Baloda Bazar, Panipat, Roorkee, Aurangabad, Kalaburgi, Seraikela-Kharsawan, Cuttack, Pune, Kolkata	13.39	Yes*	Shree Foundation Trust	CSR00000358
								Prabha Khaitan Foundation	CSR00000566
								Rajasthan Forum	CSR00000646

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (₹ in crore)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
9.	Project Naman – assistance and support to dependents of martyrs of armed forces	<b>Item (vi):</b> Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows	Yes	Project covers beneficiaries all across India		0.31	Yes	-	-
10.	Assistance and support in organizing sporting tournaments in schools and nearby areas, distribution of sports equipment to students and needy	<b>Item (vii):</b> Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Yes	Rajasthan, Haryana, Bihar, Jharkhand, Karnataka, Uttar Pradesh	Ajmer, Pali, Alwar, Roorkee, Sriganganagar, Etah, Aurangabad, Panipat, Kalaburgi, Saraikela Kharswan	0.33	Yes*	Shree Foundation Trust	CSR00000358
11.	Construction/ repair of roads in nearby villages, construction, repair and maintenance of various community assets, infrastructure support/ facilities development in Govt. institutions, providing construction material for various structures/ buildings	<b>Item (x):</b> Rural development projects	Yes	Rajasthan, Uttarakhand, Uttar Pradesh, Chhattisgarh, Haryana, Bihar, Karnataka, Jharkhand, Odisha, Maharashtra, Andhra Pradesh, West Bengal	Ajmer, Pali, Alwar, Jaipur, Sriganganagar, Jhunjhunu, Roorkee, Bulandshahr, Baloda Bazar, Panipat, Aurangabad, Kalaburgi, Saraikela Kharswan, Cuttack, Bardhaman, Guntur, Pune	23.53	Yes*	Shree Foundation Trust	CSR00000358
<b>TOTAL</b>						<b>54.76</b>			

\*programs undertaken directly as well through implementing agencies – refer details of implementing agencies in column 8.

## Annexure-3 to the Board's Report

[Information regarding Conservation of Energy, Technology Absorption and Total Foreign Exchange Earning and Outgo pursuant to Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8 (3) of The Companies (Accounts) Rules, 2014]

### (A) CONSERVATION OF ENERGY

#### (a) Steps taken or impact on conservation of Energy

- Installation of Centrifugal Compressor with Regenerative Dryer in place of Reciprocating Compressors
- Installation of Screw Compressor with VFD in place of reciprocating compressors at Grinding Units
- Installation of LP Screw Compressor in place of HP compressor for bulker unloading
- Utilization of renewable energy like solar, wind and waste heat recovery
- Installation of latest design New Energy Efficient fans in place of existing inefficient fans
- Optimization of pumping system by changing pipe layout and by replacement of old pumps with energy efficient pumps
- Installed Computational Fluid Dynamics (CFD) of different ducts to reduce pressure drop across ducts
- Installation of VFD and MVD at various drives
- Replacement of ducts and Cement Mill classifier with energy efficient classifier
- Replacement of conventional light (CFL, Tube lights) with LED & Solar lights at various locations
- Feedback to bag filter fans from Bag filter suction pressure to vary fan RPM
- Conversion of beam aeration to chamber aeration system in the Cooler section
- Reduction in Cooler fans power consumption by modification in inlet duct and replacing with new energy efficient fans
- Idle running optimization by modification in circuit
- ACC Fans Blade Tip clearance reduced to optimize the fan efficiency
- Installation of clinker dust Cooler in AQC boiler to increase heat recovery from clinker dust
- Additional LP steam line Installed in Waste Heat Power Plant to reduce pressure drop in LP steam
- Replacement of Steam and Feed Water line flow element with Low DP elements to reduce Steam and feed water Line pressure drop
- Vacuum deaerator pump power optimization done by providing auto operation logic in pump with deaerator vacuum.

#### (b) Steps taken by the company for utilising alternate sources of energy

- Installed Renewable Energy Power Plants at various plant locations
- Use of Alternative fuel for clinker production.
- Increase in capacity of waste heat recovery power plants
- Commissioning of new synthetic gypsum plant.

#### (c) Capital investment on energy conservation equipment's: ₹ 451.92 Crore

### (B) TECHNOLOGY ABSORPTION

#### (i) Efforts made towards technology absorption

- Internal Computational Fluid Dynamic (CFD) cell establishment with purchasing of latest software module
- Adoption of Centrifugal Compressor technology first time in Indian Cement Industry with waste heat recovery system
- AFR feeding and shredder system, to improve the utilization of AFR in controlled manner
- Adoption of latest LP compressor technology for bulker unloading
- Adoption of PXP (Auto Intelligence system) to enhance the productivity
- Adoption of PSD (particle size distribution) analyzer technology for raw mill grinding to improve the quality and energy efficiency of the grinding system
- Dedicated internal Energy Management Cell to carry out energy audit and technology up gradations
- The Company has leading research & development centres at Beawar and Ras, both of which are recognised by Department of Science & Industrial Research (DSIR), Government of India. It makes continuous

efforts towards adoption and implementation of new technologies, which assist in reducing the Company's carbon footprint

- Company's officials participate in various national and international seminars on technology up-gradation, adaptations & innovation and share knowledge at various global forums at National & International platforms.

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

- Energy conservation
- Emission reduction
- Conservation of natural resources
- Improvement in equipment efficiency and productivity
- Cost reduction

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

Details of technology imported	Technology import from	Year of Import	Status implementation / absorption
-	-	-	-

**(iv) Expenditure incurred on Research and Development**

	(₹ in Crore)						
Particulars	2021-22						2020-21
	Beawar	Ras	Kodla	Raipur	Others	Total	Total
Capital	0.14	1.68	-	-	0.74	2.56	6.32
Revenue	4.48	7.58	2.50	3.35	4.38	22.29	21.54
<b>Total</b>	<b>4.62</b>	<b>9.26</b>	<b>2.50</b>	<b>3.35</b>	<b>5.12</b>	<b>24.85</b>	<b>27.86</b>
<b>Total R&amp;D Expenditure as a % of Turnover</b>	<b>0.17%</b>						<b>0.22%</b>

**(C) TOTAL FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars	(₹ in Crore)	
	2021-22	2020-21
Earned	187.91	23.28
Outgo	2,065.36	1,271.99

For and on behalf of the Board

Place: Kolkata  
Date : 21<sup>st</sup> May, 2022

**B. G. Bangur**  
Chairman  
DIN: 00244196



## Annexure-4 to the Board's Report

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

- i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22, the percentage increase in remuneration of each Director, Chief Finance Officer and Company Secretary during the financial year 2021-22 are as under:**

Sl. No.	Name of Director / KMP and Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in the remuneration for the Financial Year 2021-22
1	Shri B.G. Bangur - Chairman (Non-Executive)	No sitting fee/commission paid	
2	Shri H.M. Bangur - Managing Director / KMP	721.8	10.0%
3	Shri Prashant Bangur - Jt. Managing Director / KMP	395.0	13.5%
4	Shri P.N. Chhangani - Whole Time Director / KMP	76.6	8.4%
5	Shri R. L. Gaggar - Independent & Non-Executive	5.1	-14.3%
6	Shri Shreekant Somany - Independent & Non-Executive	5.5	-5.5%
7	Dr. Y.K. Alagh - Independent & Non-Executive	5.8	-1.8%
8	Shri Nitin Dayalji Desai - Independent & Non-Executive	5.8	0.0%
9	Shri Sanjiv Krishnaji Shelgikar - Independent & Non-Executive	5.9	3.7%
10	Ms. Uma Ghurka - Independent & Non-Executive	5.3	0.0%
11	Shri O.P. Setia - Independent & Non-Executive	3.6*	-40.1%*

\* Ceased as Director of the Company w.e.f. 29<sup>th</sup> October, 2021 (Close of business hours).

### Key Managerial Personnel (Other than Managing Director, Joint Managing Director and Whole Time Director)

1	Shri S. S. Khandelwal - Company Secretary	Not Applicable	11.5%
2	Shri Subhash Jajoo - Chief Finance Officer	Not Applicable	9.4%

- ii. **The percentage increase in the median remuneration of Employees in the Financial Year:**

There was 9.73% increase in the median remuneration of employees during 2021-22.

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

No. of Permanent Employees on the rolls of the Company as on 31<sup>st</sup> March, 2022 were 6,445.

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

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 10.74% whereas the increase in the managerial remuneration was 11.00%. The remuneration of Working Directors is decided based on Industry trend, remuneration package in other comparable Corporates, Job contents, key performance areas and Company's performance.

- v. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Place: Kolkata  
Date: 21<sup>st</sup> May, 2022

**B. G. Bangur**  
Chairman  
DIN: 00244196

## Annexure-5 to the Board's Report

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31<sup>st</sup> March, 2022

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

To  
The Members,  
Shree Cement Limited  
Bangur Nagar, Beawar,  
Rajasthan-305 901

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

Based on our verification of **Shree Cement Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2022** according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 to the extent applicable, prior to its repealment;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the reporting period under audit)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the reporting period under audit)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the reporting period under audit) &**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the reporting period under audit)**

VI. Company has complied with the following laws applicable specifically to the company

- (a) The Mines Act 1952, and Rules made thereunder, as amended from time to time;
- (b) Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder, as amended from time to time;
- (c) The Indian Electricity Act, 2003 and Rules made thereunder and other applicable Regulations, if any.

Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

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

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

- (i) Secretarial Standards on Board and General Meetings (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

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

**We further report that,** during the year under review:

**We further report that** during the audit period, we have not found any material event during the year under review which has major bearing on the Company's affairs in pursuance of any of the laws, rules, regulations or guidelines covered by this audit.

The Board of Directors of the Company is duly constituted with proper balance of Executive

**For Pinchaa & Co.**

Company Secretaries

Firm's U.C.N. P2016RJ051800

Firm's PR Certificate No. 832/2020

**Akshit Kr. Jangid**

Partner

M. No. : FCS 11285

C. P. No.:16300

Place: Jaipur

Date: 17<sup>th</sup> May, 2022

UDIN: F011285D000332540

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

## Annexure-A to the Secretarial Audit Report

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

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

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

**For Pinchaa & Co.**

Company Secretaries  
Firm's U.C.N. P2016RJ051800  
Firm's PR Certificate No. 832/2020

Place: Jaipur  
Date: 17<sup>th</sup> May, 2022  
UDIN: F011285D000332540

**Akshit Kr. Jangid**

Partner  
M. No. : FCS 11285  
C. P. No.:16300

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L26943RJ1979PLC001935			
2. Name of the Company	Shree Cement Limited			
3. Registered address	Bangur Nagar, Beawar-305901, District - Ajmer, Rajasthan			
4. Website	www.shreecement.com			
5. E-mail id	shreebwr@shreecement.com			
6. Financial Year reported	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022			
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	<b>Group</b>	<b>Class</b>	<b>Sub Class</b>	<b>Description</b>
	239	2394	23941 23942	Manufacture of clinker and cement
	[Source: National Industrial Classification Code (NIC)]			
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Ordinary Portland Cement, Portland Pozzolana Cement, Portland Slag Cement and Composite Cement			
9. Total number of locations where business activity is undertaken by the Company	<b>a. Number of International Locations (provide details of major 5):</b> Company operates in United Arab Emirates through its subsidiaries. <b>b. Number of National Locations:</b> Operative Cement Plants at 14 locations, Registered Office, Corporate Office and Marketing Offices.			
10. Markets served by the Company	Local	State	National	International
	✓	✓	✓	✓

## SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1. Paid up Capital (INR)	36.08 Crore
2. Total Turnover (INR)	14,305.88 Crore
3. Total profit after taxes (INR)	2,376.62 Crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.17% of average net profit of last three financial years computed as per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) (CSR spent is ₹ 57.54 Crore)
5. List of activities in which expenditure in 4 above has been incurred	Major activities are as under: - (a) Literacy and Education for the community (b) Livelihood, Income generation and support to farmers (c) Healthcare programs and arranging safe drinking water (d) Women empowerment and skill development (e) Helping old age people, needy and orphans (f) Community infrastructure and rural development (g) Measures to benefit dependents of martyrs of armed forces (h) Promotion of art and culture and social welfare (i) Environment sustainability (j) Promotion of sports

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**  
Yes. As on 31<sup>st</sup> March, 2022; the Company had 10 (ten) subsidiaries, 5 (five) domestic and 5(five) foreign.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**  
None of the domestic subsidiaries has material business operations at present. Out of five foreign subsidiaries, one subsidiary has material business operations in United Arab Emirates. The said subsidiary complies with applicable laws concerning economic, social and environment discipline in its jurisdiction.



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

Other entities are encouraged to participate in BR initiatives of the Company to the extent possible but their participation level cannot be measured and expressed in terms of percentage.

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR**

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

1. DIN: 08189579
2. Name: Shri P. N. Chhangani
3. Designation: Whole Time Director

**b) Details of the BR head**

No.	Particulars	Details
1.	DIN (if applicable)	N.A.
2.	Name	Shri Shrinath Savoor
3.	Designation	Chief Sustainability Officer
4.	Telephone number	+91-1462-228101-6
5.	e-mail id	sustainability@shreecement.com

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

**(a) Details of compliances (Reply in Y/N)**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs have identified nine areas of Business Responsibility which have been coined in the form of nine business principles. These principles are as under –

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	<b>Do you have a policy/ policies for..</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	<b>Has the policy been formulated in consultation with the relevant stakeholders?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	<b>Does the policy conform to any national / international standards? If yes, specify? (50 words)</b>	<p>Company has adopted various standards specified by the International Organization for Standardization (ISO). These are-</p> <ul style="list-style-type: none"> <li>a) ISO 9001:2015 for Quality management systems</li> <li>b) ISO 14001:2015 for Environment management systems</li> <li>c) ISO 50001:2018 Energy management systems</li> <li>d) ISO 45001:2018 for Occupational Health and Safety management systems</li> </ul> <p>Apart from these, other standards which the Company follows are:</p> <ul style="list-style-type: none"> <li>a) IS/ISO 45001: 2018 for Occupational Health and Safety Management System (Bureau of Indian Standard, Govt. of India)</li> <li>b) International Labour Organisation (ILO) Guidelines</li> <li>c) UN Global Compact (UNGC) and International Finance Corporation (IFC) guidelines for specific aspects of cement sector</li> <li>d) National Voluntary Guidelines (NVG) given by Ministry of Corporate Affairs for Social, Environment and Economic responsibility of business</li> <li>e) Global Reporting Initiative standards</li> <li>f) Cement Standard IS 269:2015, IS 455:2015, IS 1489(Part-1):2015, IS 6909:1990, IS 16415:2015, IS 2185(Part-3):1984, IS 8041:1990 by Bureau of Indian Standard, Govt. of India</li> </ul> <p>Company is also member of Global Cement and Concrete Association (GCCA) at global and national level and complying its guidelines on sustainability aspect. All policies on the principles mentioned above are in compliance with these standards and statutory requirements of applicable laws of jurisdiction in which the Company operates. Other than these, the policies are based on the generally accepted practices for the respective principles.</p>								
4.	<b>Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	<b>Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?</b>	<p>Yes. The Board has constituted Corporate Social and Business Responsibility (CSBR) Committee consisting of 5 Directors which is responsible for overseeing implementation of various policies adopted by the Company concerning Business Responsibility. At executive level, there is Environment Social and Governance (ESG) Committee consisting of Senior Executives of the Company to monitor and implement the policies. Company's Remuneration Policy provides ESG/ sustainability performance as one the factor to be considered while determining the remuneration of Directors, Key Management Personnel and other employees of the Company. This provides impetus on implementation of various sustainability measures across the organization.</p>								
6.	<b>Indicate the link for the policy to be viewed online?</b>	<a href="https://www.shreecement.com/investors/policies">https://www.shreecement.com/investors/policies</a>								
7.	<b>Has the policy been formally communicated to all relevant internal and external stakeholders?</b>	<p>Communication is an on-going process. For this purpose, the policies have been uploaded on the Company's website for information of all stakeholders. For internal stakeholders, appropriate communication means such as notice boards, company magazine, intranet portal, etc. are used. Also a reference to these policies is also made within Company's Corporate Sustainability Report released every year for all its stakeholders.</p>								
8.	<b>Does the company have in-house structure to implement the policy/ policies?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	<b>Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	<b>Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?</b>	As part of compliance with the ISO and other standards adopted by the Company, an external agency evaluates the implementation of the standards on an annual basis. Apart from this, Company also has a system of undertaking regular audit/ review of the implementation of various standards/ compliance of applicable laws, provisions of which have been imbibed in the policies. Separately, the Company undergoes annual ESG assurance through an external consultant who assures all the non-financial performance of Company based on internationally recognized standards such as AA100AS. This inter alia contains compliances with policies and frameworks adopted by the Company with respect to various environmental and social indicator.								

