



## SHREE CEMENT LIMITED

**Regd. Office:** Bangur Nagar, Beawar 305 901, Distt. Ajmer (Rajasthan).

**Phone:** EPABX 01462 228101-6, Fax: 01462 228117/119

**E-Mail:** shreebwr@shreecementltd.com Website: www.shreecement.in

CIN: L26943RJ1979PLC001935

### NOTICE

**NOTICE** is hereby given that the Thirty Fifth Annual General Meeting of the Members of **SHREE CEMENT LIMITED** will be held at the Registered Office of the Company at Bangur Nagar, Beawar – 305 901, District Ajmer (Rajasthan) on Monday, 10<sup>th</sup> November, 2014 at 11:30 A.M. to transact the following business: -

#### Ordinary Business

1. To receive, consider and adopt:
  - a. the audited financial statements of the Company for the financial year ended 30<sup>th</sup> June, 2014, the reports of the Board of Directors and Auditors thereon; and
  - b. the audited consolidated financial statements of the Company for the financial year ended 30<sup>th</sup> June, 2014.
2. To confirm the payment of Interim Dividends on equity shares for the year ended 30<sup>th</sup> June, 2014.
3. To appoint a Director in place of Shri B.G. Bangur (DIN 00244196), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. B.R. Maheswari & Company, Chartered Accountants, New Delhi (Registration No.: 001035N) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of the Thirty Fifth Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration, plus service tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.”

#### Special Business

5. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors viz. M/s. K.G. Goyal and Associates, Cost Accountants appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15, be paid the remuneration of ₹ 3,00,000/- (Rupees three lac only) plus service tax as applicable and reimbursement of out of pocket expenses.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Shri Ramakant Sharma (DIN: 01556371), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 27<sup>th</sup> December, 2013, in terms of Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature to the Office of Director, be and is hereby appointed as a non-executive Director of the Company liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Shri R.L. Gaggar (DIN: 00066068) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2014 in line with the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made

thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the provisions of Clause 49 of the Listing Agreement, as also in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Act, from a member proposing his candidature for the office of Director of the Company.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Shri O.P. Setia (DIN: 00244443) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2014 in line with the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the provisions of Clause 49 of the Listing Agreement, as also in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Act, from a member proposing his candidature for the office of Director of the Company.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Shri Shreekant Somany (DIN: 00021423) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2014 in line with the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the provisions of Clause 49 of the Listing Agreement, as also in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Act, from a member proposing his candidature for the office of Director of the Company.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Dr. Y.K. Alagh (DIN: 00244686) be and is hereby appointed as an Independent Director of the

Company, not liable to retire by rotation to hold office for a term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2014 in line with the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the provisions of Clause 49 of the Listing Agreement, as also in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Act, from a member proposing his candidature for the office of Director of the Company.”

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Shri Nitin Desai (DIN: 02895410) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2014 in line with the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the provisions of Clause 49 of the Listing Agreement, as also in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Act, from a member proposing his candidature for the office of Director of the Company.”

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Dr. Leena Srivastava (DIN: 00005737) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2014 in line with the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the provisions of Clause 49 of the Listing Agreement, as also in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Act, from a member proposing her candidature for the office of Director of the Company.”

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e. Directors other than Managing Director and Whole-time Director(s)) be paid remuneration in addition to the sitting fees for attending the meetings of the Board of Directors and/or Committees thereof, as the Board of Directors may determine from time to time not exceeding in aggregate one percent of the net profits of the Company for each financial year commencing from 1<sup>st</sup> July, 2014 as computed in accordance with the provisions of Section 198 of the Companies Act, 2013 or any statutory modifications(s) or re-enactment thereof."

14. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

**"RESOLVED THAT** in supersession of the Ordinary Resolution passed by the members of the Company at the Annual General Meeting held on 14<sup>th</sup> August, 2010 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") for borrowing from time to time and in any manner, any sum or sums of money upon such terms and conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers/Lenders in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crores only)."

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

**"RESOLVED THAT** in supersession of previous Ordinary Resolution passed by the members of the Company at

Annual General Meeting held on 14<sup>th</sup> August, 2010 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") for creation of such mortgages/ charges/ hypothecation and floating charges (in addition to the existing mortgages / charges / hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or foreign currency loans, Debentures, advances and all other moneys payable by the Company to the lenders concerned, subject to an overall limit of ₹ 7,500 Crores (Rupees Seven Thousand Five Hundred Crores only)."

16. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under, as may be amended from time to time, consent of the members be and is hereby accorded for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures ("NCDs") (whether secured or unsecured) on a private placement basis to Banks/Financial Institutions/Trusts/Other eligible Investors, in one or more tranches during a period of one year from the date of passing of the resolution upto an amount not exceeding overall borrowing limits of the Company, as approved by the Members, from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof formed for this purpose), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution, including determining the terms and conditions of the NCDs."

By order of Board of Directors  
for **SHREE CEMENT LIMITED**

Place: New Delhi  
Date: 25<sup>th</sup> August, 2014

**S. S. KHANDELWAL**  
Company Secretary

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. **A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 6<sup>th</sup> November, 2014 to Monday, 10<sup>th</sup> November, 2014 (both days inclusive) for the purpose of Annual General Meeting.
7. (A) The Company has transferred all unclaimed dividend declared upto the Accounting year 1994-95 to the General Revenue Account of the Central Govt. as required under Companies (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Members who have so far not claimed or collected their dividends declared up to the aforesaid year are requested to claim such dividends from the Registrar of Companies, G/6-7, Second Floor, Residency Area, Civil Lines, Jaipur, Rajasthan by making an application in Form II of the said Rules.
- (B) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1995-96 to 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25<sup>th</sup> October, 2013 (date of last Annual General Meeting) on the website of the Company ([www.shreecement.in](http://www.shreecement.in)), as well as on the website of the Ministry of Corporate Affairs.
- (C) The members who have not yet encashed the dividend warrant(s) for the year 2007-08 (Last date for transfer to IEPF is 23<sup>rd</sup> August, 2015) and onwards, are requested to approach to the Company with their warrants for revalidation. Dividends for these years, which remain unclaimed for a period of 7 years, will be transferred by the Company to Investor Education and Protection Fund (IEPF).

The details of unpaid dividend and last date of transfer in IEPF are given hereunder:

Year	Type of Dividend	Dividend per share (₹)	Date of declaration of Dividend	Dividend Amount unpaid as on 30.6.2014 (₹ Lac)	Last date for transfer of unpaid dividend in Investor Education and Protection Fund
2007-08	Final	8	18.07.2008	9.76	23.8.2015
2008-09	Interim	5	28.04.2009	6.81	3.6.2016
	Final	5	24.07.2009	6.38	29.8.2016
2009-10	Interim	5	21.01.2010	6.53	26.2.2017
	Final	8	14.08.2010	10.59	19.9.2017
2010-11	Interim	6	31.01.2011	7.78	6.3.2018
	Final	8	01.08.2011	10.58	6.9.2018

2011-12	First Interim	6	23.01.2012	8.58	28.2.2019
	Second Interim	6	15.05.2012	8.94	20.6.2019
	Final	8	16.10.2012	12.52	21.11.2019
2012-13	Interim	8	29.04.2013	13.21	4.6.2020
	Final	12	25.10.2013	19.95	30.11.2020
2013-14	First Interim	10	27.01.2014	18.67	04.03.2021

8. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days except Sundays and Public Holidays, between 10.30 AM and 12.30 PM up to the date of meeting.
9. Karvy Computershare Pvt. Ltd. is acting as Share Transfer Agent for both physical and electronic form of shareholdings. All communications relating to shares should be addressed to:-

**Karvy Computershare Pvt. Ltd.**

Unit: **SHREE CEMENT LIMITED**

Plot No. 17-24 Vittal Rao Nagar, Madhapur,  
HYDERABAD – 500 081

Attn: Mr. K.S. Reddy, Asst. General Manager

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar viz. Karvy Computershare Pvt. Ltd./Company.
11. As per the provisions of Section 72 of the Companies Act 2013, facility for making nominations is now available to individuals holding shares in the Company. Members holding shares in physical form, may obtain the Nomination Form from the Registered Office of the Company or RTA or can download from the Company's website viz. [www.shreecement.in](http://www.shreecement.in) under the section 'Investor Center'. Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform Karvy, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with Pin Code number, if not furnished earlier.
14. Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative has introduced enabling provisions for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail ID's with the Company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs). If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

**15. Instructions for E-Voting**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to physical voting to all the Members of the Company. For this purpose, the Company has entered into an agreement with Karvy Computershare Private Limited (Karvy) for facilitating e-voting to enable the Members to cast their votes electronically. E-voting facility is optional for the Members.

The instructions to Members for e-voting are as under:

(a) **In case of Members receiving an e-mail from 'Karvy':**

- (i) The email shall contain your User ID and Password for e-voting. Please note that the Password provided is an 'Initial Password'
- (ii) Launch internet browser by typing the following URL: <https://evoting.karvy.com>
- (iii) Enter the login credentials i.e., user ID and Password as noted in step (i) above and click 'Login'
- (iv) You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) On successful login, the system will prompt you to select the EVEN (Electronic Voting Event Number) as mentioned in the email, in case of members receiving the documents in electronic form and in the Attendance Slip, in case of a member receiving the documents in physical form.
- (vi) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding.
- (vii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

(b) **In case of members receiving physical copy of the Notice of Annual General Meeting (AGM) and Attendance Slip**

- (i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN (Electronic Voting Event Number)	User ID	Password / PIN
Provided in the Electronic Voting Particulars Portion of the Attendance Slip		

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (vii) described under point (a) above, to cast vote.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User manual for Shareholders available at the "Downloads" section of <https://evoting.karvy.com> or call toll free No. 1-800-34-54-001 or contact Shri S.S. Khandelwal, Company Secretary, Shree Cement Ltd. at [khandelwalss@shreecementltd.com](mailto:khandelwalss@shreecementltd.com).

**General Instructions:-**

- (i) In case you are already registered with Karvy, you can use your existing User ID and Password for casting your vote.
- (ii) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on Friday, 3<sup>rd</sup> October, 2014.
- (iii) The facility of e-voting shall commence at 9.00 a.m. on Tuesday, 4<sup>th</sup> November, 2014 and shall remain open upto 5.00 p.m. on Thursday, 6<sup>th</sup> November, 2014.
- (iv) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [asandco@gmail.com](mailto:asandco@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com)
- (v) Member(s) can opt for only one mode of voting i.e. either physically voting at the Annual General Meeting or e-voting. In case a member has cast multiple votes, then voting done by e-voting will be treated as valid.
- (vi) Dr. Sanjiv Agarwal, Practicing Chartered Accountant, Jaipur has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (vii) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of atleast two witnesses, not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour of, or against, if any, forthwith to the Chairman of the Company.

(viii) The results declared along with the Scrutinizer's report shall be placed on the Company's website www.shreecement. in within two days of passing of the resolutions at the Annual General Meeting and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

16. As required under Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed/ re-appointed are given below and forms part of Notice.

Sr. No.	Nature of Information	Item No. 3 of Notice	Item No. 6 of Notice	Item No. 7 of Notice
1	Name	Shri Benu Gopal Bangur	Shri Ramakant Sharma	Shri Ratan Lal Gaggar
2	Age	80 Years	70 Years	81 Years
3	Nationality	Indian	Indian	Indian
4	Qualification	B. Com	B. Sc.	B.A. (Hons), L.L.B.
5	Expertise in specific functional area	Business planning and corporate management	Public Relationship	Solicitor & Advocate
6	Director of Company since (date)	25.10.1979	27.12.2013	25.1.1995
7	Directorship in other Companies	The Marwar Textiles (Agency) Pvt. Ltd.	Nil	<ul style="list-style-type: none"> <li>- Sarda Plywood Industries Ltd.</li> <li>- TIL Ltd.</li> <li>- The Peria Karmalai Tea &amp; Produce Co. Ltd.</li> <li>- Paharpur Cooling Towers Ltd.</li> <li>- International Combustion (India) Ltd.</li> <li>- SMPL Infra Ltd.</li> <li>- Machino Plastics Ltd.</li> <li>- Sumedha Fiscal Services Ltd.</li> <li>- Machino Polymer Ltd.</li> <li>- Subhash Kabini Power Corporation Ltd.</li> </ul>
8	Member of Committees of Board	<b>Shree Cement Ltd.</b> <ul style="list-style-type: none"> <li>- Share Transfer Committee</li> <li>- Bank Accounts Operation Committee</li> <li>- Borrowings Committee</li> </ul>	<b>Shree Cement Ltd.</b> <ul style="list-style-type: none"> <li>- Corporate Social and Business Responsibility Committee</li> </ul>	<b>Shree Cement Ltd.</b> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nomination cum Remuneration Committee</li> <li>- Stakeholders' Relationship Committee</li> </ul> <b>TIL Ltd.</b> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Remuneration Committee</li> <li>- Share Transfer Committee</li> </ul> <b>Paharpur Cooling Towers Ltd.</b> <ul style="list-style-type: none"> <li>- Audit Committee</li> </ul> <b>Sarda Plywood Industries Ltd.</b> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Shareholders / Investors / Grievances Committee</li> <li>- Remuneration Committee</li> </ul> <b>International Combustion (India) Ltd.</b> <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Remuneration Committee</li> </ul>
9	Number of shares held in the Company	425821	25	Nil

Sr. No.	Nature of Information	Item No. 8 of Notice	Item No. 9 of Notice	Item No. 10 of Notice
1	Name	Shri Om Prakash Setia	Shri Shreekant Somany	Dr. Yoginder K. Alagh
2	Age	76 Years	66 Years	75 Years
3	Nationality	Indian	Indian	Indian
4	Qualification	M.Com, CA.I.I.B	B. Sc.	Doctoral Degree in Economics
5	Expertise in specific functional area	Vast experience in banking field at all levels.	Eminent Industrialist having rich experience of Business	Eminent economist with wide experience in policy making & planning
6	Director of Company since (date)	31.7.1999	20.10.2000	29.10.2004
7	Directorship in other Companies		- Somany Ceramics Ltd. - SR Continental Ltd - Somany Global Ltd. - Sarvottam Vanijya Ltd. - Cosmo Ferities Ltd. - Scope Vinimoy Pvt. Ltd. - Indian Council of Ceramic Tiles and Sanitaryware	- Somany Ceramics Ltd. - Star Agriwarehousing & Collateral Management Limited - ADJB Production Pvt. Ltd.
8	Member of Committees of Board	<b>Shree Cement Ltd.</b> - Audit Committee - Nomination cum Remuneration Committee - Corporate Social and Business Responsibility Committee	<b>Shree Cement Ltd.</b> - Nomination cum Remuneration Committee <b>Cosmo Ferities Ltd.</b> - Remuneration Committee	<b>Shree Cement Ltd.</b> - Audit Committee - Stakeholders' Relationship Committee - Nomination cum Remuneration Committee <b>Somany Ceramics Ltd.</b> Audit Committee
9	Number of shares held in the Company	NIL	NIL	NIL

Sr. No.	Nature of Information	Item No. 11 of Notice	Item No. 12 of Notice
1	Name	Shri Nitin Desai	Dr. Leena Srivastava
2	Age	73 years	54 years
3	Nationality	Indian	Indian
4	Qualification	Master's degree in Economics	Masters in Economics and Doctoral Degree in Energy Economics
5	Expertise in specific functional area	Eminent economist with wide experience in sustainable development	Expert in the field of Energy and Environment
6	Director of Company since (date)	27.5.2011	21.1.2013
7	Directorship in other Companies	- Shakti Sustainable Energy Foundation	- Bharti Infratel Ltd. - Strategic Mediaworks Pvt. Ltd. - Teri Technologies Ltd. - World Environment Centre, USA - Meridian Institute, USA
8	Member of Committees of Board	<b>Shree Cement Ltd.</b> - Audit Committee - Stakeholders' Relationship Committee - Corporate Social and Business Responsibility Committee	<b>Shree Cement Ltd.</b> - Corporate Social and Business Responsibility Committee <b>Bharti Infratel Ltd.</b> - HR and ESOP Compensation Committee
9	Number of shares held in the Company	Nil	Nil



## ANNEXURE TO THE NOTICE

### Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

#### Item No. 5

The Board of Directors of your Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. K.G. Goyal and Associates, Cost Accountants, Jaipur to conduct the audit of the cost records of the Company for the financial year 2014-15.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing the resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

#### Item No. 6

Shri Ramakant Sharma was appointed as an Additional Director on the Board of Directors of the Company with effect from 27<sup>th</sup> December, 2013. As per provisions of Section 260 of the Companies Act, 1956 (Corresponding to Section 161 of the Companies Act, 2013), his tenure as Additional Director expires on the ensuing Annual General Meeting. A member of the Company has given a notice in writing alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing the candidature of Shri Ramakant Sharma as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting.

Shri Ramakant Sharma is a Science Graduate having around 45 years of experience in public relations (PR) with various cement companies. He is member of Rajasthan Golf Club and Jaipur Club. He was past president of Jaipur Club and member of Divisional Rail Users Consultative Committee of North West Railways.

None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, in the resolution except Shri Ramakant Sharma himself, being an appointee.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

#### Item Nos. 7 to 12

The Companies Act, 2013 ("the Act") provides for appointment of Independent Directors for a term upto 5 consecutive years. Further, the Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement (applicable w.e.f. 1<sup>st</sup> October, 2014), which interalia, stipulates the conditions for the appointment of Independent Directors by a listed Company.

It is proposed to appoint Shri R.L. Gaggar, Shri O.P. Setia, Shri Shreekant Somany, Dr. Y.K. Alagh, Shri Nitin Desai and Dr. Leena Srivastava as Independent Directors under Section 149 of the Act and in compliance with Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2014, not liable to retire by rotation.

- **Shri R.L. Gaggar** is a B.A. (Hons.) from Kolkata University and is a renowned solicitor and advocate based at Kolkata. He is practicing at the High Court of Kolkata for more than past 50 years.
- **Shri O.P. Setia** is an M.Com from Delhi University and is an eminent banker and Ex-Managing Director of State Bank of India and has held many key positions in its associate banks.
- **Shri Shreekant Somany** holds a Bachelor of Science degree from Kolkata University. He is an Eminent Industrialist having rich experience of Business. He is Chairman of Indian Council of Ceramic Tiles and Sanitaryware and member of Confederation of Indian Industry (Northern Region).
- **Dr. Y.K. Alagh** is a noted Economist and visiting professor to several renowned national/international institutions. He holds a Doctoral Degree and Masters Degree in Economics from University of Pennsylvania. He is Chancellor of Gujarat Central University and Vice Chairman of Sardar Patel Institute of Economic and Social Research, Ahmedabad. He is also Trustee of Institute of Human Development, Chairman of Advisory Committee of N.M. Sadguru Water & Development Foundation, Dahod. He was earlier the Minister of Power and for Planning & Programme Implementation with additional charge of the Ministry of Science & Technology. He has been member of Planning Commission (in the rank of

Minister of State). He has been Chairman, Bureau of Industrial Costs and Prices, Ministry of Industry. He has several books and over a hundred articles to his credit, published both at home and abroad. He has travelled widely and represented India in a number of high level official delegations and seminars.

- **Shri Nitin Desai** is a graduate from London School of Economics and a well-known Economist and has had a long and distinguished career in the Govt. of India and United Nations. Shri Desai is Member of Prime Minister's Council on Climate Change, which is coordinating the national action for assessment, adaptation and mitigation of climate change and has set out eight "National Missions" as the way forward in implementing India's climate change strategy. He is a distinguished Visiting Fellow at The Energy and Resources Institute (TERI), Honorary Professor at the Indian Council for Research in International Economics Relations (ICRIER), Honorary Fellow of the London School of Economics and Political Science, UK. He is connected with the governing bodies of several NGOs and research institutions and also chairs the Governing Body of the Institute of Economic Growth. He is also a Trustee of Worldwide Fund for Nature (WWF) International.

Shri Desai worked at senior levels in the Planning Commission from 1973 to 1987. From 1988 to 1990, he was the Chief Economic Adviser and Secretary in the Department of Economic Affairs in the Ministry of Finance.

- **Dr. Leena Srivastava** is currently the Vice Chancellor of the TERI University in addition to being the Hony. Executive Director (Operations) at TERI, New Delhi. TERI University is an institution engaged in teaching and research on sustainability issues, with nearly 700 students - a hundred of whom are PhD students.

Dr. Srivastava is a member of various committees and Boards both at the international and national levels. At a think tank/science level, she serves on the Executive Committee, Advisory Panels, Governing Boards of various global entities leading the sustainability agenda including the UN, the World Economic Forum, UNEP; amongst several other equally prestigious organizations spearheading the global agenda of Sustainability. She is the recipient of several national and international recognitions for her contribution to the field of sustainable development, climate change and

energy management. She was a member of the Expert Committee to formulate India's Energy Policy, Planning Commission, Government of India and National Security Advisory Board, Government of India.

Dr. Srivastava is on the Editorial Boards of various international journals dealing with energy and environment issues and has a number of publications to her credit. She has done Masters in Economics from the University of Hyderabad and a Ph.D in Energy Economics from the Indian Institute of Science in Bangalore, India.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri R.L. Gaggar, Shri O.P. Setia, Shri Shreekant Somany, Dr. Y.K. Alagh, Shri Nitin Desai and Dr. Leena Srivastava for the office of Directors of the Company.

The Company has also received declarations from Shri R.L. Gaggar, Shri O.P. Setia, Shri Shreekant Somany, Dr. Y.K. Alagh, Shri Nitin Desai and Dr. Leena Srivastava that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri R.L. Gaggar, Shri O.P. Setia, Shri Shreekant Somany, Dr. Y.K. Alagh, Shri Nitin Desai and Dr. Leena Srivastava fulfill the conditions for their appointment as Independent Directors as specified in the Act and the Rules made thereunder and the Listing Agreement. All of them are independent of the management.

A copy of their draft letters of appointment as Independent Directors setting out the terms and conditions are available for inspection by the Members at the registered office of the Company on all working days between 10.30 AM and 12.30 PM (except Sundays and Public Holidays) up to the date of the AGM.

None of the Directors, Key Managerial Personnel and their relatives other than Shri R.L. Gaggar, Shri O.P. Setia, Shri Shreekant Somany, Dr. Y.K. Alagh, Shri Nitin Desai and Dr. Leena Srivastava being appointees, are concerned or interested in the respective resolutions for their appointment.

The Board of Directors recommends the Ordinary Resolutions set out at Item Nos. 7 to 12 of the Notice for approval by the members.

**Item No. 13**

As per Section 197 of the Companies Act, 2013 the directors (other than Managing and Whole Time Directors) can be paid remuneration in each financial year up to one percent of the net profit of the company computed as per manner laid down under Section 198 of the said Act.

Accordingly, it is proposed that in terms of section 197 of the Act, the Directors (apart from the Managing Director and Whole-time Directors) be paid remuneration as the Board of Directors may determine from time to time, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in accordance with the provisions of Section 198 of the Companies Act, 2013 w.e.f. 1<sup>st</sup> July, 2014.

Except all the non-executive directors of the Company, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested.

The Board of Directors recommends Special Resolution set out at Item No. 13 of the Notice for approval by the members.

**Item No. 14 & 15**

Company vide Ordinary Resolution passed by the members in their meeting held on 14th August, 2010, have authorized the Board of Directors of the Company to borrow money upto ₹ 3,500 Crores as per Section 293(1)(d) of the Companies Act, 1956. Further, members have also authorized the Board of Directors of the Company as per Section 293(1)(a) of the Companies Act, 1956 to mortgage / charge its fixed assets / undertaking upto the said amount.

As per Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 a Special Resolution is required for Borrowing and Mortgaging/Charging of fixed assets/undertaking of the Company. Since the Companies Act, 2013 has been notified and replaced the old Act, Company has to seek fresh approval of members in favour of Board for Borrowing and Charging/ Mortgaging of fixed assets & undertaking of the Company through passing of Special Resolutions. Further, in view of growing operations of the Company, it is proposed to increase the current Borrowing Limit of ₹ 3,500 Crores to ₹ 7,500 Crores with similar increase in approval accorded for creation of mortgage or charge of fixed assets & undertaking of the company.

The approval of the Members for the higher level of borrowings and creation of a mortgage or charge for the said borrowings is, therefore, now being sought, by way of Special

Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 respectively.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution.

The Board of Directors recommends the Special Resolutions set out at Item No. 14 & 15 of the Notice for approval by the members.

**Item No.16**

As per the provisions of Section 42 & 71, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution, which can be obtained once a year for all the offers and invitations for such NCDs during the year.

The approval of the Members is being sought by way of a Special Resolution under Section 42 & 71 and other applicable provisions, if any, of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, whether secured or unsecured during the period of one year from the date of passing of the Resolution, upto an amount not exceeding overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCDs.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution.

The Board of Directors recommends the Special Resolutions at Item No. 16 of the accompanying Notice, for the approval of the Members of the Company.

By order of Board of Directors  
for **SHREE CEMENT LIMITED**

Place: New Delhi  
Date: 25<sup>th</sup> August, 2014

**S. S. KHANDELWAL**  
Company Secretary



**Regd. Office:** Bangur Nagar, Beawar 305 901, Distt. Ajmer (Rajasthan)  
**Phone:** EPABX 01462 228101-6, Fax: 01462 228117/119  
**E-Mail:** shreebwr@shreecementltd.com Website: www.shreecement.in  
CIN: L26943RJ1979PLC001935

**Form No. MGT -11  
PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]**

**Name of the Member(s):**

1.....  
2.....  
3.....

**Registered address:**

.....

E-mail ID: .....

Folio No. / DP ID and Client ID:.....

I/We, being the Member(s) holding ..... shares of the above named Company, hereby appoint.

1. Name: ..... E-mail ID: .....

Address: .....

Signature: ..... or failing him/her

2. Name: ..... E-mail ID: .....

Address: .....

Signature: ....., or failing him/her

3. Name: ..... E-mail ID: .....

Address: .....

Signature: ....., as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting, to be held on Monday, the 10<sup>th</sup> November, 2014 at 11:30 A.M. at the Registered Office of the Company at Bangur Nagar, Beawar – 305 901, District Ajmer (Rajasthan) and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

\*I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Resolution No.	Description	For	Against
1.	Adoption of Audited financial statements of the Company for the financial year ended 30 <sup>th</sup> June, 2014, the reports of the Board of Directors' and Auditors thereon.		
2.	Confirmation of payment of Interim Dividends on equity shares.		
3.	Re-appointment of Shri B.G. Bangur, Director retiring by rotation.		
4.	Appointment of M/s. B.R. Maheswari & Company, Chartered Accountants, New Delhi as Statutory Auditors of the Company.		
5.	Approval of the remuneration of the M/s K.G. Goyal and Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2014-15.		
6.	Appointment of Shri Ramakant Sharma as Director of the Company.		

7.	Appointment of Shri R.L. Gaggar as Independent Director.		
8.	Appointment of Shri O.P. Setia as Independent Director.		
9.	Appointment of Shri Shreekant Sonany as Independent Director.		
10.	Appointment of Dr. Y.K. Alagh as Independent Director.		
11.	Appointment of Shri Nitin Desai as Independent Director.		
12.	Appointment of Dr. Leena Srivastava as Independent Director.		
13.	Authorization to Board of Directors for payment of remuneration under pursuant to section 197 & 198 of the Companies Act, 2013 to Directors other than Managing Director and Whole-time Directors.		
14.	Authorization to Board of Directors for borrowing under section 180(1)(c).		
15.	Authorization to Board of Directors for creation of charges/mortgages in respect of borrowings under section 180(1)(a).		
16.	Authorization to Board of Directors for issue of Non-convertible Debentures (NCDs) through Private Placement pursuant to Section 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.		

Affix  
a Re. 1/-  
Revenue  
Stamp

Signed this .....day of ..... 2014.

.....  
Signature of Shareholder

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

\* Please put a (√) in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Notes:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. A proxy need not be a Member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorization should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



## SHREE CEMENT LIMITED

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CIN: L26943RJ1979PLC001935

### NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM

Karvy Computershare Pvt Ltd  
Unit - Shree Cement Limited  
Plot No.17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500081

For SHARES HELD IN PHYSICAL MODE  
Please complete the form and mail to

For SHARES HELD IN ELECTRONIC MODE  
Please inform respective DPs

Dear Sir(s),

#### Sub: Request for recording NECS mandate for receiving payments

I hereby consent to have the amount of dividend on my equity share(s) credited through National Electronic Clearing Service (NECS) facility. The Particulars are:

1. Folio No. / DP ID No. & Client ID No.:

(Folio No. given in Equity Share certificate(s) / Client ID no. given by your DP)

2. Shareholder's Name: \_\_\_\_\_

3. Shareholder's Address: \_\_\_\_\_

4. Particulars of the Bank:

• Bank Name : \_\_\_\_\_

• Branch and Address : \_\_\_\_\_

• Telephone No. of Bank: \_\_\_\_\_

• IFSC Code of the branch: \_\_\_\_\_

• Mention the 9 digit-code number of the bank and branch appearing on the MICR Cheque issued by the Bank

(Please attached the photocopy of a cheque or a cancelled bank cheque issued by your bank for accuracy of your code number)

• Account type (Please √)  Saving  Current  Cash Credit

• Account number (as appeared on the cheque book) \_\_\_\_\_

5. Permanent Account Number (PAN) \_\_\_\_\_

(Please attached a self attested copy of PAN card for verification)

6. Date from which mandate should be effective \_\_\_\_\_

I hereby, declare that particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold Company/ Registrar and Share Transfer agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS.

\_\_\_\_\_  
Signature of the First / Sole shareholder



## SHREE CEMENT LIMITED

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CIN: L26943RJ1979PLC001935

### **SUB: Usage of electronic payment modes for making payments to investors**

**Dear Shareholder,**

Securities and Exchange Board of India (SEBI) have issued circulars to all Companies whose securities are listed on Stock Exchanges, all Registrars to an Issue and Share Transfer Agents (RTI & STA), all Depositories and all Stock Exchanges and has specified that for making payments to the investors, Companies shall use approved electronic mode of payment viz., NECS, NEFT, RTGS etc.

In this context, you might be aware that Company had provided the facility to directly receive dividend payments to your bank account through National Electronic Clearing Service (NECS) mechanism. National Electronic Clearing Service (NECS) is a facility which works on the centralized accounting system implemented in banks. Under this mechanism, the account of a bank that is submitting or receiving payment instructions is debited or credited centrally at Mumbai. The branches participating in NECS can, however, be located anywhere across the length and breadth of the country.

In order to register for receiving dividend amount directly through NECS mode as envisaged in aforesaid SEBI circular, shareholders holding shares in physical form may send the enclosed NECS mandate form duly filled up and signed to Company's Registrar and Share Transfer Agents M/s Karvy Computershare Pvt. Ltd. at Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081. In case of shares held in electronic form, NECS mandate has to be sent to concerned Depository Participant (DP) with whom the demat account is maintained in the format prescribed by the DP.

The form is also available for download on Company's website [www.shreecement.in](http://www.shreecement.in) under the 'investor centre' section.

**The information should be accurate and complete in all respect so that you get the credit of dividend in time. Please note that NECS operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solution (CBS) for centralized processing. Thus you are requested to furnish the new bank account number allotted by the banks post implementation of CBS, along with a copy of cheque pertaining to the concerned account. Please further note that in case shareholders do not provide their new account number allotted after implementation of CBS, NECS to the shareholders' old account may either be rejected or returned. Similarly it is advised that all changes pertaining to recorded bank mandate are promptly informed and updated to RTA or DP, as the case may be.**

We seek your co-operation to update your Bank Account details immediately by following the above process.