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	<b>The company has not understood the Principles</b>	-	-	-	-	-	-	-	-	-
2.	<b>The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles</b>	-	-	-	-	-	-	-	-	-
3.	<b>The company does not have financial or manpower resources available for the task</b>	-	-	-	-	-	-	-	-	-
4.	<b>It is planned to be done within next 6 months</b>	-	-	-	-	-	-	-	-	-
5.	<b>It is planned to be done within the next 1 year</b>	-	-	-	-	-	-	-	-	-
6.	<b>Any other reason (please specify)</b>	-	-	-	-	-	-	-	-	-

### 3. Governance related to BR

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Corporate Social and Business Responsibility Committee of the Board annually reviews and assesses the BR performance of the Company.

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

Company publishes Corporate Sustainability Report on annual basis which is GRI compliant and assured by an independent certifying agency. Hyperlink to view reports

published by the Company is <https://www.shreecement.com/sustainability/sustainability-reports>.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE – 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

Company's Policy on Ethics, Transparency and Accountability and Code of Conduct is applicable on its Board of Directors, senior management officials and all other employees of the Company which inter alia covers aspects of bribery and corruption. Company also has Anti-Bribery and Anti-Corruption Policy covering all its directors,

employees, workers and external parties working on its behalf which emphasize Company's zero tolerance approach to bribery and corruption. Company's foreign material subsidiary has its own policy and guidelines governing ethics, bribery and corruption commensurate to laws of jurisdiction in which it operates. The Company, as far as possible, encourages all the associated parties including vendors, suppliers and contractors to follow the principles envisaged in the policy.

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

There were 9 complaints received from the investors during the year 2021-22. All these complaints were properly attended and necessary actions were taken. Proper investigation was carried out in respect of complaints received as part of vigil mechanism.

**PRINCIPLE – 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is 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 consumers.

Additionally, the Company has strong focus on reducing the usage of virgin natural resources in cement manufacturing process. In its operations, it has deployed best-in-class technology and processes which optimally utilize resources and leave minimal footprints. Company's specific efforts in addressing environmental concerns in its operations include the following: -

- Utilizing fly-ash/slag, petcoke and other waste materials in cement manufacturing to substitute natural materials & fuels;
- Implementation of Waste Heat Recovery Plants to capture waste heat of kilns and utilize the same for power generation and resultantly save fossil fuels;
- Installation of in-house synthetic gypsum plants for replacing consumption of mineral gypsum;
- Installation of Air Cooled Condensers (ACC) in place of Water Cooled Condensers (WCC) in all its thermal power plants including 300 MW power plant to conserve water;
- Implementation of Ambient Air Quality Monitoring System (AAQMS) and Continuous Emission Monitoring System (CEMS) for better emission monitoring and online reporting to Pollution Control Boards;
- Installation of De-NOx system for the control of NOx emissions;
- Installation and up-gradation of bag filters at various manufacturing facilities for emission reduction;
- Installed Flue Gas Desulphurization (FGD) units in its captive thermal power plants years before the mandate arrived for such installations;
- Installation of wind and solar power plants for increasing share of renewable power in captive power consumption;
- Continual improvement in efficiency to bring down station heat rate and auxiliary consumption in the thermal power plants;
- Utilization of sewage water after proper treatment in Sewage Treatment Plant (STP); and
- Installation of organic waste convertor for treatment and disposal of household waste in colony.

Company's R&D center constantly experiments to find out ways of using marginal grade limestone with high grade limestone for producing high quality cement. For water conservation, the Company has been continuously exploring

opportunities to increase use of recycled water and reduce water consumption in its operations. Additionally, the Company has been undertaking various studies for exploring ways for recharge of ground water in nearby areas.

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

**(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Resources	Unit of measurement	2021-22	2020-21
Electricity	kWh/ton of cement	67.15	68.65
Fuel	KCal/ kg of clinker	733	727

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

The data regarding reduction during usage by consumers (energy, water) is not available with the Company.

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

Company's sourcing practices are targeted to achieve cost optimization, ensuring environment sustainability and resource efficiency. The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality, life cycle, environment impact, etc. Selected new suppliers are also assessed through third party to understand their capabilities, processes, strengths for on-boarding while providing due weightage to Environmental and Social parameters. Our vendor agreements have adequate environmental and social safeguards in place. We sign code of conduct with our suppliers/ vendors for inclusion of sustainability practices at their workplace as well.

Limestone, the primary raw material, is captively extracted by the Company from its limestone mines using latest mining techniques for cost optimization and waste reduction. These limestone mines are located in vicinity to Company's clinker manufacturing facilities which reduces cost of transportation of the material. For procurement of other materials and items, Company gives preference to vendors which comply with the various principles of sustainability. Engagement of transporters is done based on conditions like young vehicles,

need for drivers to carry pollution certificates, drivers and support staff to always carry safety aprons, having valid driving license, etc. Company continuously strives for load and route optimization to ensure fuel and environmental efficiency of the fleets. We are also engaged in rail transportation of material at various locations which is a cost effective and environment friendly alternative of material transportation. Apart from these, Company also calculates and reports on transportation and inbound and outbound logistics related GHG emissions- as a part of Company's Scope 3 emissions. This gives it opportunity to keep assessing its logistics strategy and also helps in being transparent about our emission footprint.

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

Company accords priority to local suppliers in procurement of raw materials, stores and spares and other consumables. Company's contractors who supply labour services for plant operations, housekeeping, horticulture, general maintenance and varied other purposes employ workmen from nearby communities. This workforce is provided training on occupational health and safety aspects before commencing work.

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

Company's product i.e. cement has high life span and is generally not meant for recycling. Also cement manufacturing process as such does not involve production of any by-products or waste. Fly-ash and slag, solid wastes generated from operation of thermal power plants and iron and steel industry is utilized in production of blended cement. Spent Sulphuric acid, waste from lead and zinc industry, is utilized to manufacture synthetic gypsum using low-grade limestone. Hazardous waste being generated from allied activities include used oil, batteries, e-waste and bio-medical waste. All hazardous waste generated is being disposed in strict compliance to the applicable regulations. Further, used oil generated is being co-processed within our cement operations wherever feasible. Other miscellaneous non-hazardous waste (including



scrap) is sold to recyclers. 100% of the waste water is being reused/recycled within our own premises and all our facilities have zero waste water discharge. This apart, Company also utilizes waste of other industries in the form of Alternative Fuels and Raw Materials (AFR) in cement production process which ultimately provides feasible solution to industrial waste disposal.

**PRINCIPLE – 3 Businesses should promote the well-being of all employees.**

**1. Please indicate the total number of employees.**

The total number of employees as on 31<sup>st</sup> March, 2022 was 6,445.

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

Total temporary/Contractual/ Casual employees including retainers were 13,019 as on 31<sup>st</sup> March, 2022.

**3. Please indicate the number of permanent women employees.**

There were 37 permanent women employees as on 31<sup>st</sup> March, 2022.

**4. Please indicate the number of permanent employees with disabilities.**

There were 5 permanent employees with disabilities as on 31<sup>st</sup> March, 2022.

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

Yes, the Company has recognized trade unions affiliated to various trade union bodies.

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

4.47% of total permanent employees are members of trade unions as on 31<sup>st</sup> March, 2022.

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

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

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

Type of employee	Total no. as on 31 <sup>st</sup> March, 2022	Training imparted to number of persons during the year	% Training
Permanent Employees	6,445	5,654	88%
Permanent Women Employees	37	28	76%
Casual/ Temporary/ Contractual Employees*	13,019	11,691	90%
Employees with Disabilities	5	4	80%

\*includes employees hired through contractors including retainers. Casual/ Contractual employees were covered under safety & compliance training

**PRINCIPLE – 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

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

Company periodically conducts stakeholder engagement process and through constant dialogue with them, Company identifies key material issues which could impact its performance. Company's annual Sustainability Report provides details on its stakeholder engagement and material issue identification process.

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

Company considers people from low strata of the local communities around its manufacturing units and its contract workers as disadvantaged, vulnerable and marginalized stakeholder.

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

Company's initiatives in the field of Corporate Social Responsibility are intended to cover

wide spectrum of communities including the disadvantaged, vulnerable and marginalised stakeholders. These initiatives include areas like education, healthcare, livelihood support, rural and infrastructure development, support to elderly and needy people, community hygiene and sanitation, women empowerment, etc. and are carried out by CSR arm of the Company - Shree Foundation Trust alongwith other implementing agencies. Company engages with local community to ascertain their needs for planning, coordinating and routine monitoring of its CSR activities and programs.

**PRINCIPLE – 5 Businesses should respect and promote human rights.**

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

The policy on human rights covers the Company only. Our foreign material subsidiary has its own policy and guidelines governing human rights commensurate to laws of jurisdiction in which it operates. Further Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

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

Company did not receive any stakeholder complaint in FY 2021-22 relating to human rights.

**PRINCIPLE – 6 Businesses should respect, protect, and make efforts to restore the environment.**

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

The policy on environment covers the Company only. Our foreign material subsidiary has its own policy and guidelines governing environment protection commensurate to laws of jurisdiction in which it operates. The Company encourages the parties associated with it to follow the governing principles of this policy for protection and restoration of environment.

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

Yes. Company's initiatives such as installation of Waste Heat Recovery Plants, renewable energy power plants, Air Cooled Condensers in thermal

power plants, in-house production of synthetic gypsum using patented technology, energy conservation and efficiency measures, etc. are aimed to address global warming and climate change issues. This apart, Company is a member of various global forums which enables it to benchmark its practices with the international standards and provides it a forum to participate in global environmental initiatives. Company voluntarily discloses its carbon emissions in the Carbon Disclosure Project (CDP).

Company collaborated with its peers in cement sector in developing the first country-specific sectoral roadmap based on the WBCSD's SDG Sector Roadmap Guidelines framework. It has translated the spirit of SDGs to specific business goals such as increasing share of green energy in manufacturing process, reduce dependency on mineral gypsum, continuously increase use of harvested and recycled water and improve thermal substitution rate.

Company annually keeps its stakeholders updated about its sustainability measures and performance through GRI compliant Corporate Sustainability Report, the web link of which is <https://www.shreecement.com/sustainability/sustainability-reports>.

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

Yes. Company has Enterprise Risk Management framework in place to identify and assess material risks across its operations.

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

Company was the first cement company in India to register its project 'Optimum Utilization of Clinker' with the United Nations Framework Convention on Climate Change (UNFCCC) under the Clean Development Mechanism (CDM) wherein it was granted 4,50,000 units of Certified Emission Reductions (CERs) by UNFCCC. Currently, the Company has 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 as VCS.

There is no requirement of filing environment compliance report. A validation and verification report is required to be submitted and the same has been filed, wherever required.

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

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

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

Emissions/ wastes generated by the Company were within the permissible limits set by CPCB/ SPCB for the relevant financial year. The Company ensures submission of report on the emission levels to CPCB/SPCB at regular intervals.

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

No such cases pending at the end of financial year 2021-22.

**PRINCIPLE – 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

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

- Cement Manufacturers' Association (CMA)
- The Energy and Resource Institute (TERI)
- Member of Technical Committee - Bureau of Energy Efficiency (BEE)
- Global Reporting Initiative (GRI) Community
- Confederation of Indian Industries (CII)
- Federation of Indian Chamber of Commerce and Industry (FICCI)
- National Council for Cement & Building Materials (NCCBM)
- Global Cement and Concrete Association (GCCA) (national and global membership)

- Technology and Action for Rural Advancement (TARA)
- Indian Institute of Technology (IIT) Delhi

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

Yes, the Company has utilized these forums for advocating framing of policies for advancement of public good. Some of them are as below:

- Promoted concreted cemented roads through CMA which are beneficial, eco-friendly and cheaper than the conventional tar roads in long term;
- Recommended for increased use of fly-ash in cement manufacturing;
- Promoted installation of Waste Heat Recovery Plants in cement manufacturing units which capture hot gases to generate power without using any fossil fuel;
- Associated with National Council for Cement and Building Materials (NCCBM) in its Research Advisory Committee contributing in research and development of building materials;
- Provided inputs to Bureau of Energy Efficiency (BEE) for Perform, Achieve and Trade (PAT) cycles;
- Engaged in development and promotion of best sustainability practices through Global Cement and Concrete Association (GCCA);
- Study on novel technologies of Carbon Capture Utilization and Storage for advancement and commercialization under aegis of GCCA through INNOVANDI initiative;
- Exploring possibilities of utilizing Red Mud in raw mix with CMA;
- Exploring possibility of production of Calcined Clay Cement to lower clinker factor in cement production with IITD/TARA.

**PRINCIPLE – 8 Businesses should support inclusive growth and equitable development.**

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

The Company has specified programs in pursuit of its policy on inclusive growth and equitable development. It has aligned its thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. A Board constituted committee oversees the implementation of such activities and programs of the Company. The details of various initiatives undertaken by the Company towards inclusive growth and development are given below: -

• **Literacy and Education for the Community**

- For improving the quality of education in areas in the vicinity of its plants, Company through its dedicated school support programs:-
  - » equips government schools with basic facilities like furniture, stools, tables, teaching and study material.
  - » undertakes infrastructure creation and otherwise supplements efforts of the Govt. for providing basic education to rural communities.
  - » pays honorarium for deputation of additional teachers in Government schools.
  - » runs in-house CBSE affiliated schools in residential colonies of integrated plants for imparting quality education to children of nearby communities.
- Company has established computer literacy centres and conducts computer literacy programmes for students and villagers.
- Company, under its 'Shree Ki Pathshala' project, is organizing tuition facility to students of nearby community appearing for 10<sup>th</sup> standard exams. Company provides support to needy students by providing scholarships and extended financial assistance to needy to undertake further/ higher studies.
- Company is also undertaking Project Muskan in collaboration with 'Education for All', Kolkata to popularize heritage literature and culture among young children nationwide by weaving it into formal and informal education through student activity.

• **Livelihood, Income Generation and support to farmers**

- Company, by organising visits of farmers to nearby Krishi Vigyan Kendra, provides training of new farming techniques to farmers to improve their farming productivity. Company also provides agriculture tools (like sprayer machine, sprinkler sets, HDPE pipes) to farmers and distributes high quality seeds at subsidized rates for improved yield. For improving productivity of livestock which is one of the major sources of livelihood of nearby rural communities, Company provides fodder seeds for cultivation and availability of green fodder for cattle throughout the year. It has given financial assistance for construction of feed manger in individual households to minimise wastage of fodder during cattle feeding.
- Company conducts vocational trainings to ITI passed students of nearby areas in its mining operations wherein the students integrate knowledge gained through their classroom learning with the competencies of actual professional setting to enhance their employability.

• **Healthcare programs and arranging safe drinking water**

- Company's 24X7 Health Management Centres provide primary healthcare services to local communities. These centres are equipped with all facilities to meet primary and emergency medical needs of nearby communities. Ambulance services are also made available from these centres for critical and emergency cases for people of nearby communities. In 'Mamta Project', Company organises health camps and arranges doctors' visits in the nearby villages for medical check-up of pregnant women and new-born children. To promote institutional delivery cases of pregnant women, Company has appointed volunteers (Sakhis) in nearby villages to act as health educators and counselors. To increase awareness about sanitation and hygiene in daily life, Company has undertaken Swachhta Project wherein initiative of organising awareness campaigns, distribution of dustbins, slogan writing on walls, schools rallies, celebration of cleanliness weeks, distribution of materials like calendars, diaries having messages about

sanitation and hygiene are undertaken. To maintain minimum supply levels during summer season and to otherwise augment the water supply in nearby villages, Company constructed public water huts, water tanks, installed bore wells & pumps and supplied RO water through tankers in nearby villages.