Yours faithfully,

**S.S. KHANDELWAL**  
COMPANY SECRETARY



## SHREE CEMENT LIMITED

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CIN: L26943RJ1979PLC001935

### FORM NO. SH-13 NOMINATION FORM

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies  
(Share Capital and Debentures) Rules 2014]

To,  
SHREE CEMENT LIMITED  
C/o, Karvy Computershare Pvt. Ltd.,  
Plot No. 17-24, Vittal Rao Nagar,  
Madhapur,  
Hyderabad – 500 081

I/We ..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

a) Name:	
b) Date of Birth:	
c) Father's/Mother's/Spouse's name:	
d) Occupation:	
e) Nationality:	
f) Address:	
g) E-mail id:	
h) Relationship with the Security holder:	

(3) IN CASE NOMINEE IS A MINOR —

a) Date of Birth:	
b) Date of attaining majority:	
c) Name of guardian:	
d) Address of Guardian:	

Name and address of Guardian (to be furnished only in the case the nominee is minor)

Specimen signature of Nominee / Guardian (in case of nominee is minor) (Optional)

Signature of Security Holder:				
Name and address of the Security Holders:				
Signature of witness:				
Name & Address of the Witness:				



**INSTRUCTIONS:**

1. Please read the instructions given below very carefully and follow the same. If the form is not filed as per instructions, the same will be rejected.
2. The Nomination can be made by Individuals holding shares on their own behalf singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta or Hindu Undivided Family, Holders of Power of Attorney cannot nominate. If the shares are held jointly, all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A Minor can be nominated by a holder of shares and in that event, the name and address of the Guardian should be provided.
4. The Nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney Holder; A Non-Resident Indian can be a nominee on re-patriable basis.
5. Nomination stands rescinded upon transfer of shares.
6. Transfer of shares in favour of Nominee shall be valid discharge by the Company against the Legal heir.
7. Only one person can be nominated to a given folio.
8. Details of all holders in a folio need to be filled. Else the request will be rejected.
9. The nomination will be registered only when it is complete in all respects including the signature of all registered holders (as per the specimen lodged with the company).
10. Whenever the shares in the given folio are entirely transferred, transpositioned or dematerialized with some other folio, then this nomination shall stand rescinded.
11. The Nomination form shall be filed in duplicate with the Share Transfer Agents M/s. Karvy Computershare Pvt Ltd, Unit: Shree Cement Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 who will return one copy thereof to the Shareholders. Along with the form, proof of identity (eg. PAN card, Passport etc.) and address proof (eg. Telephone bill, Electricity Bill etc.) of security holder is also required.
12. Upon receipt of a duly executed nomination form, the Company/Share Transfer Agent of the Company will register the form and allot a registration number. The registration number and Folio No. should be quoted by the nominee in all future correspondence.
13. The nomination can be varied or cancelled by giving a notice to the Company in Form No. SH-14. The cancellation/variation shall take effect from the date on which the notice of such variation or cancellation is received by the company.
14. This form is meant for shareholders holding shares in physical mode.
15. Shareholders holding shares in dematerialized mode, nomination is required to be filled with the Depository Participants (DPs) in their prescribed form.

**FOR OFFICE USE ONLY****Nomination Registration Number and Date****Share Registrar/Company Seal**



## SHREE CEMENT LIMITED

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CIN: L26943RJ1979PLC001935

### ATTENDANCE SLIP

(to be surrendered at the time of entry)

### THIRTY FIFTH ANNUAL GENERAL MEETING

DP ID*	
--------	--

Folio No.	
-----------	--

Client ID*	
------------	--

No. of shares held	
--------------------	--

I hereby record my presence at the 35<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Monday, 10<sup>th</sup> November, 2014 at 11.30 A.M. at the Registered Office of the Company at Bangur Nagar, Beawar – 305 901 Distt. Ajmer (Rajasthan).

Name of the Shareholder(s) \_\_\_\_\_

Address \_\_\_\_\_

Name of Proxy/Representative, if any :

Signature of Member(s)/Proxy/Representative :

*\*Applicable for holding in electronic form.*

#### Note:

1. Shareholders/Proxy/Representatives are requested to produce this Attendance Slip signed, for admission to meeting hall. The admission may, however, be subject to further verification/checks, as may be deemed necessary.
2. Company has also made arrangements for e-voting on the resolutions of the Annual General Meeting. The e-voting particulars are mentioned on the address stickers.
3. The facility of e-voting shall commence at 9.00 A.M. on Tuesday, 4<sup>th</sup> November, 2014 and shall remain open upto 5.00 P.M. on Thursday, 6<sup>th</sup> November, 2014. The voting module shall be disabled by Karvy Computershare Pvt. Ltd. for voting after 5.00 PM on 6<sup>th</sup> November, 2014.
4. Please read the instructions printed under the note no. 15 to the Notice of the 35<sup>th</sup> Annual General Meeting for e-voting process.



**COMFORT of  
DISCOMFORT**



Annual Report 2013-14  
Shree Cement Limited

Your comments and feedback are of great importance to us. We would be glad to address any queries or observations that you may have with regard to our various future-aligned initiatives, our performance or this report.

You are most welcome to email us at: [sclbwr@shreecementltd.com](mailto:sclbwr@shreecementltd.com)

A feedback form is also attached with this Report. The readers may use the form to express their views on this report.

## FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed the forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'beliefs', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# COMFORT OF DISCOMFORT

## **COMFORT BELIEVES IN STATUS QUO.**

DISCOMFORT QUESTIONS IF ANYTHING COULD BE DONE TO MAKE THINGS BETTER.

## **COMFORT DULLS THE MIND.**

DISCOMFORT SHARPENS ACUMEN AND INSPIRES TO MOVE ON.

## **COMFORT IS AN EASY CHAIR TO LOUNGE IN.**

DISCOMFORT IS FOOTSTEPS THAT MOVE TOWARDS THE UNKNOWN.

## **COMFORT SEEKS SAFETY.**

DISCOMFORT EMBRACES RISKS.

In an increasingly competitive and transforming world, those who are willing to take risks and step out of their comfort zone shall make the difference.



At Shree Cement, we are firm believers in the power of discomfort. We consistently move away from our circle of comfort, into the zone of risk taking and challenges and accomplish change.

**You will identify a Shree Cement team member by his characteristics:**

He challenges old assumptions and tries new approaches to solve problems.

He proactively seeks new challenges apart from managing what exists.

He welcomes challenges, and takes risk and lives with uncertain outcomes.

He asks what others really want, not just what he thinks they would be willing to give him.

**YES, WE, AT SHREE CEMENT,  
ARE PEOPLE WHO ARE  
COMFORTABLE IN OUR  
DISCOMFORT.**

# THEORY OF COMFORT OF DISCOMFORT

Given a choice, honey bees would like to forever stay in the 'Comfort' of their beehive and enjoy its warmth and sweet honey. But they realize that if they remain in the 'Comfort' of their hive for long and not venture out, the current Comfort shall not last forever. Thus they proactively move out of the 'Comfort' of their hive and venture into 'Discomfort' of outside world to collect nectar from distant flowers and further strengthen their hive. Honey bees actively put themselves into 'Discomfort' to ensure sustenance and improvement (more honey and a stronger, bigger hive) of their abode of 'Comfort'.

Thus, it is necessary to actively thrust one from a current state of 'Comfort' into areas of 'Discomfort' so as to ensure that what was giving 'Comfort' in the first place continues and further strengthens. This cyclical process of venturing into 'Discomfort' from each level of 'Comfort' shall ensure that every subsequent level of 'Comfort' is better and longer lasting than the previous level.

At Shree, we believe in the above hypothesis. In order to continuously grow along the success path, we embrace discomfort and experiment with it to ensure that the next state of comfort is better than the previous one. In an increasingly competitive and ever changing business environment, we think

it is important that we question current accepted practices, think out-of-the-box and continuously question, 'What Next?', 'How can this be done different & better?'.

We believe that we need to move out of the 'Comfort' of 'status quo'. We need to venture into the 'Discomfort' of what is hitherto not known, experienced or tested. We are confident that this repetitive cycle of embracing discomfort to achieve a higher level of comfort will keep expanding our comfort zone on a sustained basis.

Thus, at Shree Cement, we find 'Comfort' in seeking 'Discomfort'.



## Comfort and its results

EASY GOING WORK ETHIC LEADS TO ROUTINE RESULTS

WORK ON CORRECTIVE MAINTENANCE YIELDS NORMAL OUTPUT

WORK ACCORDING TO PLAN ACHIEVES SCHEDULED TIMELINES

CONTINUING WITH EXISTING DELAYS CHANGE

AVOIDING FAILURES LEADS TO MONOTONY

## Discomfort and its results

ON-THE-TOES WORK ETHIC LEADS TO EXEMPLARY RESULTS

WORK ON PREVENTIVE MAINTENANCE YIELDS HIGHER THAN NORMAL OUTPUT

PLAN ACCORDING TO WORK OUTPACES THE TIMELINES

READY FOR EXPERIMENT TRIGGERS INNOVATION

ACCEPTING FAILURES RESULTS IN NEW LEARNING



# INTRODUCING SHREE

With an indomitable spirit and a contrarian strain of thinking, we are continuously working towards the betterment of our manufacturing operations, marketing network and finance, with a view to incrementally better outcomes at every point of time.

We are an organization that has always experimented with discomfort to achieve excellence. It is an endeavor that is powered as much by dissatisfaction with the existing, as a yearning for the better. This has found expression in a relentless drive for excellence in process, product and people; a culture of continuous improvement; and a spirit of innovation that has helped Shree sustain growth year after year.



## CEMENT PORTFOLIO

### CEMENT PRODUCTION CAPACITY

**17.5** million tonnes  
per annum

### MULTIPLE LOCATIONS

Rajasthan	Beawar, Ras, Khushkhera, Suratgarh and Jobner (Jaipur)
Uttarakhand	Laksar (Roorkee)
Bihar	Aurangabad

### UPCOMING FACILITIES

- \* Integrated (clinkerization-cum-grinding) unit at Baloda Bazar near Raipur in Chhattisgarh
- \* Cement grinding unit in Bulandshahr district of Uttar Pradesh

### BRAND SHOWCASE

- \* Shree Ultra
- \* Bangur
- \* Rockstrong



## POWER PORTFOLIO

### TOTAL POWER GENERATION CAPACITY

**597** MW

### INCLUDING WASTE HEAT RECOVERY PLANTS (WHRP) OF

**81** MW  
(largest such capacity in the global cement industry excluding China)

### CATEGORY I POWER TRADING LICENSEE



## GROWING STRENGTH TO STRENGTH

GROWTH ON  
10 YEARS' HORIZON



### CEMENT CAPACITY in MTPA

2003-04	2013-14
2.60	17.50

CAGR **21.01%**

### OPERATING PROFIT ₹ in Crore

2003-04	2013-14
133	1575

CAGR **28.04%**

### POWER CAPACITY in MW

2003-04	2013-14
36	597

CAGR **32.42%**

### NET PROFIT ₹ in Crore

2003-04	2013-14
13	787

CAGR **50.73%**

### GROSS BLOCK OF FIXED ASSETS ₹ in Crore

2003-04	2013-14
1008	8009

CAGR **23.03%**

### NET WORTH ₹ in Crore

2003-04	2013-14
251	4711

CAGR **34.07%**

### TURNOVER ₹ in Crore

2003-04	2013-14
494	5887

CAGR **28.12%**

### EMPLOYEES in Nos.

2003-04	2013-14
1233	4698

CAGR **14.31%**



## FINANCIAL STRENGTH

₹ in Crore

TOTAL TURNOVER FOR FY 2013-14

5887.31

OPERATING PROFIT FOR FY 2013-14

1574.76

NET PROFIT FOR FY 2013-14

787.24

NET WORTH AS ON 30<sup>TH</sup> JUNE, 2014

4710.87

### MILESTONES

- \* Among the top five cement groups in India
- \* Among the top 100 listed companies in India in terms of market capitalization
- \* Market leader in the states of Rajasthan, Delhi and Haryana
- \* First Cement Company and one of the three Indian companies identified as New Sustainability Champion by World Economic Forum in September 2011
- \* First Indian Cement Company to issue a Corporate Sustainability Report
- \* Created world record in fastest completion of 1.0 MTPA clinker capacity in 330 days against industry standard of 630 days
- \* Highest 4-star rating for cement plants for 14<sup>th</sup> consecutive year by International Benchmarking firm Whitehopleman, UK (No one has been assigned 5-star rating yet!)

# PHILOSOPHY, VISION, VALUES, GUIDING PRINCIPLES

## THE SHREE PHILOSOPHY

“AAH NO BHADRA:  
KRATAVO YANTU VISHWATAH”

- Rigveda

“LET NOBLE THOUGHTS COME TO  
US FROM ALL OVER THE WORLD.”

At Shree, we believe in imbibing and extending these noble thoughts across all our functions. We call it The Shree Philosophy, which makes us an organization that is:

- \* Quality and Energy Conscious
- \* Employee and Environment Friendly
- \* Socially Responsive
- \* Customer Responsive
- \* Investor Rewarding
- \* Sustainable Organization

## OUR VISION

**LEAD IN CREATING PROSPERITY & HAPPINESS FOR ALL STAKEHOLDERS  
THROUGH INNOVATION & SUSTAINABLE PRACTICES.**

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

## OUR VALUES, OUR OPERATING STRENGTHS

### PASSION FOR EFFICIENCY

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

### DYNAMISM

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

### CREATIVITY & INNOVATION

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

### SIMPLIFY

- \* Extracting the essence and keep communication simple

### CARE

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

### TRUST AND SUPPORT

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

## OUR GUIDING PRINCIPLES

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



# CHAIRMAN'S WORDS

**SHRI B. G. BANGUR, CHAIRMAN**





Comfort drives the routine. It prevents raising of the bar. It obstructs holistic, meaningful growth. It promotes an average outlook to business and an ordinary approach to work.

At Shree Cement, therefore, we have learnt to break the shackles of comfort and make discomfort the foundation of our business philosophy. The spirit of discomfort seeps through every member of the Shree family, and its essence lends a differentiated strength to our business fabric.

It's not something that came easily or naturally to us. Rather, we concertedly focused on adopting this uncomfortable stance and way of doing business. Because we realized that it was important for us to move out of our comfort zone, and to do so persistently if we are to set new benchmarks of success for the industry.

Today, as we map the next chapter of our growth, we do so with a strong sense of discontent with what is, and a daring attitude that inspires us to attain what can be. We knew we could be comfortable and stagnate, or we could stretch ourselves and be uncomfortable, and thus grow. We made a strategic choice, and we shall continue to move with commitment and dedication on our chosen path of discomfort.

“WE HAVE  
LEARNED TO  
BREAK THE  
SHACKLES  
OF COMFORT  
AND MAKE  
DISCOMFORT  
THE  
FOUNDATION OF  
OUR BUSINESS  
PHILOSOPHY.”

# MANAGING DIRECTOR'S OUTLOOK

**SHRI H. M. BANGUR, MANAGING DIRECTOR**



“Change is the law of life” – John F Kennedy.

The world around us is changing at an exponential speed. Things we had done ten years ago are fading with time and losing relevance. This change is visible in all walks of life, be it social relations, political arena, business or lifestyle.

In these circumstances, we're left with two options. Be the change, or get swept away with the tide. The forces behind such change are smart people and 'smarter' technology. The change in external environment is probably the brainchild of an individual who has come up with an easy solution to do the same job with less effort and less resources, with equal efficiency. His success will no longer go unnoticed, thanks to technological advancement, viz social media. Such quick recognition boosts self-confidence and urges him to excel, with many others following his path.

Earlier, owing to limited information flow, the rate of change was low. Now, doors of success are instantly opened, thanks to industry journals and social networking. The entire business environment has to continuously adapt to the changes initiated by the society. Those unwilling to comply with such changes will be left out.

We, at Shree, are the change. Moving outside the comfort zone is not easy. We may falter and be at risk. We're like an explorer who is constantly on the lookout for exploring the new. There are explorers who've ventured into unknown territories

and emerged successful; we're one of them. As an organization, Shree enjoys intentionally stepping into unexplored terrain in all aspects of operations, so as to achieve the unthinkable and extraordinary. It is the consistent embracing of the uncomfortable that has enabled us to excel.

Change gripped the cement industry because of us. In India, all our clinker capacity is equipped with waste heat generation capability. We are 5% of India's clinker capacity but more than 25% of waste heat generation capacity in cement industry. Looking at us, all other cement firms are changing themselves to adopt our ways and practices. We undertook the risk of adopting what was done in China 10 years ago and emerged victorious. Newer practices constantly help us improve and analyze our strengths.

Let's look at process industries. If machines fall out of place, there's manpower to set it right. Does this job seem intriguing enough? Without challenge, life's dull. People are not encouraged to test their abilities beyond a known circle. As a result, mental dullness engulfs the system. A practice not changed for long becomes the system, and a system not changed for long shapes into tradition. It is always difficult to amend a tradition going unquestioned for long, whether in an organization or in a society. Tradition which prevails for years ushers dullness. The ultimate challenge here is to continuously question the existing practices, thereby preventing them from becoming a system.

“WE ARE 5% OF INDIA'S CLINKER CAPACITY BUT MORE THAN 25% OF WASTE HEAT GENERATION CAPACITY IN CEMENT INDUSTRY. LOOKING AT US, ALL OTHER CEMENT FIRMS ARE CHANGING THEMSELVES TO ADOPT OUR WAYS AND PRACTICES.”

“SHREE CEMENT IS THE PLATFORM WHERE PEOPLE CAN COME AND EXPLORE THEIR ABILITIES.”

With this background, I come to the question of comfort. As mentioned earlier, breaking a norm is uncomfortable. Comfort, according to me, is being content with prevailing practices without confronting age-old ways. It limits our capabilities to aim high and be an achiever. Such way of comfortable living appeals to the higher management, the middle management and all the followers.

When we budget something, we do it from past experience, taking it for granted that

there's no room for improvement. Hence, the production budget is normally made looking at the capacity of the machines and probable working hours. This is normally considered 100% efficiency. Out of this, if 90% or 95% is achieved, there is all round happiness and the system is highly comfortable.

We, at Shree Cement, look at the things in a different way. Capacity rated by the machine manufacturers is the guaranteed capacity, which comes with a lot of cushion. So we want to go up, to the limit of theoretical production level. To begin with, our engineers will like to understand the design philosophy of manufacturers, along with the safety level they have kept for the machine. Soon, it will be known that manufacturers have kept a margin of 15% or more. So, our base is not 100%, but 115%. Once we achieve the level of 115% or so, we find that there may be some potential in the components too.

At the next level, we will approach manufacturers of the components. Invariably, the component manufacturers have kept 15% to 20% margin in their supplies. This is true of all components, whether it is Gear Box or Electricals. When we go to such high level, guarantees are taken out from the said manufacturers. This is a small price to pay to upgrade the current production facility. We become our own guarantor, with active understanding of the working of the machines. Undoubtedly, our machines start working at 120% efficiency or so. In the course of functioning, such parts

break down once in a while, and we learn that a particular part which was taken for granted has worn out faster. In the next set of machinery, we take care of that particular part, to start with, and replace the existing part with higher specifications. Apart from giving higher production, such practices continuously give comfort to all those who are part of the improvement team. This challenge, which to outsiders seems to be uncomfortable, is the real comfort for those who want to realize their potential and taste success.

Shree Cement is the platform where people can come and explore their abilities. Success is a journey, not a destination. We believe the journey is not uphill, once you get comfort. As you climb up, the expedition may be tiresome, nerve-wrecking, but the eventual results are desirable. We can apply laws of physics to this situation. According to Newton's Law of Inertia, everybody continues to be in a state of rest or uniform motion until and unless an external force is applied to it. Similarly, a team also works either in rest or motion. When in rest, it goes about doing the normal, while in motion it seeks continuous improvement. As leaders, our role is to provide the external force to the team for motion.

I don't see success in building capacity or generating higher profits. To me, success lies in motivation of the team to achieve newer milestones from the limited resources. The goals are set by those who dream to do better. I'm often asked how your people could motivate

their team to achieve one milestone after another?'. In an organization in which people have to work day in and day out, one has to ensure that they enjoy each and every day, precisely every minute in office. Objective assessment tells me that external motivations and perks can motivate people for a short span only. It is not sustainable. What carries them for long is their willingness to achieve something new. The thrill of accomplishment surpasses any other motivation.

The pleasure of achievement is like the joy of conquering Mount Everest. At Shree also, we have a colorful blend of people. The one thing we have in common is the belief in accepting discomfort as a way of life. The people at Shree Cement set their own goals and achieve the same, which gives them comfort. The opportunity to get comfort by living in discomfort is the character of Shree Cement. Now, with more than 10 years of such reputation, only those who dared to do something new would like to join Shree Cement. It is no place for ordinary people.

I look forward to my team at Shree to seek and achieve a new discomfort every day, which provides a renewed sense of accomplishment. I would be comfortable in this discomfort.

“THE ONE THING WE HAVE IN COMMON IS THE BELIEF IN ACCEPTING DISCOMFORT AS A WAY OF LIFE. THE PEOPLE AT SHREE CEMENT SET THEIR OWN GOALS AND ACHIEVE THE SAME.”

# WHOLE-TIME DIRECTOR'S COMMUNIQUÉ

**SHRI PRASHANT BANGUR, WHOLE-TIME DIRECTOR**



Now a days, life has become much more comfortable than what it was a few decades ago. Today, when we look around, we come across various electronic gadgets that are automated and have contributed significantly to making things comfortable around us. From high speed computers to smartphones, everywhere technology contributes to our daily comfort. But dig a bit deeper and one realizes that these things appeared out of discomfort with the existing situation. Discomfort with the present situation is the stepping stone towards success and growth. One needs to constantly question the present to seek continuous improvement.

There is always a choice - to act or to react. In today's technology driven world, with access to information becoming easier, the winner is the one who thinks and acts first. When we act, we get in control of things. On the contrary, if we react, we get controlled by the things. The choice for us is hence made simple - Act and control, or react and lose control.

Shree's work philosophy is geared towards constantly looking to act and find better ways to do business. At Shree, the underlying value system for success is focus on Innovation, Agility and Speed. We keep identifying the latent potential in the present to unleash the same into a reality. Our performance in

completing cement plants in continually shorter spans of time on every occasion, and creating records in the process, is testimony to continual identification and use of such latent potential.

Similarly, the power plants operate at flexible levels, in tune with the varying loads of our cement plants and market needs. Our cement dispatch and logistics operations are geared to react in minimum time, to speed up the dispatches based on market requirements. We switch over from rail to road or vice versa in minimum time. We have sought to gear each and every aspect of our operations to flexibility and speed, to quickly change gears as per the need.

If necessity is the mother of all inventions, we can say that discomfort is the generator of newer ideas and solutions. When someone became uncomfortable with the most routine of activities like cleaning the floor with a broom, it resulted in a vacuum cleaner. Likewise, people at Shree are hungry for challenges in all their day to day activities, and yearn for innovative and creative outcomes. It is this discomfort of dealing with every activity in a routine manner that dissatisfies and drives our people at Shree. It is easy to be inspired by great vision of building high capacities but it is difficult to be inspired to do small things. But these small things contribute to building capability to take up larger projects. This is what makes us what we are.

When our people go to work, they go there to do more than their assigned tasks. They look forward to coming up with novel ideas, innovative solutions and logical analysis to improve upon the present practice. In the process, they not only boost the operational efficiencies within their area but across all our plants. The inspiration is to be able to revolutionize the way things are done across the industry, and perhaps across the globe. There are no limits. This is what drives us to work continuously. This is what inspires us to hope for and do better than yesterday. The pride associated with it once accomplished, we strive to repeat it again and again.

It is our ability to be comfortable with discomfort that has helped us transform into an entity more resilient and distinctive than before. We shall continue to rejoice our discomfort to make Shree an organization where people unleash their potential and enjoy doing so. I am confident that our seeking discomfort will continue to bring good results for us.

People wonder and seek to understand if there is any magic wand with us that makes us succeed. The answer is YES. We have the magic wand which goes by the name - 'Comfort of Discomfort'.

“SHREE'S  
WORK  
PHILOSOPHY  
IS GEARED  
TOWARDS  
CONSTANTLY  
LOOKING  
TO ACT AND  
FIND BETTER  
WAYS TO DO  
BUSINESS.”

# MESSAGE FROM PRESIDENT - MARKETING

## SHRI DIWAKAR PAYAL, PRESIDENT (MARKETING)



Consumers are continuously developing as more discerning and value conscious. This has changed Cement from merely a commodity with uniform characteristics across sellers into a product demanding differentiation, identification and brand building. In today's dynamic landscape of ever rising consumer expectations, continuous identification of their needs is the only way to remain their suppliers of choice. We, at Shree, believe marketing is to proactively gauge the changing needs, catch emerging trends, measure the impacts of interconnected factors and devise marketing strategy accordingly. Focus on customer and improving the product according to his changing requirements is what that has made us market leaders.

Observing the emerging opportunity of branding, Shree's marketing team established the primacy of branding in the industry. At a time when others were consolidating their product offering under single umbrella brand, we chose the uncomfortable option to have multiple brands in the market as we identified that as agent of increasing volumes. We increased our brand offering from single brand that was Shree Ultra to Bangur Cement and Rockstrong Cement. Let alone cannibalization, our strategy of competing brands has paid rich dividends in terms of achieving deeper market penetration, distinct



customer segment, capturing newer market areas and segments, improved brand equity and overall increased market share.

Our superior products coupled with brand pull have driven volumes for us and has made us the market leader in the competitive markets of Rajasthan, Delhi and Haryana. As we enter the hitherto unexplored market of eastern region, our team is cherishing the prospect of this new challenge. We have already stepped our efforts and started network building activities in this region.

Our strategy is relentless focus on customer servicing. We have strategically set up our plants close to the consumption hubs which help us in servicing our consumers better. We place as much attention to our small consumers as we do for our big ticket consumers. We have created a closely coordinated customer service and delivery network which has flexibility and capability of on call cement delivery. Necessary arrangements for dedicated fleet of trucks of different sizes have been made by us. As a result, we can serve the consumer for as small a quantum of 20 tons in same delivery time as for a consumer of 5000 tons. To enhance consumer value for our bulk consumer segment, we work with them to take delivery of cement through bulkers which avoids packaging and seepage and is, hence, cost efficient and environment friendly. We also work with

and conduct trainings of construction professionals to educate them of ways to improve quality of construction. In doing so, we have set high standards and raised the benchmark in customer service for others to emulate us.

A happy consumer may or may not bring more consumers but a dissatisfied consumer will definitely thwart potential

consumers. Our marketing strategy revolves around this singular objective and we take it one notch higher to aim at customer happiness and not mere satisfaction. As we grow and increase capacity and enter newer markets, the marketing team is adequately geared to serve the company's objective of achieving higher sales while keeping consumers happy.

**“NECESSARY ARRANGEMENTS FOR DEDICATED FLEET OF TRUCKS OF DIFFERENT SIZES HAVE BEEN MADE BY US. AS A RESULT, WE CAN SERVE THE CONSUMER FOR AS SMALL A QUANTUM OF 20 TONS IN SAME DELIVERY TIME AS FOR A CONSUMER OF 5000 TONS.”**

# MESSAGE FROM PRESIDENT - WORKS

## SHRI P. N. CHHANGANI, PRESIDENT (WORKS)



As we move on to the next year, it is imperative for us to take stock of what we have done in the past year, to relive the pride of our accomplishments and to realize what we could have done better.

Our project execution is inspired with the vision of bettering the benchmark. The year gone by witnessed ample display of our project execution prowess as well as their faster stabilization. We added 2 MTPA clinker capacity (U-X) at Ras and 4 MTPA of cement capacity (2 MTPA each at Ras and in Aurangabad in Bihar). The Bihar unit is our first entry in the eastern region. All these projects were completed within time periods which were much lower than the industry standards. More importantly, these projects started delivering up to their rated capacity from the very beginning which is quite rare. Capacity expansion coupled with a quick ramp-up and optimal utilization of existing capacity helped us clock 15% growth in cement production at 14.2 million tonnes during 2013-14.

Producing more with less is the mantra of our operations team characterized by improvement in efficiency across all aspects of production. This operational proficiency is an outcome of our spirit of inquire, innovate and improve. This

has helped us improve productivity of all our equipment, be it Raw Mill, Kiln, Cement Mill or any other section. It has enabled us to become one of the lowest cost producer of cement in the industry.

We have now one of the largest clinker manufacturing capacity at Ras with 8 clinker units. It is also one of the largest limestone mining sites. Such an enormous structure would normally be discomfutable for people to comprehend working in. We relish the opportunity to be part of such a humungous and complex unit. This has, in fact, acted as a substantial leverage giving us scale of economies and faster replication of success. It depicts our inherent enthusiasm to continuously experiment with complex practices and succeed amidst apparent discomfutable situations.

While increasing production, we have not lost sight of our broader responsibilities of reducing our carbon and resource utilization footprint. We constantly seek implementation of practices that satisfy the goals of the Company, ecology and community in a holistic manner.

Though we can look at the past as a learning lesson, life can be lived only by looking ahead. Our future depends on what we keep doing. If we cling on to the past, we cannot welcome the future. We have to continue with the practices

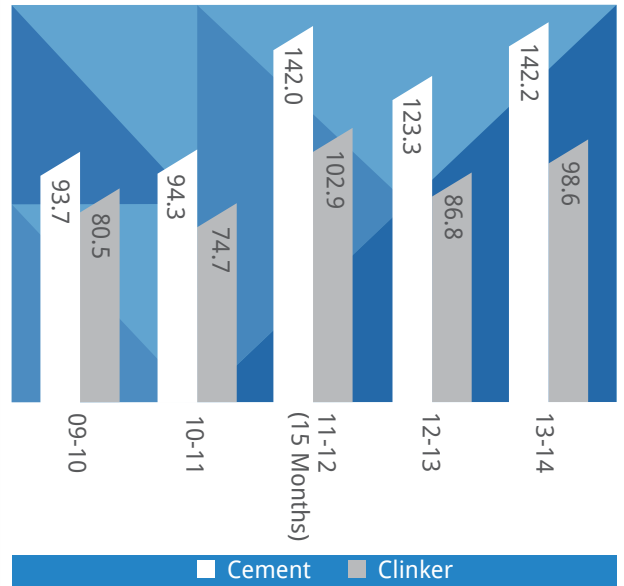
of using less getting more, continually bettering the existing and getting discomfutable with status quo. But most importantly, we must be enjoying what we are doing because that is the best way to do great work.

“CAPACITY EXPANSION  
COUPLED WITH A  
QUICK RAMP-UP AND  
OPTIMAL UTILIZATION  
OF EXISTING CAPACITY  
HELPED US CLOCK 15%  
GROWTH IN CEMENT  
PRODUCTION AT 14.2  
MILLION TONNES  
DURING 2013-14.”

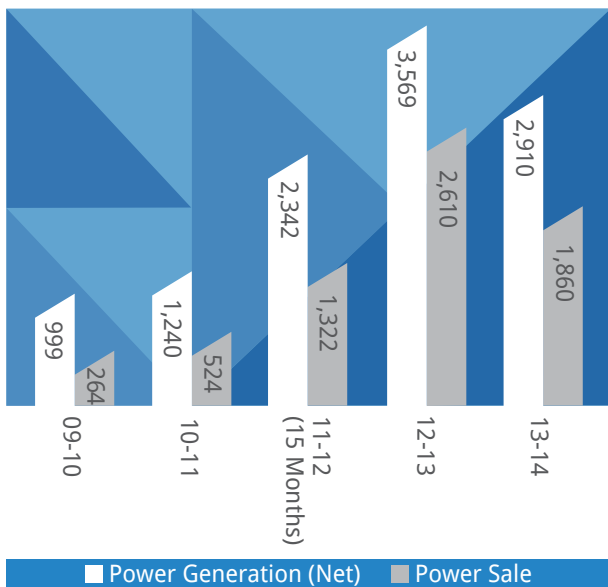
# PERFORMANCE HIGHLIGHTS



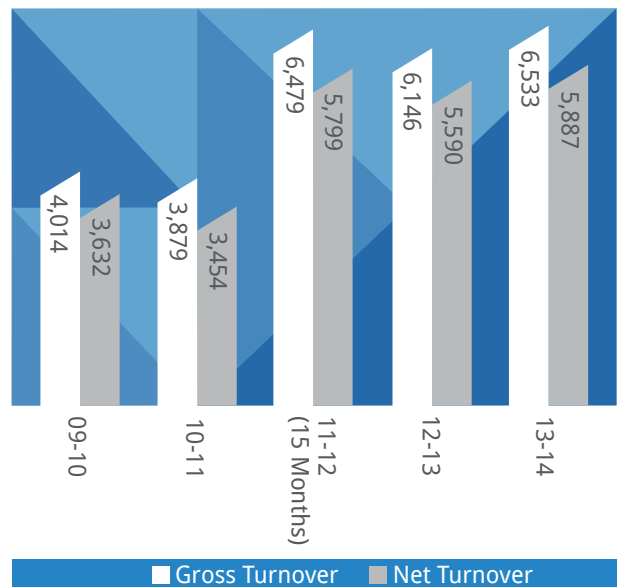
**CEMENT & CLINKER PRODUCTION (Lac Ton)**



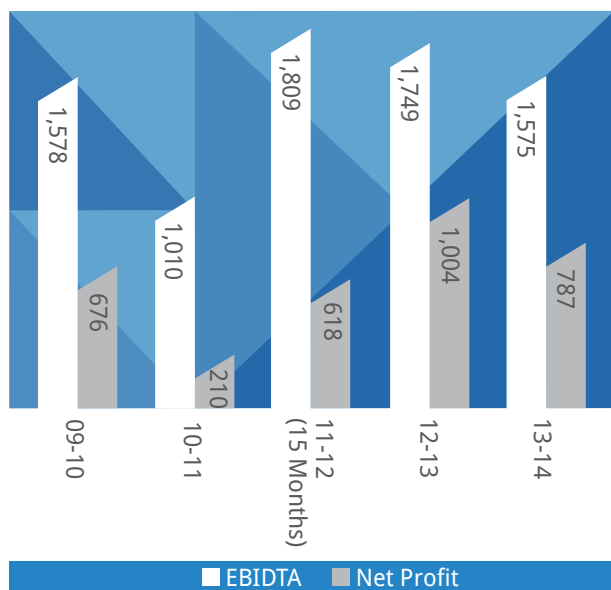
**POWER GENERATION & SALE (Million Units)**



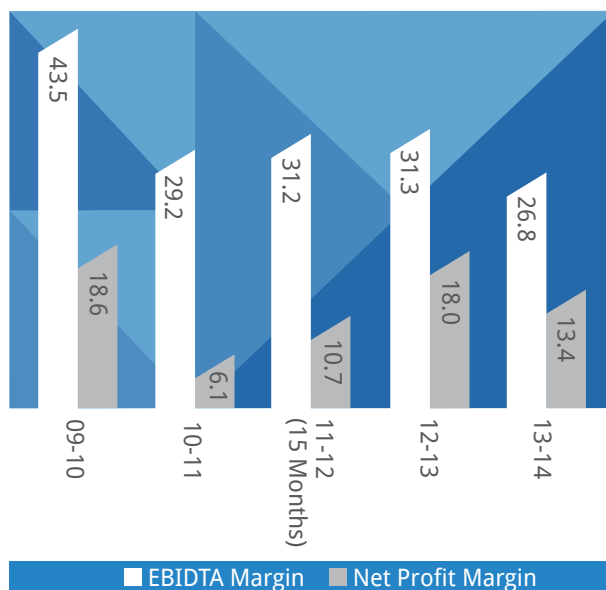
**GROSS & NET TURNOVER (₹ Crore)**



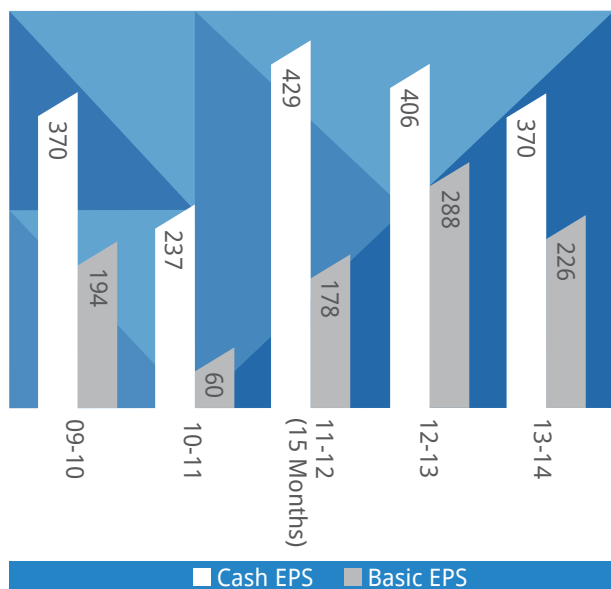
**EBIDTA & NET PROFIT (₹ Crore)**



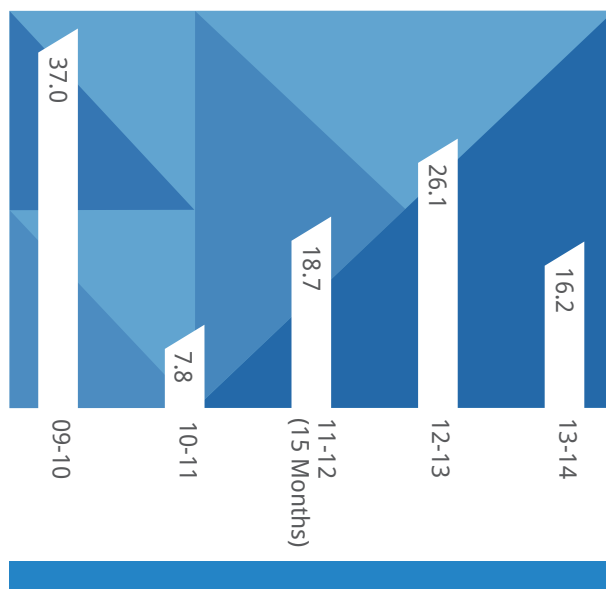
**EBIDTA & NET PROFIT MARGIN (%)**



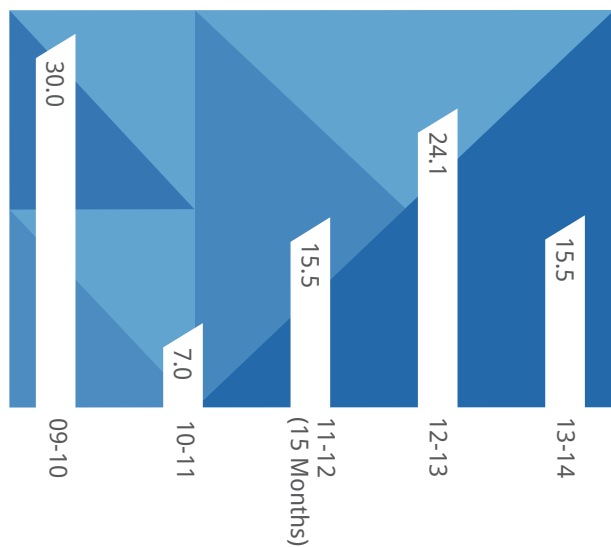
**CASH & BASIC EPS (₹ per Share)**



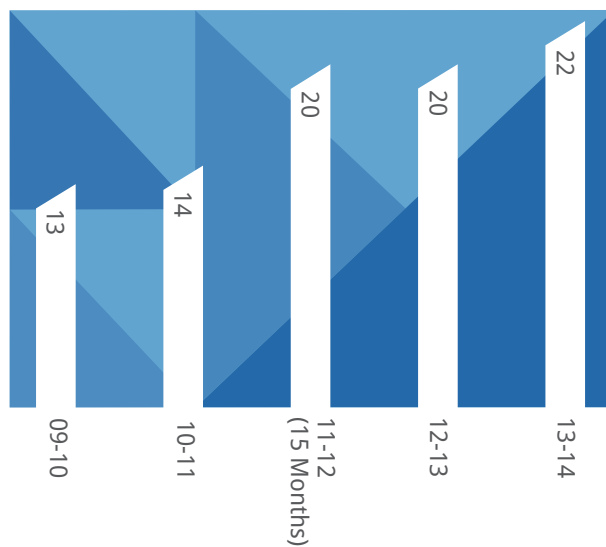
**RETURN ON NET WORTH (%)**



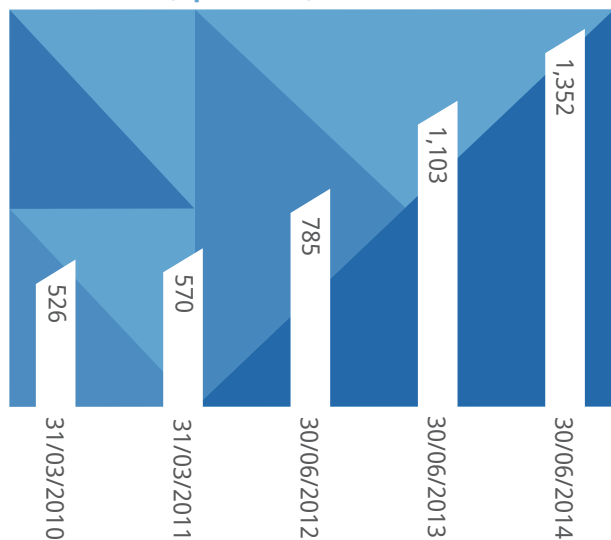
**RETURN ON AVG. CAPITAL EMPLOYED (%)**



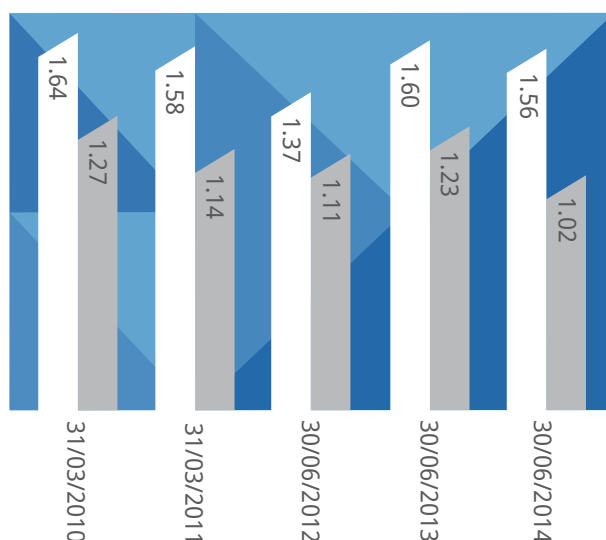
**DIVIDEND (₹ per Share)**



**BOOK VALUE (₹ per Share)**

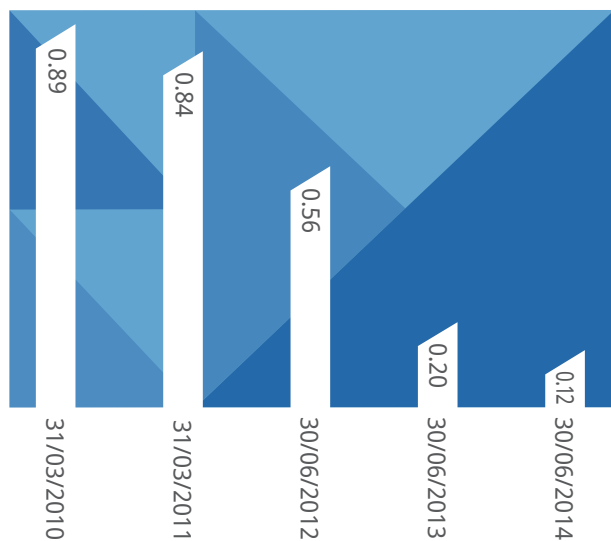


**CURRENT & QUICK RATIO (Times)**

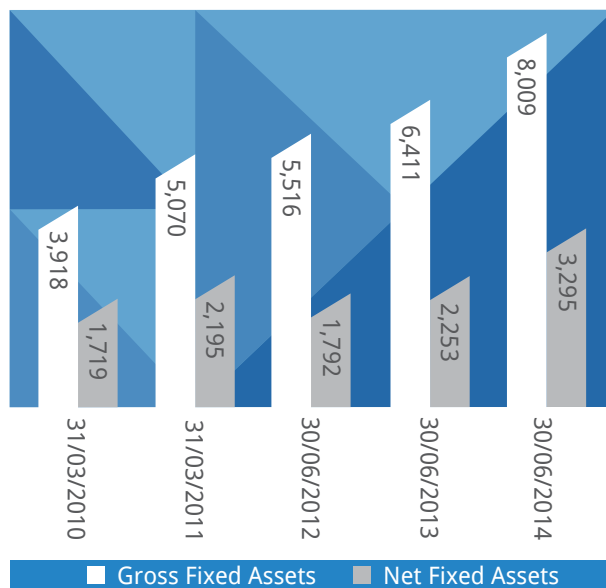


■ Current Ratio ■ Quick Ratio

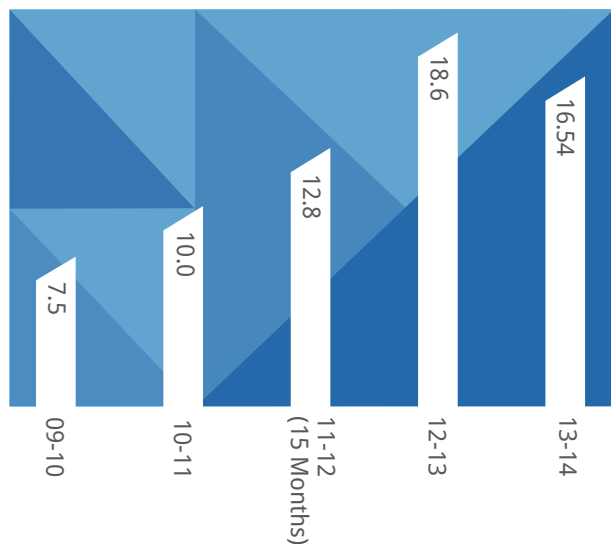
**DEBT EQUITY RATIO (Times)**



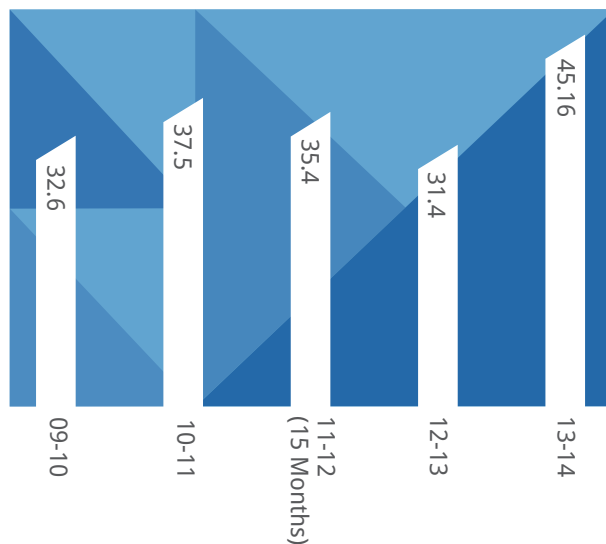
**GROSS & NET FIXED ASSETS (₹ Crore)**




**DEBTOR TURNOVER (Days)**



**INVENTORY TURNOVER (Days)**





**“Our greatest weakness** lies in giving in. The most certain way to **succeed** is always to try just one more time.”

THOMAS ALVA EDISON, AMERICAN INVENTOR AND BUSINESSMAN

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**Any activity or task once done gives a comfortable feeling. Why? Because once done, the uncertainties associated with it go away. It is the knowledge about the activity or learning made by actually performing it that makes it comfortable.**

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Learning thus comes from doing. Those who do nothing, learn nothing. Those who do, learn how to do it and even if they don't succeed, they learn how not to do it. They have to unlearn the failed effort and relearn to emerge successful the next time. The cycle of success is thus "learn, unlearn and relearn". If the "doing" stops, learning also stops. This stops any further advancement. The core of the success cycle is, hence, to keep trying one more time and "Never Give In". Performing this cycle requires discomfort of acting continuously.



Discomfort thus triggers action, which keeps bringing comfort of knowledge of doing something better than earlier and makes each subsequent action more comfortable. To keep achieving better continuously requires a thinking that is different from the existing. It forces unsettling of the settled by constantly coming out with something new, something not yet done. It forces one to innovate.

**Discomfort, hence, breeds innovation.**

Embracing discomfort requires setting challenging goals and welcoming risks. But then the organization has to make it an integral part of its business to stay ahead of the competition. Therefore,

**Discomfort is indeed challenging.**

Successful organizations willingly embrace and experiment with discomfort and, in doing so, they keep accumulating the treasure of knowledge. This treasure builds competence of facing discomfort of unplanned events. Thus, **Discomfort helps in building competence and resilience.**

Monetary benefits do not satisfy people beyond a point. They need challenges to motivate them to deliver something different and new. This requires a culture of risk taking and bringing continual improvement. This is possible if discomfort is practiced in an organization, over time, so as to make **Discomfort a way of life.**

It then yields multiple comforts which are reflected through the success and growth of the organization. The organization realizes that **Discomfort is rewarding.**

We, at Shree, constantly seek to embrace discomfort of action and innovation, which, though challenging, has enabled us build our competence. It has been the biggest motivator for sustaining ourselves and, over time, has become our way of life. We have reaped the rewards of this discomfort for ourselves and all our stakeholders. This is the mantra of our success and growth.

We present it to your enlightened reading.

# DISCOMFORT BREEDS INNOVATION

DISCOMFORT IS THE PLAYGROUND FOR INNOVATION

**“WE FIND COMFORT AMONG THOSE WHO AGREE WITH US - GROWTH AMONG THOSE WHO DON'T.”**

*- FRANK A. CLARK, American politician & lawyer*



Existing practices yield existing results. An organization, in order to grow and achieve what it has not achieved yet, has to follow practices which it has not adopted yet. Growth requires letting go of the comfort of agreement and encouraging disagreement, as those who disagree are uncomfortable.

Discomfort is the initiator of innovation. Innovation can be proactive and internal, or pushed by necessity and external. But innovation is necessarily ignited by discomfort with the existing situation. Discomfort with the present sows the seeds for a different future. It creates the necessity and urge to apply the mind and efforts to change the existing to the desired.

Innovation is the process to effect the change. Innovation does not merely mean big transformation, like coming out with new products or processes or major technological upheaval. Innovation can be anything that results in improving the efficiency and can be at micro levels through small modification in equipment that improves its yield, or a micro process change that makes the process more efficient.

It is imperative that a culture of innovation prevails within the organization. Innovation at all levels, whether senior, middle or lower level, is a direct reflection of the trust between the management and the people, and the indicator of a strong bond within the organization. In fact, it is in little changes at micro level that innovation is more effective, as it implies that the enthusiasm for innovation is existent across the organization.



Innovation, at Shree, implies focused efforts towards continual improvement in terms of better utilization of resources and plant capacities, operational and cost efficiencies. We encourage people to come up with ideas which have the potential to influence our business, irrespective of one's line of functioning. The Company has implemented a scheme to reward people coming up with newer ideas, named "Jo Soche Woh Pave", which means one who thinks gets rewarded. The ideas received are appreciated, even though they may not be ultimately implemented. But it encourages the idea generator to keep prodding and questioning, to continue coming up with newer ideas.

#### LANDSCAPING COMFORT

Innovation is the landscape of comfort

for every member of the Shree family. The underlying belief is to provide people with unlimited opportunities to keep thinking new. It has enabled creation of an atmosphere where people keep coming up with newer ideas. This makes us a playground for innovation.

Being a playground for innovation has helped us achieve maximum output from our equipment. We achieve this through continuously raising the bar of performance. The belief is that all achievements are born out of discomforts of yesterday, that what is comfortable today was uncomfortable yesterday, and hence what is discomfort today can be converted into the comfort of tomorrow. The pursuit of discomfort has to be a continued and repetitive process involving continuous stretching

into the discomfort zone today, with a view to constantly expanding and increasing the comfort zone and making our tomorrow better than today.

Like the planets of the universe, the pursuit of betterment never stops. This philosophy is illustrated through our experimentation to extract maximum performance from our machines. Sometime back, the output from one of our machines was, say, 100 units. Our analysis revealed that sometimes the output level reaches up to, say, 120 units, but it is not sustaining at that level. Noting this, our people became uncomfortable and sat down to analyze the reasons. They made certain adjustments which enabled the machine to give sustained output of 120 units. We further analyzed and repeated



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the process to enhance output levels to 140 units. We now continue to replicate this exercise across all equipment and try to extract maximum output levels through continuously raising the level of performance.

This approach has helped us initiate several proactive measures that have put the Company on a sustained track of non-stop improvement and progress. A few instances of this approach are illustrated hereunder.

#### DEVELOPING SYNTHETIC GYPSUM

Sometime back, we were facing a problem of rising cost and inadequate supply of gypsum, which is a raw material used in cement manufacturing and has limited availability. The team at Shree had the

option of importing the same, but it was a costly proposition. The team sat with our R&D wing with a productive bent of mind, aimed at finding opportunity in problem. Long cogitations of technical minds zeroed in and came up with the idea of developing synthetic gypsum as an innovative alternative to natural gypsum. Today, use of synthetic gypsum forms a significant part of our overall gypsum consumption.

#### USE OF PETCOKE

Our trial with the use of petcoke was a case of learning and failing, and relearning and ultimately triumphing. About 12 years back, the industry was using coal as fuel as a standard practice. Coal consists of a substantial part of the input cost for cement and power. As

such, the constant increase in its prices was making the team uncomfortable with the situation. The team started looking for an alternative fuel, which could be tapped as a regular source of fuel and was also economically feasible. In an innovative push, the team zeroed in on use of petcoke as fuel. There were several issues in its usage in our cement and power plants, but our team kept coming up with inventive solutions to tackle every problem presented with its use. Sometimes we failed, but it was expected and the failure was not allowed to stem the process. Our persistent efforts ultimately paid up and petcoke became our pre-dominant source of fuel.

#### SPEEDIER PROJECT EXECUTION

At Shree, the belief is to encourage

The Company has always encouraged its people to keep stretching their limits, which keeps them agile and motivated. Our continuous trial with discomfort in repetitive activities has led to regular innovations as we moved from one achievement to another.

innovation and, by consequence, question existing practices albeit in a productive manner. Shree is known for fast project execution across cement and power plants. Setting up a cement plant involves multitudes of activities across diverse spectrum of resource utilization, manpower management, social balance of project, environment management, technology, civic structure, financial management, as well as time and cost constraints. Appropriate balancing of efforts, in all the above directions, results in successful project execution. Our team has also faced several unexpected bottlenecks in the course of project execution. But each time, our innovative thinking came up with alternative solutions in order to emerge victorious. When we found that our supplier is delaying delivery, instead of penalizing him, we extended further support to him to enable him to overcome difficulty at his end, and in turn speed up our job.

#### **Innovation at Micro Level**

Innovation is no guarantee for success. On the contrary, innovation always

comes with inherent chances of failure, which is a big deterrent to innovation. We cannot eliminate this fear of the unknown from innovation, but at Shree, we have tried to eliminate it. It comes from the management perspective of allowing people to experiment and fail, and in the process acquire new learning. When people are allowed to fail, they willingly experiment with newer practices to improve the existing.

#### **SCALING DOWN START-UP COST**

Circulating Fluidized Bed Combustion (CFBC) Boilers generally use diesel for start-up. The team at our power plants grew uncomfortable with this situation and started searching for a cheaper alternative. In an innovative move, it started using a different material, which brought down the cost by around 15%. That was comfortable enough, but the team was not yet satisfied. It continued its search to find alternatives and used another material for burning, which further reduced the cost by around 50%. The search for comfort in discomfort continues and the team is now looking at ways of reducing the use of liquid fuel to further rationalize its cost.

The Company has always encouraged its people to keep stretching their limits, which keeps them agile and motivated. Our continuous trial with discomfort in repetitive activities has led to regular innovations as we moved from one achievement to another.

#### **REPLACEMENT OF LINERS BY SELF-DEVELOPED LINERS**

The innovative streak that impels us to find unique solutions to even the most routine of problems percolates every function in the Company. The liners of Secondary Crusher, for instance, were getting frequently damaged. There were

three liners and each was mounted with two bolts. Due to heavy impact load, the bolts got damaged and the liner got caught in the Crusher and got damaged. The comfortable option was replacement of liner as per design provided by the OEM. But its replacement was resulting in stoppage of Crusher for 3 hours every month, thus proving costly. As such, our team, instead of going with the design of OEM, studied the cause of failure and decided to use a single liner having both sides usable instead of three small liners. The team also increased the thickness of liner from 40 mm to 50 mm to improve its life and made special type six bolt arrangement in liner to avoid breakage of liner bolts. This resulted in increased life of liner of up to 4 months as against 1 month average life of liner supplied by OEM. It also reduced the number of liners required in a year to 3 from 36, thereby resulting in cost savings for the Company. Further, it also reduced the maintenance time by 15-20 hours per month.



The team's refusal to find comfort in the existing, and instead to embrace the discomfort of innovation, has helped the Company earn significant savings and develop technological superiority.

#### **AUTOMATED FEEDING**

In the course of our operations, we bring one of our important input materials in bags. Manually cutting open the bags of this material was an uncomfortable and difficult process. The people at work site, analyzed the situation and developed a new system for cutting open the bags. The bags are now fed in a belt conveyor which takes them to a screw conveyor, which in turn cuts the bags with the blades mounted on it. The bottom casing of the screw conveyor has grill, through which the filled bag is emptied. As the screw rotates, the empty bag comes out at the other end. The automatic machine for the same jobs would have cost around ₹ 35 Lac, which was saved through this innovative idea.

**We have realized that when we trust our people, and provide them the resources and opportunity to perform, they come up with better performance filled with passion and entrepreneurial spirit. The Shree leadership, by promoting innovation, has communicated its trust of its people in the most transparent manner. This, in effect, has motivated the team to deliver superior performance on a consistent basis.**

**In doing so, we have remained true to our values of inviting thoughts from all over the world, and primarily from our own people as they are in a position to give the correct perspective to any given situation in the most practical manner. We are constantly looking for innovative ways of doing business, which we know shall deliver long-term benefits to the organization. "Discomfort breeds Innovation" and we consider this our competitive edge.**

## **AUXILIARY POWER CONSUMPTION**

**DESPITE ONE OF THE BEST AUXILIARY POWER CONSUMPTION FOR OUR CFBC PLANT, A SENSE OF DISCOMFORT PREVAILED AMONG THE POWER PLANT TEAM. OUR TEAM ADOPTED SEVERAL INNOVATIVE INITIATIVES, TECHNOLOGIES AND PROCESS OPTIMIZATION METHODS TO FURTHER REDUCE THE AUXILIARY CONSUMPTION TO BELOW 7% AS AGAINST AROUND 7.5% TO 9.0% ACHIEVED BY OTHERS.**



# DISCOMFORT IS CHALLENGING

EXPERIMENTING WITH DISCOMFORT AS GREAT THINGS DO NOT HAPPEN FROM COMFORT ZONE

**“COMFORT IS YOUR BIGGEST TRAP AND COMING OUT OF COMFORT ZONE YOUR BIGGEST CHALLENGE.”**

- MANOJ ARORA in 'From the rat race to financial freedom'





Comfort yields the usual results; it does not nurture greatness. To deliver great things, and to ensure an ethos that goes beyond the ordinary, demands a differential approach rooted in discomfort. To achieve the exceptional, it is imperative to be uncomfortable with the normal and to experiment with discomfort.

Discomfort lends a new level of originality to ideas, strength to actions and ultimately success to performance. It gives wings to ambitions and helps build a new learning system that enables one to cope effectively with every challenge and accept every failure as the next step to improvement.

Emerging out of the comfort zone is, however, challenging for any individual and any organization. This is because discomfort requires one to tread into hitherto unknown areas and work amidst an uncertain environment. Embracing discomfort in an organization compels one to work in situations where detailed information is not present, when precedents are not available and future course cannot be reliably predicted. Hence, discomfort calls upon people to bring into action their utmost strengths, skills and abilities, as anything less may result in undesirable outcomes. Discomfort is therefore challenging. It is only those who have faith in themselves and do not fear taking risks who accept the challenge of discomfort. Because great things do not happen from the comfort zone; they happen only when one steps out of one's comfort area.

From our leadership team to our people across our business functions,

The willingness to move out of the comfort zone and to continuously challenge discomfort has enabled Shree to deliver consistent high performance and achieve rapid growth. Challenging discomfort has helped us create new comfort zones for our stakeholders.

there is a constant endeavor to push the boundaries of comfort into the discomfort zone, and find the next comfort zone for all our stakeholders. The willingness to move out of the comfort zone and to continuously challenge discomfort has enabled Shree to deliver consistent high performance and achieve rapid growth. Challenging discomfort has helped us create new comfort zones for our stakeholders.

### CHALLENGING COMFORT

With discomfort comes an innate desire to do better, each time, every time, whatever the circumstances. Comfort leads to a sense of complacency, while discomfort triggers a strong feeling of excitement of doing something different and creating a differential through all that we do. Challenging comfort involves planning detailed methods to find comfort in discomfort, and then working to stringent timelines to execute the plan.

### SETTING HIGHLY AMBITIOUS TARGETS FOR PROJECT COMPLETION

Sometime back, when the cement market was buoyant, Shree decided to set up plants of 1 million tonnes (MTPA) capacity at one time, and then repeat the same to quickly enhance capacity. Shree set a target commissioning period which was not only uncomfortable to start with but unthinkable in the industry. Others dismissed our targets as impractical. But the stiff targets encouraged our teams to follow unique practices, make detailed planning of each and every activity, pre-plan for obstacles expected and come up with innovative solutions. Continuous follow-ups and partnering with vendors and contractors, along with motivation of the team to continue with speed and agility, helped us match the stiff deadlines. Our tryst with discomfort gave us rich dividends as we

commissioned the Ras plant in world record time of 330 days as against normal industry standard of 630 days, enabling us to augment the returns from the plant. Further, the experience gained in an earlier unit was utilized in the next venture, further optimizing on both cost and time.

### VENTURING INTO HIGHER CAPACITY SIZED PLANTS

After setting up six plants of 1 MTPA each, our people realized that they had got comfortable with 1 MTPA plants and that there was scope for improvement. They willingly chose the plant size of 2 MTPA for subsequent ventures. We again set uncomfortable timelines and challenged prevalent beliefs, improvised and innovated with unique practices, which enabled us to commission two units of 2 MTPA each



at Ras within a time which was again much lower compared to industry standards. Discomfort helped us in better utilization of land, which is a constraint due to limited availability, and also resulted in increasing capacity in quick time.

**ADDING MORE CAPACITY AT SINGLE LOCATION**

Ras in Rajasthan is the location where we have our largest operations. The site has been privy to continual capacity addition since inception (year 2004), and there has been hardly any period when there has been no project activity. Normally, Brownfield expansion is considered more comfortable than a Greenfield one. However, for a site with six kilns already in operation, together with large set-up of Power plants and Waste Heat Recovery units,

it was indeed challenging to add more capacity. There were challenges in terms of high movement of inputs and outputs, and managing manpower and other resources. Our people accepted the challenge and added 2 more kilns of 2 MTPA each at the same location, together with a Waste Heat Recovery Unit. Today, Ras site boasts of being the single location largest site in terms of having:

- \* 8 kilns with aggregate Clinker capacity of 10.6 MTPA
- \* 16 boilers with aggregate Waste Heat power generation capacity of 60 MW
- \* Limestone mining of 19.6 MTPA

**WILLINGLY UNCOMFORTABLE**

Greatness does not come from

thinking big; rather it is derived from doing small things correctly. Shree, accordingly, aims to constantly enhance its operational efficiency levels by persistently stretching its resources and practices in the most routine activities to come up with better practices. This results in not only scaling up our operational efficiencies but also serves the industry as a whole.

**INCREASED USE OF SOLID WASTE OF POWER PLANTS**

Solid waste of Power plants, though available in plenty, is not primarily considered for use in cement plants as substantial work is required to make it usable. Our team, however, willingly took the uncomfortable option to use solid waste of Power plants. Instead of simply loading the waste from the waste site, our team made efforts to analyze



What was, therefore, a source of discomfort was transformed by our teams into a comfort for the Company, the society and the environment. It was a challenge that we took on willingly and happily, eventually turning it to the larger benefit of all.

the quality of waste, identify usable waste, carry out steps to make it usable and then dispatch it for use at our plant site. This required significant efforts in terms of creating infrastructure, hiring heavy equipment and employing full-time personnel. The team, however, took the initiative and has now created a full-fledged set-up at the Solid Waste site to bring the waste to worthy levels of use, and then use it in our plants. The use of solid waste gave us cost competitiveness, as well as resulted in protecting land-banks from turning into a dump holes, thereby helping the environment. It has become a perennial source of supply for us, thus helping us attain high production.