- To mitigate and curb the spread of COVID-19 pandemic in and around its surroundings and nearby localities, Company took precautionary measures such as distribution of masks and sanitizers, disinfectant sprays, disseminating awareness of hygiene and social distancing. To augment and maintain the oxygen supplies for critical patients in hospitals, Company refilled oxygen cylinders free-of-cost from its oxygen generation plants at its Ras, Baloda Bazar and Kodla facilities. Company also procured and provided oxygen concentrators to govt. hospitals and made financial contributions for construction of COVID beds.

- **Women empowerment and skill development**

- Under 'Shree Shakti Project', Company promotes formation of Self-help groups (SHGs) of local rural women to help inculcating a habit of saving and creating corpus. Members of these groups with own corpus and financial assistance from lending institutions undertake entrepreneurial assignments. For skill development of rural women, Company conducted various vocational training programmes on sewing and cutting, bag making, beauty parlor, carding and spinning, hand embroidery, etc.
- In order to reduce girl infant mortality, Company under its 'Save the Girl Child Campaign' provided help in the form of a fixed deposit of ₹ 5,000 at the time of birth of girl child which is available to her after attaining 18 years of age. Company provides basic essential items (like utensil set, sewing machine, bed, cooking stove, cooker, wedding attires, etc.) on the occasion of marriage of girl of BPL families.

- **Helping old age people, needy and orphans**

- Company is supporting project 'Pronam' of "The Bengal" foundation for the elderly people of Kolkata under which medical services like ambulance, health check-ups, camps, etc. are organised. This project also provides

safety and security services, daily-household help, psychological support, etc. to these people in co-ordination with Kolkata Police including legal help wherever necessary. Company on various religious and social occasions and as and when need arises, undertakes distribution of food, clothes, shoes, winter wears, medicine, etc. to people living in old age homes, orphan and needy people of nearby community to meet their daily essential requirements.

- **Community Infrastructure and Rural Development**

In order to remove bottleneck of road connectivity in rural areas, Company has undertaken construction and repairing work of the roads in nearby villages of its plants. These roads will directly benefit the youth, students, farmers, wage earners, etc. in smooth and safe commute. This apart, Company undertakes civil works in nearby villages to systematically improve infrastructure base. Such work includes construction/ repair of public institutions, renovation of old buildings and community centres, construction of stages, boundary wall, stay rooms, waiting stands, etc. which are commonly used by the communities at large. The above initiatives inter alia improve accessibility of services, sustainable resource generation, socio-economic development leading to improvement in the quality of life of the community.

- **Promotion of art and culture and social welfare**

- On the occasion of the anniversary of Lord Hanuman temple at Beawar, Company organises tableau (Jhankis) show highlighting rich Indian culture and heritage. Besides this, it is working towards protecting and promoting India's art, culture and heritage through various promotional and developmental projects and programmes especially organising local fairs, events, etc. in nearby communities which help conserving their traditions and practices.
- The Company through its implementing partners undertake activities in the field of art, culture, music, dance, theatre, folk forms, literature and various socio-cultural development. With these interventions, the Company continues to work towards its goal of a peaceful and joyous society.



- **Measures to benefit dependents of martyrs of armed forces**

The Company has institutionalized 'Project Naman' to support widows and dependents of armed forces martyred in the twenty-year period from 1<sup>st</sup> January, 1999 to 1<sup>st</sup> January, 2019. For the same, an official MOU has been entered into between Company and Kendriya Sainik Board.

- **Promotion of sports**

To inculcate sporting habit and promote sports, Company provides contribution for organising various sporting events, activities, tournaments in schools and nearby areas. This apart, it also provides financial aid/ arranges sports equipment for needy people of nearby communities. Construction work of upgrading sporting infrastructure like stadium, grounds, etc. have also been undertaken so as to provide training and playing facilities to the budding players and enthusiasts.

- **Environment Sustainability**

Company distributes saplings among farmers of nearby villages for plantation to cover the open areas and development of green belt. Company conducts school plantation programmes wherein it encourages students to plant trees. In nearby areas of its manufacturing facilities, the Company plants saplings with tree guards and carry out their maintenance to ensure their survival and growth.

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

The projects are undertaken both by the internal teams and CSR arm of the Company Shree Foundation Trust as well as through/ in-coordination with external implementation agencies like NGOs, trusts and government institutions.

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

Yes, pursuant to requirement of Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended), the Company has undertaken impact assessment study of the eligible CSR projects. This apart, the Company keeps engaging with local communities to discuss and understand their needs, identify the priority intervention areas and gauge the impact of its interventions.

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

Company has spent an amount of ₹57.54 Crore on various CSR activities during year 2021-22. The details of the amount incurred and areas covered are given in question 1 above and in Annual Report on Corporate Social Responsibility Activities i.e. Annexure-2 to the Board's Report.

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

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

**PRINCIPLE – 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

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

Company regularly conducts meetings with customers to educate, appraise and understand their concerns. All the concerns are taken up and resolved immediately to their satisfaction. There were, however, 27 consumer cases filed against the Company which were pending as on 31<sup>st</sup> March, 2022 and are being taken up by our legal and technical teams for disposal.



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

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

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

- i) Competition Commission of India (CCI) vide its order dated 31<sup>st</sup> August, 2016 for alleged violation of provisions of the Competition Act imposed a penalty of ₹397.51 Crore on the Company which was challenged by the Company in National Company Law Appellate Tribunal (earlier Competition Appellate Tribunal) (the 'Tribunal'). Based on submissions made by the Company, the Tribunal, by its order dated 7<sup>th</sup> November, 2016, stayed the operation of the order passed by CCI subject to deposition of 10

percent penalty amount in form of fixed deposit. The Company has complied with the conditions of the above order for stay and the appeal is now before the Tribunal.

- ii) In another matter, CCI had vide its order dated 19<sup>th</sup> January, 2017 imposed a penalty of ₹18.44 Crore on the Company in connection with a reference filed by the Government of Haryana in respect of tender invited by Director Supplies & Disposals, Haryana, for supply of cement. Company has filed an appeal in the Tribunal against the above order which has been stayed and the same is now before the Tribunal.

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

Consumer satisfaction survey is carried out every year to gauge consumer sentiments. The Company has put in place appropriate grievance handling mechanism to address customer concerns and gather feedback, based on which further appropriate measures and interventions are taken to increase customer satisfaction.

# Report on Corporate Governance

## CORPORATE GOVERNANCE PHILOSOPHY

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

Over the years, we have strengthened relationships with our stakeholders in a manner that is dignified, distinctive and responsible. We continue to review and benchmark the corporate governance practices of the Company against best practices. These practices being followed since inception have contributed to the Company's sustained growth. The Company believes in carrying out its operations in a sustainable manner with minimal carbon footprints and optimal utilization of natural resources. The Board is collectively responsible to ensure that processes are structured to direct the Company's actions, assets and agents to achieve the aim of maximisation of stakeholders' value.

## BOARD OF DIRECTORS

### Composition & Board Diversity

The Board of Directors ('the Board') comprises of appropriate mix of Executive and Non-Executive

Directors as required under the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to maintain the independence of the Board and also to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities. As on date, the Board consists of eleven members, three of whom are Executive Directors, one Non-Executive (Non-Independent) Director (Chairman) and seven Independent Directors including one Women Director. The members of the Board are from diverse background having expertise in the fields of law, banking, economics, sustainability, energy conservation, finance & taxation, etc.

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

### Skills/Expertise/Competence of the Board of Directors

Core skills/expertise/competence required by the Board (as identified by the Board) for efficient functioning of the Company in the present business environment and those skills/expertise/competence actually available with the Board are as follows:-

Sl. No.	Skills / Expertise / Competence required by the Board of Directors		Status of availability with the Board
1	<b>Understanding of Business/Industry</b>	Experience and knowledge of business related issues in general and those of Cement business in particular	✓
2	<b>Strategy and strategic planning</b>	Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities	✓
3	<b>Critical and innovative thoughts</b>	The ability to analyse the information and share innovative approaches and solutions to the problems	✓
4	<b>Financial Understanding</b>	Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources	✓
5	<b>Market Understanding</b>	Understanding of the Cement Market dynamics	✓
6	<b>Risk and compliance oversight</b>	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliances, and monitor risk and compliance management frameworks	✓

On the basis of the above-mentioned skill matrix, the skills which are currently available with the Board are as under:-

Name of Directors	Understanding of Business / Industry	Strategy and strategic planning	Critical and innovative thoughts	Financial Understanding	Market Understanding	Risk and compliance oversight
Shri B.G. Bangur	✓	✓	✓	✓	✓	✓
Shri H.M. Bangur	✓	✓	✓	✓	✓	✓
Shri Prashant Bangur	✓	✓	✓	✓	✓	✓
Shri P.N. Chhangani	✓	-	✓	✓	✓	✓
Shri R. L. Gaggar	✓	-	✓	✓	-	✓
Shri Shreekant Somany	✓	-	✓	✓	-	✓
Dr. Y.K. Alagh	✓	-	✓	✓	-	✓
Shri Nitin Dayalji Desai	✓	-	✓	✓	-	✓
Shri Sanjiv Krishnaji Shelgikar	✓	-	✓	✓	-	✓
Ms. Uma Ghurka	✓	-	✓	✓	-	✓
Shri O.P. Setia (Ceased w.e.f. close of Business Hours on 29 <sup>th</sup> October, 2021)	✓	-	✓	✓	-	✓
Mr. Zubair Ahmed (Appointed w.e.f. 21 <sup>st</sup> May, 2022)	✓	✓	✓	✓	✓	✓

#### Selection, Appointment and Tenure of Director

As per the Remuneration Policy, the Nomination cum Remuneration Committee facilitates the Board in identification and selection of the Directors carrying high integrity, relevant expertise and experience so as to have well diverse Board.

The Directors including the Independent Directors are appointed or re-appointed with the approval of the shareholders in accordance with the provisions of the law. The Executive Directors and Independent Directors are normally appointed for a term of five years.

As required under Regulation 46(2)(b) of the Listing Regulations and Para IV of Schedule IV of the Act, the Company issues formal letter of appointment to the Independent Directors. The specimen thereof has been posted on the website of the Company in terms of the said provisions and can be accessed

on the website of the Company at link <https://www.shreecement.com/uploads/investors/shareholder/letter-appointment-independent-directors.pdf>.

During the year Shri Om Prakash Setia, resigned from the position of the Independent Director of the Company effective from the close of Business Hours on 29<sup>th</sup> October, 2021 due to his personal reasons. Further, at the time of resignation, he also confirmed that there were no other material reasons for his resignation other than the one as mentioned above.

#### Category and Attendance of Directors

The names and categories of Directors, their attendance at the Board Meetings held during the year 2021-22 and at the last Annual General Meeting, and also the number of Directorships held by them in other Companies, Committee Membership / Chairmanship held by them, Directorship held in other listed entities and category of directorship are given below:-

Name of Director	Category	Attendance at AGM held on 9 <sup>th</sup> August, 2021 during 2021-22	No. of Board Meetings attended	Directorship in other Companies	Committee Memberships in other Companies	Chairperson of Committees in other Companies	Number of shares held as at 31 <sup>st</sup> March, 2022	Directorship in other listed entity & Category of Directorship	Inter-se relationships among other Directors
<b>Shri B. G. Bangur</b>	Chairman (Non-Executive)	YES	4	1	-	-	0	-	Shri H. M. Bangur is son of Shri B. G. Bangur and father of Shri Prashant Bangur.
<b>Shri H. M. Bangur</b>	Promoter Directors	YES	4	-	-	-	4,88,284 (Refer note 1)	-	Shri Prashant Bangur is son of Shri H. M. Bangur and grandson of Shri B. G. Bangur.
<b>Shri Prashant Bangur</b>	Joint Managing Director	YES	4	3	-	-	3,89,750 (Refer note 2)	-	
<b>Shri P. N. Chhangani</b>	Professional Director	YES	4	1	-	-	-	-	
<b>Shri R. L. Gaggar</b>	Independent Director (Non-Executive)	YES	2	8	7	2	-	1. Duroply Industries Limited [formerly known as Sarda Plywood Industries Limited] (Independent Director) 2. TIL Limited (Independent Director) 3. International Combustion (India) Limited (Independent Director) 4. Sumedha Fiscal Services Limited (Independent Director)	
<b>Shri Shreekanth Somany</b>	Independent Director (Non-Executive)	NO	3	4	3	-	-	1. Somany Ceramics Limited (Chairman & Managing Director) 2. JK Tyre & Industries Limited (Independent Director)	NIL
<b>Dr. Y. K. Alagh</b>	Independent Director (Non-Executive)	YES	4	1	-	-	-	-	
<b>Shri Nitin Dayajji Desai</b>	Independent Director (Non-Executive)	YES	4	1	-	-	-	-	
<b>Shri Sanjiv Krishnaji Shelgikar</b>	Independent Director (Non-Executive)	YES	4	5	-	-	-	-	
<b>Ms. Uma Ghurka</b>	Independent Director (Non-Executive)	YES	4	5	-	-	-	-	
<b>Shri O. P. Setia</b> (Ceased w.e.f. close of Business Hours on 29 <sup>th</sup> October, 2021)	Independent Director (Non-Executive)	YES	3	-	-	-	-	-	

Notes:

- Out of the 4,88,284 shares held by Shri H. M. Bangur, the beneficial interest on 10,100 shares is held by the following Trusts/Institutions (Belonging to Promoters Group):  
- Sunder Devi Bangur Family Benefit Trust (Private Trust): 3,000 shares  
- Sri Rama Nidhi (Family Deity): 7,100 shares
- Out of the 3,89,750 shares held by Shri Prashant Bangur, the beneficial interest on 93,800 shares is held by the Shree Venkatesh Ayurvedic Aushdhalaya, Charitable Institution (Belonging to Promoters Group)
- The directorships held by Directors as mentioned above, do not include directorships in foreign companies.
- In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairpersonship of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Shree Cement Ltd.) have been considered.

Four meetings of the Board of the Company were held during financial year 2021-22 i.e. on 21<sup>st</sup> May, 2021, 9<sup>th</sup> August, 2021, 29<sup>th</sup> October, 2021 and 4<sup>th</sup> February, 2022. The gap between any two meetings did not exceed 120 days.

### Board Procedures

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

Meetings of the Board are governed by a structured agenda. Agenda of meeting is circulated to the Board Members well in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. To supplement this, it is ensured that Board Members are presented with all the relevant information, in addition to the agenda of the meeting, for review on vital matters affecting the working of the Company including the minimum information to be placed before the Board as inter alia specified under Regulation 17(7) of the Listing Regulations.

### Board Independence

Seven directors out of eleven directors of the Company are Independent Directors (non-executive directors) as defined under regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder. Further, in terms of Regulation 25(8), they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All Independent Directors make disclosure of their Independence to the Company. None of the Independent Directors has any material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving sitting fee and commission as an Independent Director. Based on the declarations received from the Independent Directors, the Board of Director of the Company are of the opinion that the Independent Directors fulfill the criteria of independence as specified under the Listing Regulations and that they are independent of the Management of the Company.

As required under rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), all the Independent Directors of the Company have affirmed that their names are enrolled with Independent Director's data bank.

### Separate Meeting of Independent Directors

The Independent Directors of the Board met, without the presence of any Non-independent Director and/or Management Representative, on 4<sup>th</sup> February, 2022 to inter-alia discuss the following:-

- Review of performance of Non-independent Directors;
- Review of performance of Board as a Whole;
- Review of Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Independent Directors were assisted by an independent external facilitator to carry out the evaluation process. The outcome of the meeting was apprised to the Chairman of the Company.

Independent Directors were assisted by an independent external facilitator to carry out the evaluation process. The outcome of the meeting was apprised to the Chairman of the Company.

### Induction and Familiarisation Programme for Independent Directors

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

As a 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>.