What was, therefore, a source of discomfort was transformed by our teams into a comfort for the Company, the society and the environment. It was a challenge that we took on willingly and happily, eventually turning it to the larger benefit of all.

#### FAILURE OF EXCAVATOR

The ability to challenge and experiment with discomfort has, over time, become deeply imbibed in every member of

the Shree team. The resultant comfort becomes manifest in various successful initiatives – big and small.

Recently, there was a major failure in EX1200 Excavator used in mining operations. The comfortable options before the team were to either get the failed engine repaired or purchase a new engine recommended by OEM, which was expensive with long delivery time of 3-4 months. The team, however, questioned the “only two options” situation and looked for other alternatives. It analyzed the situation and eventually decided to replace the engine with an engine of a different manufacturer. The OEM did not accept this and termed it as a risky proposition. The team, however, went ahead with its decision. It faced many hurdles in terms of alignment, engine acceleration, slow operation, overheating etc., but ultimately successfully completed the modification job. The result was substantial savings in cost of engine. Further, as things progressed, it turned out that the new engine was also much easier to maintain. The efforts were appreciated by the engine manufacturer as well as the OEM.

#### GRINDING MEDIA TOP-UP

Grinding media is required for monthly top-up in cement mill. The Company had been carrying out the top-up with fresh grinding media in its cement mills at Beawar, and used particles were scrapped away as a comfortable practice. However, as discomfort crept in this practice, our people questioned the same. We started doing regradation of the used grinding media and segregated the desired shaped material by developing in-house machinery. Now, this segregated material is used for monthly top-ups in place of fresh material, proving a cost saving proposition for the Company. The practice, which was started by one

section, is now being replicated across the organization for perennial benefits.

#### SPEEDING UP TO MINIMIZE DISPATCH PROBLEMS

In the electronic packers of packing plant at Beawar, there was a mismatch



between the blain factor of the cement with the designed handling capacity of packers. This was resulting in double round problem, which means that spout was taking two rounds to fill a cement bag, thereby hampering the production cycle. We had the comfortable option,

as suggested by the OEM, of modifying the impeller of all spouts, which meant a high cost factor. However, we decided to implement few new ideas to speed up the supply frequency to match with the filling time of bag. The trial was successful for one spout. However,

replicating the same in remaining 11 spouts presented space concerns and we had to think for alternative solution. Finally, the team decided to install VFD in the common supply point of packer, which resulted in reduced material filling time at a minimum cost in all 12 spouts.

**At Shree, the willingness to experiment with discomfort for eventual gain is a continuous process. Comfort at our end brings comfortable results for competitors. Discomfort at our end brings comfortable results for us. Obviously Comfort, for us, is not a comfortable place to be at all.**



## MODIFICATION IN CLINKER LOADING SYSTEM

WITHOUT ANY SHUTDOWN, WE HAVE SUCCESSFULLY MODIFIED THE EXISTING CONVEYOR BELT FOR LOADING OF CLINKER INTO TRUCKS TO INCREASE THE QUANTITY OF THE LOAD. WE HAD THE COMFORTABLE OPTION OF STOPPING THE WORK, WHICH WOULD HAVE LED TO LOSS IN PRODUCTION OUTPUT. AS ALWAYS, WE TOOK THE UNCOMFORTABLE ROUTE AND UNDERTOOK THE MODIFICATIONS IN THE RUNNING PLANT TO INCREASE THE CONVEYING CAPACITY OF THE BELT, WITH A VFD ADDED FOR BETTER SPEED CONTROL.



# DISCOMFORT ENHANCES COMPETENCE

ENABLES HABIT OF THOROUGH ANALYSIS AND SYSTEMATIC APPLICATION

**“COMFORT ZONES ARE MOST OFTEN EXPANDED THROUGH DISCOMFORT.”**

*PETER MCWILLIAMS, American self-help author*



Discomfort is the precursor to motivation, whether ingrained or external. Motivation is the key to success. A spurt of motivation may give momentary good results. Sustained success, however, comes from practicing motivation and, in effect, cultivating discomfort as a habit.

Discomfort, practiced over a period of time, leads to expansion of the comfort zone, and provides strength and competence to be resilient as also to continue on the path of growth.

Success is never by chance. It is always a result of continuous efforts in the right direction of betterment and excellence. Continuous success over a period of time, however, may lead to a sense of complacency. Complacency breeds arrogance and stops betterment by withholding the innate desire to do better, each time, every time. It is, hence, imperative to systematically develop discomfort as a practice which triggers a strong feeling of excitement of doing something different and creating a differential in all that is done, whatever the circumstances, on a sustained basis.

Meticulous planning, in detail, on ways to find comfort in discomfort, and then working to stringent timelines to execute the plan - the entire process is a progressive charter of solutions delivered as rewards of our long-term nurturance of Discomfort as a Habit. In a business, it is expected that events do not turn out as planned, forecasts fail and things start seeming going out of control. Events definitely are not in anyone's control but the reaction to it is surely under our control. To some,

In our journey, there have been several instances when events went beyond our control and plans to tackle them were found inadequate. In such a situation, the practiced discomfort nurtured over time helped us to remain resilient and employ our competence to emerge victorious through the situation.

it is a situation of despair and giving in. To others, this is the chance to find opportunity in challenge, to show resilience in the face of adversity, and, in the process, to learn from discomfort and always to try again.

In our journey, there have been several instances when events went beyond our control and plans to tackle them were

found inadequate. In such a situation, the practiced discomfort nurtured over time helped us to remain resilient and employ our competence to emerge victorious through the situation. In the process, we learned to power through the Discomfort Zone.

#### LEARNING FROM DISCOMFORT

At Shree, we do not fear the initial failures that may delay progress on the way to success. Instead, we choose to learn from failures and evolve progressively to find newer and lasting solutions to problems. Competence, as a strategic edge, is thus developed through a thorough analysis of the failures and systematic application of the resultant learnings. The benefits thus yielded enable short and long terms gains across the organization and for the stakeholders.

#### RESTORATION OF POWER PLANTS IN MINIMUM TIME IN CASE OF OUTAGE

In case of outage of any unit of a Power plant, our team could comfortably sit and ask the contract engineers and outside experts to look into the reasons of the outage. Whatever the potential loss on account of non-supply of Power

to parties, captive consumption could be justified on the pretext of health of the machines. However, our team analytically studied various activities involved during shut-downs and worked out a list of activities which could be expedited. They also made advance planning and ready arrangements to tackle some of the activities so that these could be applied instantly as and when outage occurs. The idea was to correct the outage period to the bare minimum. The result of this debottlenecking exercise is that there is reduction of 20%-50% in the shutdown period. This not only saves the Company from financial losses but also stencils the faith of the Company to external parties who are its buyers. On a deeper level, it has helped build a new level of competence that we are now seeking to extend to other activities in our operational systems.

#### FACILITATING FUEL MANAGEMENT

In our constant endeavor to find comfort through innovation, we have managed to empower ourselves with the ability to switch over to any type of fuel at an hour's notice for facilitating fuel management at our power





plants. Inclusion of twin bunkers in the design of boilers, and building competence of boiler operators and engineers, has facilitated the transition process. This kind of competence is not only unique to the industry, it enables efficiencies that lead to exemplary performance.

### TRANSMISSION SYSTEM BREAKDOWN AT UTTARAKHAND

The transmission system for drawing power at our cement unit at Uttarakhand was completely damaged in the floods that swept the state last year. Almost all industries in the state were affected by the tragic incident and were closed till the situation improved. This meant loss of production, which though was *fait accompli* for the industry in the area, was not acceptable to our team. The team worked upon a solution to utilize our previous connection which had been surrendered. It was a novel solution, which was readily acceptable to the authorities also and resulted in the resumption of the cement unit at the earliest. The battle to challenge discomfort and find solace in comfort once again was successfully fought and won by our teams through the creation of a new thinking in a contrarian environment.

### MIGRATION OF MPLS CONNECTIVITY FROM ONE SERVICE PROVIDER TO OTHER PROVIDER WITH ZERO DOWNTIME

We have been using Multi-Protocol Label Switching (MPLS) solution, which is a latest technology for connecting different sites. This MPLS was being provided from a service provider since 2007. The said provider stopped its services all of a sudden and we had to migrate to MPLS connectivity from another service provider immediately to minimize the impact. The comfortable and methodical solution was to take a down-time and switch over the connectivity, which would mean

disruption of operations and inter-connectivity. However, for us it wasn't the right approach. Our team worked 24X7 and smoothly migrated the entire process without causing any business loss. In fact, the Company created dispatch records during the same time period where the migration was being carried out, which is directly related to the uptime of the MPLS links. Once again, it was a case of experimenting with novelty to establish a new practice.

### IN-HOUSE REPAIR OF COMPONENTS AND MODIFICATION OF EQUIPMENT

Whenever any equipment breaks down or performs below capacity, the comfortable option is to call the equipment / OEM supplier to repair the same. This approach, however, is not sufficient for our people as the repair is done as per standard practices which may not meet our requirement. As such, we tend to do in-house repairing and modification of equipment. This is because we know what we require, and we acquire enough knowledge of design and engineering while operating the equipment to enable us to go for in-house maintenance. It may be a discomfort for others but has proved very successful to us as, by doing this, we have been able to achieve better efficiencies and have also been able to increase the useful life of machine. For instance, in-house fabrication and development of Raw Mill Classifier Stator helped increase its life and was done at lower cost compared to OEM. By adopting a thought process that did not align to universal opinion, we were able to build greater inherent competence that promises to deliver even greater returns in the long term through sustained efforts.

A champion sportsman builds his fitness through discomfort of exercise everyday over a long period, so that when the time comes, he unleashes his competence at the bigger stage. Like a

healthy body, inherent competence is a result of sustained efforts undertaken in a regular manner over a period of time. Being pro discomfort builds the competence in a gradual manner day by day, which acts as a cushion to absorb unexpected events and provides resilience to navigate the discomfort zone.

**The journey of competence from discomfort continued through every facet of our operations. And the outcome is more than gratifying.**

## FINDING ONLINE SOLUTION FOR DAMAGE

POWER PLANT TURBINE WAS FACING PROBLEM OF PRESSURIZED OIL LEAKAGE DUE TO DAMAGE IN A SERVO MOTOR. IT WAS REQUIRED TO BE MANUALLY REPLACED WHICH REQUIRED DOWNTIME OF TURBINE AND CONSEQUENT LOSS OF POWER GENERATION, IMPACTING PRODUCTION. OUR TEAM APPLIED SOME UNIQUE SOLUTION AND CARRIED OUT ONLINE REPLACEMENT OF THE SAME WITHOUT STOPPING THE TURBINE, THUS SAVING PRODUCTION DOWNTIME.

# REINVENTING THE COMFORT WHEEL

THINKING THROUGH DISCOMFORT TO FIND COMFORT

**“TOO OFTEN WE ENJOY THE COMFORT OF OPINION WITHOUT THE DISCOMFORT OF THOUGHT.”**

*-JOHN F. KENNEDY, 35th President of the United States of America*



Those who are constantly worried about the criticism of others usually end up remaining stuck in the comfort wheel. They are unwilling to experiment and fearful of taking risks. It is only when one starts thinking beyond the comfort zone, through the trajectory of discomfort, that the effort to reinvent the comfort wheel begins. This, in turn, leads to a new thought and definitive action aligned to that thought.

A sense of comfort in the universally prevalent opinion could have led us to have a single brand to market our product. Our sense of discomfort with an umbrella brand led us to the creation of multiple brands that cater to distinct customer segments across an expanding market network. In a dynamic and continuously evolving market, we have, thus, reinvented the comfort wheel to grow our market share with a unique multiple brand standing achieved through innovation and creativity.

#### **DISCOMFORT OF MULTIPLE BRANDS – COMFORT OF INCREASED SALES**

In a function like marketing, the ultimate aim is to maximize product reach to buyers. It is always comfortable to utilize means judged suitable by majority opinion. Drawing out a differential path not undertaken by majority is uncomfortable as it is uncertain and may lead to undesired end. When we had to decide our means to multiply our volumes in the market arena, we chose the uncomfortable option of increasing our brand offerings, going against the majority opinion of utilizing single brand and strengthening it for higher volumes. The decision involved increased cost of separate marketing structures for each brand, a strategy not applied by others. We were, however,

Over the years, it is natural for a team to get comfortable in its operations. Not for the people who seek discomfort. Our marketing team always has the comfortable option of increasing customer base in existing markets. The spirit of discomfort, however, propels them to keep undertaking the exercise of finding new markets in addition to strengthening the existing ones.

confident in our belief that our market cannibalization strategy will give us incremental benefits. As it has turned out, far from being adversely impacted, the multiplicity of our brands – Shree Ultra Red Oxide, Bangur Cement and Rockstrong Cement – has actually lent us a leadership position in the highly competitive and large markets of Rajasthan, Delhi and Haryana.

### SEEKING DISCOMFORT IN NEW MARKETS

While our leadership was exploring entry into newer markets and was keen to penetrate the hitherto untouched Eastern Market by building capacity in this region, our marketing team proactively undertook efforts to prepare the groundwork for such foray. They took steps to build dealer network and create brand curiosity in the region well in advance, so that by the time the product was launched, the benefits

could be reaped immediately. The usual option would have been to initiate the promotion and advertisement campaign around the launching time of the product. Such proactive efforts of marketing team also inspired the project team to push towards faster development of our manufacturing unit in Aurangabad district of Bihar. The unit has been completed in time and has started moving its product in the market, which is well received in view of advance action taken by our marketing team.

### EXTENDING DISCOMFORT TO EXTEND REACH IN EXISTING MARKETS

Over the years, it is natural for a team to get comfortable in its operations. Not for the people who seek discomfort. Our marketing team always has the comfortable option of increasing customer base in existing markets. The spirit of discomfort, however, propels them to keep undertaking the exercise of finding new markets in addition to strengthening the existing ones. While this is an ongoing activity for us, last year, our efforts have led to identifying

newer markets of Himachal Pradesh and Gujarat which are traditionally dominated by large players. The unrestrained thoughts of our people have found potential for developing these markets, notwithstanding the logistical disadvantage possessed by them.

### INNOVATIONS TO MULTIPLY SALE OF LOOSE CEMENT

Supply of cement in loose is beneficial for both customer as well as supplier, as it results in cost saving on account of packing material, labor cost as well as avoiding wastage of cement. Our team worked towards multiplying benefits from this area. It implemented the innovative concept of facilitation of bulk cement unloading without cost to buyers, so that the customer need not engage in petty activity of bulker unloading. Another innovative step was to make the process of unloading of loose cement faster by engaging pick-up van with higher capacity compressors mounted thereon, resulting in saving of unloading time drastically. The Company improved servicing to



customers by reliable unloading facility at customer's location as and when required, by introducing dedicated Logistic and Marketing support cell to look after customer needs.

#### EXPEDITING DELIVERY, WINNING CUSTOMERS

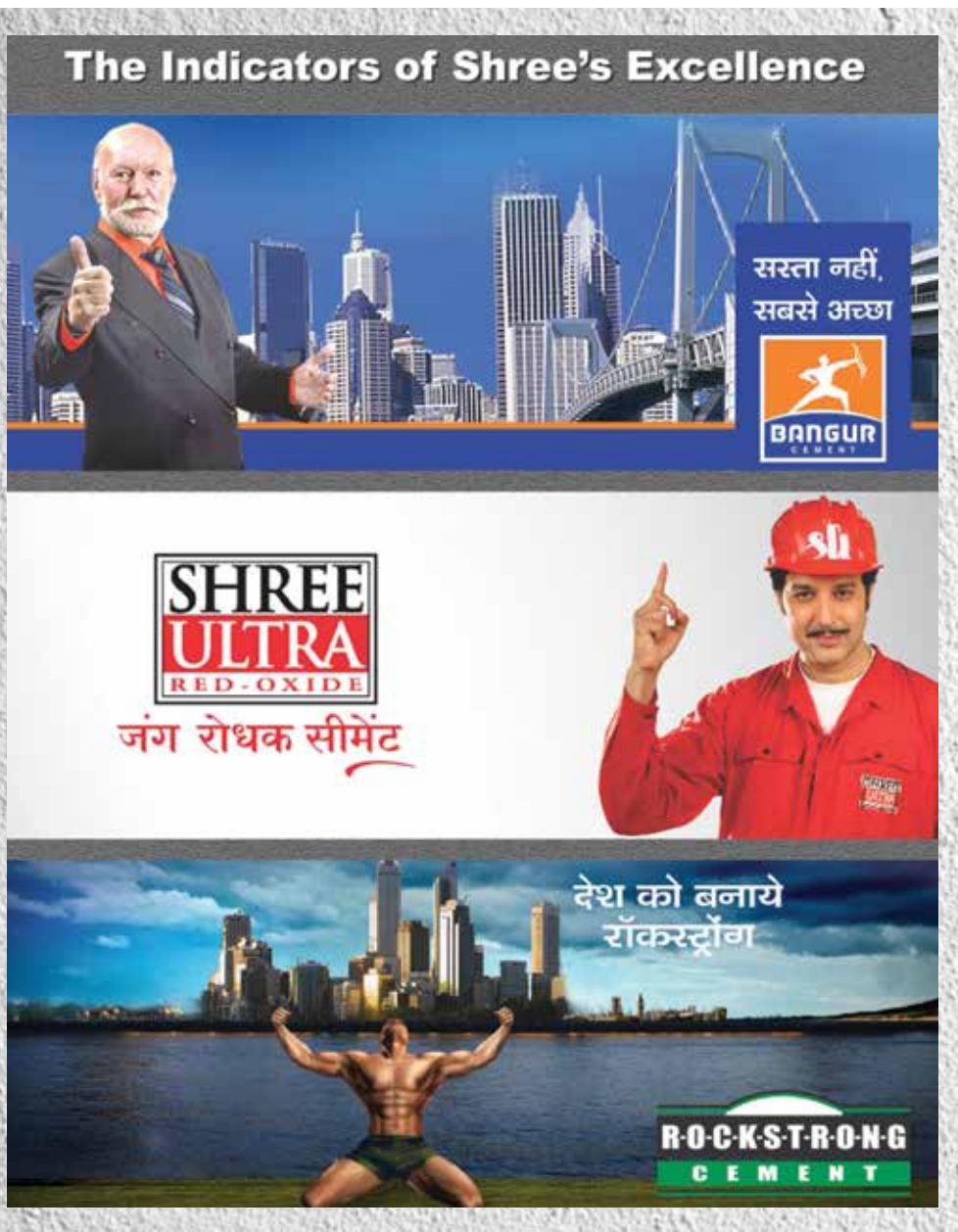
To boost market share in the rich market of National Capital Region (NCR) through door delivery by road,

we are continuously growing our truck fleet, ensuring excellent coordination amongst logistics, truckers, marketing and customers for timely delivery, faster unloading and maintaining floating stock of trucks for unscheduled demands. Though not very comfortable as independent measures, they have collectively helped increase truckers' engagement for these areas to drive 22% volume growth.

#### FINDING NEW WAYS FOR BRANDING CEMENT

We are continually adopting different ways to promote branding of our cement varieties. Advertising on trucks has been taken up as a cost-effective mass media mode, but the task is not only challenging but uncomfortable as it involves painting on trucks while they are on the job of cement and clinker transportation. This means that the Logistics department has to constantly look for trucks in waiting to avoid wastage of time, and also convince truck drivers to allow their trucks to be painted. The exercise is being successfully implemented, with 1622 trucks already painted as a highly cost-effective advertising medium.

The comfort of accepting established opinions is just not accepted at Shree. This approach is limiting and discourages new thinking. It is the tryst with the discomfort which expands the charter of thinking of our people and way of functioning here at Shree. This propels our endeavor to reach out, often through uncomfortable ways, to our customers, service them and find new markets.



#### MULTIPLYING SALE OF LOOSE CEMENT

OUR INNOVATIVE EFFORTS TO MULTIPLY SALE OF LOOSE CEMENT RESULTED IN AN UNPRECEDENTED INCREASE IN SALE OF BULK CEMENT BY 442% DURING YEAR 2013-14 (2.54 LAC TONS IN YEAR 2013-14 AGAINST 0.47 LAC TONS IN YEAR 2012-13).

# DISCOMFORT - A WAY OF LIFE THAT CREATES A COMFORT ZONE OF LIVING

ENJOYING THE UNCOMFORTABLE WAY OF LIVING FOR SUSTAINED COMFORT

**“LIFE BEGINS AT THE END OF COMFORT ZONE.”**

*NEALE DONALD WALSCH, noted American author of the series 'Conversations with God'*



Existing and living are two distinctly diverse agendas of growth. While existing refers to not disturbing what is working, living involves a strong will to transform good into better and better into the best. Quite frankly, life begins only outside the comfort zone.

We, at Shree, realize that we need to step into discomfort and opt for an uncomfortable way of living if we are to sustain our success and grow.

The Shree ethos is built on this thinking. Our innate desire and urge to go the next step, every time, prods us to be uncomfortable with the present and find new ways of delivering efficiencies in operations, rationalizing costs and improving performance. At Shree, being in perennial discomfort with the existing is the way we work.

#### **BEING UNCOMFORTABLE WITH CURRENT WAY OF LIVING**

The Human Resource value proposition at Shree is grounded in and based on the convergence of the seemingly conflicting human aspirations and organizational aspirations. Though it looks uncomfortable to synergize both, objective analysis of the situation has given us reasons to believe that it is possible and in fact imperative for an organization to work out its practices considering individual, organizational, community and environmental interests.

The preponderance of people seeking proactive discomfort and growing without the fear of failure getting stuck with them has converted the non-volunteers into those actively looking for challenging roles.

At Shree, we have intricately blended the needs for organizational growth and sustained performance with individual aspirations in such a way that both are met together and grow consistently. The working environment at Shree and its consistent growing business provides great opportunities for innovations, creativity and learning. This acts as a strong motivator for people at Shree to propel them with a “will to win” attitude, and contributes to the performance and success of the Company. Thus, the entire value system at Shree is well integrated for growth of the organization and its people.

#### ATTITUDE OF DISCOMFORT MAKES CHALLENGES COMFORTABLE

The preponderance of people seeking proactive discomfort and growing without the fear of failure getting stuck with them has converted the non-volunteers into those actively looking for challenging roles. Thus, accepting challenges has been made easy in the organization. Once the non-seekers get to bask in the pride of accomplishment, they become one with others. This has helped us create a culture wherein everyone aspires to go the extra mile, and in the process discover his

unknown potential. This sense of discomfort gives them the freedom to learn more, and work beyond set patterns and defined boundaries. Inspired by the management’s thinking and encouragement, our people find enjoyment in such discomfort. They are motivated to stretch themselves towards new horizons of learning and performance. The job now no longer remains a job but a passion to outperform every single day.

#### BEING COMFORTABLE WITH ENTREPRENEURIAL SPIRIT

Encouraging initiative taking and individual entrepreneurship can lead to collective growth. The work environment at Shree is, thus, rooted in a foundation of trust that acts as a binding force across the hierarchical fabric. There is a culture of mutual trust and care, aimed at promoting a spirit of bonhomie and collective responsibility. People feel inspired and motivated to innovate through discomfort and to find comfort





in developing an entrepreneurial spirit. The team at Shree looks at challenges as opportunities to learn something new and accomplish something better. The greater the challenge the more exciting it is to accomplish. In such a scenario, no one is required to be told what to do; rather they themselves keep coming up with different options. Whenever a team is to be formed to take up a challenging task, there are always more than required people volunteering for the role and the team leader is confronted with the “problem of plenty”. We have experienced that whenever we have provided people with opportunity and resources, they have performed with passion and innovation and shown more commitment to the Company and their colleagues.

#### FINDING COMFORT IN RESPONSIBILITY AT YOUNG AGE

We realize that every individual aspires to grow and develop by doing more things and accepting more responsibility. What

stops people from going for it is the fear of unknown outcomes, which forces them to continue with the existing and remain in their “Comfort Zone”. When the organization encourages failure in the pursuit of continuous improvement, the fear of failure extinguishes. The absence of fear in taking risks and experimenting with discomfort ensures that our people do not shy away from any responsibility, howsoever big, even if they are not, by industry standards, senior or old enough to take it on. Rather, our people actually go all out to seek such responsibility and revel in it. This is due to the high trust that the people share among themselves, as well as with the management, which makes them believe that they can accomplish anything, and even if they don't, it will be a new learning and not a blot to their career.

#### TRAINING AND DEVELOPMENT

Training & development is in-built in the HR model to ensure continuous alignment of talent to match increased

responsibilities and evolving business demands. Apart from the regular external training programs, Shree believes in regularly training its people with respect to three types of training programs, namely, organizational needs, functional needs and individual needs. Each individual is required to list out his behavioral and technical training needs, which is subsequently confirmed through discussions with individual and supervisor. Innovative methods like Role Plays, Theater, Workshops, Movie-based Training, Case Studies, etc. are part of the training calendar, apart from the normal lecture mode of learning. An attempt to capture the learning style of the individual, and then work on delivering training based on the learning style, is in process. An important aspect of development is Cross Functional Training, wherein people are encouraged to work in different departments and learn new areas. This helps them in not only learning newer activities but enables their all-round development. From organization point



The unique model based on convergence of individual and organizational aspirations, where every aspect of the organization's processes is aligned to people processes, helps realize the individual potentials and their aspirations.

of view, it helps in having a team where everyone understands the others' point of view and comprehends that the other point of view is coming from being involved in that activity at some previous point of time.

### INDUCTION PROGRAM

In order to have an effective integration of people joining us and to ensure that they acquire a holistic view of the Company, a comprehensive induction program is conducted. The induction emphasizes on making new people comfortable and acquiring understanding of the work culture at the Company. The induction program is augmented with monthly and quarterly feedbacks to provide opportunity to new joiners to share their views and experience.

### PERFORMANCE MANAGEMENT SYSTEM

For increasing the effectiveness of an organization, it is imperative that there be the presence of a system that would align the various organizational processes and ensure input-output relationship. The Performance Management System at Shree is designed with this strategic focus in mind

and brings about a more comprehensive approach to the process of performance management. This is done by engaging multiple human faculties and leveraging strengths of individual, so as to involve the employees at the highest level and succeed in realizing the vision of the organization.

The above system focuses not just on performance but on multiple dimensions of individual development to inspire the employees to realize their potentials and work in cohesion with the management, so as to achieve the organizational as well as individual objectives. The fact that this Performance Management System is based on sound theoretical foundations and action research finds testimony in the fact that it has been covered as a case study in the 15th Edition of the book "Organizational Behaviour" by Stephen P. Robbins, Timothy A. Judge and Niharika Vohra.

### PRACTISING INNOVATION IN HR

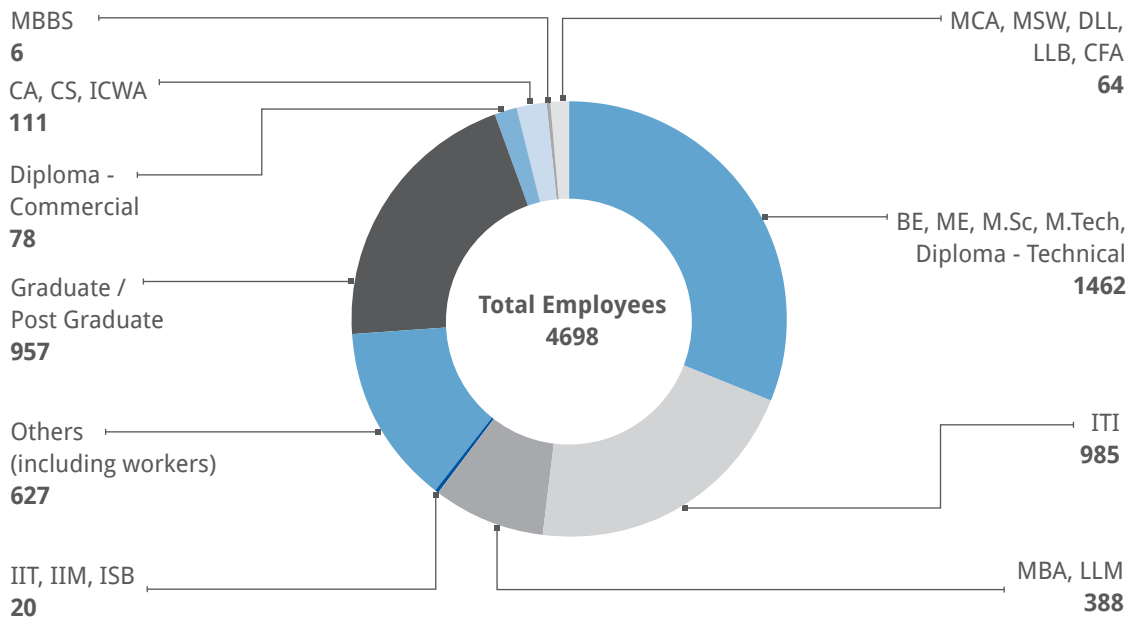
In an innovative outreach, Company has created a Happiness Centre to enable people to refresh their minds and bodies and ultimately be happy at work. Every day, a message named "Happiness Mantra" is sent through mail from the "Chief Happiness and Friendship Officer" to every member of the Company, which contains an inspiring message on how to be happy in life with the intention of lifting up the day for the people. Work-life balance at Shree is focused on Complete Wellness of employees. The Company provides best recreational facilities to its employees to help them enjoy. A multi equipment gym has been built for encouraging employees to remain in shape.

Creativity and Innovation is one of the values of Shree Cement and innovation is one of the characteristics of HR

Training and Development	2013-14	
Particulars	In - house	External
<b>Program (Nos.)</b>	828	83
<b>Participants (Nos.)</b>	15963	194
<b>Person Days Invested in Training</b>	8389	581
<b>Person Hours of Training</b>	67108	4650
<b>Average Training Man-hour per person</b>	15.27	



## QUALIFICATIONWISE BREAK-UP OF TOTAL EMPLOYEES AS ON 30<sup>TH</sup> JUNE, 2014



at Shree Cement. This is part of the learning process of each and every employee, including the senior management, and has led to many innovations being carried out. The contributions of HR were recognized by The World HRD Congress / Global HR Excellence Awards in February 2013, by conferring Shree Cement as an "Organization with Innovative HR Practices".

The unique model based on convergence of individual and organizational aspirations, where every aspect of the organization's processes is aligned to people processes, helps realize the individual potentials and their aspirations. This lends uniqueness and a formidable theoretical foundation for Excellence in HR, thereby making us a Dream Company to work for, with unique value proposition for our employees.

## EMPLOYEE WELLNESS

COMPANY CONTINUOUSLY PROVIDES EMPLOYEES WITH EXCITING CULTURAL AND OTHER PLATFORMS FOR INTERACTION, LIKE KAVI SAMMELAN, THEATER "GHALIB IN NEW DELHI", "SANGEET KI EK SHAAM", ETC. ALL THESE ARE AIMED AT ENSURING THAT THE SHREE PEOPLE ARE ABLE TO MANAGE BALANCE BETWEEN WORK AND SOCIAL LIFE.



# REWARDS OF DISCOMFORT

A JOURNEY OF ACHIEVEMENT,  
COMFORT AND SUCCESS



**“NOBODY EVER DIED OF DISCOMFORT, YET LIVING IN THE NAME OF COMFORT HAS KILLED MORE IDEAS, MORE OPPORTUNITIES, MORE ACTIONS, AND MORE GROWTH THAN EVERYTHING ELSE COMBINED. COMFORT KILLS!”.**

*T. HARV EKER, noted Canadian author, businessman and motivational speaker*

Nurturance of life within the established zones of comfort comes naturally to most of us. But those who are not comfortable with the current or existing way of living are perpetually looking for discomfort to evolve into better entities. They are motivated and inspired by their inherent discomfort with the existing to go many steps ahead and map a progressive charter for themselves outside their comfort zone.

They are the ones who dare to let go of the comfort of shores to sail into deep waters. Obviously, they are the people who reap the rewards.

At Shree, our journey with persistent discomfort has marked and shaped our evolution from a tiny boat to a large ship sailing in deep oceans. It has led us to various innovations, navigating adversarial winds, accomplishing innumerable achievements, and rewarding us and all our stakeholders to successive levels of higher comfort and success.

#### **WINNING STAKEHOLDERS' TRUST BY WALKING THE TALK**

Our journey of discomfort and its consequent rewards has kept assuring us of the strength of our values of integrity, transparency and accountability in the way we conduct our business. It has strengthened the belief and assurance that being transparent in communication with all stakeholders is the only way to conduct business.

Shree routinely goes the extra mile to communicate with stakeholders, and to disclose and share information with them. It has regularly provided them with insight beyond what's legally required. The accountability of its communication is reflected in the

Sustainable value creation for investors over a long period of time requires disciplined balance between growth and returns. It would be tempting to stretch financial leverage amid a growth phase while a gloomy phase could easily force enterprises to move away from sensible opportunities.

fact that it has regularly surpassed its communicated estimates of profitability and growth. Sustained performance of this level has earned it the trust and confidence of all its stakeholders, as well as the investor community which

has acknowledged it with the tag of "Walking the Talk".

#### CREATING SUSTAINABLE STAKEHOLDER VALUE

Growth is never by chance; it is the result of forces working together. As we have continued on our journey through the highs and lows of discomfort, we have consistently created high value for our stakeholders. Together with our stakeholders as partners in this voyage, we have reaped the rewards of discomfort.

#### HIGHER RETURNS TO INVESTORS

Sustainable value creation for investors over a long period of time requires disciplined balance between growth and returns. It would be tempting to stretch financial leverage amid a growth phase while a gloomy phase could easily force enterprises to move away from sensible opportunities. Long-term value creation, hence, involves sustained

balancing act over a period of time which can be achieved only by those who are cognizant of their strengths and watchful of their imperfections.

Shree has consistently leveraged its strength to earn profits. We have been able to deliver better than average returns to investors through a carefully thought-out strategy of reinvesting profits in building capacities to leverage its operational strength. We have followed the strategy that re-distribution of profits in the form of dividends would have given lower returns to investors vis-à-vis investing the profits in the Company itself, thereby improving the intrinsic value of the equity and resulting in enhanced returns to investors.

The Internal Rate of Return (IRR) of an investor who had invested in the equity of Shree in its IPO in February '85 works out to a significant 27.87% over a period of almost 30 years.



### A synopsis of the growth across various parameters achieved over the last 25 years:

	Units	2013-14	1988-89	CAGR
<b>Capacity</b>	Mln Tons	17.5	0.6	
<b>Cement Production</b>	Lac Tons	142.22	7.38**	12.6%
<b>Gross Revenue</b>	₹ Crores	6532.88	80.00**	19.3%
<b>Shareholders' Fund</b>	₹ Crores	4710.87	21.04	24.2%

\*\*Annualized

### CONSISTENTLY HIGHER DIVIDEND PAYOUTS

The Company has been a continuously dividend paying company. The level of dividend payout has been increasing over the years. The compounded annual growth rate (CAGR) in dividend payment to the investors over the last 5 years works out to 17.08%.

	2013-14	2012-13	2011-12
<b>Dividend (₹ per share)</b>	22	20	16 (annualized)
<b>Book Value (₹ per share)</b>	1352.25	1103.32	784.77
<b>Market Capitalization (₹ Crores)</b>	25245	16262	10590

### SHREE – COMFORT OF LENDERS

Our strong financials are backed by impeccable credibility across our value chain as well as national and global financial institutions. In a significant reassessment and recognition of our trustworthiness, the long-term credit rating of the Company was upgraded to AAA from AA+ by CARE and reaffirmed AA+ by Crisil. Credit rating of short-term debt was also reaffirmed at A1+ from CARE. Further, we maintained credit rating of SBBJ-1 (highest rating) for working capital limits.

Our standing has given us access to low cost finance as we are able to raise term loans at lower than market rates. Our credibility among our lender Consortium has made them sanction

and continue large Fund and Non-Fund based limits in spite of fluctuating utilization. Such large credit lines enabled the Company to fully exploit the low cost purchase opportunity of imported Pet Coke and Thermal Coal by accessing Buyers' credit.

We have made it a habit of achieving higher volumes and profits over the years on a consistent basis. Along the way, we have consistently kept shifting to a higher orbit of highly valued and respected corporates across the globe. Continuous pursuit of discomfort at our end has enabled us to provide higher returns and rewards to all our stakeholders. They, in turn, have rewarded us with respect and trust, which is the supreme measure of reward for us.

### COMFORTABLY PLACED IN THE TOP RUNG

WITH THE PHILOSOPHY OF WALKING THE TALK AND CONSISTENT FINANCIAL PERFORMANCE, THE COMPANY HAS WON THE CONFIDENCE AND TRUST OF ITS STAKEHOLDERS OVER THE YEARS. CONSEQUENTLY, ITS CONSISTENTLY GROWING SHARE PRICE HAS PUT IT AMONG THE TOP 100 LISTED COMPANIES IN INDIA IN TERMS OF MARKET CAPITALIZATION.

# UNCOMFORTABLE WITH SOCIETAL STATUS QUO

CREATING NEW PARAMETERS OF SUSTAINABLE GROWTH

**“WHEN WE ARE WILLING TO STAY EVEN A MOMENT WITH UNCOMFORTABLE ENERGY, WE GRADUALLY LEARN NOT TO FEAR IT.”**

*- PEMA CHÖDRÖN, noted American author, teacher and nun*





The world we inhabit is an interconnected and interdependent world where each component relates dynamically with each other. Sustainable success accrues to those who understand the interconnectivity, and make efforts to nurture and strengthen the interrelationship of these diverse elements which include people, community and the environment.

Involvement of all these elements as integral parts of business is hence a prerequisite rather than an outreach exertion.

Rooted in a strong desire to find comfort in discomfort, we have extended our approach of embracing discomfort to ensuring the ultimate good of all, not just within the organization but those whose lives we touch in other ways. We are committed to societal welfare and environmental conservation through myriad initiatives that span the discomfort zone. We are not willing to compromise with discomfort, rather we are ready to accept it and stay with uncomfortable energy, gradually learning to be comfortable with it.

#### **DISCOMFORTING EFFORTS TOWARDS COMFORTABLE ENVIRONMENT**

Shree has taken multiple initiatives in its operations and processes towards reducing its carbon footprint and contributing to low carbon economy. Discomfort of process has given comfort of sustainability to the operations, along with comfort of economies and self-dependence.

We always strive to actively contribute through our operations, as well as through other measures of participation at national and global forums for

Empowering communities and working towards making a meaningful difference to them is an approach that is deeply engrained in our business. The vision is to become a catalyst of positive change in society.

addressing the issues of GHG emission, climate change and to encourage the world towards a greener economy. Our sustained efforts towards practicing and encouraging sustainability practices have earned us the recognition of “The New Sustainability Champion” conferred by the World Economic Forum.

### CHAMPIONING SUSTAINABILITY THROUGH DISCOMFORT

A few of our pioneering efforts in sustainability are hereunder:

- \* First Indian cement company to join the Cement Sustainability Initiatives of the World Business Council for Sustainable Business Development (WBCSD)
- \* First cement company in the world to fetch Certified Emission Reductions (CERs) on its Clean Development Mechanism project “Optimal Utilization of Clinker”
- \* Implemented Largest Waste Heat Power Plants capacity of 81 MW in World Cement Industry excluding China
- \* First Indian cement company to issue Corporate Sustainability Report following the highest level

“A+” for reporting triple bottom line performance

- \* One of the lowest specific energy consumption among cement manufacturing companies in the country
- \* Became member of Global Reporting Initiative (GRI) for improving sharing of information on Environment and Social issues
- \* Participated in various international meetings and forums for environment and energy management

### WATER CONSERVATION

One of the focus areas for our sustainability wing is the optimum management of water. Given that our operations are majorly located in water-scarce areas, it becomes of paramount importance to us to conserve the



water and minimize the impact of our operations on this natural resource, in whatever way – comfortable or uncomfortable.

We continued the building and maintaining of rainwater harvesting structures and used our empty mine pits for collecting rainwater. This was a part of our strategy, which we implemented in nearby surroundings to counter the problem of water scarcity. These projects also included taking household surveys on water management, installation of rain gauges, keeping well & crop inventories, and setting up & training Village Development Committees for water management.

Additionally, a sewage treatment plant has been installed for the treatment and reuse of domestic waste water generated from our housing colony. This water is reused for purposes like irrigation, quenching and water spray.

### REPORTING ON SUSTAINABILITY

We are continuously striving to promote better and more effective sustainability practices. In order to ensure transparent communication of our sustainability efforts to our stakeholders, we have made a conscious effort to document our sustainability practices. We have been issuing our Corporate Sustainability Report (CSR) incorporating our activities across the sustainability spectrum for the last nine years. Our 10th CSR report is also being issued this year.

### WORKING WITH DISCOMFORT THROUGH CSR

Empowering communities and working towards making a meaningful difference



to them is an approach that is deeply engrained in our business. The vision is to become a catalyst of positive change in society. As a corporate entity, we have always considered holistic social development of our communities as our business need. We are continuously striving to accept discomfort in order to provide comfort to the needy, since

we consider this as incidental to our own growth and development. That is why we are continuously working on multiple initiatives in CSR to ensure the betterment of the society at large. Uncomfortable with the existing situation in the society, we work towards the betterment of the needy.

Shree has a dedicated CSR cell manned by qualified professionals who work towards uplifting the underprivileged in a professional manner. The team lays down systematic execution process towards meeting the needs of the communities in a holistic manner.

Shree has a dedicated CSR cell manned by qualified professionals who work towards uplifting the underprivileged in a professional manner. The team lays down systematic execution process towards meeting the needs of the communities in a holistic manner. The focal areas of the dedicated CSR unit include promotion of healthy living among communities by providing efficient health and family welfare services, promoting education as a driver to community development, empowering women for a balanced society, creating livelihoods through constructive programs and infrastructure development for community welfare.

The CSR team holds regular interactions with all stakeholders to identify development needs and implementation methods. The Company partners with Panchayat, NGOs, Government agencies, etc., and seeks to implement an integrative set of initiatives that re-enforces each other's positive effects to ensure effective adoption of developmental efforts by the communities.

During the year, we organized a blood donation camp under the aegis of Shree Ladies Club, which resulted in collection of around 4000 units of blood – a record in the Indian corporate world. Prominent Bollywood celebrities Om Puri and



Rajpal Yadav also participated in this noble cause. Further, a mega surgical camp was organized in collaboration with the Govt. of Rajasthan, wherein a large number of patients were attended and operations were conducted across a diverse medical spectrum. To address the issue of open defecation, we launched “Shree Swachchata Project” involving awareness campaign conducted through street plays, leaflets and door to door interaction with an aim to facilitate and encourage construction of household toilets.

(For more details on our CSR and Sustainability efforts, please refer to

the “Directors’ Report” and “Business Responsibility Report” section in this report and our Corporate Sustainability Report for the year 2013-14 which is available on our website.)

In pursuit of high growth, we have not taken our sight off sustainable development of all our stakeholders. We have been able to sustain a stupendous growth rate, which bears testimony to the fact that the performance of the Company has led to the financial sustainability and continuous growth for all its stakeholders.

## REGULAR STAKEHOLDER INTERACTIONS

THE CSR TEAM HOLDS REGULAR INTERACTIONS WITH ALL STAKEHOLDERS TO IDENTIFY DEVELOPMENT NEEDS AND IMPLEMENTATION METHODS. THE COMPANY PARTNERS WITH PANCHAYAT, NGOS, GOVERNMENT AGENCIES, ETC., AND SEEKS TO IMPLEMENT AN INTEGRATIVE SET OF INITIATIVES THAT RE-ENFORCES EACH OTHER'S POSITIVE EFFECTS TO ENSURE EFFECTIVE ADOPTION OF DEVELOPMENTAL EFFORTS BY THE COMMUNITIES.



# AWARDS AND ACCOLADES

“MASTER YOUR FEAR OF DISCOMFORT,  
AND YOU CAN MASTER THE UNIVERSE.”

- Leo Babauta (American blogger, journalist and published author)

At Shree, we have consistently worked on mastering our fear of comfort to venture into new and challenging zones of discomfort. On the way, we have often encountered challenges and obstacles but have battled them willingly and assertively. The result: we have earned benefits that go beyond numbers. Our awards and accolades stand testimony to the success of our approach and philosophy.

## A GLANCE AT THE AWARDS WON DURING FY 2013-14



**GREEN COMPANY  
GOLD RATING BY  
CII - GODREJ GBC,  
HYDERABAD**



**BEST OVERALL  
SUSTAINABLE  
PERFORMANCE  
AWARD BY WORLD  
CSR CONGRESS**



**NCCBM AWARD FOR  
SECOND BEST QUALITY  
EXCELLENCE FOR THE  
YEAR 2012-13**



**NCCBM AWARD FOR SECOND BEST QUALITY EXCELLENCE FOR THE YEAR 2011-12**



**CII-ITC SUSTAINABILITY AWARDS - COMMENDATION CERTIFICATE FOR SIGNIFICANT ACHIEVEMENT**



**INTERNATIONAL CSR EXCELLENCE AWARD 2014 FOR CSR ENGAGEMENT BY THE CRYSTAL LONDON**



**"INSTITUTIONAL AWARD" BY RAJASTHAN AIDS CONTROL SOCIETY AND RAJASTHAN STATE BLOOD TRANSFUSION COUNCIL**

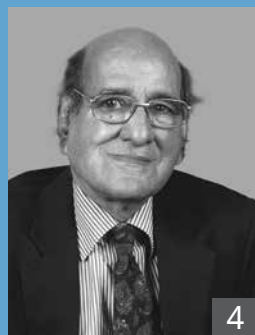


**"DREAM COMPANY TO WORK FOR" AWARD IN THE INFRASTRUCTURE SECTOR BY WORLD HRD CONGRESS**



**BEST HR STRATEGY IN LINE WITH BUSINESS BY WORLD HRD CONGRESS**

# PROFILE OF DIRECTORS



## 1 SHRI B. G. BANGUR

**Chairman (DIN: 00244196)**

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

## 2 SHRI H. M. BANGUR

**Managing Director (DIN: 00244329)**

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

## 3 SHRI PRASHANT BANGUR

**Whole-time Director (DIN: 00403621)**

Shri Prashant Bangur is a Graduate from the Indian School of Business, Hyderabad. He joined Shree Cement in 2004 and since then is involved in all strategic, policy and operational matters of the Company. He has been providing critical insight and direction in all management decisions in the Company. Shri Bangur joined the Board of Shree Cement on 23<sup>rd</sup> August, 2012. He is also a director in Khemka Properties Pvt. Ltd.



#### 4 SHRI R. L. GAGGAR

**Director (DIN: 00066068)**

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

#### 5 SHRI O. P. SETIA

**Director (DIN: 00244443)**

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

#### 6 SHRI SHREEKANT SOMANY

**Director (DIN: 00021423)**

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

#### 7 DR. Y. K. ALAGH

**Director (DIN: 00244686)**

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

(Gujarat). He was earlier the Minister of Power and for Planning & Programme Implementation with additional charge of the Ministry of Science & Technology. He has been member of Planning Commission (in the rank of Minister of State). He has been Chairman, Bureau of Industrial Costs and Prices, Ministry of Industry. He has several books and over a hundred articles to his credit, published both at home and abroad. He has traveled widely and represented India in a number of high level official delegations and seminars. He is on the Board of Somany Ceramics Ltd., Star Agriwarehousing & Collateral Management Limited and ADJB Production Pvt. Ltd.

#### 8 SHRI NITIN DESAI

**Director (DIN: 02895410)**

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

#### 9 DR. LEENA SRIVASTAVA

**Director (DIN: 00005737)**

Dr. Leena Srivastava is currently the Vice Chancellor of the TERI University in addition to being the Hony. Executive

Director (Operations) at TERI, New Delhi. She is a member of various committees and Boards both at the international and national levels. At a think tank/science level, she serves on the Executive Committee, Advisory Panels, Governing Boards of various global entities leading the sustainability agenda including the UN, the World Economic Forum, UNEP; amongst several other equally prestigious organizations spearheading the global agenda of Sustainability. She is the recipient of several national and international recognitions for her contribution to the field of sustainable development, climate change and energy management. She was a member of the Expert Committee to formulate India's Energy Policy, Planning Commission, Government of India and National Security Advisory Board, Government of India. Dr. Srivastava is on the Editorial Boards of various international journals dealing with energy and environment issues and has a number of publications to her credit. She has done Masters in Economics from the University of Hyderabad and a Ph.D in Energy Economics from the Indian Institute of Science in Bangalore, India. She is on the Boards of Bharti Infratel Ltd., Meridian Institute, USA, Teri Technologies Ltd., Strategic Mediaworks Pvt. Ltd. and World Environment Centre, USA.

#### 10 SHRI RAMAKANT SHARMA

**Director (DIN: 01556371)**

Shri Ramakant Sharma is a science graduate having around 45 years of experience in public relations (PR) with various cement industries. He is member of Rajasthan Golf Club and Jaipur Club. He was past president of Jaipur Club and member of Divisional Rail Users Consultative Committee of North West Railways.

## FIVE YEARS HIGHLIGHTS

### Operational Performance

Particulars	2009-10	2010-11	2011-12 (15 Months)	2012-13	2013-14
Cement Production (Lac MT)	93.72	94.28	142.02	123.32	142.22
Cement Sales (Clinker & Cement) (Lac MT)	102.47	102.65	148.70	124.61	142.52
Net Power Generation (Lac Kwh)	9985	12400	23416	35685	29101
Power Sales (Lac Kwh)	2636	5240	13223	26103	18597
Power Consumption (Kwh/Ton of Cement)	75.25	79.26	76.86	78.23	75.19
Fuel Consumption (% of Clinker)	10.64	11.74	11.28	10.44	10.07

### Financial Performance

#### Profit & Loss Statement

(₹ in Crore except per share data)

Particulars	2009-10	2010-11	2011-12 (15 Months)	2012-13	2013-14
Net Sales	3632.12	3453.53	5799.52	5590.25	5887.31
Other Income	75.84	125.10	162.78	188.33	184.94
Total Income	3707.96	3578.63	5962.30	5778.58	6072.25
<b>EBIDTA</b>	<b>1578.35</b>	<b>1009.93</b>	<b>1808.54</b>	<b>1749.25</b>	<b>1574.76</b>
Depreciation & Amortization	570.43	675.76	873.09	435.63	549.91
Finance Costs	76.58	175.35	235.36	193.14	129.19
Profit before Tax	867.91	110.35	687.75	1119.42	815.15
Tax Expense	191.81	(99.35)	69.25	115.45	27.91
<b>Net Profit</b>	<b>676.10</b>	<b>209.70</b>	<b>618.50</b>	<b>1003.97</b>	<b>787.24</b>
Basic and Diluted EPS (in ₹)	194.07	60.19	177.54	288.19	225.98
Cash EPS (in ₹)	369.77	236.99	428.88	406.34	369.74

#### Balance Sheet

Particulars	2009-10 (31 <sup>st</sup> March, 2010)	2010-11 (31 <sup>st</sup> March, 2011)	2011-12 (30 <sup>th</sup> June, 2012)	2012-13 (30 <sup>th</sup> June, 2013)	2013-14 (30 <sup>th</sup> June, 2014)
Investment in Fixed Assets (Gross Block + CWIP)	3918.28	5069.90	5516.42	6410.93	8008.52
Net Block of Fixed Assets	751.95	1167.06	1521.06	1781.94	2193.77
Shareholders' Fund	1833.24	1986.18	2733.93	3843.65	4710.87
Total Capital Employed	3939.48	4241.29	5285.40	5588.28	6582.63

#### Key Ratios

Particulars	2009-10	2010-11	2011-12 (15 Months)	2012-13	2013-14
EBIDTA to Net Sales (%)	43.46	29.24	31.18	31.29	26.75
Return on Net Worth (%)	37.02	7.83	18.65	26.13	16.16
Return on Avg. Capital Employed (%)	30.00	6.98	15.50	24.14	15.52

**Note:** Figures regrouped and rearranged wherever necessary.

## TWENTY FIVE YEARS HIGHLIGHTS

Year	Clinker Production (Lac MT)	Cement Production (Lac MT)	Cement Sales (Lac MT)	Gross Sales Value (₹ in Crore)	Shareholders' Fund (₹ in Crore)	Book Value (₹ per Share)	
1988-89 (15 months)	8.49	9.22	9.14	100.00	21.04	10.52	
1993-94	8.58	8.76	8.89	156.53	71.24	28.92	
1994-95	8.93	9.27	9.27	181.44	88.59	35.99	
1995-96	8.88	8.62	8.68	207.66	134.87	46.46	
1996-97 (15 months)	10.79	11.85	11.62	251.12	182.03	52.25	
1997-98	14.36	17.26	16.62	342.78	190.57	54.70	
1998-99	19.45	20.44	20.91	442.15	196.54	56.42	
1999-00	22.85	23.12	23.10	484.56	219.39	60.82	
2000-01	21.13	23.83	24.00	554.60	247.06	66.61	
2001-02 (9 months)	16.25	18.06	18.02	397.22	215.61	57.58	
2002-03	22.85	27.47	27.25	582.43	222.40	63.84	
2003-04	22.94	28.41	28.41	606.93	251.38	72.16	
2004-05	24.83	30.16	30.61	723.03	289.49	83.10	
2005-06	27.71	32.20	32.03	824.13	296.30	85.05	
2006-07	35.06	47.99	48.33	1613.14	454.55	130.48	
2007-08	46.23	63.37	63.34	2440.32	672.81	193.13	
2008-09*	64.18	77.65	77.36	3091.59	1210.02	347.33	
2009-10*	80.45	93.72	92.71	4014.09	1833.24	526.23	
2010-11*	74.65	94.28	93.38	3879.45	1986.18	570.13	
2011-12* (15 months)	102.88	142.02	142.06	6478.60	2733.93	784.77	
2012-13*	86.82	123.32	122.77	6145.97	3843.65	1103.32	
<b>2013-14*</b>	<b>98.62</b>	<b>142.22</b>	<b>140.66</b>	<b>6532.88</b>	<b>4710.87</b>	<b>1352.25</b>	
Growth in absolute no. of Times	25 Years <sup>§</sup>	14.52	19.27	19.24	81.66	223.90	128.54
	20 Years	11.49	16.23	15.82	41.74	66.13	46.76
	15 Years	5.07	6.96	6.73	14.78	23.97	23.97
	10 Years	4.30	5.01	4.95	10.76	18.74	18.74
	5 Years	1.54	1.83	1.82	2.11	3.89	3.89
CAGR	25 Years <sup>§</sup>	11.29%	12.56%	12.56%	19.26%	24.17%	21.44%
	20 Years	12.98%	14.95%	14.80%	20.51%	23.32%	21.20%
	15 Years	11.43%	13.81%	13.55%	19.67%	23.59%	23.59%
	10 Years	15.70%	17.48%	17.35%	26.82%	34.05%	34.05%
	5 Years	8.97%	12.87%	12.70%	16.14%	31.24%	31.24%

**Note:** Figures regrouped and rearranged wherever necessary.

\* Sales value includes amount of power sale.

<sup>§</sup> Figures of year 1988-89 have been annualized, wherever required.

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

We are pleased to present our report together with Management Discussion and Analysis for the year ended on 30<sup>th</sup> June, 2014.

### FINANCIAL RESULTS

Brief summary of the Company's standalone and consolidated financial performance is as under:

(₹ in Crore)

Particulars	Standalone Performance		Consolidated Performance	
	2013-14	2012-13	2013-14	2012-13
Revenue from Operations	5887.31	5590.25	5887.31	5590.25
Profit Before Interest, Depreciation and Taxes	1574.76	1749.25	1574.73	1749.22
Profit Before Tax	815.15	1119.42	815.12	1119.39
Tax Expense	27.91	115.45	27.91	115.45
<b>Profit After Tax</b>	<b>787.24</b>	<b>1003.97</b>	<b>787.21</b>	<b>1003.94</b>
Balance brought forward from previous year	1114.28	1091.61	1114.25	1091.61
Profit available for appropriation	1901.52	2095.58	1901.46	2095.55
<b>Appropriations:</b>				
Interim Dividends	76.65	27.87	76.65	27.87
Tax on Interim Dividends	13.03	4.52	13.03	4.52
Proposed Final Dividend	-	41.81	-	41.81
Tax on Final Dividend	-	7.10	-	7.10
Transferred to General Reserve	550.00	900.00	550.00	900.00
Transferred to Special Reserve	394.80	-	394.80	-
<b>Net Surplus</b>	<b>867.04</b>	<b>1114.28</b>	<b>866.98</b>	<b>1114.25</b>

### DIVIDEND

The Directors declared two interim dividends during the year viz. ₹ 10/- per share and ₹ 12/- per share. Thus, total dividend paid for 2013-14 is ₹ 22/- per share as against ₹ 20/- per share for the year 2012-13. The total outgo on dividend payment for the year 2013-14 amounts to ₹ 89.68 crore including dividend distribution tax of ₹ 13.03 crore as against ₹ 81.30 crore including dividend distribution tax of ₹ 11.62 crore for year 2012-13.

### INDIAN ECONOMY – 2013-14 AND FUTURE OUTLOOK

Indian economy grew at 4.7% during 2013-14 (April to March) compared to 4.5% growth achieved in 2012-13. Economic growth continued to face challenges in terms of depreciating rupee, persistent inflation and overall uncertain political and economic environment. This adversely impacted the investment climate and overall growth.

Of late, however, a positive environment has started emerging in the country with rising capacity inflows and a

feeling of optimism after the formation of new Government with adequate mandate at the Centre. The new Government has indeed shown its resolve and has started taking steps towards economic revival by speeding up project approvals and announcing new investment proposals. The changed economic atmosphere indicates a sense of confidence and a positive turnaround in the economic situation towards high growth albeit in a gradual manner.

The path to economic recovery though is not without challenges, stubbornly high inflation being among the prime concerns. High inflation limits room to ease monetary policy, which is necessary to boost economic revival. Overall weak monsoon in the country till now also adds to the worries even as prospects of Kharif crop are not good. Any drop in agriculture growth may hamper overall growth. The good news is that the Central Government and Reserve Bank of India have shown their resolve to tackle these challenges. One therefore, hopes, with cautious optimism, that year 2014-15 will be the beginning of another period of sustained economic growth for the country.

## CEMENT INDUSTRY – DEVELOPMENTS AND OUTLOOK

Cement industry continued to witness surplus capacity as well as lack of demand momentum during year 2013-14. The cement demand is estimated to have grown at about 3% during April 2013 to March 2014 as against 6% clocked in the same period last year. High interest rates, declining investment in industrial and infrastructure projects and poor real estate demand resulted in slackening growth in cement consumption. On the other hand, new capacity addition still continued thereby increasing the pressure of over-supply situation. The pricing situation which remained subdued in first half of the year improved in the second half. For the year as a whole, price realizations remained almost same as they were in the previous year. The industry also had to deal with increasing transportation cost due to consistent increase in diesel prices. As a result, operating margins were down during the year.

Going forward, the cement demand situation is expected to improve. A stable government at the Centre is expected to bring about a structural change in the economy which is likely to speed up the economic growth. The new Government has displayed its intention of focus on providing affordable housing and rapid development of infrastructure. It has announced development of 100 new smart cities with better facilities, connectivity and environment. There are indications that the Government is considering greater use of cement in highways development. Major capacity additions are behind us and new capacity addition has now slowed down. Further, the per capita consumption of cement in India at 194 Kg is still quite low and provides good scope for improvement. All these factors point towards better prospects for the cement industry, going forward.

## POWER SECTOR – CURRENT SCENARIO AND OUTLOOK

Indian power sector is in a peculiar situation where on one end, many of the power generators face problem of poor offtake while on the other end consumers in many areas face regular power cuts. This is mainly because of two reasons. One, there are severe transmission constraints which restrict flow of power from surplus areas to deficit regions. Second, the poor financial health of the distribution utilities because of which they have a tendency of resorting to power cuts than meeting their supply commitment. There is, therefore, an urgent need to step up investment in the transmission sector to enable congestion free flow of power. Also, Distribution Companies need to be allowed to charge remunerative tariff from the consumers. Although, over last one or two years, many of the state utilities have indeed increased their tariffs, there is more action needed on their part to bridge the gap. Timely release of subsidies from State Government to utilities can enable them to make timely investment on their distribution

system thereby reducing their losses as well as enabling them to procure power to meet their supply commitment.

The Company is into power market which is characterized by short term power sale of upto 12 months or less as well as day to day trading on Energy Exchange platform. In view of transmission bottlenecks and lack of buying by power utilities, power prices continued to remain subdued.

The new Central Government has promised to ensure 24 hours supply to all the consumers and has shown its commitment to take necessary actions in this respect. This bodes well for the future of power sector.

## PERFORMANCE HIGHLIGHTS

The Company's operating and financial performance during 2013-14 vis-à-vis 2012-13 was as hereunder:-

Particulars	Unit	2013-14	2012-13	+/-%
Cement Production	Lac Tonnes	142.22	123.32	15.3%
Cement Sale	Lac Tonnes	140.66	122.77	14.6%
Clinker Sale	Lac Tonnes	1.86	1.84	1.1%
Cement & Clinker Sale	Lac Tonnes	142.52	124.61	14.4%
Power Generation	Million Units	2910	3569	-18.5%
Power Sale	Million Units	1860	2610	-28.8%
Revenue				
- Cement	₹ Crore	5244.39	4544.31	15.4%
- Power	₹ Crore	642.92	1045.94	-38.5%
<b>- Total</b>	<b>₹ Crore</b>	<b>5887.31</b>	<b>5590.25</b>	<b>5.3%</b>
Operating profit				
- Cement	₹ Crore	1509.01	1496.32	0.8%
- Power	₹ Crore	65.75	252.93	-74.0%
<b>- Total</b>	<b>₹ Crore</b>	<b>1574.76</b>	<b>1749.25</b>	<b>-10.0%</b>
EBIDTA Margin to Revenue	%	26.7%	31.3%	-
<b>Net Profit</b>	<b>₹ Crore</b>	<b>787.24</b>	<b>1003.97</b>	<b>-21.6%</b>

## Cement Business

The Company achieved a respectable growth of 15% in its cement volumes during year 2013-14 as against close to 3% clocked by the industry. Total cement revenue thus grew by 15% during the year. On the cost front, the freight costs per tonne were up by 13% due to increase in diesel prices and railway freight. Raw materials cost per tonne increased marginally by 1%. The power and fuel costs per tonne were however down by 1% during the year. The price realizations were up marginally by around

1% mainly because of competitive market conditions and slack growth in cement demand. The operating profit of the Company remained almost same at ₹ 1,509 crores as against ₹ 1,496 crores in the previous year.

The Company's consistent efforts to step up its supplies helped it to increase its all India market share which rose to 5.35% as against 4.95% in the previous year. In order to further enhance its market share, the Company has stepped up its marketing activities in the Eastern India markets. The production from the company's unit in Chhattisgarh is going to hit the market soon. As such, the higher marketing effort will help the Company shore up its presence in this market.

### Power Business

The total installed power generation capacity of the Company has increased to 597 MW. The Company uses part of the power generated for captive consumption and sells the balance in the market.

Total power generation from all the power plants during the year stood at 2910 Million Units (MUs) as against 3569 MUs during the previous year. The year was a challenging period for power sale. On one hand, there was intense competition from other suppliers in the short term power market and on the other, power distribution utilities reduced power purchases on account of their poor financials. This led to fall in prices in the short term power market, making power sale a difficult proposition. As a result, total power sale came down by 29% from 2610 MUs to 1860 MUs during the year.

Apart from selling power generated from Company's power plants, the power trading division carries out trading activities for other parties as well. The power trading activities generated an income of ₹ 3.18 crore during the year against ₹ 3.12 crore in the previous year. Total revenues from power sale and power trading activities came down by 38% from ₹ 1,046 crores in 2012-13 to ₹ 643 crores in 2013-14.