### Governance Structure

The Company has put in place a governance structure with defined roles and responsibilities of every constituent of the system. The shareholders of the Company appoint the Directors who act as trustees towards the stakeholders of the Company. The Board of Directors discharges its responsibilities in an effective manner with the help of various Board Committees and the Management of the Company. The Company Secretary acts as Secretary

to all Committees of the Board. The Chairman of the Company is responsible for fostering a culture which enables the Board to carry out its functions in a harmonious manner and ensure that the Board provides effective governance and guidance to the Company. The Chairman presides at meetings of the Board and also at the meeting of Shareholders of the Company. The Managing Director is responsible for overall management of the Company and provides strategic direction for business strategies, growth and expansion of business along-with taking all other policy decisions having significant business and financial implications. The Joint Managing Director is also involved in the management of the Company including executing all strategic and policy decisions and providing critical insights and directions in the operational and management decisions of the Company. The Whole Time Director and other Senior Executives of the Company execute the day-to-day operational matters under the overall guidance and supervision of the Managing Director and the Joint Managing Director thereby, strengthening the effectiveness of control in managing the affairs of the Company.

## BOARD COMMITTEES

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

### A. Audit Committee

The Audit Committee reviews the matters falling within its terms of reference and addresses larger issues that could be of vital concerns to the Company. The Audit Committee has been constituted by the Board in terms of guidelines provided under Section 177 of the Companies Act, 2013 and Listing Regulations.

#### A.1. Terms of Reference

The terms of reference of the Audit Committee broadly includes matters pertaining to review of financial reporting process, adequacy of internal control systems, discussion of financial results, interaction with Auditors, appointment and remuneration of Auditors, adequacy of disclosures, and other relevant matters. In particular, these include:-

- Review the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a) matters required to be included in the Director's Responsibility Statement of the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

- b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s), if any, in the draft audit report;
- Review the quarterly financial statements before submission to the Board for approval;
  - Review the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and to make appropriate recommendations to the Board to take up steps in this matter;
  - Reviewing the financial statements of subsidiaries in particular, the investments made by the unlisted subsidiaries of the Company, if any;
  - Oversight Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
  - Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
  - Approval of payment to Statutory Auditors for any other services rendered by them;
  - Reviewing and monitoring the Auditor's independence & performance and effectiveness of audit process;
  - Approval (including omnibus approval) or any subsequent modification of transactions with related parties;



- Scrutiny of inter-corporate loans and investments;
- Review the utilisation of loans and/ or advances / investment made in the subsidiary Company(ies) exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings & follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any areas of concern;
- To review the functioning of the whistle blower mechanism;
- Review of statement of deviations in terms of regulation 32 of the listing regulations;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Review the management discussion and analysis of financial condition and results of operations;
- Review the management letters / letters issued by the Statutory Auditors and internal audit reports on internal control weaknesses;
- Review statement of significant related party transactions;
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### A.2. Composition, meetings and attendance

All members of the Audit Committee are Independent Director and having good financial knowledge. Shri Shreekant Somany, Chairman of the Audit Committee is having the relevant accounting and financial management expertise. During the year 2021-22, the Audit Committee met four times i.e. on 21<sup>st</sup> May, 2021, 9<sup>th</sup> August, 2021, 29<sup>th</sup> October, 2021 and 4<sup>th</sup> February, 2022. The maximum gap between any two meetings was not more than 120 days.

Name of Member and Chairman	Category	Qualification of the Member	No. of Meetings Attended
<b>Shri Shreekant Somany – Chairman</b> (Appointed as Chairman w.e.f. 4 <sup>th</sup> February, 2022)	Independent & Non-Executive Director	The Chairman is Eminent Industrialist having rich experience of Business. He has good accounting and financial management knowledge.	3
<b>Shri R.L. Gagar</b>	Independent & Non-Executive Director	Member is a renowned Solicitor and Advocate based at Kolkata. He is practicing at the High Court of Kolkata for over 50 years. He has good accounting and financial management knowledge.	2
<b>Dr. Y.K. Alagh</b>	Independent & Non-Executive Director	Member is a noted Economist. He has good accounting and financial management knowledge	4
<b>Shri Nitin Dayalji Desai</b>	Independent & Non-Executive Director	Member is a noted Economist. He has good accounting and financial management knowledge	4
<b>Shri Sanjiv Krishnaji Shelgikar</b>	Independent & Non-Executive Director	Member is a veteran Chartered Accountant and possesses the requisite accounting and financial management expertise.	4
<b>Shri O.P. Setia</b> (Ceased w.e.f. close of Business Hours on 29 <sup>th</sup> October, 2021)	Independent & Non-Executive Director	Member was Master of Commerce and Ex-Managing Director of State Bank of India and has held many key positions in its associate banks. He was possessing the requisite accounting and financial management expertise.	3

### A.3. Invitees to the Audit Committee

The Managing Director, Jt. Managing Director, Whole Time Director, Chief Finance Officer (CFO) and Company Secretary along with the representative(s) from Statutory and Internal Auditors of the Company are permanent invitees for responding to the observations of the Audit Committee. Also, other directors of the Company join the meeting based on requirement as invitees.

## B. Nomination cum Remuneration Committee

The Nomination cum Remuneration Committee is constituted by the Board in terms of guidelines provided under Section 178 of the Companies Act, 2013 and Listing Regulations.

### B.1. Terms of Reference

Nomination cum Remuneration Committee is empowered to –

- Formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board for their appointment and/or removal;
- Formulate the system and procedure for evaluating performance of Directors;
- Formulate the criteria for evaluation of performance of Independent Directors and of the Board of Directors as a whole and its Committees;
- to see the diversity of the Board of Directors of the Company;
- to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable; and

- Perform such other functions as may be necessary or appropriate for the performance of its duties.

### B.2. Composition, meetings and attendance

The Nomination cum Remuneration Committee consists of all Independent Directors. During the year 2021-22, the Committee met on 4<sup>th</sup> February, 2022. The composition of the Committee and particulars of attendance at the Committee Meetings are given below:

Name of the Member and Chairman	Category	No. of Meetings Attended
<b>Shri R.L. Gaggar -Chairman</b>	Independent & Non-Executive Director	NIL
<b>Shri Shreekant Somany</b>	Independent & Non-Executive Director	1
<b>Dr. Y. K. Alagh</b>	Independent & Non-Executive Director	1
<b>Shri O.P. Setia</b> (Ceased w.e.f. close of Business Hours on 29 <sup>th</sup> October, 2021)	Independent & Non-Executive Director	-

### B.3. Performance evaluation criteria for Independent Directors

The performance evaluation criteria laid down for the Independent Directors covers their attendance and contribution 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.

### B.4. Remuneration Policy

The Company believes in nurturing a people friendly environment which is geared to drive the organization towards high and sustainable growth. Each and every personnel working with the Company strives to achieve the Company's vision of being the best in the industry.

The Company follows a policy on remuneration applicable for appointment and fixing of remuneration for all the Directors as well as Key Managerial Personnel (KMP) of the Company. It also includes appointment of other senior management personnel viz. Key Functional in-charge i.e. Technical Head, Marketing Head, Power Plant Head, Commercial Head which the Board may decide to appoint and who may report to the top management of the Company. The appointment and remuneration of other employees of the company are also guided by the said policy.

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

## B.5. Remuneration of Directors

### Executive Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the Nomination cum Remuneration Committee. The remuneration is decided based on broad criteria like industry trend, remuneration package in other peer group companies, job contents and key performance areas, Company's financial, sustainability and operational performance etc. The remuneration structure comprises of salary, contribution to provident, superannuation & annuity funds, perquisites & allowances and gratuity in accordance with the Company's rules and Commission/ Bonus to the Executive Directors, at the end of the year, is determined and approved by the Board. Necessary approvals from shareholders are sought in the general meetings for approval of the remuneration package(s). Executive Directors are not paid any sitting fees for attending meetings of Board and Committees thereof.

### Non-Executive Directors

The remuneration of the Non-Executive Directors comprises of sitting fees and commission. Non-Executive Directors are paid sitting fees of ₹ 75,000 for each meeting of the Board and its Committees attended by them which is within the limits prescribed under the Companies Act, 2013. Besides the sitting fees, they are also paid commission. Payment of commission to Non-Executive Directors including Independent Directors is made based on their contribution in the Board deliberations and Company's performance. None of the Non-Executive Director has any pecuniary relationship or transaction with the Company apart from receiving the sitting fee and commission as aforesaid. The Commission is paid on uniform basis to reinforce the principle of collective responsibility. Commission for the year 2021-22 has been paid to Non-Executive Directors who were in office for the whole of the financial year and on pro-rata basis to those who were in office for part of the year. No sitting fee and commission is paid to Shri B.G. Bangur, Chairman of the Company who had expressed his willingness to discontinue receiving payment of sitting fee and Commission.

The details of remuneration package, fees paid, etc. to the other Directors for the year ended on 31<sup>st</sup> March, 2022 are given hereunder: -

#### A. Working Director - Salary

Director	Category	Fixed Component		Performance Linked Incentives/ Commission	Total
		Basic Salary	Allowances Perquisites and other Benefits		
<b>Shri H.M. Bangur</b>	Managing Director	1,944.00	1,871.72	1,300.00	<b>5,115.72</b>
<b>Shri Prashant Bangur</b>	Jt. Managing Director	542.52	1,056.81	1,200.00	<b>2,799.33</b>
<b>Shri P. N. Chhangani</b>	Whole-Time Director	175.02	367.98	-	<b>543.00</b>

#### B. Non-Executive Directors

Director	Category	Commission	Sitting Fees	Total
<b>Shri B G Bangur</b>	Non-Executive Chairman	-	-	-
<b>Shri R L Gagar</b>	Independent Director	33.00	3.00	<b>36.00</b>
<b>Shri Shreekant Somany</b>	Independent Director	33.00	6.00	<b>39.00</b>
<b>Shri Y K Alagh</b>	Independent Director	33.00	8.25	<b>41.25</b>
<b>Shri Nitin Dayalji Desai</b>	Independent Director	33.00	8.25	<b>41.25</b>
<b>Shri Sanjiv Krishnaji Shelgikar</b>	Independent Director	33.00	9.00	<b>42.00</b>
<b>Ms. Uma Ghurka</b>	Independent Director	33.00	4.50	<b>37.50</b>
<b>Shri O P Setia</b> (Ceased w.e.f. close of Business Hours on 29 <sup>th</sup> October, 2021)	Independent Director	19.17	6.00	<b>25.17</b>
<b>Mr. Zubair Ahmed</b> (Appointed w.e.f. 21 <sup>st</sup> May, 2022)	Independent Director	N.A.	N.A.	<b>N.A.</b>

### Service Contract, Notice Period, Severance Fees and Stock Options

- The appointment of Shri H. M. Bangur, Managing Director, Shri Prashant Bangur, Jt. Managing Director & Shri P. N. Chhangani, Whole Time Director is for five years from the date of their respective appointment.
- Notice period as per the Rules of the Company.
- Except Gratuity and Earned Leave at the end of the tenure, no other severance fees is payable.
- No Stock Options were granted during the year.

### C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted by the Board in terms of Section 178 of the Companies Act, 2013 and Listing Regulations.

#### C.1. Terms of Reference

Stakeholders' Relationship Committee is empowered to –

- Review and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely payment of dividend/dispatch of annual reports/statutory notices to the shareholders of the Company.

#### C.2. Composition, meeting and attendance

All the members of the Stakeholders' Relationship Committee are Independent Directors. During the year 2021-22, one meeting of the Committee was held on 4<sup>th</sup> February, 2022. In the said meeting, the Committee reviewed the status of investors' complaints received and resolved during the calendar year 2021. The composition of the

Committee and particulars of attendance at the Committee Meeting are given below:-

Name of the Member and Chairman	Category	No. of Meetings Attended
<b>Shri R. L. Gaggar – Chairman</b>	Independent & Non-Executive Director	Nil
<b>Dr. Y. K. Alagh</b>	Independent & Non-Executive Director	1
<b>Shri Nitin Dayalji Desai</b>	Independent & Non-Executive Director	1

#### C.3. Particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year

Link Intime India Private Limited is acting as the Share Transfer Agent of the Company to carry out the share transfer & other related work. Shri S. S. Khandelwal, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of the Listing Regulations. The Share Transfer Agent / Company has timely resolved / attended all the complaints and no complaint or grievance remained unattended / unresolved at the end of the year. Details of the complaints received and resolved during, the year ended 31<sup>st</sup> March, 2022 are as under:-

Sl. No.	Nature of Complaints	No. of Complaints received	No. of Complaints resolved
<b>I</b>	Dividend related issues	2	2
<b>II</b>	Annual Report related issues	1	1
<b>III</b>	Non-receipt of share certificates sent for transfer	2	2
<b>IV</b>	Issuance of Duplicate Share Certificate and IEPF Claim	3	3
<b>V</b>	Non-Demat/Remat	1	1
<b>Total</b>		<b>9</b>	<b>9</b>

Any Member/Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary & Compliance Officer with a copy of the earlier correspondence.

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

As required under Section 135 of the Companies Act, 2013, the Board has constituted CSBR Committee of Directors to inter alia formulate Corporate Social Responsibility (CSR) Policy, recommend the amount of expenditure to be incurred on the activities in line with the

objectives given in CSR policy, monitor the CSR policy, etc. The terms of reference and other details are as follows:-

#### D.1 Terms of Reference:

The Committee is empowered to:-

- formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy;
- recommend the amount of expenditure to be incurred on the activities in line with the objectives given in CSR policy;
- oversee the Company's activities and contribution with regard to its corporate

and societal obligations & its reputation as a responsible corporate citizen;

- review the performance of the Company on environment, governance and sustainability initiatives & matters;
- approve the policies on principles as required in terms of Business Responsibility & sustainability Reporting requirements and changes/modifications required from time to time in such policies; and
- to approve Company's report on Business Responsibility & Sustainability Reporting requirements.

#### D.2. Composition, meeting and attendance

During the year 2021-22, the CSBR Committee met once on 21<sup>st</sup> May, 2021. The composition of the Committee and particulars of attendance at the Committee Meeting are given below:-

Name of the Member and Chairman	Category	No. of Meetings Attended
<b>Shri Nitin Dayalji Desai – Chairman</b> (Appointed as Chairman w.e.f. 4 <sup>th</sup> February, 2022)	Independent & Non-Executive Director	1
<b>Shri Prashant Bangur</b>	Executive Director	1
<b>Shri Sanjiv Krishnaji Shelgikar</b>	Independent & Non-Executive Director	1
<b>Shri P.N. Chhangani</b>	Whole Time Director	1
<b>Ms. Uma Ghurka</b>	Independent & Non-Executive Director	1
<b>Shri O.P. Setia</b> (Ceased w.e.f. close of Business Hours on 29 <sup>th</sup> October, 2021)	Independent & Non-Executive Director	1

#### E. Risk Management Committee

In compliance with the provisions of Listing Regulations and Companies Act, 2013, Board has constituted a Risk Management Committee.

##### E.1. Terms of Reference

Risk Management Committee is empowered to –

- Formulate a detailed risk management policy which shall include (a) framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, (b) measures for risk mitigation including systems and processes for internal control of identified risks (c) Business continuity plan.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

- Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems.
- Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexities.
- Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.
- Review the appointment, removal and terms of remuneration of Chief Risk Officer.



## E.2. Composition, meeting and attendance

During the year 2021-22, the Risk Management Committee met on 9<sup>th</sup> August, 2021 & 4<sup>th</sup> February, 2022. The composition of the Committee and particulars of attendance at the Committee Meeting are given below:-

Name of the Member and Chairman	Category	No. of Meetings Attended
<b>Shri Sanjiv Krishnaji Shelgikar - Chairman</b>	Independent & Non-Executive Director	2
<b>Shri Prashant Bangur</b>	Executive Director – Jt. Managing Director	2
<b>Shri P.N. Chhangani</b>	Executive Director – Whole Time Director	2
<b>Shri O.P. Setia</b> (Ceased w.e.f. close of Business Hours on 29 <sup>th</sup> October, 2021)	Independent & Non-Executive Director	1

## SUBSIDIARY COMPANIES

The Audit Committee of the Board of Directors of the Company reviews the financial statements, in particular, the investments, if any, made by its unlisted subsidiary company. Statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, is placed before the Board for its review. Copies of Minutes of the Board Meeting(s) of the Subsidiary Companies are tabled at the Board Meeting of the Company. The policy for determining material subsidiaries as approved by the Board is posted on the website of the Company and can be accessed at link <https://www.shreecement.com/investors/policies>.