### NEW PROJECTS

During the year, the following new projects were completed: -

Location	Type of plant	Capacity (Million Tonnes Per Annum)
Ras, Rajasthan	Clinker Manufacturing	2.00
Ras, Rajasthan	Cement Grinding	2.00
Aurangabad, Bihar	Cement Grinding	2.00

As a result, total cement capacity of the Company now stands increased from 13.50 Million Tonnes Per Annum (MTPA) to 17.50 MTPA.

The work on setting up an integrated unit (clinkerization cum grinding) of 2.0 MTPA at Baloda Bazar, near Raipur in Chhattisgarh is going on in full swing and is scheduled for completion by March 2015. A Cement Grinding unit of 2.0 MTPA in Bulandshahr of Uttar Pradesh is also being set up which is scheduled to be completed by December 2015. The Company has also planned to manufacture Aerated Autoclave Concrete (AAC) blocks at this site which is a high quality and lightweight building material. This project is a forward integration of its cement plant and will replace the use of red clay bricks used in construction.

The Company intends to add more grinding capacity in Northern and Eastern India and has initiated steps for identifying suitable locations in this regard.

### RISK MANAGEMENT AND OPPORTUNITY

The Company has in place, a Risk management framework aimed at timely identification and assessment of risks and implementing mitigation measures. Key risks identified by the Company and the steps taken to mitigate them are:

- a) **Over Supply in the Industry:** Supply overhang due to large capacity additions over last few years is continuing. This has resulted in lower capacity utilization across the cement industry. The Company perceived this risk well in advance and adopted measures like multi-brand strategy, expanding market base, faster delivery to consumers and consistent quality, etc. It also concentrated on its capacity additions in markets where demand-supply conditions are relatively favorable. All these measures have helped the Company in increasing its market share and better capacity utilization rates. With new cement plants in Chhattisgarh and Bihar, the Company is now entering into Eastern India which is a new market and will enable it to enhance its all India market share.
- b) **Input price rise – Logistics and Fuel:** As part of its reform measures, the Government started increasing diesel prices from the year 2012-13. This has resulted in consistent rise in diesel prices. This has not only put pressure on the cost of all input prices of the Company but has also resulted in increase in logistic cost of cement and clinker. The Company has set up split grinding units in proximity of its markets as well as fly ash sources which helps it reduce its transportation cost.

The Company is completely dependent on the open market for meeting its fuel requirement. International prices of coal have volatile movements; which exposes the Company to high volatility risk in its energy costs as it uses large amount of fuel for its cement and power plants. The Company has deployed multi-fuel usage strategy and has opted for best technology in its cement and power operations which allows it to use different fuels and not remain straddled with any particular type of fuel. This strategic measure enables it to rationalize its fuel cost.

- c) **Exchange rates volatility:** The Company makes payments in foreign currency for import of fuel and project equipments. Exchange rates of Indian Rupee vis-à-vis other foreign currencies especially US dollar has been exhibiting high volatility. In order to mitigate the risk, the Company, as a policy, hedges all its foreign currency transactions through appropriate forward covers and swap instruments.
- d) **Power prices:** Company's power business model which entails selling of power in short term market exposes it to price volatility in this segment which has been showing downward trend. The Company manages this challenge through active monitoring of demand and supply indicators of various states, tracking power procurement plans of buyers and other developments in power business. Company's power trading division helps it market the power at competitive prices.
- e) **Entry into new geography:** With Bihar and Chhattisgarh cement plants, the Company is entering into new geographical areas. Hitherto, Company's operations were mainly concentrated in North India. Entry into a new geographical area, poses risks of developing new markets, operations in different culture, etc. To ensure seamless operations in these new areas, the Company has undertaken detailed market assessment study, brand awareness exercise and has developed dealer-base which will help in developing the market in this new geography. To address culture challenge, the Company has adapted its recruitment plans in such a way that most of the senior management positions are manned by employees from existing operations to ensure that its current culture is extended to the new geographical locations.

## SUSTAINABILITY

The Company treats sustainability as a key business lever, similar to way as it treats production, finance, marketing and other functions. This way, sustainability is well integrated

into the fabric of the Company's business and is viewed as a source of advantage which is very well manifested in its continual growth and high performance.

The Company adopts practices and systems that help conserve resources, improve environment, foster innovation, motivate people and create trust amongst all the stakeholders. The Company's mainstay is on low carbon growth. The continued emphasis is, therefore, to promote application of efficient and state-of-the-art technologies which help reduce emissions of harmful gases, support use of alternative raw materials & fuels and ensure conservation of resources while meeting the expectations of all its stakeholders.

In view of its exemplary performance in terms of low energy consumption levels, resource conservation through use of alternative fuel and raw materials, low GHG emissions, etc., the Company is recognized as one of the leaders of the world cement industry which have been proactively working on sustainability agenda.

Some of the initiatives taken on the environment front during the year are as under:-

- **Power Generation from Waste Heat Recovery Plants**

The Company has been evaluating various options for utilizing renewable energy in its operations and has realized that the best form of renewable energy available is from Waste Heat Recovery Plants (WHRP). This conclusion is arrived at based on the several benefits like conservation of Fossil Fuels & water, avoidance of Green House Gases (GHG) emissions, controlled Fugitive Emissions, reduced land requirement and reliable power supply source.

In pursuance of its policy to increase investments in WHRP, Company has installed Waste Heat Recovery Power Plant (WHRP) of 25 MW in its cement plants at Ras (Unit 9). With the implementation of the plant, capacity of WHRPs has increased to 81 MW which is the highest such capacity in the world cement industry excluding China. Further, the Company is also installing WHRPs in its integrated cement unit being set up at Raipur in Chhattisgarh.

- **Alternative Fuels and Raw Materials**

The Company regularly scouts for utilizing alternate fuels in its operations. The Company has a dedicated unit under its Research and Development wing which constantly looks for opportunities to utilize alternate fuels and raw materials to reduce use of fossil fuels and other natural resources. During the year, the Company experimented and utilized various industrial wastes. The Company has also identified other waste materials

from different sources for augmenting its usage of alternative resources.

- **Sharing Information on Sustainability Issues**

The Company is a member of Cement Sustainability Initiative (CSI) of the World Business Council of Sustainable Development (WBCSD), Switzerland. It is also associated with World Economic Forum (WEF), TERI – BCSD, Global Reporting Initiative (GRI) for various sustainability related matters.

During the year, the Company was rated “GreenCO- Gold” under the Green Company Rating System by the Confederation of Indian Industry (CII) - Green Business Center (GBC), Hyderabad based on the Company’s exemplary work in the areas of Energy Efficiency, Water Conservation, GHG Management, Waste Management, Resource Conservation, Recycling, Green Supply Chain, etc.

The Company stood 1<sup>st</sup> in the “Material” sector and overall 3<sup>rd</sup> among all companies in the “India Climate Disclosure Leadership Index (CDLI)” issued by Carbon Disclosure Project (CDP) for 2013, a Global Disclosure project for companies to report their environment strategies and impacts. The report analyzed top 200 Indian companies by market capitalization for their carbon disclosure. After initial screening, 55 companies participated in it.

- **Energy Conservation and Management**

The Company has a Central Energy Cell for overseeing energy management and carrying out energy audit for identifying areas for energy efficiency improvement as well as suggesting better ways of energy management. The Energy Cell monitors energy consumption on daily basis and deposes energy audit checks in the areas where deviations are significant. This has helped in creating a system of continual awareness about the energy conservation and an effective energy management system across the Company.

- **Water Conservation**

The Company has always considered conservation of water as a focused area. In line with this commitment, the Company developed a 42000 KL capacity of water storage pit near mining lease area in Ras for harvesting rain water. A water pit for rain water harvesting has also been constructed at Jobner plant in Jaipur. Further, the Company has installed Sewage Treatment Plant (STP) of various capacities at all its location in Rajasthan for treatment of domestic waste water. The treated water is used for plantation activities.

- **Green Building**

In recognition of the Company’s green initiatives, the administrative building of Company’s Shree Mega Power Plant of 300 MW was certified as “LEED INDIA GOLD” green building by the “Indian Green Building Council” for being an environment friendly building. Also, the Central Control Room (CCR) building of Jaipur Cement Plant of the Company has achieved “LEED India Silver” rating.

- **Sustainability Report**

The Company has released its 9<sup>th</sup> Sustainability Report during the year. The report is prepared as per the GRI 3.1 guidelines issued by Global Reporting Initiative (GRI). The report was independently vetted by assurance agency LRQA and GRI have concluded that the report fulfills the requirement of application level A+.

### ‘SAMAJ SEWA’ - CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a focus area for the Company as it considers social development as a part of business activity. Adhering to the firm belief that sustainable growth is only possible when it builds a truly synergistic relationship with members of the society in and around the area of its plant operations, especially those belonging to the bottom of the pyramid, the Company has embraced the policy of giving back to the society. Details of various social projects and initiatives undertaken as part of Samaj Sewa are given in Company’s Business Responsibility Report which forms part of this Report. A brief of the major initiatives is given below: -

- The Company arranged a mass blood donation camp in August, 2013 at all its locations wherein Company’s people voluntarily donated blood. A total of 3678 units of blood was collected from this mega camp which is a unique record in the Indian Corporate sector.
- Similarly, the Company in collaboration with State Government supported a mega surgical camp in December, 2013 wherein doctors across medical spectrum like eye, ear, oral, gynecology, general medicines, etc. participated and helped the villagers in treating various ailments.
- The Company distributes smokeless *chulha* to BPL households of nearby villages, which uses less fuel, cooks faster and reduces smoke & harmful gases to prevent many health hazards and reduce carbon foot print.
- “Shree Ki Pathshala” project covering 12 villages, is running twelve schools for imparting basic education to children who never attended any school.



- For improving physical infrastructure of nearby government schools, Company provides water & sanitation facilities, furniture, etc. and collaborates to supplement the efforts of the State Government. This helps promote education amongst students in villages.
- To promote girl child, the Company conducted a "Save the Girl Child Campaign" by providing 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. Further, the Company provided basic required items for marriage of girl child after attaining the age of 18 years and above.
- The Company in association with Municipal Body of Beawar City in Rajasthan, has undertaken a beautification project to construct a high quality four lane road within the City. The road has smoothened traffic, relieved congestion and improved surrounding environment by making it dust-free with adequate drainage facilities.
- For improving road connectivity for the nearby villages, the Company undertook reconstruction and dressing work of various roads near its plants. Also, the Company undertook civil works in nearby villages for construction and repair of temples, boundary walls, renovation of old Panchayat Bhawans, community centers and melaground, etc.
- Under the Company's employee volunteerism programme, the Company people regularly contribute voluntarily in Samaj Sewa activities in a structured way.

### OCCUPATIONAL HEALTH AND SAFETY

The Company places utmost importance to the need for ensuring safe and healthy work place across its manufacturing locations and offices. The Company has prepared a Safety Manual, which is a guidebook for all the people working at the Company's facilities with regard to matters related to safety. It helps them to be aware of the safety norms/practices that must be followed. A 'Safety Department' has been set up that focuses on building the desired safety culture and practices across all the plants.

**In-house Safety Observation Portal:-** The Portal launched last year, has been operating quite successfully and has brought all employees on one platform for strengthening the behavioral and other safety aspects. Under the portal, all safety related information such as Safety Policy, Safety Manual of the Company, safety related observations, safety check lists, incidents reports, on-sight emergency plans, etc. have been provided and can be viewed online. Anyone, who

finds any incidence of safety norms being not followed, may post the same on the portal. A time bound remedial action is taken on all such incidents and details thereof are placed on the portal for on-line viewing. The Safety Department regularly conducts safety awareness programmes (training) for employees, workers, contract labours, truck drivers, etc. which helps in building the overall 'Safety First' culture across the Company.

**Toolbox Talks**, a unique safety initiative, has been undertaken by the Company executives at all its plants to reinforce safety practices. The toolbox talk involves plant engineers getting together with all workers at the site before any maintenance activity is initiated. An informal discussion is done in the group highlighting the possible safety hazards in the task being initiated and safeguards that one needs to follow to ensure safety for all. As this discussion takes place just at the time entire team is ready with their tools to start the job, it is called Toolbox Talk. Toolbox Talks help in safety communications amongst all concerned at plant site, re-enforcement of safe work practices among them, timely identification of safety concerns/risks, better planning for their addressal and promoting safety culture in general at the plant level.

**Safety Audit**, used by the Company as a management tool, comprises of a systematic, periodic and objective evaluation of how well the safety organization, management and equipment are performing. These Safety Audits helps to safeguard Company's assets by facilitating management control of safety, health and environmental practices and assessing compliance with established standards. Safety Audit teams undertake periodic inspection of different sections of the plant site and observe any safety related lapses. A detailed report with photographs of the unsafe place and corrective measures required, is sent to concerned department. Upon implementation, the report is updated with the photograph post-improvement alongside pre-improvement photograph for ready understanding of the improvement. The audit observations, action plan prepared and implemented by respective sections are presented to all concerned including the plant head.

### HUMAN RESOURCES

The Company has integrated the belief of Human Resource Development in all its policies and strategies. The Company's human resource management function is aimed at the sole objective of achieving high engagement level of its people which in turn ensures both higher productivity and happy people and thereby improves the bottom line. The Company continuously works towards building and retaining talent for the Company through appropriate policies and practices

for talent acquisition, performance management, learning and development, career management, employee wellness, communication mechanism, etc.

The Company's HR practices help its people realize individual potential and aspirations in line with the growth of the Company. These people centric strengths have helped the Company become a Dream Company to work for with unique value proposition for its employees. In recognition of the unique processes and practices adopted by the Company in evolving a people centric approach, a case study has been written by Prof. Abhoy Ojha of IIM, Bangalore which is titled "Shree Cement Limited: Cementing the People First Agenda". The study has been published by the prestigious Harvard Business Press. The case study describes accomplishment of people first agenda of the Company and explains the results of employee perception and very high levels of engagement at the Company.

In yet another recognition of the Company's HR practices, "Shree's Happiness Management model" was referred and highlighted in the prestigious and reputed book on "Organizational Behaviour" by well known management experts Stephen P. Robbins, Timothy A. Judge and Niharika Vohra. This book is a course book in reputed management schools like IIMs, ISB, XLRI, etc.

Number of employees as on 30<sup>th</sup> June, 2014 were 4698.

### INTERNAL CONTROLS

The Company remains committed towards ensuring an effective and comprehensive internal control system. The Company has an Internal Audit department as well as has engaged the services of a professional firm to carry out internal audit spanning all production units and functions.

The internal audit covers all processes and departments in their audit process. Internal control Systems are continually reviewed and strengthened. Business as well as process risks are dealt with immediately and adequately addressed. The control systems are regularly reviewed by the functional heads, which are required to confirm the effectiveness and adequacy of the systems.

All material audit observations and follow-up actions thereon are reported to the Audit Committee which reviews the adequacy and effectiveness of the internal control systems and monitors implementation of audit recommendations.

### AWARDS & ACCOLADES

Major awards and accolades received by the Company during the year are as under:-

- BEST OVERALL SUSTAINABILITY AWARD 2013-14** – The Company was honoured with the Best Overall Sustainable Performance Award 2013-14, in recognition of overall sustainability performance of the Company. The award was hosted by World CSR Congress. The award was presented by Dr. Bhaskar Chatterjee, Director General of Indian Institute of Corporate Affairs.
- "DREAM COMPANY TO WORK FOR" AWARD** – The Company has been honoured with this prestigious award in the Infrastructure Section by World HRD Congress. The Award is in recognition of the Company's inclusive business practices across social, environmental, product responsibility, innovation and sustainability dimension.
- NATIONAL AWARD FOR QUALITY EXCELLENCE FROM NCCBM** – The Company has been awarded the Second Best Quality Excellence award for the year 2011-12 & 2012-13 by National Council for Cement and Building Material (NCCBM), New Delhi for adopting cost effective, efficient and cleaner methods for producing cement such as maximizing the use of alternative fuels, establishing energy efficiency, achieving customer satisfaction, adopting modernized techniques and maintaining transparency in its business approach. The award was presented by Shri Taleen Kumar, Jt. Secretary, Department of Industrial Policy & Promotion, Government of India.

### DIRECTORS

Shri Mahendra Singhi resigned during the year as Executive Director of the Company w.e.f. close of business hours of 6<sup>th</sup> December, 2013. Shri Singhi was with the Company for more than 19 years and played a key role in all facets of the business of the Company. The Board of Directors placed on record its appreciation for the valuable contribution made by Shri Singhi in the growth of the Company.

Shri Ramakant Sharma was appointed as Additional Director on the Board of the Company w.e.f. 27<sup>th</sup> December, 2013. Shri Ramakant Sharma is a science graduate and has rich experience of 45 years of dealing with various industries related matters. He has been associated with the Company for last 19 years and is therefore a Non-Independent Director. He holds office upto the date of the ensuing Annual

General Meeting (AGM). Notice pursuant to Section 160 of the Companies Act, 2013 has been received from a Member proposing the candidature of Shri Ramakant Sharma for appointment as Director of the Company.

In accordance with the provisions of Article 112 of the Articles of Association of the Company, Shri B.G. Bangur will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In line with the requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company had appointed Shri R.L. Gaggar, Shri O.P. Setia, Dr. Y.K. Alagh, Shri Nitin Desai, Shri Shreekant Somany and Dr. Leena Srivastava as Independent Directors of the Company. These Directors were hitherto liable to retire by rotation and did not have any fixed term of their appointment. As per section 149(4) of the Companies Act, 2013, every listed public Company is required to have at least one-third of the total number of Directors as Independent Directors. Such Directors will be appointed for a fixed term of upto 5 years and will not be liable to retire by rotation. In order to meet the new requirements, these Directors are being appointed as Independent Directors for a fixed tenure as mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Board recommends the above appointments / re-appointments.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that they have taken all reasonable steps, as are required, to ensure that:

- The applicable accounting standards have been followed in the preparation of the annual accounts (financial statements) for the year ended 30<sup>th</sup> June, 2014 and in case of material departures, proper explanation has been given in the accounts and notes thereon;
- Such accounting policies (as mentioned in the Notes forming part of financial statements) have been selected

and applied consistently, and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of Company as at 30<sup>th</sup> June, 2014 and of the profit & loss and cash flow of 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, 1956, for safeguarding the assets of Company and for preventing and detecting fraud and other irregularities; and
- The annual accounts have been prepared on a 'going concern' basis.

#### **AUDITORS**

M/s. B. R. Maheswari & Company, Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Board, on the recommendation of Audit Committee proposes to re-appoint them as Statutory Auditors of the Company from the conclusion of the forthcoming Annual General Meeting till the conclusion of the Annual General Meeting to be held thereafter.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further explanation/comment from the Board.

#### **COST AUDIT**

Pursuant to the directives of Central Government, the Company had appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur (Registration No. 000024) as Cost Auditors of the Company under section 233B of the Companies Act, 1956 for the year 2013-14. In accordance with Cost Audit (Report) Rules, 2011 (as amended), the due date for filing the Cost Audit Report in XBRL for the financial year ended 30<sup>th</sup> June, 2013 was 26<sup>th</sup> December, 2013. The Company filed the same on 29<sup>th</sup> November, 2013 vide SRN No. S28216612 with the Ministry of Corporate Affairs.

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company has transferred a sum of ₹ 13.22 Lacs during the year 2013-14 to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 205C of the Companies Act, 1956. The said

amount represents unclaimed dividend pertaining to year 2005-06 (final) and year 2006-07 (Interim), which was lying with the Company for a period of 7 years from its due date of payment. Prior to transferring the aforesaid sum, the Company sent reminders to the shareholders for submitting their claims for unclaimed dividend. The amount of unclaimed dividend for subsequent years is given in the Notice convening the AGM.

### **CORPORATE GOVERNANCE**

A separate section on Corporate Governance together with a certificate from the Auditors of the Company regarding full compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) forms part of Annual Report.

### **BUSINESS RESPONSIBILITY REPORT**

In terms of Clause 55 of the Listing Agreement, a separate section on Business Responsibility Report is given, which forms part of the Annual Report.

### **PARTICULARS OF EMPLOYEES**

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are to be set out in the Directors' Report as an addendum or annexure thereto. However, in line with the provisions of Section 219(1)(b)(iv) of the Act, the report and the Accounts as required therein, are being sent to all members of the Company excluding the above information regarding the particulars of the employees. The Company shall provide these particulars to any member who is interested in obtaining the same and writes to Company Secretary at the registered office of the Company.

### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO**

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is set out in Annexure I which forms part of this report.

### **SUBSIDIARY COMPANIES**

The Ministry of Corporate Affairs, Government of India, vide its circular no. 2 and 3 dated 8<sup>th</sup> February, 2011 and

21<sup>st</sup> February, 2011 respectively, has exempted companies from attaching the annual accounts and other particulars of its subsidiary companies along with the Annual Report of the Company as required under section 212 of the Companies Act, 1956. Therefore, the Annual Accounts of Subsidiary Companies viz. (1) Katni Industries Pvt. Ltd. & (2) Shree Global Pte. Ltd. are not attached with this Annual Report. However, a statement giving certain information as required vide aforesaid circulars is placed along with the Consolidated Accounts.

The Annual Accounts of the above subsidiary companies and the related information shall be made available to the shareholders of the Company upon receipt of a request from them. The same is also kept open for inspection at the Registered Office of the Company as well as its subsidiaries.

### **CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statements have been prepared in order to comply, in all material respects, with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 along with the provisions of the Listing Agreement with the Stock Exchanges. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

### **ACKNOWLEDGEMENT**

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Banks, Central and State Governments and their departments and the local authorities for their continued co-operation and support. Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Shree family for the Company's success and achievements and to its various stakeholders i.e. customers, dealers, suppliers, transporters, advisors, local community, etc. for their continued committed engagement with the Company.

For and on behalf of the Board

Place: New Delhi  
Date: 25<sup>th</sup> August, 2014

**B. G. Bangur**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE I

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 30<sup>th</sup> June, 2014.

#### A. Conservation of Energy

Particulars	Cement	Power
<b>a. Measures taken for conservation of energy</b>	<ul style="list-style-type: none"> <li>• Replacement of conventional blowers by high efficiency blowers for various applications.</li> <li>• Installation of VFD replacing HT fan damper of cement mill and bag filter.</li> <li>• Installation of Energy Saver for Plant Welding mechanism.</li> <li>• Installation of MVDs in Pre-heater.</li> <li>• Kiln inlet slope modification for Power saving in Pre-heater fan.</li> <li>• Kiln inlet seal replaced by high efficiency seal to reduce false air.</li> <li>• Permanent removal of belt and screw conveyors by installing direct chutes.</li> <li>• Optimized Purging cycle of bag filter through PLC and stopping use of compressed air for cleaning &amp; cooling to optimize compressor run hours.</li> <li>• Re-circulate hot gas from main stack to Ball Mill inlet.</li> <li>• Installation of supply &amp; demand side compressed air- management system.</li> <li>• Dedicated Compressor for Packing Plant and Cement Mill to avoid idle run during stoppage period.</li> <li>• Connection of Star / Delta in Roller Press belt conveyor drive.</li> <li>• Installed elevator current vs Bag Filter Speed Control System for unloaders.</li> <li>• Permanent removal of Radial Conveyor Drive Motor by connecting its Discharge Belt Conveyor with Chain Sprocket Arrangement.</li> <li>• Re-orientation of product and reject air slides for separator circuit.</li> </ul>	<ul style="list-style-type: none"> <li>• Installation of VFDs for bag filter and dust extraction fans and Lime Mill blower.</li> <li>• Optimization of Compressors to reduce idle run.</li> <li>• Optimization of Purging time/cycle of Bag Filters.</li> <li>• Installation of additional outlet duct in AQC Boiler.</li> <li>• Replacement of Cooling water and other water pump with High efficiency.</li> <li>• Installation of Variable nozzle – De super heater in Boiler.</li> <li>• Installation of Wind Guide in Air Cooled Condenser (ACC).</li> <li>• Installation of Energy Efficient Fan in WHR ACC.</li> <li>• Replacement of Aerofoil in Boiler FD Fan duct.</li> <li>• Removal of PA Fan Boiler suction damper.</li> <li>• Replacement of Lime feeding system pneumatic to mechanical in Boiler.</li> <li>• Performance overhauling of power plant Turbine and installation of advanced retractable labyrinth glands.</li> <li>• Modification in Air and flue gas duct of Boilers to reduce the Pressure drop.</li> <li>• Replacement of Steam Jet Ejector in Turbine.</li> <li>• Operation of magnetic separator in belts running condition.</li> </ul>

Particulars	Cement	Power
<b>b. Additional Investment and proposal if any, being implemented for reduction of consumption of energy</b>	<ul style="list-style-type: none"> <li>• Replacement of 4 Stage pre-heater by 6 stages pre-heater.</li> <li>• Installation of MVD in clinker units and Preheater fans.</li> <li>• Replacement of existing conventional Kiln Tire Cooling fans with high efficiency fans.</li> <li>• Enlargement of Kiln inlet riser duct orifice cross section area.</li> <li>• Installation of secondary crushers to enhance raw mill productivity.</li> </ul>	<ul style="list-style-type: none"> <li>• Performance overhauling of Turbine.</li> <li>• Interconnection of Air cooled Condenser in units of power plants.</li> <li>• Replacement of Final Super heater of Boilers.</li> <li>• Chemical Cleaning of Air cooled condensers.</li> <li>• Replacement of FD Fan of Boilers with High efficiency fans.</li> </ul>
<b>c. Impact of measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods</b>	The measures stated in points (a) and (b) above have resulted/ will result in saving of energy used in both thermal and electrical as well as improvement of quality of cement and overall productivity.	
<b>d. Total energy consumption and energy consumption per unit of production</b>	Information given in the prescribed <b>FORM A</b> attached.	

**B. Technology absorption**

Information given in the prescribed **FORM B** attached.

**C. Foreign Exchange Earnings and Outgo****a) Activities relating to export, initiative taken to increase export, developing of new export market for products and services and export plans.**

There have been no exports during the year. Company is exploring new opportunities of clinker and cement exports continuously.

**b) Total Foreign Exchange used and earned**

Particulars	(₹ in Crore)	
	2013-14	2012-13
Used	1322.16	666.27
Earned	Nil	Nil

**ANNEXURE-I****FORM A (See Rule 2)**

Form for Disclosure of Particulars with respect to conservation of energy

**A. Power and Fuel Consumption**

Particulars	2013-14	2012-13
<b>1. Electricity</b>		
<b>a) Purchased</b>		
<b>i) From Grid</b>		
Units (kwh in Lac)	445.88	524.32
Total amount (₹ in Crore)	28.03	29.91
Rate/unit (₹)	6.29	5.70
<b>ii) From Energy Exchange</b>		
Units (kwh in Lac)	156.11	66.00
Total amount (₹ in Crore)	7.79	3.14
Rate/unit (₹)	4.99	4.76
<b>b) Own Generation</b>		
<b>i) Through Diesel Generators</b>		
Units (kwh in Lac)	6.57	5.09
Unit per Ltr. of Diesel	3.29	3.14
Cost/unit (₹)	18.24	16.70
<b>ii) Through Steam Turbine/Generators (See note 1,2,&amp; 3)</b>		
Units (kwh in Lac)	10503.88	9614.05
Unit per Kg. of Fuel	3.61	3.12
Cost/unit (₹)	2.32	2.35
<b>2. Coal and other fuels</b>		
<b>(a) Used in Kiln &amp; Calcliner</b>		
Quantity (in Lac MT)	9.93	9.06
Total cost (₹ in Crore)	679.15	603.69
Average rate per MT (₹)	6836	6660
<b>(b) Used in Turbine/ Generators</b>		
Quantity (in Lac MT)	2.91	3.08
Total cost (₹ in Crore)	196.26	197.26
Average rate per MT (₹)	6752	6411

**B. Consumption per unit of production**

	Standard (if any)	2013-14	2012-13
Product: Cement			
Unit: MT			
Electricity (kwh/MT of Cement)	75 - 100	75.19	78.23
Coal & other fuel (% of Clinker)	15	10.07	10.44

**Notes:**

- Cost per unit of own generation (through steam turbines / generators) has been worked out considering power generation from Waste Heat Recovery Plant(s) also.
- Total generation (net of auxiliary) from Waste Heat Recovery Power Plants during year 2013-14 was 3812 Lac Units (3435 Lac units for year 2012-13). Out of the same, 3294 Lac units for year 2013-14 (1944 Lac units for 2012-13) have been consumed for own consumption. The same is included in electricity consumed from own generation (through Steam Turbines/Generators).
- Own Generation does not include Generation of 0.11 Lac units during year 2013-14 (0.10 Lac units for 2012-13) from Solar power.

**ANNEXURE-I****FORM-B (See Rule 2)**

Form for disclosure of particulars with respect to Research & Development and Technology Absorption, adaptation and Innovation.

**A. Research and Development (R&D)****1. Specific area in which R&D is carried out by the Company:**

- Microstructure analysis of Clinker with special reference of specific process parameters to optimize the process.
- Waste material characterization and determination of impact on raw mix burnability and clinker quality.
- Adopted latest technology energy efficient blowers in place of old inefficient blowers by designing and proper selection.
- Energy efficient pumping system.
- Characterization of minerals in raw materials and product by XRD.
- Rapid quality control through installation of cross belt analyzer.

**2. Benefits derived as a result of the above R&D:**

- Improvement in cement quality and grinding efficiency.
- Optimization of process, improvement in fuel efficiency and clinker quality.
- Cost reduction, better safety and environment protection.
- Reduction in specific power consumption.
- Limestone optimization.

**3. Future plan of action:**

- Experiments with Nano particles of different raw materials and product with special reference of phase development and chemical, physical property of the particles.
- Study on use of liquid AFRs.
- Development of High Performance Concrete.
- Energy audit for heat saving.
- Optimization of electrical utilities.
- Quality benchmarking exercise for numerous market clusters.



#### 4. Expenditure on R&D:

2013-14							₹ in Crore except %	
Particulars	Beawar	Ras	Khushkhera	Suratgarh	Roorkee	Jobner	Total	
Capital Expenditure	2.89	5.73	0.00	0.00	0.00	0.19	8.81	
Recurring Expenditure	7.85	2.71	0.50	0.39	0.37	0.73	12.55	
<b>Total Expenditure</b>	10.74	8.44	0.50	0.39	0.37	0.92	<b>21.36</b>	
Total R&D Expenditure as a % of turnover								<b>0.41%</b>

2012-13							₹ in Crore except %	
Particulars	Beawar	Ras	Khushkhera	Suratgarh	Roorkee	Jobner	Total	
Capital Expenditure	0.37	12.61	0.00	0.00	0.00	0.00	12.98	
Recurring Expenditure	7.74	2.74	0.61	0.41	0.34	0.37	12.21	
<b>Total Expenditure</b>	8.11	15.35	0.61	0.42	0.34	0.37	<b>25.19</b>	
Total R&D Expenditure as a % of turnover								<b>0.56%</b>

#### B. Technology Absorption, Adaptation and Innovation:

##### 1. Efforts in brief, made towards technology absorption, adaptation and innovation:

The Company has leading Research & Development Centres at Beawar and Ras, both of which are recognized by Department of Science & Industrial Research (DSIR), Government of India. The Company considers R&D as an essential tool to achieve sustainable growth. The R&D Center has expertise in interdisciplinary approach which combines chemistry, geology, environment, mechanical, instrumentation, energy management and building material mechanics. The activities of the R&D Center is focused on identifying alternate fuels, adopting newer technologies, improving product quality with improved process and optimizing available resources. It makes continuous efforts towards adoption and implementation of new technologies, which assist in reducing the Company's carbon footprint. The Company is a member of Cement sustainability Initiative (CSI), which works under the aegis of World Business Council for Sustainable Development (WBCSD). The Company's Beawar Unit was rated gold under CII GreenCo rating. The Company's Ras unit was awarded 4 star rating by England based Whitehopleman Benchmarking agency.