## GENERAL BODY MEETINGS

The required information under Regulation 34(3) read with Schedule V of the Listing Regulations is given under the “**Shareholders’ Information**” separately in the annexure to this Corporate Governance Report.

## DISCLOSURES

- Related Party Transactions:** There were no material related party transactions during the year 2021-22 that may have a potential conflict with the interest of the Company as provided under Section 188 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations. All related party transactions have been approved by the Audit Committee.  
  
The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on the Company’s website and can be accessed at link: <https://www.shreecement.com/investors/policies>.
- Non-compliance/strictures/ penalties imposed:** No non-compliance/strictures/penalties have been imposed on the Company by the Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority on any matters related to capital markets during the last three years.
- Risk Management:** Risk Evaluation and Management is an on-going process within the organisation. The Company has a well-defined Risk Management Framework in place. The Company periodically places before the Risk Management Committee, the key risks and the risk assessment and mitigation procedures followed by the Company.
- Vigil Mechanism / Whistle Blower Policy:** The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct and instances of leakage of unpublished price sensitive information. The policy provides for adequate safeguards against victimisation of employees who utilizes the mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- Certificate from Practicing Company Secretary:** A certificate from Mr. Akshit Kumar Jangid, Practicing Company Secretary is attached and forms part of this report certifying that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of company, by the SEBI or Ministry of Corporate Affairs or any such statutory authority.
- Total fee paid to Statutory Auditors:** Total fees paid by the Company for the services rendered by the statutory auditor and to all the entities in network firm/network entity belonging to them, is ₹ 59.78 Lac (includes Audit fees and certification / other services). No fee was paid by Subsidiary Companies to Statutory Auditor for such services.
- Confirmation by the Board of Directors’ Acceptance of Recommendation of Mandatory Committees:** During the year, there were no such instances of non-acceptance by the Board



of Directors of any mandatory recommendations made by the Committees.

- Details of utilisation of funds raised through preferential allotment or qualified institutions placement:** Your Company in November, 2019 undertook a Qualified Institutions Placement (QIP) and raised ₹ 2,400 Crore by allotting 12,43,523 equity shares of ₹ 10/- each at a price of ₹ 19,300 (which was at 2.56% discount to floor price of ₹ 19,806.46 determined in terms of Regulation 176 of Chapter VI of SEBI ICDR Regulations) on 23<sup>rd</sup> November, 2019. The details of the Utilizations of the proceeds during the FY 2021-22 is as under:-

	(₹ in Crore)
Balance unutilised proceeds from the qualified institutions placement as on 31 <sup>st</sup> March, 2021	1,672.69
Less: Utilised towards funding future growth opportunities and/or strategic acquisitions general corporate requirements, working capital requirement pre-payment and/or repayment of loans and/or any other purposes, as may be permissible under applicable law during the FY 2021-22	1,197.42
Balance amount to be utilised as on 31 <sup>st</sup> March, 2022	475.27

- Commodity price risk or foreign exchange risk and hedging activities:** Company's foreign exchange risk emanates from forex borrowings and import of fuel and other raw materials. For all forex loans, Company maintains 100% forward cover against foreign exchange risk. As regards import of fuel and other raw materials, the Company decides about the hedging based on prevailing market conditions, period of exposure, amount involved etc. The Company does not have any exposure hedged through Commodity derivatives.
- Disclosure pertaining to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** The details of the complaints pertaining to Sexual Harassment of

Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as under:-

Sl. No.	Particulars	No. of Complaints
1	Number of complaints filed during the financial year 2021-22	NIL
2	Number of complaints disposed of during the financial year 2021-22	NIL
3	Number of complaints pending as at end of the financial year 2021-22	NIL

- Details of compliance with mandatory requirements and adoption of non-mandatory requirements:** The Company has complied with all mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations. Disclosure of Compliance of Non-mandatory requirements as specified in Part E of the Schedule II of Listing Regulations are as under:-
  - Non-Executive Chairman's Office:** The Company maintains a separate office for the Chairman of the Company who is Non-Executive Director with all necessary infrastructure. All assistance is made available to enable him to discharge his responsibilities effectively.
  - Shareholder's Rights:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
  - Modified opinion in Auditors' Report:** Company's financial statement for the year 2021-22 does not contain any modified audit opinion.
  - Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** The Company is having separate posts of Chairman (Non-Executive) and Managing Director. However, they are relatives.

**e. Reporting of Internal Auditors:** The Internal Auditors of the Company submit reports to the Audit Committee and have direct access to it.

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

Regulation	Particulars of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit & Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to employees including Senior Management, Key Managerial Persons, Directors and Promoters	Yes
27	Other Corporate Governance requirements	Yes
46 (2) (b) to (i)	Website (Updation)	Yes

### CEO / CFO CERTIFICATION

In terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director and the Chief Finance Officer of the Company is required to issue annual certification on financial reporting and internal controls to the Board. The certificate for financial year 2021-22 given by the Managing Director and the Chief Finance Officer is annexed to this Report. The Managing Director and the Chief Finance Officer also give quarterly certification on financial results to the Board in terms of Regulation 33(2) of the Listing Regulations.

### CODE OF CONDUCT

The Board of Directors has laid down Policy on Ethics, Transparency and Accountability and Code of Conduct for all the Board Members and Employees of the Company. The code covers, amongst other things, Company's commitment to honest and ethical personal conduct, fair competition/Compliance with Anti-trust/ competition laws, sustainable development, health & safety, transparency and compliance of laws & regulations, etc. The code of conduct is posted on the website of the Company. All the Board members and Senior Management personnel have confirmed compliance with the code for the year 2021-22. A declaration to that effect signed by the Managing Director is attached and forms part of this Report.

### PREVENTION OF INSIDER TRADING

As per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has formulated and implemented a Code of Conduct for Regulating, Monitoring and Reporting of trading by the Designated Persons and their immediate relatives. All the Designated Persons as defined in the Code are governed by this Code. The Company has appointed Shri S.S. Khandelwal, Company Secretary as Compliance Officer who is responsible for setting forth procedures & implementation of the Code. The Company has also formulated and uploaded on its website the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information as envisaged under Regulation 8(1) of above regulations and nominated Company Secretary, Shri S. S. Khandelwal as Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information. As required under Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulation, 2015 (as amended), Audit and Risk Management Committee of the Board of Directors of the Company has reviewed the Compliances with the provisions of these regulations and has also verified the internal control systems in this respect and the same are adequate and operating effectively.

### MEANS OF COMMUNICATIONS

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

specific communications. Details of communication mode are as under –

- The unaudited quarterly and audited annual financial results are announced immediately after approval from the Board and sent to respective stock exchanges where the Company's shares are listed within the time specified in the Listing Regulations.
- Thereafter, these are circulated among media/news agencies/ analyst, etc. and are displayed on the Company's website [www.shreecement.com](http://www.shreecement.com). These results are also published in leading newspapers normally with Financial Express, Economic Times, Mint, Business Line, Dainik Bhaskar, Dainik Navjoyti, Rajasthan Patrika within forty-eight hours of the Board meeting in which the same are approved.
- The Annual Report, inter-alia, containing Audited Financial Statements, Audited Consolidated Financial Statements, Board's Report including Management Discussion and Analysis, Auditors'

Report and other important information is circulated to members and others entitled thereto.

- Presentation made to institutional investors or to the analysts are also submitted with respective stock exchanges where the Company's shares are listed and are also displayed on the Company's website [www.shreecement.com](http://www.shreecement.com).
- **SEBI Complaints Redress System (SCORES):** This is a centralised web-based complaint redressal system designed by SEBI for investors. Companies are required to upload online Action Taken Reports (ATRs) against the complaints filed by investors and simultaneously investors can view the actions taken on the complaint and its current status.
- **Website:** The Company's website [www.shreecement.com](http://www.shreecement.com) contains a separate dedicated section 'Investor Centre' wherein all information related to Members/Investors has been made available.

# Annexure to Corporate Governance Report

## SHAREHOLDERS' INFORMATION

### ANNUAL GENERAL MEETING

Day & Date of AGM	Time	Venue
Thursday, 28 <sup>th</sup> July, 2022	12:15 P.M	'Rangmanch Auditorium', Bangur Nagar, Beawar – 305901, Distt.: Ajmer, Rajasthan

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

Year Ended	Day & Date of AGM	Time	Venue
31 <sup>st</sup> March, 2019	Friday, 9 <sup>th</sup> August, 2019	11:30 AM	'Rangmanch Auditorium', Bangur Nagar, Beawar – 305901, Distt.: Ajmer, Rajasthan
31 <sup>st</sup> March, 2020	Monday, 6 <sup>th</sup> July, 2020	2:00 PM	Through Video Conferencing / Other Audio Visual Means
31 <sup>st</sup> March, 2021	Monday, 9 <sup>th</sup> August, 2021	3:00 PM	[Deemed Venue for Meeting: Registered Office: Bangur Nagar, Beawar - 305901, Distt.: Ajmer, Rajasthan]

Special Resolution(s) passed in previous three AGMs:

Date of AGM	Special Resolution(s) passed by Members
<b>9<sup>th</sup> August, 2019</b>	<ul style="list-style-type: none"> <li>a) Reappointment of Shri Ratanlal Gaggar (DIN: 00066068) as an Independent Director for second term of 5 (five) years w.e.f. 1<sup>st</sup> September, 2019</li> <li>b) Reappointment of Shri Om Prakash Setia (DIN: 00244443) as an Independent Director for second term of 5 (five) years w.e.f. 1<sup>st</sup> September, 2019</li> <li>c) Reappointment of Dr. Yoginder Kumar Alagh (DIN: 00244686) as an Independent Director for second term of 5 (five) years w.e.f. 1<sup>st</sup> September, 2019</li> <li>d) Reappointment of Shri Nitin Dayalji Desai (DIN: 02895410) as an Independent Director for second term of 5 (five) years w.e.f. 1<sup>st</sup> September, 2019</li> <li>e) Reappointment of Shri Shreekant Somany (DIN: 00021423) as an Independent Director for second term of 5 (five) years w.e.f. 1<sup>st</sup> September, 2019</li> </ul>
<b>6<sup>th</sup> July, 2020</b>	Reappointment of Shri Sanjiv Krishnaji Shelgikar (DIN: 00094311) as Independent Director for second term of 5 (five) consecutive years commencing from 5 <sup>th</sup> August, 2020
<b>9<sup>th</sup> August, 2021</b>	Reappointment of Shri Hari Mohan Bangur (DIN: 00244329), as Managing Director of the Company for a period of five years commencing from 1 <sup>st</sup> April, 2021

### SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

The Company has carried out postal ballot process in accordance with Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, to obtain consent of members by way of Special Resolution for Reappointment of Shri Prashant Bangur (DIN: 00403621), as Joint Managing Director of the Company for a period of 5 (five) years effective from 1<sup>st</sup> April, 2022.

Shri Akshit Kumar Jangid (Membership No. F11285), Practicing Company Secretary, acted as the Scrutinizer, for conducting the Postal Ballot process in a fair and transparent manner

The details of voting pattern of postal ballot resolution is as under:-

Sl. No.	Description of resolution	Total No. of Valid votes	Votes Assenting the Resolution	% of Votes Cast in favour	Votes Dissenting the resolution	% of Votes Cast against
1	Reappointment of Shri Prashant Bangur (DIN: 00403621), as Joint Managing Director of the Company for a period of 5 (five) years effective from 1 <sup>st</sup> April, 2022.	2,93,54,640	2,67,94,484	91.2785	25,60,156	8.7215

The aforesaid resolution was passed with requisite majority.

## PROCEDURE FOR POSTAL BALLOT

Postal Ballot Notice ("Notice") containing the proposed resolution(s) and explanatory statement pursuant to Section 102 and other applicable provisions, if any, of the Act, are sent electronically to all the members whose email address is registered with the Company/their Depository Participant. The Company also dispatches the Notices and Postal Ballot Form ("Form") alongwith postage prepaid envelope to its members whose email addresses are not registered, through permitted mode of dispatch. Further, the Company also gives option to the members to cast their vote electronically instead of dispatching the Form. The Forms received upto the last day notified in the Notice and the votes cast on the e-voting platform within specified time are considered by the Scrutinizer. The Scrutinizer submits his report to the Chairman and the results of the voting by Postal Ballot is declared/announced by the Chairman or any other person authorised by him. The results are also displayed on the Company's website (www.shreecement.com) besides being communicated to the stock exchanges.

None of the businesses is proposed to be transacted through Postal Ballot before the ensuing Annual General Meeting.

## FINANCIAL YEAR AND TENTATIVE FINANCIAL CALENDAR

The Company follows period of 1<sup>st</sup> April to 31<sup>st</sup> March as its Financial Year. Tentative financial calendar for the Financial Year 2022-23 is as under:-

Un-audited Financial Results:	
First Quarter ending on 30 <sup>th</sup> June, 2022	Within 45 days from the end of quarter
Second Quarter/half year ending on 30 <sup>th</sup> September, 2022	Within 45 days from the end of quarter
Third Quarter ending on 31 <sup>st</sup> December, 2022	Within 45 days from the end of quarter
Audited Financial Results:	
Year ending on 31 <sup>st</sup> March, 2023	Within 60 days from the end of the financial year

## DIVIDEND PAYMENT DATE

Particular	Payment Date
Final Dividend for the year 2021-22	on or after Friday, 29 <sup>th</sup> July, 2022, if declared

## CREDIT RATINGS

Credit Ratings obtained by the Company along with any revisions thereto during the financial year 2021-22 are as follows:-

Facilities	Amount (₹ in crore)	Rating	Rating Action
Issuer Rating	-	CARE AAA(Is); Stable [Triple A (Issuer Rating); Outlook: Stable]	Reaffirmed
Long Term Bank Facilities / Fund Based Limit	1,100.00	CARE AAA; Stable (Triple A; Outlook: Stable) / CRISIL AAA/Stable	Reaffirmed
Short Term Bank Facilities / Non-Fund Based Limit	800.00	CARE A1+ (A One Plus) / CRISIL A1+	Reaffirmed
<b>Total Bank Facilities</b>	<b>1,900.00</b>		
Commercial Paper (Carved out)	400.00	CARE A1+ (A One Plus)	Reaffirmed
<b>Total Short-term Instruments</b>	<b>400.00</b>		

## DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy of the Company is as under:-

Your company has uninterrupted and increasing dividend payout track record since 2000-01. The management is confident of maintaining the same. The yearly outgo of dividend is dependent on the prevalent macroeconomic conditions as well as the industry specific scenario. It also depends on the capital expenditure program under implementation. The retained earnings as in past, shall always be used for the expansion of business.

## LISTING ON STOCK EXCHANGE(S)

Name of Stock Exchange	Stock Code
<b>BSE Limited</b> P J Towers, Dalal Street, Fort, Mumbai - 400 001	500387
<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	SHREECEM EQ
Name of the Depositories (for Demat only)	ISIN
<b>National Securities Depository Ltd.</b> Trade World, 'A' Wing, 4 & 5 Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013	INE070A01015
<b>Central Depository Services (India) Ltd.</b> P J Towers, 17 <sup>th</sup> Floor, Dalal Street, Fort, Mumbai - 400 001	INE070A01015

The Company has paid listing fees to all the Stock Exchanges where its securities are listed for the financial year 2021-22 & 2022-23.

No securities of the Company are suspended from trading.