##### 2. Benefits derived as a result of above efforts:

- Natural Resource conservation
- Improvement in product quality
- Energy conservation
- Utilization of waste and environment conservation
- Cost reduction

##### 3. Information regarding technology imported during last five year:

1.	Technology imported	X-Ray Diffraction, XRF with new standard-less program to do chemical analysis from Fluorine to Uranium.
2.	Year Imported	2013-2014
3.	Has technology been fully absorbed?	Yes
4.	If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action.	N.A.

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company **L26943RJ1979PLC001935**
- Name of the Company **Shree Cement Limited**
- Registered address **Bangur Nagar, Beawar, 305901, Distt: Ajmer, Rajasthan**
- Website **www.shreecement.in**
- E-mail id **shreebwr@shreecementltd.com**
- Financial Year reported **1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2014**
- Sector(s) that the Company is engaged in (industrial activity code-wise)

**i. Cement**

2	5	2	3	.	2	9
		N	A			

**ii. Power**

- List three key products/services that the Company manufactures/provides (as in balance sheet)

**i. Cement**

**ii. Power**

- Total number of locations where business activity is undertaken by the Company
  - Number of International Locations: Nil
  - Number of National Locations: Seven (Beawar, Ras, Khushkhera, Jobner, Suratgarh, Roorkee and Aurangabad). These apart, there are upcoming units in Raipur and Bulandshahr.
- Markets served by the Company - Local/State/ National/International Predominantly North India. Expanding to Eastern India. A little quantum of cement and clinker is, however, exported to Nepal.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (₹ in Crores) 34.84
- Total Turnover (₹ in Crores) 5,875.88
- Total profit after taxes (₹ in Crores) 787.24

- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) 1.23% of average net profit of last three financial years (CSR spend is ₹ 11.57 Crore)
- List of activities in which expenditure in 4 above has been incurred:-
  - Promotion of education
  - Health care and sanitation
  - Infrastructure Development
  - Environment and sustainability
  - Promoting traditional art/culture

### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?
 

Yes. There are two subsidiary companies as below:

  - Shree Global Pte Ltd., Singapore
  - Katni Industries Pvt. Ltd., India
- 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).
 

These subsidiary companies have no business operations. Hence, they do not have any BR initiatives.
- Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities [Less than 30%, 30-60%, More than 60%].
 

Yes. However, the qualification of participation in % terms cannot be made.

### SECTION D: BR INFORMATION

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

- Details of Director responsible for implementation of BR policy/policies
  - DIN Number: 01556371
  - Name: Ramakant Sharma
  - Designation: Director

b) Details of the BR head

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

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.

**2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

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

P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

S. No.	Questions	P1 - Ethics, Transparency and Accountability	P2- Product Responsibility	P3- Employees' Well-being	P4- Stakeholder Engagement	P5- Human Rights	P6- Environment	P7- Policy Advocacy	P8- Inclusive Growth (CSR)	P9- Customers' Relations
1	Do you have a policy/ policies on the BR principle? (The policies of the Company covers all the principles envisaged)	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Company has adopted various standards specified by the ISO. These are: 1. ISO 9001 for Quality in systems 2. ISO 14001 for Environment 3. ISO 50001 for Energy Efficiency 4. OHSAS 18001 for Health and Safety Apart from these, other standards which Company is complying with are: 1. SA 8000 for Social Accountability 2. ILO Guidelines All policies on the areas mentioned above are in compliance with these standards. Other than these, our policies are based on the generally accepted practices for the respective principles.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P1 - Ethics, Transparency and Accountability	P2- Product Responsibility	P3- Employees' Well-being	P4- Stakeholder Engagement	P5- Human Rights	P6- Environment	P7- Policy Advocacy	P8- Inclusive Growth (CSR)	P9- Customers' Relations
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes. The Board has formed a Corporate Social and Business Responsibility Committee (CSBR Committee) consisting of 5 Directors which is responsible for overseeing implementation of various policies adopted by the Company. There is also an Environment Social and Governance (ESG) Committee consisting of senior executives of the Company, which carries out continuous monitoring and implementation of policies at the operational level.								
6	Indicate the link for the policy to be viewed online	<a href="http://www.shreecement.in/policies.html">http://www.shreecement.in/policies.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been posted on the Company's website for information of all stakeholders. For internal stakeholders, appropriate communication means such as notice boards, placards, company magazines, etc. are used.								
8	Does the Company have in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	As part of compliance with the ISO standards adopted by the Company, an external agency evaluates the implementation of the ISO standards on an annual basis. Apart from this, the Company also has a system of undertaking regular audit of the implementation of various standards. An external consultant also gives an assurance that our CSR report is in line with the internationally accepted GRI guidelines.								

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

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

### 3. Governance related to BR

- 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 one year

The BR performance is reviewed by the CSBR Committee on annual basis. Sometimes mid-year review is also carried out.

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

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

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

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

The Policy relating to Ethics, Transparency and Accountability covers the Company only. The policy includes a Code of Conduct prescribed by the Company for all its employees including the Directors. There is no Group or Joint Venture as such at present for the Company. The subsidiaries of the Company have no operations at present. The Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

- 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 15 complaints received from the investors during the period 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2014. All these complaints were satisfactorily resolved.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

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

The Company deals in two products viz., Cement and Power. Efforts in addressing environment concerns in the manufacture of cement include the following:-

- Utilizing fly-ash which is an environmentally harmful material, in cement manufacturing.
- Substituting coal as fuel with petcoke which is a by-product of petroleum refineries to conserve coal.
- Implementing Waste Heat Recovery Power Plants to address carbon emission.
- Utilization of alternate materials as fuels.

The Company's efforts towards positive impact on the environment in power generation are as below:

- Installation of Air Cooled Condensers (ACC) in all its power plants including 300 MW power plant whereas plants of such size normally do not utilize ACCs due to high cost.
- Implementation of flue gas desulphurization plant to capture sulphur from waste gases emitted from power plant.

Further, the Company always implements best-in-class technology in all its processes for manufacture of cement and power generation.

- For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):
  - Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Resources	Units of measurement	Per unit consumption	
		2013-14	2012-13
Flyash	% per tonne of cement	23.13	24.58
Power	Kwh/Tonne of cement	75.19	78.23
Fuel	Kcal/kg of Clinker	775.44	795.56

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

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

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

The Company has put in place procedures for promoting sustainability in all its activities including sourcing and transportation. Procedures have been laid down for selection of vendors which includes providing detailed questionnaire to prospective suppliers and selection through scrutiny, incorporation of its policies on Sustainability and Social Accountability as part of purchase order/contracts executed with the suppliers/contractors, incorporating conditions like young vehicles, need for drivers to carry Pollution Certificates for vehicles deployed for the Company, drivers and support staff to always carry safety aprons, helmets, driving license, etc. Further, the Company continuously strives for load and route optimization to ensure fuel and environmental efficiency.

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?

The Company accords priority to local suppliers for procurement of stores and spares. Steps have been taken by the Company to improve the capacity of local and small vendors. The Company provides local community with technical support like giving them designs and drawings of equipment to carry out repair works in various equipments. Further, the Company also helps small suppliers by providing training on matters like service tax, etc. to improve their financial planning capabilities.

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.

The Company's products i.e., cement and power are not meant for recycling as cement is used in building and construction which typically have high life span and power is consumed immediately. Flyash, a solid waste, generated from power plants is utilized in cement production. Used oil is the only hazardous waste being generated and is sold to recyclers authorized by the Central Pollution Control Board (CPCB). Other non-hazardous wastes are sold to recyclers. The domestic waste water which is generated is 100% recycled through Sewage Treatment Plants.

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

- Please indicate the total number of employees.  
The total number of employees is 4698 as on 30<sup>th</sup> June, 2014.
- Please indicate the total number of employees hired on temporary / contractual / casual basis.  
Total temporary / contractual / casual employees were 265 as on 30<sup>th</sup> June, 2014.
- Please indicate the number of permanent women employees.  
There were 31 permanent women employees as on 30<sup>th</sup> June, 2014.
- Please indicate the number of permanent employees with disabilities.  
There were 5 permanent employees with disabilities as on 30<sup>th</sup> June, 2014.
- Do you have an employee association that is recognized by management?  
Yes, we have recognized trade unions affiliated to various trade union bodies.
- What percentage of your permanent employees is members of this recognized employee association?  
Around 9.9% of total permanent employees are members of above trade unions.
- 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.

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

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

Type of Employee	Total	Training Imparted	% Training
Permanent Employees	4,698	3258	69.4
Permanent Women Employees	31	17	54.8
Casual/Temporary/ Contractual Employees	265	145	54.7
Employees with Disabilities	5	2	40.0

The Company provides equal opportunity to all irrespective of gender, religion, caste, colour and no discrimination is made while imparting training to the employees.

**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

Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

The Company has identified disadvantaged, vulnerable and marginalized stakeholders who are needy and requires special attention. Further, there are some issues like education, health and hygiene, etc. which are considered as important engagement issues for the Company.

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.

The Company held mass blood donation camp. In line with its commitment to promote health care, the Company also conducted eye vision medical camp, AIDS awareness programs, Polio vaccination and other health camps. Special emphasis was given to physically challenged people during these camps. The Company has undertaken projects for addressing child mortality and mother health issues in nearby areas. To promote education, the Company provides support to schools and has also developed education centers for

non-school going children. Village Development Committee has been formed to engage with the local community to address their needs and for planning, coordinating the CSR activities. The Company also engages with external agencies, NGOs and govt. bodies on issues related to women empowerment, sustainable livelihood for local community and promoting education.

**Principle 5: Businesses should respect and promote human rights.**

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

The Policy on Human Rights covers the Company only. There is no Group or Joint Venture as such at present for the Company. The subsidiaries of the Company have no operations at present. The Company also encourages parties associated with it in the value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

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

Nil.

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

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

The Policy on Environment covers the Company. There is no Group or Joint Venture as such at present for the Company. The subsidiaries of the Company have no operations at present. The Company also encourages its vendors, suppliers, contractors etc to follow the principles envisaged in the policy.

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

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

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

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

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

The Company was the 1<sup>st</sup> cement company in India to register its project "Optimum Utilization of Clinker" with the UNFCCC under the Clean Development Mechanism (CDM). The Company was granted 4,50,000 CERs by UNFCCC for the above project. The Company's Railway siding project at Ras is being registered as CDM project with UNFCCC and is currently under the validation stage. The project has the potential to reduce 8452 tonnes of CO<sub>2</sub>. The Company's project on waste heat recovery based power generation at Ras is under review and the project validator is in discussion with UNFCCC methodology panel on the same.

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.

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

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

Yes, the emissions/wastes generated are within permissible limits. The Company regularly submits reports on emission levels to CPCB/SPCB.

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

Nil

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

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

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

- Cement Sustainability Initiative (CSI)
- Cement Manufacturing Association (CMA)
- The Energy and Resource Institute (TERI)
- Bureau of Energy Efficiency (BEE)
- Global Reporting Initiative (GRI)

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

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

- Promoting cemented roads through CMA which are beneficial, eco-friendly and cheaper than the conventional bituminous roads in the long term.
- Recommended increasing the use of fly-ash in cement industry.

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

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

Yes, the Company considers social development as an important aspect of its operations. In order to ensure collective and balanced progress of all the sections, the Company has formed a Committee at the Board Level called the Corporate Social and Business Responsibility (CSBR) Committee for overseeing CSR activities. In pursuance of its mission of inclusive growth and development, the Company undertakes several CSR activities, Details of which are given below:-

- Eradicating hunger and poverty and providing drinking water – The Company distributes



Smokeless *chulah* to BPL household of nearby villages. This *chulah* uses less fuel, cooks faster and reduces smoke and harmful gases upto 80% thereby helping in stopping smoke inhalation by women and children while cooking and preventing serious health hazards. The Company provided support tools (pipe line, sprinkler, sprayer, etc.) to BPL farmers and promoted government aided agricultural equipment schemes. The Company provided seeds (fodder and vegetable seeds) for better and improved yield, distributed tarpaulin sheet and silage to farmers for collecting and preserving food grains during harvesting activities, conducted training programme and live demonstration for promoting organic farming, arranged farmers' exposure visits at-Krishi Vigyan Kendra, provided training on water and soil conservation, better crop yielding and seed treatment, conducted cattle health & vaccination camp, etc. In order to provide drinking water facility to local villagers, the Company constructed public water huts, tube wells, supporting pyao/kheli and provided RO water supply through tankers in nearby villages.

- Promoting Healthcare and Sanitation – The Company arranged a mass blood donation camp in August, 2013 at all its locations wherein people voluntarily donated blood. 3678 units of blood was collected from this mega camp which is a unique record in the Indian Corporate sector. In December, 2013, the Company in collaboration with State Government supported a mega surgical camp wherein doctors across the medical spectrum like eye, ear, oral, gynecology, general medicines, etc. participated and helped the villagers. Further, Mega Health Camps are organized to cover patients from different specialties like Pediatric, Gynecology and General Medicines. The Company's "Shree SwashthyaVahini", programme provides Mobile Ambulance to take medical care to the villages and organizes Rural Medical Camps to provide free medical services, treatment of common diseases and distribute essential drugs. "Shree Swachhata Project" was started by the Company for those families who do not have sanitation facilities in their homes and to create awareness about sanitation in schools through films/ puppet shows, folk media and distribution of Swachhata calendar. Further, the Company adopts Health Centres of nearby Panchayats under the Public Private Partnership (PPP) Scheme and provides furniture

and equipments like waiting chairs for OPD, trolley stretchers, wheel chair, AC for Operation Theatre, etc. to hospitals.

- Promoting Education including special education – The Company under its "Shree Ki Pathshala" project is running twelve schools for imparting basic education to children who have never attended any school. 6 Girls from Shree Ki Pathshala appeared for the formal certification in the examination conducted by National Literacy Mission with 100% result. In order to improve the physical infrastructure of nearby government schools, the Company provides basics like seating arrangements for students, water & sanitation facilities and other necessary furniture and equipment. The Company also collaborates with the State Government for development and maintenance of existing infrastructure. Further, the Company has constructed computer room, school buildings and conducted computer literacy programmes. Educational materials have been distributed among the under-privileged children. For promoting better and quality preschool education, the Company supports Anganwadi centres of nearby villages by supplying those items as per their needs. Scholarships were provided to meritorious students to help them pursue higher education.
- Sustainable Livelihood Generation through vocational training - In order to make local community self-sufficient, the Company undertakes several initiatives to provide sustainable generation of livelihood to people in the vicinity of its plant areas. Training programmes are held for imparting skills and knowledge for the repair of household items and equipment like cooler, fan, mixer grinder, etc. Vocational Training Programmes on mobile repairing are also held. In order to inculcate skill development among rural women, the Company conducted various training programmes on sewing and cutting, bag making, food processing, beautycare, etc. The Company also provided one time support of tools/ machines for trained youths to carry out livelihood activities and distributed sewing machines to rural women who were trained in training programme.
- Promoting Gender Equality and Women Empowerment - Under its "Shree Shakti Project, the Company formed eight Self-help groups (SHGs) to help in inculcating a habit of saving and create corpus to undertake entrepreneur assignments which

has contributed towards women empowerment at various forums. In order to promote girl child, the Company conducted a "Save the Girl Child Campaign" by providing help to the girl in the form of a fixed deposit of ₹ 5000 at the time of birth which is available to her after attaining 18 years of age. Further, the Company provided basic required items for marriage of girl child after attending the age of 18 years and above.

- Promoting Environment Sustainability and Animal Welfare – The Company distributed saplings among farmers in nearby villages for mass tree plantation, provided assistance in setting up of and running orchards by giving practical advice on day-to-day management and providing subsidy to locals. Further, it conducted school plantation programmes wherein it encouraged children to plant trees and tree guards at schools and road side areas. The Company also provided support to gaushalas, other institutes and sanctuaries for old, sick, abandoned and stray animals and created drinking water facilities for the livestock.
  - Promotion of Indian art and culture - In order to promote Indian tradition and culture, the Company undertakes initiatives like organizing Jhankis on the occasion of the anniversary of Lord Hanuman temple. Through Jhankis, people show the Indian rich tradition by way of characters in various forms. The idea behind these is to promote Indian art and tradition among the people of the local community. The Jhankis also convey environmental and social messages like save water, conserve resources, save and educate girl child, etc. The Company encourages local community to participate in these activities resulting in a happy local community for the Company. Apart from the above measures, the Company undertook repairing work at charitable institutions, provided financial support to various melas organized by local people, contributed for religious festivals, melas, social groups and samitis in order to encourage cultural, social and religious activities.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The projects are undertaken by both the internal teams as well as through external agencies like NGOs

and government bodies. Programmes are undertaken on social issues concerning women empowerment, promoting education, health and hygiene, etc. The Company also facilitates formation of Self Help Groups (SHG) consisting of local women. These groups have the backing of Government schemes and get financial assistance from banks/financial institutions to undertake income generating activity like food processing, cutting and tailoring, etc.

3. Have you done any impact assessment of your initiative?
- Impact assessment is conducted on regular basis in the nearby villages. Based on these impact assessments, the Company decides upon appropriate intervention to be undertaken.
4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company regularly undertakes projects in the nearby community to improve infrastructure and living standards of people. These community development projects include improving sanitation facilities, providing drinking water through construction of water storage, providing harvesting and distribution facilities, building community centers and other structures, promoting gender equality and women empowerment, promoting education, providing vocational training to enable sustainable livelihood generation capabilities and assistance in other areas to improve the standard of life of the local community. Further, the Company encourages voluntary contribution from its employees towards the cause of community development. Employees take time to visit nearby villages and interact with villagers to provide required support.

The Company undertakes infrastructure projects as these give sustainable benefits to local community over a longer period. Company has undertaken a project to construct a new road in Beawar. The road is intended to provide environment sustainability by smoothening traffic, providing healthy environment through plants at each side of the road and addressing the issues of environment, health and congestion. In order to remove bottleneck of bad road connectivity in rural areas, the Company undertook construction and repairing work of the roads near its plants. Civil works in nearby villages has been taken up to provide sustainable infrastructure. This includes construction/repair of charitable institutions, renovation

of old Panchayat Bhawans and Melaground in villages, renovation of Community Centre, construction of stage, construction of boundary wall, etc. Other rural projects include construction of water storage tanks and construction/renovation of Hatayi Shed for community meetings and multipurpose social functions in the village. The Company arranged installation of 183 safety sign boards along the road side at key areas from Beawar to Ras to reduce road accidents.

Total amount spent by the Company on community development and other various CSR activities during the year amounted to ₹ 11.57 crores.

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

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

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

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

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

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

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

The Company never indulges in any anti-competitive behavior and understands that consumers are the most important stakeholders for the Company. However in 2006, Builder Association of India filed a complaint against cement industry. The matter was investigated and the Competition Commission of India (CCI) has, vide its order dated 30<sup>th</sup> July, 2012, imposed penalty of ₹ 397.51 Crore on the Company, which has been challenged before the Competition Appellate Tribunal (COMPAT). COMPAT has granted stay on CCI Order on the condition that the Company deposits 10% of the penalty amounting to ₹ 39.75 Crore. The same stands deposited in the form of Bank fixed deposit with lien in favour of COMPAT. The matter will now be heard on merit by COMPAT.

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

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

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of **Shree Cement Limited**

We have examined the compliance of conditions of Corporate Governance by Shree Cement Limited, for the year ended on 30<sup>th</sup> June, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

We state that no Investor Grievance is pending for a period exceeding one month against the Company as per records maintained by the Company or its Registrar and Share Transfer Agents.

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

For **B. R. Maheswari & Co.**  
Chartered Accountants  
Firm's Registration No. 001035N

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place: New Delhi  
Date: 25<sup>th</sup> August, 2014

## REPORT ON CORPORATE GOVERNANCE

The Company has always endorsed the principles of good Corporate Governance and has endeavoured to follow these principles in their true letter and spirit in conduct of its business. The Board of Directors of the Company has been assigned the responsibility of ensuring true Corporate Governance. The Board always strives to ensure that the management protects the long-term interests of all the stakeholders of the Company.

### GOVERNANCE STRUCTURE

The Company's governance structure is a layered structure with Board and its Committees at the apex level and the management structure at the operational level. The Board at the top provides strategy, direction and freedom to the management to achieve the strategy within a given framework of corporate governance; thereby creating value for our entire stakeholders.

#### Description of the governance structure of the Company is enumerated below:-

- i) **Board of Directors:** The Board plays a pivotal role in ensuring that the Company runs on sound business practices that creates value for all its members, business partners, community and all other stakeholders at large, while ensuring that the valuable resources of the Company are utilized effectively and efficiently.
- ii) **Committees of Directors:** The Board has constituted various committees of its Directors viz. Audit Committee, Stakeholders' Relationship Committee, Nomination cum Remuneration Committee, Corporate Social and Business Responsibility Committee, etc. These committees enable the Board to have a more focussed attention on various facets of its business.
- iii) **Executive Management:** The Company's Management Structure encompasses the following:
  - (a) **Managing Director:** The Managing Director of the Company provides overall strategic direction for business strategies, new projects, acquisitions, along with all other significant policy decisions having significant business & financial implications.
  - (b) **Whole-time Director:** The Whole-time Director of the Company is involved in all strategic and policy matters of the Company, along with providing any critical insight and directions in the operational and management decisions of the Company.

- (c) **Functional Heads:** In order to decentralize the powers and responsibilities and to build leaders, functional heads have been appointed who are responsible for the day-to-day operations of their assigned functions.

### BOARD OF DIRECTORS: COMPOSITION, FUNCTIONING & PROCEDURES

#### Composition of Board of Directors

The Company has a very balanced structure of Board of Directors, comprising Executive, Non-Executive and Independent Directors, to maintain independence of the Board and to separate the functions of governance and management. The composition of the Board complies with the provisions of the Companies Act, 2013 as well as with the requirements of the Listing Agreement.

As at 30<sup>th</sup> June, 2014, the total Board strength comprises the following:

Categorization of Directors	No(s)
Working/Whole-time Director(s)	2
Non-Executive Director(s)	2
Independent Director(s)	6
<b>Total</b>	<b>10</b>

None of the Directors hold directorship in more than 10 public limited companies and is not a member of more than 10 committees or acts as Chairman of more than 5 committees across all the Companies in which he/she acts as Director.

The Board is headed by Shri B.G. Bangur, the founder Director of the Company who is acting as Non-Executive Chairman. Independent Directors consist of persons having diverse backgrounds, experience and personalities viz. Economist, Banker, Industrialist, Solicitor, etc.

A brief profile of all the Directors is given in a separate section of this Annual Report.

As per the terms of the Articles of Association of the Company, all the Directors except Independent Directors are liable to retire by rotation subject to the provisions of Section 152 of the Companies Act, 2013. One-third of the total strength of Directors (other than Independent Directors) who are liable to retire by rotation retires every year. In terms of Articles

of Association of the Company, the number of directors on the Board shall neither be fewer than three nor more than twelve. The Company has an appropriate size of the Board looking to the current requirements.

Further, the Independent Directors do not have any material pecuniary relationship with the Company and all the Independent Directors abide by the code of conduct of the Company.

The details of Directorship, Membership/Chairmanship in Board Committees of other Companies as on 30<sup>th</sup> June, 2014 is as under:

Name of Director	Category	Number of Directorships and Committee Memberships/Chairmanships in other companies as at 30 <sup>th</sup> June, 2014*			Number of Shares held
		Director-ship(s)	Committee Position(s)**		
			Member	Chairman	
Shri B.G. Bangur	Chairman (Non-Executive)	-	-	-	425,821
Shri H.M. Bangur	Managing Director	-	-	-	442,438
Shri Prashant Bangur	Whole-time Director	-	-	-	57,475
Shri R.L. Gaggar	Independent and Non-Executive Director	11 <sup>#</sup>	7 <sup>#</sup>	-	-
Shri Shreekant Somany	Independent and Non-Executive Director	5	-	-	-
Shri O.P. Setia	Independent and Non-Executive Director	-	-	-	-
Dr. Y.K. Alagh	Independent and Non-Executive Director	2	1	-	-
Shri Nitin Desai	Independent and Non-Executive Director	-	-	-	-
Dr. Leena Srivastava	Independent and Non-Executive Director	2	-	-	-
Shri Mahendra Singhi <sup>@</sup>	Executive Director	-	-	-	N.A.
Shri Ramakant Sharma <sup>§</sup>	Non-Executive Director	-	-	-	25

\* Excludes directorships held in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956

\*\* Only mandatory committees considered viz. Audit Committees and Shareholders'/Investors' Grievance Committee as per Listing Agreement

<sup>@</sup> Ceased w.e.f. close of business hours of 6<sup>th</sup> December, 2013

<sup>§</sup> Appointed w.e.f. 27<sup>th</sup> December, 2013

<sup>#</sup> Ceased as Director in one Company w.e.f. 17<sup>th</sup> July, 2014 & consequently committee memberships stand reduced to 5

### SELECTION OF INDEPENDENT DIRECTORS

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination cum Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under law.

### BOARD FUNCTIONING AND PROCEDURES

The Board of Directors of the Company act in their capacity as 'management trustee', being responsible for managing day-to-day affairs of the Company on behalf of the shareholders. Therefore, it is absolutely necessary to ensure complete transparency and foresightedness in the decision-making process. The Board takes decision based on

detailed discussion and deliberation amongst the Directors. 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 information as inter-alia specified under Clause 49 (Annexure-IA) of the Listing Agreement with the Stock Exchanges. The Board also reviews and approves corporate strategies, business plans, projects, capital expenditure, etc.

### MEETINGS AND ATTENDANCE

The Board generally meets 4 times during the year, though it meets as and when it is necessary to do so. The annual calendar of the meeting is determined at the beginning of each year. Meetings of the Board are held once in every three months.

Details of the meetings held during the year under review along with the attendance of the Directors in those meetings are as under:

Name of Director(s)	Attendance of Directors in Board Meetings during the year ended on 30 <sup>th</sup> June, 2014				Attendance of Directors in last AGM
	30 <sup>th</sup> July, 2013	25 <sup>th</sup> October, 2013	27 <sup>th</sup> January, 2014	28 <sup>th</sup> April, 2014	25 <sup>th</sup> October, 2013
Date →	Kolkata	Beawar	Kolkata	Kolkata	Beawar
Shri B.G. Bangur	✓	✓	✓	✓	✓
Shri H.M. Bangur	✓	✓	✓	✓	✓
Shri Prashant Bangur	✓	✓	✓	x	✓
Shri R.L. Gaggar	✓	✓	✓	✓	✓
Shri Shreekant Somany	✓	x	✓	✓	x
Shri O.P. Setia	✓	✓	✓	✓	✓
Dr. Y.K. Alagh	✓	✓	✓	x	✓
Shri Nitin Desai	x	x	✓	✓	x
Dr. Leena Srivastava	✓	x	x	✓	x
Shri Mahendra Singhi*	✓	✓	-	-	✓
Shri Ramakant Sharma**	-	-	✓	✓	-
<b>Total strength of Board</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>No. of directors attended the meeting</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>7</b>

\*Ceased w.e.f. close of business hours of 6<sup>th</sup> December, 2013

\*\*Appointed w.e.f. 27<sup>th</sup> December, 2013

### COMMITTEES OF THE BOARD OF DIRECTORS

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

#### A. Audit Committee

##### A.1. Terms of Reference

The Audit Committee reviews the matters falling in its terms of reference and addresses larger issues that could be of vital concerns to the Company. The terms of reference of the Audit Committee constituted by the Board meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Terms of Reference for Audit Committee

has been revised in view of additional compliances introduced by Companies Act, 2013. It broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters. In particular, these include:

#### (a) Financial Statements

- i. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

ii. Reviewing/examining the annual financial statements and auditor reports thereon before submission to the Board, focussing primarily on:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956
- Any changes in accounting policies and practices and reasons for the same
- Major accounting entries based on exercise of judgement by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with the requirements of the stock exchanges, if applicable, and legal requirements concerning financial statements
- Qualifications in the audit report

**(b) Internal Control/Internal Audit/Review of Information**

- Recommending the appointment/re-appointment, removal, terms of appointment, fixation of remuneration and also approval for payment for any other services of External Auditors
- Review and monitor the auditor's independence and performance, and effectiveness of audit process
- Discussing with External Auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- Reviewing the appointment, removal and terms of remuneration of the Internal Auditors
- Reviewing the adequacy of internal audit function, including the Audit Charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- 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
- Analyzing and providing the observation on the fraud reported by statutory auditors of

the company in the course of performance of their duties

- Review and monitor the auditor's independence, performance, effectiveness of audit process
- Evaluation of internal financial controls and risk management system
- Review of management letters/letters of internal control weaknesses issued by the Statutory/Internal Auditors
- Review of management discussion and analysis of financial condition and results of operations
- Review of Internal Audit reports, discussing with the Internal Auditors any significant findings and follow-up thereon

**(c) Vigil Mechanism**

- Establish the vigil mechanism for directors and employees to report genuine concerns
- Ensure that vigil mechanism provides for adequate safeguard against the victimization of employee and director who avail the vigil mechanism and provides for direct access to the Chairman of Committee
- Take suitable action against the concerned director or employee including reprimand in case of repeated frivolous complaints

**(d) Related Party Transactions**

- Review of related party transactions as per Accounting Standard 18 in pursuance to Clause 49 of the Listing Agreement
- Approval of transactions with parties defined under Section 2(76) and transactions covered under Section 188 of the Companies Act, 2013
- Review of material individual transactions with related parties which are not in the normal course of business and Review of material individual transactions with related parties or others, which are not on an arm's length basis in pursuance to Clause 49 of the Listing Agreement

**(e) Reporting Responsibilities**

- Update the Board periodically
- The Chairman to remain present at the Annual General Meeting to answer shareholder queries and clarification on matters relating to audit



**(f) Others**

- Scrutiny of inter corporate loans and investment
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Review the financial statements of the subsidiary companies, in particular, the investments made by them
- Looking into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

**A.2. Composition of the Committee**

All the members of the Audit Committee apart from being independent have the requisite qualification for appointment as members of the Committee.

The Composition of the Committee is as below:

<b>Name of Member</b>	<b>Category</b>	<b>Qualification of the Member</b>
Shri O.P. Setia – Chairman	Independent & Non-Executive Director	The Chairman is Master of Commerce and Ex-Managing Director of State Bank of India. He possesses the requisite accounting and financial management expertise
Shri R.L. Gaggar	Independent & Non-Executive Director	The Member is a renowned Solicitor and Advocate of Kolkata. He possesses good accounting and financial management knowledge
Dr. Y.K. Alagh	Independent & Non-Executive Director	The Member is a noted Economist. He has good accounting and financial management knowledge
Shri Nitin Desai	Independent & Non-Executive Director	The Member is a noted Economist. He has good accounting and financial management knowledge

**A.3. Meetings of the Committee**

The Committee met four times during the year ended 30<sup>th</sup> June, 2014, including for approval of annual accounts for the year ended 30<sup>th</sup> June, 2013 before placing the same before the Board. The attendance of the members of the Committee is as under:

<b>Name of Director(s)</b>	<b>Attendance of Audit Committee Meetings held on</b>			
	<b>30<sup>th</sup> July, 2013</b>	<b>25<sup>th</sup> October, 2013</b>	<b>27<sup>th</sup> January, 2014</b>	<b>28<sup>th</sup> April, 2014</b>
<b>Date of Meeting →</b>				
<b>Held at →</b>	<b>Kolkata</b>	<b>Beawar</b>	<b>Kolkata</b>	<b>Kolkata</b>
Shri O.P. Setia - Chairman	✓	✓	✓	✓
Shri R.L. Gaggar	✓	✓	✓	✓
Dr. Y. K. Alagh	✓	✓	✓	×
Shri Nitin Desai	×	×	✓	✓

**A.4. Invitees to the Committee**

- The Chief Finance Officer along with Representative(s) from Statutory and Internal Auditors of the Company are permanent invitees to the meetings for responding to the observations of the Committee.
- Representatives from the Internal Audit Department of the Company are invited for discussion and also for review of the matters that come up during the discussion, as and when required.
- The Company Secretary acts as Secretary to the Committee.