**Corporate Identification Number (CIN):** L26943RJ1979PLC001935

## MARKET PRICE DATA

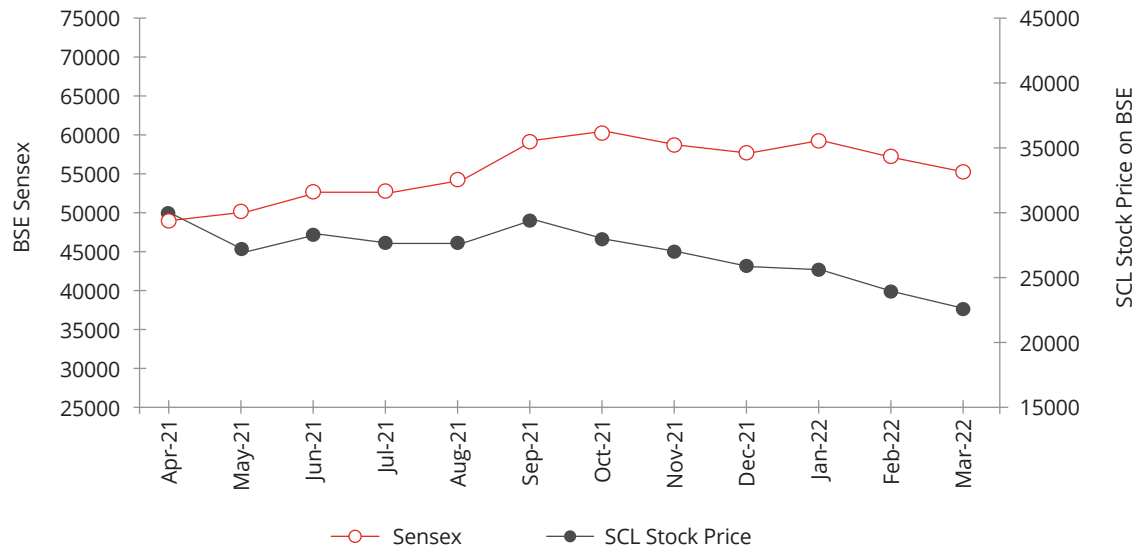
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. Of Shares)
April-21	32,050.00	27,850.00	48,948	32,048.00	27,808.15	13,67,503
May-21	28,504.25	26,520.00	34,790	28,515.00	26,510.00	10,69,721
June-21	29,478.00	27,454.85	34,399	29,506.85	27,414.90	8,71,059
July-21	28,749.00	26,850.00	50,931	28,580.00	26,840.05	9,40,795
August-21	30,095.00	25,750.05	54,753	30,100.00	25,725.05	11,93,449
September-21	31,441.05	27,937.70	40,689	31,469.95	27,948.10	12,25,775
October-21	29,400.00	26,802.45	54,441	29,425.25	26,811.20	6,82,781
November-21	29,825.00	25,200.00	17,617	29,818.90	25,198.25	6,34,587
December-21	27,334.15	25,030.00	18,680	27,323.85	25,000.05	6,08,331
January-22	27,932.60	23,505.70	21,586	27,936.75	23,500.05	7,57,091
February-22	25,858.20	22,849.35	28,540	25,884.60	22,832.00	8,45,674
March-22	24,420.00	21,667.50	29,784	24,385.00	21,650.00	15,06,900
<b>TOTAL</b>			<b>4,35,158</b>			<b>1,17,03,666</b>

## PERFORMANCE OF COMPANY'S SHARE PRICE IN COMPARISON TO BROAD-BASED INDICES

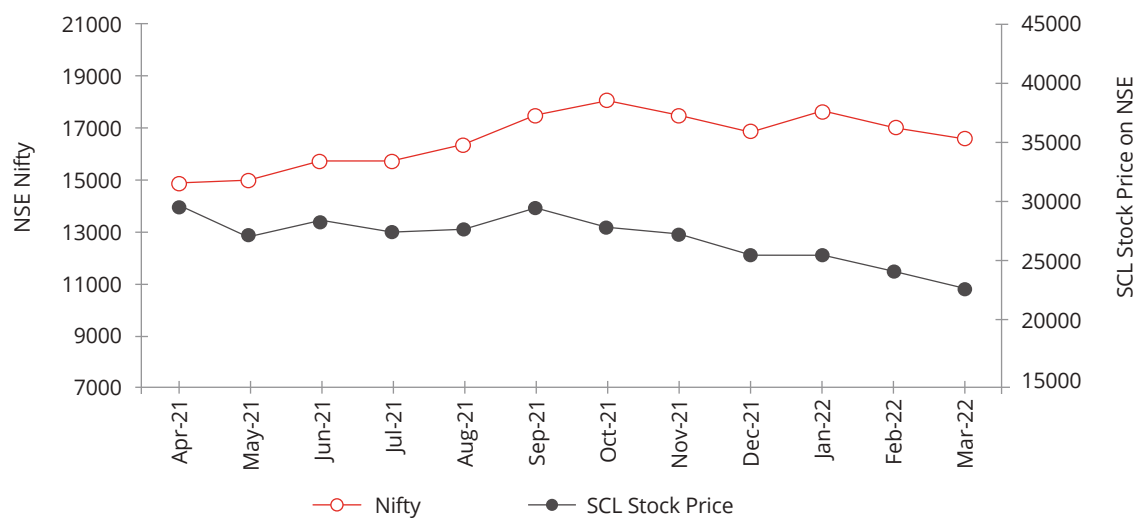
Indices	BSE (Sensex)	SCL Quote at BSE (₹)	NSE (Nifty)	SCL Quote at NSE (₹)
<b>1<sup>st</sup> April, 2021 (Open)</b>	49,868.53	29,350.00	14,798.40	29,570.00
<b>31<sup>st</sup> March, 2022 (Close)</b>	58,568.51	23,993.10	17,464.75	24,032.60
<b>Increase/(Decrease)</b>	8,699.98	(5,356.90)	2,666.35	(5,537.40)
<b>% Increase/(Decrease)</b>	17.45%	(18.25)%	18.02%	(18.73)%



### Movement of Shree Cement's Share price vis-à-vis Sensex in FY 2021-22 (Average of monthly high-low)



### Movement of Shree Cement's Share price vis-à-vis Nifty in FY 2021-22 (Average of monthly high-low)



## SHARE TRANSFER SYSTEM

Transfer of shares in dematerialised form is done through the Depository Participant (DP) without any involvement of the Company/Registrar & Share Transfer Agent. As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialised form. Further, Member may please note that as an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022, has mandated the listed Companies to issue securities in demat form only while processing service requests for issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. In terms of the said circular the necessary forms for processing the above requests are available on the website of the Company i.e. [www.shreecement.com](http://www.shreecement.com). Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. Shareholders may communicate with Link Intime India Private Limited, the Company's Registrars & Share Transfer Agent at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

## NOMINATION FACILITY

As per the provisions of Section 72 of the Companies Act 2013, facility for making nominations is available to individuals holding shares of the Company. Members holding shares in physical form, may obtain the Nomination Form (Form SH-13) from the Registered Office of the Company or Registrar & Share Transfer Agent or can be downloaded from the Company's website viz. [www.shreecement.com](http://www.shreecement.com) under the section 'Investors>Shareholder Information>Forms'. Investors holding share in electronic form should contact their concerned Depository Participant (DP) directly for nomination.

## UNCLAIMED DIVIDENDS AND TRANSFER TO IEPF

In accordance with the provisions of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ('IEPF rules'), dividend which remains unclaimed for a period of seven years or more from

the date of transfer to the 'Unpaid Dividend Account' of the Company shall be transferred to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government. As per practice, Company sends reminders to shareholders whose dividend amount is unpaid before transferring the same to IEPF. During the year, the Company has transferred the amount of unclaimed and unpaid Second Interim for year 2013-14 & Interim Dividend for 2014-15 within the prescribed due date.

For the dates of transfer of unpaid dividend amount to IEPF, please refer the relevant section of Notice of the 43<sup>rd</sup> Annual General Meeting of the Company. Shareholders are requested to approach the Company, if they have not received/encashed their dividend warrants of relevant year. In compliance with the IEPF rules, the Company has uploaded the information in respect of dividend amounts remaining unpaid and unclaimed as on date of 42<sup>nd</sup> Annual General Meeting of the Company with the Ministry of Corporate Affairs. The same information has been uploaded on Company's website [www.shreecement.com](http://www.shreecement.com) as prescribed in the above referred rules. Shareholders can visit website of MCA/ Company for checking the status of dividend amounts remaining unpaid/ unclaimed dividend in respect of their holding in the Company. Members whose unpaid dividends were transferred to IEPF, can claim the amounts by following prescribed procedures/ guidelines which are available at website of the Company at <https://www.shreecement.com/investors/shareholder-information> and website of the IEPF authority at <http://www.iepf.gov.in/IEPF/refund.html>.

## TRANSFER OF UNDERLYING SHARES INTO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 124(6) of the Companies Act, 2013 read with IEPF rules, the Company is required to transfer shares to the IEPF Suspense Account in respect of which dividends remained unpaid/ unclaimed for a period of seven consecutive years or more. In compliance to the said requirement, the Company has transferred shares which were liable to be transferred in favour of IEPF authority in the prescribed manner. Details of the said shares are available on the website of the Company and can be accessed through the link: <https://www.shreecement.com/investors/shareholder-information>. The said details have also been submitted with the Ministry of Corporate Affairs and same can be accessed through the link: <https://www.iepf.gov.in/IEPFWebProject/SearchInvestorAction.do?method=gotoSearchInvestor>. Such shares can be claimed from IEPF authority by filing Form No. IEPF-5 in the prescribed manner.

### USAGE OF ELECTRONIC PAYMENT MODES FOR MAKING DIVIDEND PAYMENTS TO THE INVESTORS

Shareholders can opt for receiving dividend credit directly into their bank account by updating their bank account details with the Depository Participants in case the same are held in dematerialised mode or with the Registrar & Share Transfer Agent of the Company in case the share are held in physical form. The Company, wherever it is possible based on the details submitted by members to Registrar & Share Transfer Agent or Depository Participants, as the case may be, is using electronic modes such as RTGS, NEFT, NECS, Direct Credit for making payment of dividend amounts. In remaining cases, payable at-par demand Drafts / Pay Order are issued in favour of members and dispatched to their registered address.

### DISCLOSURE RELATING TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

Regulation 39(4) of the Listing Regulations read with Schedule VI provides for the manner of dealing with unclaimed shares. As per the provisions, the Company is required to dematerialise such shares which have been returned as undelivered by postal authorities and hold the same in Unclaimed Suspense Account with a Depository. Disclosure pursuant to the unclaimed shares as on 31<sup>st</sup> March, 2022 is given below:-

Particulars	Aggregate number of Shareholders	Outstanding shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account at the beginning of the year i.e. 1 <sup>st</sup> April, 2021	NIL	NIL
Number of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	NIL	NIL

Particulars	Aggregate number of Shareholders	Outstanding shares
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account at the end of the year i.e. 31 <sup>st</sup> March, 2022	NIL	NIL

The voting rights on the aforesaid shares shall remain frozen till the rightful owner claims the shares.

### CORRESPONDENCE REGARDING CHANGE OF ADDRESS, BANK MANDATE, ETC.

Shareholders are requested to ensure that all events of change of address, change in bank particulars, etc., are intimated to Company or Share Transfer Agent promptly. Such requests duly signed by all holders, where there are more than one, along with supporting documents such as proof of residence and proof of identification should be sent for updating Company's records. Shareholders who hold shares in dematerialised form should correspond with the Depository Participant with whom they have opened Demat Account(s).

### RECONCILIATION OF SHARE CAPITAL AUDIT

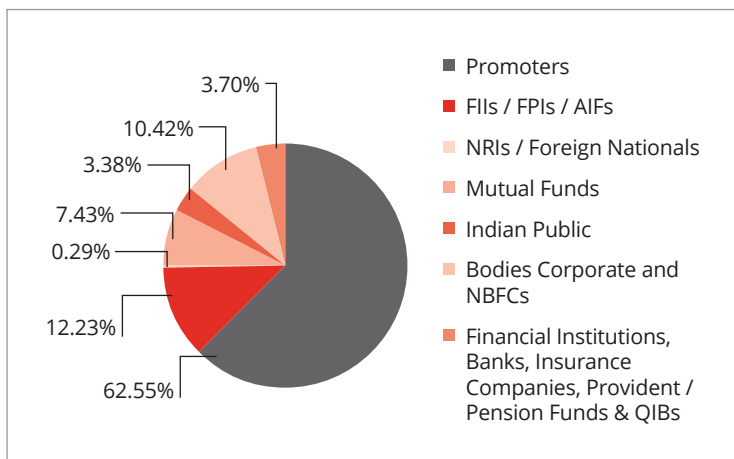
As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, depositories and is also placed before the Board of Directors in their meetings.

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2022

Sl. No.	Slab of shares	No. of Holders	% to Holders	No. of Shares	% to Total No. of Shares
1.	1 – 50	54,494	92.72	4,09,314	1.13
2.	51 – 100	1,867	3.18	1,54,910	0.43
3.	101 – 200	899	1.53	1,40,249	0.39
4.	201 – 500	690	1.17	2,35,927	0.65
5.	501 – 1,000	308	0.52	2,34,963	0.65
6.	1,001 – 5,000	284	0.48	6,31,750	1.75
7.	5,001 – 10,000	80	0.14	5,53,675	1.53
8.	10,001 and above	150	0.26	3,37,19,960	93.47
	<b>TOTAL</b>	<b>58,772</b>	<b>100.00</b>	<b>3,60,80,748</b>	<b>100.00</b>

## SHAREHOLDING PATTERN

Description	No. of Shares held	
	31.03.2022	% of holding
Promoters	2,25,69,797	62.55%
FII / FPIs / AIFs	44,12,087	12.23%
NRIs	1,03,867	0.29%
Mutual Funds	26,80,329	7.43%
Indian Public	12,21,046	3.38%
Bodies Corporate and NBFCs	37,57,310	10.42%
Financial Institutions, Banks, Insurance Companies, Provident / Pension Funds & QIBs	13,36,312	3.70%
<b>Total</b>	<b>3,60,80,748</b>	<b>100.00%</b>



## DEMATERIALISATION OF SHARES & LIQUIDITY

The trading in the Company's Equity Shares has been permitted in Demat form w.e.f. 29<sup>th</sup> November, 1999. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for maintaining and facilitating transactions in the Company's shares in electronic mode. In view of the advantage offered by the Depository System, Members are requested to avail the facility of dematerialisation. 90.01% of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31<sup>st</sup> March, 2022 (As on 31<sup>st</sup> March, 2021: 89.96%).

The shares are actively traded at BSE and NSE and have adequate liquidity.

There were no outstanding GDRs / ADRs / Warrants or any other Convertible Instruments as on 31<sup>st</sup> March, 2022.

## PLANTS LOCATION

### RAJASTHAN

- Beawar:** Bangur Nagar, Beawar, Distt.: Ajmer, Rajasthan - 305 901
- Ras:** Bangur City, Ras, Tehsil: Jaitaran, Distt.: Pali, Rajasthan - 306 107
- Khushkhhera:** Plot No. SP3-II / A-1, RIICO Industrial Area, Khushkhhera, Tehsil: Bhiwadi, Distt.: Alwar, Rajasthan - 301 707
- Suratgarh:** Near N.H.-15, Udaipur - Udasar, Tehsil: Suratgarh, Distt.: Sriganganagar, Rajasthan - 335 804
- Jobner (Jaipur):** Mahela - Jobner Road, Village: Aslapur, Tehsil: Phulera, Distt.: Jaipur, Rajasthan - 303 331

### CHHATTISGARH

- Baloda Bazar:** Village Khapradih, Tehsil- Simga, Distt.: Balodabazar, Chhattisgarh - 493 332

### KARNATAKA

- Kodla:** Village Kodla & Benkanhalli, Taluk: Sedam Distt.: Kalaburagi, Karnataka - 585222

### UTTARAKHAND

- Laksar (Roorkee):** Akbarpur - Oud, Tehsil: Laksar, Distt.: Haridwar, Uttarakhand - 247 663

### HARYANA

- Panipat:** Village - Khukhrarna, P.O. - Asan Kalan, Tehsil - Madloda, Distt: Panipat (Haryana)

### UTTAR PRADESH

- Bulandshahr:** 12, Sikandrabad Industrial Area, Sikandrabad, Distt.: Bulandshahr, Uttar Pradesh - 203 205

### BIHAR

- Aurangabad:** Industrial Growth Centre Biada, Near Jasoia More, Post: Mojurahi, Distt.: Aurangabad, Bihar - 824 102

### JHARKHAND

- Saraikela:** PO-Burudh, Hansda, District : Seraikela - Kharsawan, Jharkhand - 833 210

### ODISHA

- Cuttack:** Village - Chandrabalishyampur, Block - Athagarh, District : Cuttack, Odisha - 754 029

### MAHARASHTRA

- Patas:** Village Patas, District : Pune, Maharashtra - 412219

**REGISTERED OFFICE & ADDRESS FOR CORRESPONDENCE:**

Shree Cement Limited,  
Bangur Nagar, Beawar - 305 901  
Distt: Ajmer, Rajasthan  
Phone: +91-1462-228101-06  
Fax: +91-1462-228117 / 228119  
Toll Free No.: 1800 180 6003 / 6004  
Email: shreebwr@shreecement.com

**SHAREHOLDERS' QUERIES:**

Shri S.S. Khandelwal - Company Secretary  
Phone: +91-1462-228101 to 06  
Fax: +91-1462-228117/19  
Toll Free: 1800 180 6003 / 6004  
Exclusive e-mail ID for shareholders queries:  
investor@shreecement.com  
(This email ID would be applicable for shareholder's queries only and Company is not bound to respond on queries or other communication made on this email ID)

**CLARIFICATIONS ON FINANCIAL STATEMENTS:**

Shri Subhash Jajoo, Chief Finance Officer  
Phone: +91-33-22390601-05  
Fax: +91-33-22434226  
E-mail: jajooos@shreecement.com

**REGISTRAR AND SHARE TRANSFER AGENTS:**

Link Intime India Private Limited  
Unit: SHREE CEMENT LIMITED  
C101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083  
Tel: 022 - 4918 6270, Fax: 022 - 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Contact Person: Ms. Saili Lad, Senior Associate

## Declaration on Code of Conduct

As provided under Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2022.

for **SHREE CEMENT LIMITED**

Place: Kolkata  
Date: 21<sup>st</sup> May, 2022

**H. M. Bangur**  
Managing Director  
DIN: 00244329

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## Compliance Certificate

The Board of Directors,  
**SHREE CEMENT LIMITED**

Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Certificate Requirements), Regulations, 2015. This is to certify that:-

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take for rectifying these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 21<sup>st</sup> May, 2022  
Place: Kolkata

**(Subhash Jajoo)**  
Chief Finance Officer

**(H.M. Bangur)**  
Managing Director  
DIN: 00244329



# Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Shree Cement Limited  
Bangur Nagar, Beawar  
Rajasthan-305 901

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shree Cement Limited having CIN L26943RJ1979PLC001935 and having registered office at Bangur Nagar, Beawar-305 901, Rajasthan (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations, representations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment
1	Benu Gopal Bangur	00244196	25/10/1979
2	Hari Mohan Bangur	00244329	31/07/1992
3	Prashant Bangur	00403621	23/08/2012
4	Shreekant Somany	00021423	20/10/2000
5	Ratanlal Gaggar	00066068	25/01/1995
6	Sanjiv Krishnaji Shelgikar	00094311	05/08/2015
7	Yoginder Kumar Alagh	00244686	29/10/2004
8	Nitin Dayalji Desai	02895410	27/05/2011
9	Prakash Narayan Chhangani	08189579	30/07/2018
10	Uma Ghurka	00351117	11/11/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Pinchaa & Co.**

Company Secretaries

Firm's U.C.N. P2016RJ051800

Firm's PR Certificate No. 832/2020

**Akshit Kr. Jangid**

Partner

M.No. FCS 11285

C. P. No. 16300

Place: Jaipur

Date: 17<sup>th</sup> May, 2022

UDIN: F011285D000332531

# Independent Auditors' Report

## TO THE MEMBERS OF SHREE CEMENT LIMITED

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying standalone financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and its profit, its cash flows and the changes in equity for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### DESCRIPTION OF KEY AUDIT MATTERS:

Key audit matters	How our audit addressed the key audit matter
<b>Revenue from sale of goods</b>  The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts.  The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: <ul style="list-style-type: none"> <li>• Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers';</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts;</li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales agreements;</li> <li>• Assessed the relevant disclosures made in the Standalone financial statements.</li> </ul>

**DESCRIPTION OF KEY AUDIT MATTERS: (CONTD.)****Litigation, Claims and Contingent Liabilities**

The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims.

Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses.

Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.

Our audit procedures included the following:

- We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities;
- We held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable', 'possible' and 'remote';
- We read the correspondence from Court authorities and considered legal opinion obtained by the Company from external law firms to challenge the basis used for provisions recognised or the disclosures made in the standalone financial statements;
- For those matters where Company concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

**INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so

would be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including any derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are

material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend;
- b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act;
- c) As stated in Note No. 51 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Gupta & Dua**

Chartered Accountants

Firm's Registration No. 003849N

**Mukesh Dua**

Partner

Membership No.085323

UDIN: 22085323AJNCGD3623

Place: Kolkata

Date : 21<sup>st</sup> May, 2022



## Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1.
  - a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) According to the information and explanations given to us, property, plant and equipment have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - d) The Company has not revalued its Property, plant and equipment (including Right of use Assets) and intangible assets during the year.
  - e) According to the information and explanations given to us, no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
2. In respect of its inventories:
  - a) The management has physically verified the inventories. In our opinion, the frequency, coverage and procedure of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
  - b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets during the year. According to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
3. The Company has made investments in and granted unsecured loans to companies during the year, in respect of which;
  - a) The aggregate amount granted during the year and balance outstanding at the balance sheet date with respect to loans granted to subsidiaries is ₹ 21.20 crore and ₹ 20.75 crore respectively;
  - b) The investment made and terms and conditions of grant of such loans are not prejudicial to the Company's interest;
  - c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount and receipt of interest has generally been regular as per the stipulation;
  - d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date;
  - e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties;
  - f) The Company has granted a loan to a subsidiary which is repayable on demand. The aggregate amount of the loan granted is ₹ 21.20 crore during the year. There are no other loans granted to related parties as defined in sub-section (76) of section 2 of the Act.

4. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made, as applicable.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

6. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under section 148 of the Act, and are of the opinion that the prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March, 2022 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
<b>(A) Excise and Service Tax</b>				
Central Excise Act, 1944	Cenvat credit of inputs	0.34	2005-06 to 2007-08	Commissioner (Appeals) of Central Excise and Service Tax
	Cenvat credit of input and capital goods	0.23	2013-14	Central Excise & Service Tax Appellate Tribunal (CESTAT)
	Cenvat credit on capital goods	0.03	2009-10	Rajasthan High Court, Jaipur
Finance Act, 1994	Credit of Service Tax on input services	7.19	2011-12 & 2015-16 to 2017-18	Central Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (A)</b>		<b>7.79</b>		
<b>(B) Customs Duty</b>				
Customs Act, 1962	Custom Duty Valuation	15.75	2008-09 to 2009-10 and 2012-13	Central Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (B)</b>		<b>15.75</b>		
<b>(C) Sales Tax</b>				
Rajasthan VAT Act, 2003	Input VAT Credit	6.95	2014-15 to 2017-18	Tax Board, Jaipur
Rajasthan VAT Act, 2003	VAT demand on deemed sale	459.06	2014-15 to 2019-20	Tax Board, Jaipur
Bihar VAT Act, 2005	Input VAT Credit	0.12	2016-17	Joint Commissioner of Commercial Taxes (Appeals) Central Division, Patna
Uttarakhand VAT Act, 2005	Concessional tax diesel used for raw material transportation	0.44	2017-18 to 2018-19	Joint Commissioner of Commercial Taxes (Appeals), Haridwar
<b>Total (C)</b>		<b>466.57</b>		

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
<b>(D) Entry tax</b>				
UP Tax on Entry of Goods Act, 2000	Interest on Entry tax	2.78	2009-10	Joint Commissioner, Ghaziabad
Chhattisgarh Tax on Entry of Goods Act, 1976	Entry Tax	13.49	2014-15 to 2016-17	Chhattisgarh High Court, Bilaspur
Punjab Tax on Entry of Goods into Local Area Act, 2000	Input Tax credit	0.57	2010-11 to 2013-14	Tribunal, Chandigarh
<b>Total (D)</b>		<b>16.84</b>		
<b>(E) Competition Act</b>				
Competition Act, 2002	Penalty for alleged violation of Competition Act	357.76	2009-10 to 2010-11	National Company Law Appellate Tribunal (NCLAT)
		18.44	2012-13	
<b>Total (E)</b>		<b>376.20</b>		
<b>(F) Others</b>				
Rajasthan Finance Act, 2008	Environment & Health Cess on Minerals	91.77	2007-08 to 2016-17	The Supreme Court
Rajasthan Land Tax Act, 2006	Land Tax, Rajasthan	0.80	2006-07 to 2009-10	DIG, Stamps & Registration, Pali
Rajasthan Land Tax Act, 2020	Land Tax, Rajasthan	4.03	2020-21	Rajasthan High Court
Employee State Insurance Act, 1948	Employee State Insurance	1.04	2013-14 to 2017-18	ESI Court, Jaipur
Mines and Minerals (Development & Regulation) Act, 1957	Differential Royalty on Limestone	3.10	1989-90, 1992-93, 1993-94 and 2001-02	Rajasthan High Court
MMDR act read with Rajasthan Mineral Concession Rules read with RM (PIMTS) Rules 2007	Storage of Mineral awaiting registration	0.30	2009-10 to 2010-11	Rajasthan Tax Board
Rajasthan Stamps Act, 1998	Stamp Duty	0.57	2003-04 to 2004-05	Rajasthan High Court
<b>Total (F)</b>		<b>101.61</b>		
<b>Grand Total (A+B+C+D+E+F)</b>		<b>984.76</b>		

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. a) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.
- b) The Company is not declared a willful defaulter by any bank or financial institution or other lender.
- c) The term loan has been applied for the purpose for which they were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- e) The Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries. The Company does not have associates or joint ventures.
  - f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have associates or joint ventures.
10. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable.
  - b) The company has not made any preferential allotment of shares or fully or partially convertible debentures during the year. Hence, reporting under clause 3 (x) (b) of the Order is not applicable.
11. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
  13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
  - b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non- cash transaction with directors or persons connected with him, therefore, reporting under clause 3(xv) of the Order is not applicable.
16. a) The Company is not engaged in business of Non-Banking Financial Company or Housing Finance Company or Core Investment Company requiring registration under the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
  - b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.
  18. There has been no resignation of the statutory auditors of the Company during the year.
  19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable

of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer

to a fund specified in Schedule VII to the Companies Act in compliance with Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- b) There are no unspent amounts towards CSR on ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **Gupta & Dua**

Chartered Accountants

Firm's Registration No. 003849N

**Mukesh Dua**

Partner

Membership No.085323

UDIN: 22085323AJNCGD3623

Place: Kolkata

Date : 21<sup>st</sup> May, 2022

## Annexure 'B' to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Company") as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Gupta & Dua**

Chartered Accountants

Firm's Registration No. 003849N

**Mukesh Dua**

Partner

Membership No. 085323

UDIN: 22085323AJNCGD3623

Place: Kolkata

Date : 21<sup>st</sup> May, 2022

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2022

(₹ in Crore)

	Notes	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6	4,711.82	3,790.74
Capital Work-in-Progress	36	972.91	970.96
Intangible Assets	7	26.66	26.97
Right of Use Assets	8	583.01	373.84
<b>Financial Assets</b>			
Investments	9	8,060.96	7,271.28
Loans	10	4.35	4.46
Other Financial Assets	11	133.62	125.47
Deferred Tax Assets (Net)	12	669.51	785.50
Non-Current Tax Assets (Net)		27.11	102.00
Other Non-Current Assets	13	534.29	388.09
		<b>15,724.24</b>	<b>13,839.31</b>
<b>Current Assets</b>			
Inventories	14	2,161.40	1,477.17
<b>Financial Assets</b>			
Investments	15	3,484.99	3,779.33
Trade Receivables	16	595.65	479.42
Cash and Cash Equivalents	17	15.38	14.97
Bank Balances other than Cash and Cash Equivalents	18	102.88	194.79
Loans	10	25.34	21.23
Other Financial Assets	11	219.88	181.36
Other Current Assets	13	1,085.67	1,051.19
		<b>7,691.19</b>	<b>7,199.46</b>
<b>Total Assets</b>		<b>23,415.43</b>	<b>21,038.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	19	36.08	36.08
Other Equity	20	17,234.79	15,213.99
<b>Total Equity</b>		<b>17,270.87</b>	<b>15,250.07</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	21	1,298.34	1,331.55
Lease Liabilities		140.04	14.68
Other Financial Liabilities	22	135.67	174.28
Provisions	23	11.78	10.55
		<b>1,585.83</b>	<b>1,531.06</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	24	715.84	801.68
Lease Liabilities		54.85	8.07
Trade Payables	52		
Total Outstanding Dues of Micro and Small Enterprises		6.50	4.06
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		797.39	781.73
Other Financial Liabilities	22	1,334.88	1,193.58
Other Current Liabilities	25	1,332.49	1,398.52
Provisions	23	2.60	1.91
Current Tax Liabilities (Net)		314.18	68.09
		<b>4,558.73</b>	<b>4,257.64</b>
<b>Total Equity and Liabilities</b>		<b>23,415.43</b>	<b>21,038.77</b>
Significant Accounting Policies	4		

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

**For Gupta & Dua**

Chartered Accountants  
Firm's Registration No. 003849N

**B. G. Bangur**

Chairman  
DIN: 00244196  
Place: Kolkata

**H. M. Bangur**

Managing Director  
DIN: 00244329  
Place: Kolkata

**Prashant Bangur**

Joint Managing Director  
DIN: 00403621  
Place: Kolkata

**P.N. Chhangani**

Whole Time Director  
DIN: 08189579  
Place: Kolkata

**Mukesh Dua**

Partner  
Membership No. 085323  
Place: Kolkata

**Dr. Y.K. Alagh**

Independent Director  
DIN: 00244686  
Place: Ahmedabad

**R.L. Gaggar**

Independent Director  
DIN: 00066068  
Place: Kolkata

**Shreekanth Somany**

Independent Director  
DIN: 00021423  
Place: Kolkata

**Uma Ghurka**

Independent Director  
DIN: 00351117  
Place: London (U.K.)

**Nitin Desai**

Independent Director  
DIN: 02895410  
Place: Kolkata

**Sanjiv Krishnaji Shelgikar**

Independent Director  
DIN: 00094311  
Place: Kolkata

**Subhash Jajoo**

Chief Finance Officer  
Place: Kolkata

**S S Khandelwal**

Company Secretary  
Place: Kolkata

Date : 21<sup>st</sup> May, 2022

# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

		(₹ in Crore)	
	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>INCOME</b>			
Revenue from Operations			
Gross Revenue from Operations		18,049.22	16,128.37
Less: GST recovered		3,743.34	3,459.50
Revenue from Operations	26	14,305.88	12,668.87
Other Income	27	537.34	432.89
<b>Total Income</b>		<b>14,843.22</b>	<b>13,101.76</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	1,002.46	833.59
Purchases of Stock-in-Trade		282.58	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(146.48)	42.05
Employee Benefits Expenses	30	807.23	759.72
Power and Fuel		3,161.38	2,082.42
Freight and Forwarding Expenses	31	3,241.46	3,037.24
Finance Costs	32	217.78	247.10
Depreciation and Amortisation Expenses	6,7 & 8	1,036.48	1,139.90
Other Expenses	33	2,333.26	1,949.29
		11,936.15	10,091.31
Captive Consumption of Cement		(23.85)	(15.27)
<b>Total Expenses</b>		<b>11,912.30</b>	<b>10,076.04</b>
<b>PROFIT BEFORE TAX</b>		<b>2,930.92</b>	<b>3,025.72</b>
<b>Tax Expense</b>	42		
Current Tax		542.71	763.82
Tax Expense Relating to Earlier Years (Net)		(104.53)	(10.27)
Deferred Tax (Credit) / Charge		116.12	(39.76)
		554.30	713.79
<b>PROFIT FOR THE YEAR</b>		<b>2,376.62</b>	<b>2,311.93</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be Reclassified to Profit or Loss - Re-measurements of Defined Benefit Plans	38(b)	3.99	11.14
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.39)	(3.74)
Items that will be Reclassified to Profit or Loss - Cash Flow Hedges	47	22.57	(19.64)
Income Tax relating to Items that will be Reclassified to Profit or Loss		(7.05)	6.03
		18.12	(6.21)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the Year)</b>		<b>2,394.74</b>	<b>2,305.72</b>
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>	49		
Cash		978.14	945.68
Basic and Diluted		658.69	640.77
Significant Accounting Policies	4		

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

**For Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**B. G. Bangur**  
Chairman  
DIN: 00244196  
Place: Kolkata

**H. M. Bangur**  
Managing Director  
DIN: 00244329  
Place: Kolkata

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621  
Place: Kolkata

**P.N. Chhangani**  
Whole Time Director  
DIN: 08189579  
Place: Kolkata

**Mukesh Dua**  
Partner  
Membership No. 085323  
Place: Kolkata

**Dr. Y.K. Alagh**  
Independent Director  
DIN: 00244686  
Place: Ahmedabad

**R.L. Gagger**  
Independent Director  
DIN: 00066068  
Place: Kolkata

**Shreekanth Somany**  
Independent Director  
DIN: 00021423  
Place: Kolkata

**Uma Ghurka**  
Independent Director  
DIN: 00351117  
Place: London (U.K.)

**Nitin Desai**  
Independent Director  
DIN: 02895410  
Place: Kolkata

**Sanjiv Krishnaji Shelgikar**  
Independent Director  
DIN: 00094311  
Place: Kolkata

**Subhash Jajoo**  
Chief Finance Officer  
Place: Kolkata

**S S Khandelwal**  
Company Secretary  
Place: Kolkata

Date : 21<sup>st</sup> May, 2022

# Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2022

(₹ in Crore)

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
<b>A Cash Flow From Operating Activities</b>				
<b>Profit Before Tax</b>		<b>2,930.92</b>		<b>3,025.72</b>
Adjustments For :				
Depreciation and Amortisation Expenses	1,036.48		1,139.90	
Foreign Exchange Rate Differences (Net)	1.41		2.33	
Bad Debts Written Off	0.05		-	
Allowance for Doubtful Trade Receivables (Net)	(0.07)		0.48	
Net (Gain)/ Loss on Sale of Investments	(103.24)		(35.13)	
(Gain)/ Loss on Fair Value of Investments through Profit or Loss	(118.49)		(156.59)	
Interest Income	(302.67)		(225.07)	
Dividend Income on Investments Classified at Fair Value through Profit or Loss	(6.32)		(9.16)	
Profit on Sale of Property, Plant and Equipment (Net) / Assets Written Off	(5.05)		(3.22)	
Finance Costs	217.78	719.88	247.10	960.64
<b>Operating Profit Before Working Capital Changes</b>		<b>3,650.80</b>		<b>3,986.36</b>
Adjustments For :				
(Increase) / Decrease in Trade and Other Receivables	(101.13)		393.50	
(Increase) / Decrease in Inventories	(684.23)		(49.32)	
Increase / (Decrease) in Trade & Other Payables and Provisions	53.31	(732.05)	506.92	851.10
<b>Cash Generated From Operations</b>		<b>2,918.75</b>		<b>4,837.46</b>
Direct Taxes Paid (Net of Refunds)		(195.90)		(743.85)
<b>Net Cash Flow From Operating Activities</b>		<b>2,722.85</b>		<b>4,093.61</b>
<b>B Cash Flow From Investing Activities</b>				
Purchase of Property, Plant and Equipment (Including Capital Work-in-Progress and Capital Advances)	(1,969.41)		(992.37)	
Proceeds from Sale of Property, Plant and Equipment	23.45		4.96	
Payments for Intangible Assets	(2.30)		(10.95)	
(Purchases) / Proceeds of Investments in Mutual Funds/ Exchange Traded Funds (Net)	381.85		(753.88)	
Investment made in Subsidiary Companies	(265.17)		(121.51)	
Purchases of Other Investments	(841.13)		(1,979.69)	
Proceeds from Sale/ Redemption of Other Investments	428.38		890.40	
Loan Given to Subsidiary Company	(21.20)		(16.75)	
Repayment Received for Loan Given to Subsidiary Company	17.20		-	
Investments in Bank Deposits	(37.28)		(228.64)	
Maturity of Bank Deposits	129.21		123.82	
Change in Earmarked Balances with Banks (Unpaid Dividend)	0.05		2.19	
Dividend Received	6.32		9.16	
Interest Received	284.69		205.38	
<b>Net Cash Used in Investing Activities</b>		<b>(1,865.34)</b>		<b>(2,867.88)</b>

# Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2022

(₹ in Crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Long Term Borrowings	322.28	-
Repayment of Long Term Borrowings	(290.17)	(710.30)
Repayment of Lease Liabilities	(113.93)	(61.51)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	(188.91)	(189.15)
Interest and Financial Charges Paid	(208.80)	(251.43)
Dividend Paid	(378.89)	(2.19)
<b>Net Cash Used in Financing Activities</b>	<b>(858.42)</b>	<b>(1,214.58)</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>(0.91)</b>	<b>11.15</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>(4.56)</b>	<b>(15.71)</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>(5.47)</b>	<b>(4.56)</b>

## Notes :

- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.
- For the purpose of Standalone Cash Flow Statement, Cash and Cash Equivalents comprises the following:

	As at 31.03.2022	As at 31.03.2021
Balances with Banks	14.24	14.07
Cash on Hand	1.14	0.90
	15.38	14.97
Less: Bank Overdraft	20.85	19.53
	<b>(5.47)</b>	<b>(4.56)</b>

- Refer Note 43 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

**For Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**B. G. Bangur**  
Chairman  
DIN: 00244196  
Place: Kolkata

**H. M. Bangur**  
Managing Director  
DIN: 00244329  
Place: Kolkata

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Joint Managing Director  
DIN: 00403621  
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Membership No. 085323  
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Independent Director  
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Place: Kolkata

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Independent Director  
DIN: 00351117  
Place: London (U.K.)

Date : 21<sup>st</sup> May, 2022

**Nitin Desai**  
Independent Director  
DIN: 02895410  
Place: Kolkata

**Sanjiv Krishnaji Shelgikar**  
Independent Director  
DIN: 00094311  
Place: Kolkata

**Subhash Jajoo**  
Chief Finance Officer  
Place: Kolkata

**S S Khandelwal**  
Company Secretary  
Place: Kolkata

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

## A. EQUITY SHARE CAPITAL (Refer Note 19)

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
<b>As at 01<sup>st</sup> April, 2020</b>	<b>3,60,80,748</b>	<b>36.08</b>
Changes in equity share capital during the year	-	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>3,60,80,748</b>	<b>36.08</b>
Changes in equity share capital during the year	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>3,60,80,748</b>	<b>36.08</b>

## B. OTHER EQUITY (Refer Note 20)

For the year ended 31<sup>st</sup> March, 2022

Particulars	Reserves and Surplus				Item of OCI	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01<sup>st</sup> April, 2021</b>	<b>15.00</b>	<b>2,408.63</b>	<b>6,500.00</b>	<b>6,325.69</b>	<b>(35.33)</b>	<b>15,213.99</b>
Profit for the year				2,376.62		2,376.62
Other Comprehensive Income for the year						
Re-measurements of Defined Benefit Plans (Net of Tax)				2.60		2.60
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 47)					15.52	15.52
Transfer to Initial Carrying Amount of Hedged Items (Net of Tax) (Refer Note 47)					4.90	4.90
Transfer to /(from) Retained Earnings			500.00	(500.00)		-
Final Dividend on Equity Shares (Note 1 below)				(216.48)		(216.48)
Interim Dividend on Equity Shares (Note 2 below)				(162.36)		(162.36)
<b>Closing Balance as at 31<sup>st</sup> March, 2022</b>	<b>15.00</b>	<b>2,408.63</b>	<b>7,000.00</b>	<b>7,826.07</b>	<b>(14.91)</b>	<b>17,234.79</b>

For the year ended 31<sup>st</sup> March, 2021

Particulars	Reserves and Surplus				Item of OCI	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective Portion of Cash Flow Hedges	
<b>Opening Balance as at 01<sup>st</sup> April, 2020</b>	<b>15.00</b>	<b>2,408.63</b>	<b>6,000.00</b>	<b>4,506.36</b>	<b>(29.65)</b>	<b>12,900.34</b>
Profit for the year				2,311.93		2,311.93
Other Comprehensive Income for the year						
Re-measurements of the Defined Benefit Plans (Net of Tax)				7.40		7.40
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 47)					(13.61)	(13.61)
Transfer to Initial Carrying Amount of Hedged Items (Net of tax) (Refer Note 47)					7.93	7.93
Transfer to /(from) Retained Earnings			500.00	(500.00)		-
<b>Closing Balance as at 31<sup>st</sup> March, 2021</b>	<b>15.00</b>	<b>2,408.63</b>	<b>6,500.00</b>	<b>6,325.69</b>	<b>(35.33)</b>	<b>15,213.99</b>

Note 1: Final Dividend declared at the rate of ₹ 60 per share of ₹ 10 each for FY 2020-21.

Note 2: Interim Dividend declared at the rate of ₹ 45 per share of ₹ 10 each for FY 2021-22.



# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

## Nature of Reserves

### Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

### Securities Premium

Securities Premium represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

### General Reserve

General Reserve represents the reserve created by apportionment of profits generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

### Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

### Effective Portion of Cash Flow Hedges

The Company has designated certain hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss.

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

**For Gupta & Dua**  
Chartered Accountants  
Firm's Registration No. 003849N

**B. G. Bangur**  
Chairman  
DIN: 00244196  
Place: Kolkata

**H. M. Bangur**  
Managing Director  
DIN: 00244329  
Place: Kolkata

**Prashant Bangur**  
Joint Managing Director  
DIN: 00403621  
Place: Kolkata

**P.N. Chhangani**  
Whole Time Director  
DIN: 08189579  
Place: Kolkata

**Mukesh Dua**  
Partner  
Membership No. 085323  
Place: Kolkata

**Dr. Y.K. Alagh**  
Independent Director  
DIN: 00244686  
Place: Ahmedabad

**R.L. Gaggar**  
Independent Director  
DIN: 00066068  
Place: Kolkata

**Shreekanth Somany**  
Independent Director  
DIN: 00021423  
Place: Kolkata

**Uma Ghurka**  
Independent Director  
DIN: 00351117  
Place: London (U.K.)

Date : 21<sup>st</sup> May, 2022

**Nitin Desai**  
Independent Director  
DIN: 02895410  
Place: Kolkata

**Sanjiv Krishnaji Shelgikar**  
Independent Director  
DIN: 00094311  
Place: Kolkata

**Subhash Jajoo**  
Chief Finance Officer  
Place: Kolkata

**S S Khandelwal**  
Company Secretary  
Place: Kolkata

# Notes Forming Part of Standalone Financial Statements

## 1. CORPORATE INFORMATION

Shree Cement Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar, District - Ajmer-305901 (Rajasthan), India.

The Company is engaged in the manufacturing and selling of cement and cement related products. It is regarded as one of the most efficient and environment friendly company in the global cement industry.

For Company's principal shareholders, Refer Note No. 19.

## 2. STATEMENT OF COMPLIANCE

The standalone financial statements (hereinafter referred to as "financial statements") of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and amendments made thereafter and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

These financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 21<sup>st</sup> May, 2022.

## 3. NEW ACCOUNTING PRONOUNCEMENTS

### (i) Adoption of New Accounting Pronouncements

#### a) Amendment in Schedule III of the Companies Act, 2013

On 24<sup>th</sup> March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013 which is applicable from 01<sup>st</sup> April, 2021. The effect of said amendment has been incorporated in these financial statements to the extent applicable to the Company.

#### b) Ind AS Amendments

The MCA issued certain amendments to Ind AS dated 18<sup>th</sup> June, 2021 amending various

standards. These amendments are related to following areas:

- Interest rate benchmark related reforms (phase 2);
- Extension of practical expedient for rent concession for rent payments upto 30<sup>th</sup> June, 2022;
- Amendments consequent to issue of Conceptual Framework for financial reporting under Ind AS, issued by the Institute of Chartered Accountants of India.

These amendments are effective from 01<sup>st</sup> April, 2021 and the effect of these amendments has been incorporated in these financial statements to the extent applicable to the Company. There is no material effect of these amendments on the financial statements of the Company.

### (ii) Application of New Amendments Issued But Not Yet Effective

MCA notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1<sup>st</sup> April, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

#### Ind AS 16 – Proceeds before Intended Use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

# Notes Forming Part of Standalone Financial Statements

## Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

## Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the above amendments to have any significant impact in its financial statements.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation and Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments – note 4 (s))
- Employee's defined benefit plan as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupees ("₹") and all values are rounded to the nearest crore, except otherwise indicated.

### b) Classification of Assets and Liabilities into Current/ Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

1. It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is expected to realize the asset within twelve months after the reporting period; or
4. The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

1. It is expected to be settled in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

### c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation/ amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/ bringing the asset

## Notes Forming Part of Standalone Financial Statements

to its working condition for its intended use, including relevant borrowing costs.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All subsequent costs are charged to statement of profit and loss unless it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital work-in-progress is carried at cost and directly attributable expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying assets) which is allocated to the property, plant and equipment on the completion of project. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

Depreciation is provided on written down value method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant and Equipment	3-20 Years
Buildings	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture and Fixtures	5 Years

Assets individually costing less than or equal to ₹ 25,000 are fully depreciated in the year of purchase. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of projects, from the date when it is ready for intended use. Depreciation on deduction/disposals is provided on a pro-rata basis up to the date of deduction / disposal.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed and / or derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### d) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/ bringing the asset to its working condition for its intended use.

Amortization is provided on a written down value method over estimated useful lives, but not exceeding three years except mining rights which is amortized based on units-of-production method.

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively.

### e) Borrowing Costs

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs

## Notes Forming Part of Standalone Financial Statements

are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### f) Impairment of Non-Financial Assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of Cash Generating Unit (CGU) to which the asset belongs. The cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows of other assets or group of assets.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

### g) Revenue Recognition

Revenue is recognized to depict the transfer of promised products or services to customers. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amount collected on behalf of third party.

Revenue from sale of products is recognized when products are delivered to the customers. Delivery occurs when the product has been shipped to the customers, the risks of obsolescence and loss have been transferred to customers and the customer has accepted the products in accordance with sales arrangement. Revenue is disclosed net of Goods and Services Tax (GST), discounts, volume rebates and returns, as applicable.

h) Dividend income is recognized when the right to receive the payment is established. Interest is recognized using the Effective Interest Rate (EIR) method. Difference between the sale price and carrying value of investment is recognized as profit or loss on sale/ redemption of investment on the date of transaction.

i) Railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized only when collection is virtually certain which generally coincides with receipt.

### j) Government Grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Grants related to income are recognized in statement of profit and loss on a systematic basis over the period to match them with the related costs.

Grants related to assets are included in liabilities as deferred income and are credited to income on a systematic basis over the useful life of the related assets.

## Notes Forming Part of Standalone Financial Statements

The benefit of government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is recognized in the statement of profit and loss.

### k) Employee Benefits

#### 1) Defined Contribution Plan

Superannuation, Provident Fund, National Pension Scheme and Employees State Insurance Corporation ("ESIC") are considered as defined contribution plan and the contributions are charged to the statement of profit and loss for the year in which employees have rendered related services.

#### 2) Defined Benefit Plan

Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurements

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee Benefits Expenses'.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified

to statement of profit and loss in subsequent periods.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

#### 3) Other Long Term Benefits

En-cashable leave in case of employees covered by Cement Wage Board and non en-cashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/ losses, if any, are recognized in statement of profit and loss in the year in which they arise.

#### 4) Other Short Term Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered. Liabilities recognized in respect of short-term employee benefits, are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### l) Foreign Currency Transaction

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's financial statements are presented in Indian Rupees, which is also the Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated



## Notes Forming Part of Standalone Financial Statements

in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except the amount of such exchange differences capitalized in accordance with policy on 'Borrowing Costs'.

### m) Taxation

Income tax expense represents the sum of current and deferred tax (including Minimum Alternate Tax). Tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are

measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date. MAT credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

### n) Inventories

#### 1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

#### 2) Work-in-progress, Finished Goods and Stock-in-trade

These are valued at lower of cost and net realizable value. Cost of work-in-progress and