**B. Nomination cum Remuneration Committee****B.1. Purpose of this Committee of the Board of Directors is to:**

- evaluate persons who are qualified to become directors and who may be appointed in senior management (KMP) in accordance with the criteria laid down, recommend to the Board for their appointment and removal,
- carry out evaluation of performance of Directors,
- 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 and key managerial personnel as also for other employees, wherever required

### B.2. Composition of the Nomination cum Remuneration Committee is as under:

Name of the Member	Category
Shri R.L. Gaggar-Chairman	Independent & Non-Executive Director
Shri O.P. Setia	Independent & Non-Executive Director
Shri Shreekant Somany	Independent & Non-Executive Director
Dr. Y.K. Alagh	Independent & Non-Executive Director

### B.3. Meetings of the Nomination cum Remuneration Committee:

During the period under review, Committee recommended to the Board appointment of Shri Ramakant Sharma, as Director through a resolution dated 25<sup>th</sup> December, 2013 passed by circulation.

### B.4. Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements, on a periodical basis.

#### I. Whole-time Directors/Working Directors

The appointment of Whole-time Directors/Working Directors is made by the Board of Directors in their meeting on remuneration as recommended by Nomination cum Remuneration Committee. The

The details of remuneration package, fees paid, etc. to Directors for the year ended on 30<sup>th</sup> June, 2014, are given hereunder, for information of Members:

Director	Category	Fixed Component		Performance linked incentives (Commission)	Sitting Fees	Total
		Basic Salary	Allowances, Perquisites and other Benefits <sup>5</sup>			
Shri B.G. Bangur	Chairman (Non-Executive)	-	-	15.50	1.10	16.60
Shri H.M. Bangur	Managing Director	510.00	498.89	1250.00	-	2258.89
Shri Prashant Bangur	Whole-time Director	195.02	210.51	340.00	-	745.53
Shri Mahendra Singhi*	Executive Director	155.81	560.58	-	-	716.39

remuneration is decided on the basis of following broad criteria(s):

- Industry trend
- Remuneration package in other comparable corporates
- Job contents and key performance areas
- Company's performance

The remuneration structure of the Whole-time Directors/Working Directors comprises salary, contribution to provident & superannuation funds, commission, perquisites & allowances and gratuity in accordance with Company's rules. Necessary approvals from shareholders are sought in the general meetings for confirming the remuneration package.

Whole-time Directors are not paid any sitting fees for attending meetings of Board or Committee thereof.

#### II. Non-Executive and Independent Directors

The Non-Executive and Independent Directors were paid sitting fees of ₹ 20,000 per meeting upto meetings held on 27<sup>th</sup> January, 2014 (same has been revised to ₹ 50,000) for each meeting of the Board/Committee of the Board attended by them. The same is within the limits as prescribed under the Companies Act, 2013. Besides the sitting fees, they are also paid commission. Payment of commission to Non-Executive and Independent Director's is made based on their contribution at the Board, time spent on operational matters and other responsibilities assigned.

Director	Category	(₹ in Lac)				Total
		Fixed Component Basic Salary	Allowances, Perquisites and other Benefits <sup>§</sup>	Performance linked incentives (Commission)	Sitting Fees	
Shri R.L. Gaggar	Independent and Non-Executive Director	-	-	15.50	2.40	17.90
Shri Shreekant Somany	Independent and Non-Executive Director	-	-	15.50	0.90	16.40
Shri O.P. Setia	Independent and Non-Executive Director	-	-	15.50	3.10	18.60
Dr. Y.K. Alagh	Independent and Non-Executive Director	-	-	15.50	1.40	16.90
Shri Nitin Desai	Independent and Non-Executive Director	-	-	15.50	2.10	17.60
Dr. Leena Srivastava	Independent and Non-Executive Director	-	-	15.50	1.40	16.90
Shri Ramakant Sharma**	Non-Executive Director	-	-	15.50	1.20	16.70

\* Ceased w.e.f. close of business hours of 6<sup>th</sup> December, 2013.

\*\*Appointed w.e.f. 27<sup>th</sup> December, 2013.

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

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

- The appointments of Shri H.M. Bangur, Managing Director and Shri Prashant Bangur, Whole-time Director are for five years i.e. till 31<sup>st</sup> March, 2016 and 22<sup>nd</sup> August, 2017, respectively.
- Notice period is as per terms of appointment of respective Directors.
- Except Gratuity and Earned Leave at the end of the tenure, no other severance fee is payable.
- No Stock Options are granted during the year.

## C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

### C.1. Purpose of this Committee of the Board of Directors is to:

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

### C.2. Composition of the Stakeholders' Relationship Committee is as under:

Name of the Member	Category
Shri R.L. Gaggar - Chairman	Independent & Non-Executive Director
Dr. Y.K. Alagh	Independent & Non-Executive Director
Shri Nitin Desai	Independent & Non-Executive Director

### C.3. Meetings of the Stakeholders' Relationship Committee:

The Committee during the year met once on 27<sup>th</sup> January, 2014 at Kolkata and reviewed the status of investors' complaints received and resolved during the calendar year 2013. All the members of the Committee were present in the meeting.

#### C.4. Details of Share Transfer Agent, Compliance Officer and Investors' complaints:

M/s. Karvy Computershare Pvt. Ltd., Hyderabad is acting as the Share Transfer Agent of the Company to carry out the share transfer and other related work. Shri S.S. Khandelwal, Company Secretary of the Company is the Compliance Officer in terms of Clause 47 of the Listing Agreement. The Share Transfer Agent/Company has timely resolved/attended all the complaints (total 15 complaints were received during the year ended 30<sup>th</sup> June, 2014) and no complaint or grievance remained unattended/unresolved at the end of the period.

Following is the composition of the complaints received and resolved during the year ended 30<sup>th</sup> June, 2014:

S. No.	Nature of Complaints	No. of Complaints received	No. of Complaints resolved
I	Dividend related issues	4	4
II	Duplicate certificate related issues	4	4
III	Shares transfer / transmission related issues	3	3
IV	Annual Report related issues	4	4
	<b>Total</b>	<b>15</b>	<b>15</b>

In addition, the Company has Share Transfer Committee of the Board of Directors for approving transfers/transmission of physical shares and other shareholder related matters, which met 18 times during the year ended 30<sup>th</sup> June, 2014. All the transfer of shares have been effected within the stipulated period.

Further, the Company has paid listing fees to all the Stock Exchanges for the financial year 2013-14.

#### D. CORPORATE SOCIAL AND BUSINESS RESPONSIBILITY COMMITTEE

The Board had in its meeting held on 27<sup>th</sup> January, 2014 merged erstwhile Corporate Social Responsibility Committee (CSR Committee) and Business Responsibility Reporting Committee (BRR Committee). The Committee meets the criteria laid down by Section 135 of the Companies Act, 2013.

Composition of the Corporate Social and Business Responsibility Committee (CSBR) is as under:

Name of the Member	Category
Shri O.P. Setia-Chairman	Independent & Non-Executive Director
Shri Prashant Bangur	Whole-time Director
Dr. Leena Srivastava	Independent & Non-Executive Director
Shri Nitin Desai	Independent & Non-Executive Director
Shri Ramakant Sharma	Non-Executive Non-Independent Director

The terms of reference of the CSBR Committee is comprised of the following:-

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder
- Oversee implementation of Corporate Social Responsibility (CSR) Policy and compliance with legal requirements as well as reputation as a corporate citizen
- Suggest improvements, if any, in the policies or its implementation mechanism
- Suggest ways in which the amount on CSR activities can be incurred considering locational needs, type of activities, expected benefits, statutory requirements, etc.
- Monitor and review compliance requirements specified under Clause 55 of the Listing Agreement related to 'Business Responsibility Reporting'

The Committee (including erstwhile Corporate Social Responsibility Committee and Business Responsibility Committee) met twice during the year i.e. on 30<sup>th</sup> July, 2013 & 28<sup>th</sup> April, 2014.

Both the meetings were attended by all the members, except Shri Prashant Bangur who could not attend meeting held on 28<sup>th</sup> April, 2014.

#### GENERAL BODY MEETINGS

The required information under Clause 49 of the Listing Agreement under this heading is given in the "Shareholders' Information" separately in the **Annexure** to this Corporate Governance Report.

### SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

During the year, the Company carried out a postal ballot process to obtain consent of members by way of special resolution for alteration in the Articles of Association of the Company to align the same with provisions of Companies Act, 2013 in accordance with Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014.

The Company had appointed Dr. Sanjiv Agarwal, Practising Chartered Accountant as Scrutinizer for conducting the Postal Ballot process. The Scrutinizer submitted his report to the Chairman of the Company after completion of scrutiny and the result of passing Special Resolutions through Postal Ballot, was announced on 17<sup>th</sup> June, 2014.

The details of voting pattern of postal ballot are as under:-

Promoter/ Public	No. of Shares held	No. of Votes polled*	% of Votes polled on Outstanding Shares	No. of Votes - In favour	No. of Votes- against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]×100	(4)	(5)	(6)=[(4)/(2)]×100	(7)=[(5)/(2)]×100
Promoter and Promoter Group	22569797	22569197	99.99%	22569197	-	100.00%	-
Public - Institution holders	5409961	2111484	39.03%	2111484	-	100.00%	-
Public-Others	6857467	27009 <sup>§</sup>	0.39%	25482	1526	94.35%	5.65%
<b>Total</b>	<b>34837225</b>	<b>24707690</b>		<b>24706163</b>	<b>1526</b>		

\* Valid votes polled considered

§ Includes one vote abstained

### SUBSIDIARY COMPANIES

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

### DISCLOSURES

**Related Party Transactions:** None of the transactions with any of the related party was in conflict with the interest of the Company. The details of related party transactions are given in the Notes forming part of the financial statements.

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

**Accounting Treatment:** In the preparation of financial statements, the Company has followed the Accounting

Standards notified in the Companies (Accounting Standards) Rules, 2006 (as amended). Where, in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact has been disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction. The significant accounting policies which are consistently applied have been set out in the Notes forming part of the financial statements.

**Risk Management:** Risk evaluation and management is an ongoing process within the Organization. During the period under review, a detailed exercise on risk management was carried out covering the entire gamut of operation of the Company and the Board was informed about the same.

**Details of Compliance with mandatory requirements and adoption of non-mandatory requirements:** The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and non-mandatory requirements are being reviewed by the Board from time to time.

### CEO / CFO CERTIFICATION

Chief Executive Officer (CEO) and Chief Finance Officer (CFO) Certification, over financial statements is issued pursuant to the provisions of Clause 49 of the Listing Agreement and is annexed to the Corporate Governance report and forms part of the Annual Report.

### CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct as a part of its Policy on Ethics, Transparency and Accountability for all the Board Members and all the Employees of the Company. The code inter-alia covers the commitment of Company towards honest and ethical conduct, fair competition, corporate social responsibility, sustainable development, health & safety, transparency and compliance of laws & regulations, etc. The code of conduct is posted on the website of the Company.

All the Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

### PREVENTION OF INSIDER TRADING

As per the amended SEBI (Prevention of Insider Trading) Regulations, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Promoters, Promoters' Group, Directors & Designated Employees at senior management level and other employees who could have access to the unpublished price sensitive information of the Company 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 for trading in the Company's securities. During the year under review, there has been due compliance with the said code.

### MEANS OF COMMUNICATION

- 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 agreement with the stock exchange(s).
- Thereafter, these are circulated among media/news agencies/analyst, etc. along with official press release of the Company and are displayed on the Company's website [www.shreecement.in](http://www.shreecement.in). These results are published in all leading newspapers within forty-eight hours.
- Annual Report of the Company is sent to each shareholder prior to the Annual General Meeting.
- Company also sends reminders to all shareholders, whose dividends have remained unclaimed, before depositing the monies to Investor Education and Protection Fund (IEPF).
- **NSE Electronic Application Processing System (NEAPS) and BSE Online Portal:** The Company also submits to NSE, all disclosures and communications through NSE's NEAPS portal. Similar filings are made to BSE on their Online Portal - BSE Corporate Compliance & Listing Centre.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Website:** The Company's website [www.shreecement.in](http://www.shreecement.in) contains a separate dedicated section 'Investor Centre' wherein online query submission facility has been made available to the investors.

**A "Feedback Form" is attached with this Annual Report. Members are requested to send their response about this Annual Report in the same. This would encourage us to improve our Annual Reporting.**

## ANNEXURE TO CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS' INFORMATION

#### ANNUAL GENERAL MEETING

Day & Date of AGM	Time	Venue
Monday, 10 <sup>th</sup> November, 2014	11.30 AM	Registered Office at Bangur Nagar, Beawar - 305 901, Distt.: Ajmer, Rajasthan

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

Year Ended	Day & Date of AGM	Time	Venue
31 <sup>st</sup> March, 2011	Monday, 1 <sup>st</sup> August, 2011	11:30 AM	Registered Office at Bangur Nagar, Beawar- 305 901, Distt.: Ajmer, Rajasthan
30 <sup>th</sup> June, 2012	Tuesday, 16 <sup>th</sup> October, 2012	11:30 AM	-do-
30 <sup>th</sup> June, 2013	Friday, 25 <sup>th</sup> October, 2013	11:30 AM	-do-

b) Special Resolution passed in previous three AGMs

Date of AGM	Special Resolution passed by Members
1 <sup>st</sup> August, 2011	<ul style="list-style-type: none"> <li>a) Re-appointment of Shri B.G. Bangur as Executive Chairman of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2011</li> <li>b) Re-appointment of Shri H.M. Bangur as Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2011</li> <li>c) Revision in remuneration of Shri Prashant Bangur, relative of the Directors of the Company</li> <li>d) Revision in remuneration of Shri Mahendra Singhi, Executive Director of the Company w.e.f. 1<sup>st</sup> April, 2011</li> </ul>
16 <sup>th</sup> October, 2012	<ul style="list-style-type: none"> <li>a) Appointment of Shri Prashant Bangur as Whole-time Director of the Company for a period of 5 years w.e.f. 23<sup>rd</sup> August, 2012</li> <li>b) Re-appointment of Shri Mahendra Singhi as Executive Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> April, 2013</li> <li>c) Revision in remuneration of Shri H.M. Bangur, Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2013</li> <li>d) Payment of commission to Non-Executive Directors of the Company i.e. not exceeding 1% of the net profit of the Company, for a period of 5 years w.e.f. 1<sup>st</sup> April, 2013</li> </ul>
25 <sup>th</sup> October, 2013	<ul style="list-style-type: none"> <li>a) Revision in remuneration of Shri Prashant Bangur, Whole-time Director of the Company w.e.f. 1<sup>st</sup> April, 2013</li> <li>b) Revision in maximum limit of annual increase in remuneration of Shri Mahendra Singhi, Executive Director of the Company w.e.f. such date as may be decided by the Board</li> </ul>

#### Financial Calendar (For the Year 2014-2015)

Unaudited/Limited Review Results:	
First Quarter ended 30.09.2014	Within 45 days from the end of quarter
Second Quarter/half year ended 31.12.2014	Within 45 days from the end of quarter
Third Quarter/nine months ended 31.03.2015	Within 45 days from the end of quarter
Last Quarter/year ended 30.06.2015	Within 45 days from the end of quarter
Audited Results:	
Year ended 30.06.2015	Within 60 days from the end of the year

#### DATE OF BOOK CLOSURE

Thursday, 6<sup>th</sup> November, 2014 to Monday, 10<sup>th</sup> November, 2014 (both days inclusive).

**DIVIDEND PAYMENT DATE**

Company's Board, in its meeting held on 27<sup>th</sup> January, 2014 declared first interim dividend of ₹10 per share for the year 2013-14, which was paid to those shareholders who held shares in the Company on the record date i.e. 3<sup>rd</sup> February, 2014.

The Board has also declared second interim dividend in its meeting held on 25<sup>th</sup> August, 2014 of ₹12 per share for the year 2013-14, which would be paid to those shareholders who held shares in the Company on the record date i.e. 1<sup>st</sup> September, 2014.

**LISTING ON STOCK EXCHANGE**

Name of Stock Exchange	Stock Code
<b>Bombay Stock Exchange 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

**Corporate Identification Number (CIN):**

L26943RJ1979PLC001935

**REGISTERED OFFICE:**

Bangur Nagar, Beawar - 305 901,  
Distt.: Ajmer, Rajasthan, Phone: (91)1462-228101-06  
Fax: (91)1462-228117 / 228119  
Toll Free No.: 1800 180 6003 / 6004  
Email: shreebwr@shreecementltd.com  
Website: www.shreecement.in

**CORPORATE OFFICE:**

21, Strand Road, Kolkata - 700 001  
Phone: (91)33-22390601-05; Fax: (91)33-22434226  
Email: sclcal@shreecementltd.com

**ADDRESS FOR CORRESPONDENCE:**

Shree Cement Limited, Post Box No. 33,  
Bangur Nagar, Beawar - 305 901, Distt.: Ajmer, Rajasthan  
Phone: (91)1462-228101-06  
Fax: (91)1462-228117 / 228119  
Toll Free No.: 1800 180 6003 / 6004  
Email: shreebwr@shreecementltd.com

**PLANT LOCATIONS:****Integrated Cement Units and Power Plants:**

**Beawar:** Bangur Nagar, Beawar, Distt.: Ajmer,  
Rajasthan - 305 901

**Ras:** Bangur City, Ras, Tehsil: Jaitaran, Distt.: Pali,  
Rajasthan - 306 107

**Cement Grinding Unit(s):**

**Khushkhera:** Plot No. SP-3 / A-II, RIICO Industrial Area,  
Khushkhera, Tehsil: Bhiwadi, Distt.: Alwar, Rajasthan - 301 707

**Suratgarh:** Near N.H.-15, Udaipur - Udasar, Tehsil: Suratgarh,  
Distt.: Sriganganagar, Rajasthan - 335 804

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

**Jobner (Jaipur):** Mahela - Jobner Road, Village: Aslapur,  
Tehsil: Phulera, Distt.: Jaipur, Rajasthan - 303 331

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

**Projects under Implementation:**

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

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

**SHAREHOLDERS' ENQUIRIES:**

Shri S.S. Khandelwal,  
Company Secretary  
Phone: (91)1462-228101- 06  
Fax: (91)1462-228117/228119  
Toll Free: 1800 180 6003 / 6004  
Exclusive e-mail ID for shareholders' queries:  
khandelwalss@shreecementltd.com  
Corporate Secretarial e-mail ID: investor@shreecementltd.com



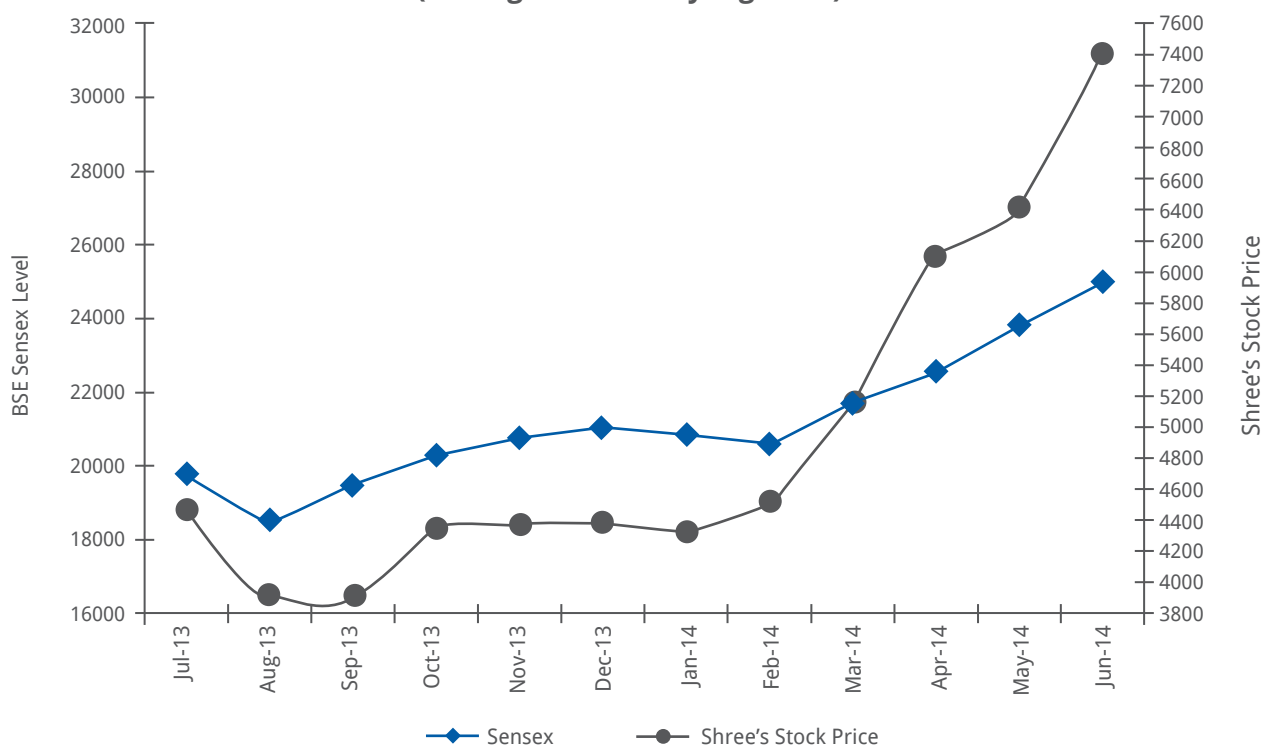
## MARKET PRICE DATA

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume(No. of Shares)	High (₹)	Low (₹)	Volume(No. of Shares)
July - 13	4,849.50	4,082.00	9,284	4,859.00	4,075.00	2,11,266
Aug - 13	4,427.50	3,412.65	55,102	4,435.00	3,400.10	5,81,029
Sep - 13	4,265.00	3,534.90	22,092	4,300.00	3,524.00	3,34,719
Oct - 13	4,589.90	4,094.30	27,851	4,605.90	4,051.15	1,86,239
Nov - 13	4,499.90	4,243.40	1,72,397	4,495.00	4,151.15	1,23,962
Dec - 13	4,522.60	4,250.70	31,428	4,516.85	4,226.60	2,42,464
Jan - 14	4,590.10	4,100.10	92,564	4,550.10	4,100.10	5,03,814
Feb - 14	4,839.80	4,234.00	6,373	4,838.90	4,210.80	2,27,287
Mar - 14	5,699.90	4,621.00	2,76,560	5,754.00	4,631.15	4,47,476
Apr - 14	6,699.90	5,482.25	15,013	5,999.40	5,450.00	2,34,242
May - 14	7,128.70	5,675.00	93,777	7,148.55	5,660.05	3,93,535
June - 14	7,981.50	6,810.00	48,572	7,999.70	6,805.50	5,35,120
<b>TOTAL</b>			<b>8,51,013</b>			<b>40,21,153</b>

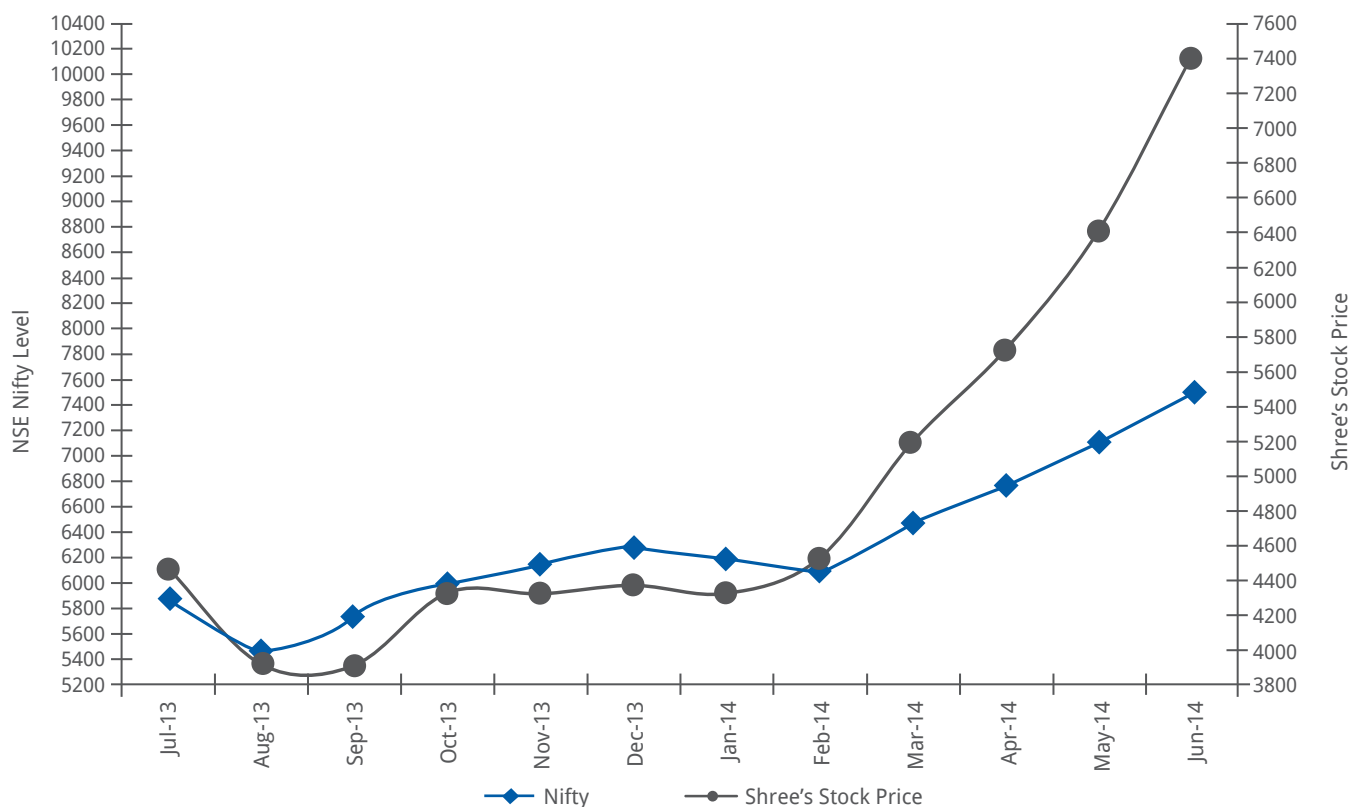
The performance of Company's stock in comparison to broad-based indices is as under:-

	BSE (Sensex)	SCL Quote at BSE (₹)	NSE (Nifty)	SCL Quote at NSE (₹)
1 <sup>st</sup> July, 2013 (open)	19,352.48	4,725.00	5,834.10	4,735.00
30 <sup>th</sup> June, 2014 (close)	25,413.78	7,246.45	7,611.35	7,204.05
Increase/Decrease	31.3%	53.4%	30.5%	52.1%

### Movement of Shree's stock vis-à-vis Sensex (Average of monthly high-low)



### Movement of Shree's stock vis-à-vis Nifty (Average of monthly high-low)



#### REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Karvy Computershare Private Limited,  
Unit: SHREE CEMENT LIMITED  
Plot No.17-24, Vittal Rao Nagar, Madhapur,  
Hyderabad, Telangana - 500 081  
Contact Person: Mr. K. S. Reddy, Asstt. General Manager  
Phone No.: (91) 40-44655000  
Fax No.: (91) 40-23420814  
E-mail: einward.ris@karvy.com

#### SHARE TRANSFER SYSTEM

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

The physical shares along with valid, duly executed and stamped Securities Transfer Form (Form No. SH-4) signed by the member (or on his/her behalf) and the transferee, received within 60 days of its execution, is duly processed and

shares in respect of valid transfer instruments are transferred in the name of transferees complying with the rules in force. The shares are transferred after obtaining approval from Share Transfer Committee. Duly transferred share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. As required under clause 47(c) of the Listing Agreement, a practising Company Secretary has examined the records relating to Share Transfer Deeds/Securities Transfer Forms, Registers and other related documents on half-yearly basis and has certified compliance with the provisions of the above Clause. The compliance certificates are forwarded to BSE and NSE where the Company's shares are listed.

#### NOMINATION FACILITY FOR SHAREHOLDING

Investors holding shares in physical form can register Nomination in their folio(s) by sending duly completed Nomination Form in prescribed Form No. SH-13 as enclosed with this Annual Report by sending to the Registrar and Share Transfer Agent of the Company. Investors holding share in electronic form should contact their concerned Depository Participant (DP) directly for nomination.

### USAGE OF ELECTRONIC MODES FOR MAKING CASH PAYMENTS TO THE INVESTORS

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

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

### UNCLAIMED SHARE CERTIFICATES LYING WITH THE COMPANY/R&T AGENT

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

Disclosure pursuant to Clause 5A II of the Listing Agreement as on 30th June, 2014 is given below:

Particulars	Aggregate number of Shareholders	Outstanding shares
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. on 1 <sup>st</sup> July, 2013	11	645
Number of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	0	0
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year*	1	50

Particulars	Aggregate number of Shareholders	Outstanding shares
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. on 30 <sup>th</sup> June, 2014	10	595

\* Request received prior to 30<sup>th</sup> June, 2013 and processed thereafter

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

Shareholders are requested to ensure that all events of change of address, change in Bank Mandate, etc., should be intimated to the 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 dematerialized form should correspond with the Depository Participant with whom they have opened Demat Account(s).

### FURNISHING PERMANENT ACCOUNT NUMBER (PAN) FOR SHARE TRANSFER CASES

The Securities and Exchange Board of India (SEBI) vide its earlier circulars had made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. Further to this, SEBI had vide its Circular No. NRD/Dop/Cir-05/2009 dated May 20, 2009 directed that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/RTA, as the case may be, for registration of transfer of shares. In continuation to this circular, SEBI had vide its Circular No. SEBI/MRD/Dop/SE/RTA/Cir-03/2010 dated January 7, 2010, had clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders
- Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares
- Transposition of share, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders

In case of a mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors, the PAN card as submitted by the transferee(s) can be provided by furnishing sufficient evidence of the identity of the transferees like passport, voter ID card, driving licence, photo identity cards issued by statutory bodies, banks, public sector undertaking, etc.

### E-VOTING

E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. Investors can now vote on resolutions requiring voting through Postal Ballot as per the applicable rules and regulations without sending their votes through post. The Company will also have the e-voting facility for the items to be transacted at this AGM. The MCA has authorized NSDL, CDSL and Karvy Computershare Pvt. Ltd. for setting up electronic platform to facilitate casting of votes in electronic form. The Company has entered into agreements with Karvy Computershare Pvt. Ltd. for availing e-voting facilities.

### DEMATERIALIZATION 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 dematerialization. As on 30<sup>th</sup> June, 2014, 88.68% (30<sup>th</sup> June, 2013, 88.53%) of the Company's share capital had been dematerialized.

Shareholders holding shares in Demat form are requested to give all instructions regarding the change of address, nomination, power of attorney and bank mandate directly to their Depository Participants.

The shares 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 30<sup>th</sup> June, 2014.**

### DISTRIBUTION OF SHARE HOLDING AS ON 30<sup>TH</sup> JUNE, 2014

S. No.	Category (Shares)	No. of Holders	% Holders	No. of Shares	% Equity
1	1 – 50	6845	60.63	144066	0.41
2	51 – 100	1983	17.56	181353	0.52
3	101 – 200	959	8.49	158840	0.46
4	201 – 500	750	6.64	270512	0.78
5	501 - 1000	301	2.67	236670	0.68
6	1001 - 5000	247	2.19	566852	1.63
7	5001 - 10000	61	0.54	457871	1.31
8	10001 and above	144	1.28	32821061	94.21
	<b>Total</b>	<b>11290</b>	<b>100.00</b>	<b>34837225</b>	<b>100.00</b>

### SHAREHOLDING PATTERN

Description	No. of Shares held		%	
	30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013
Promoters	22569797	22569997	64.79%	64.79%
Mutual Fund & UTI	2036014	2029545	5.84%	5.83%
Financial Institutions, Banks, Insurance Companies, etc.	20568	20591	0.06%	0.06%
FII's	3366494	2836297	9.66%	8.14%
NRIs/OCBs/Non-Domestic Companies	3888516	3748760	11.16%	10.76%
Private Corporate Bodies	1768907	2422180	5.08%	6.95%
Indian Public	1186894	1205394	3.41%	3.46%
Others - Directors/Relatives (non-Promoters)	35	4461	0.00%	0.01%
<b>Total</b>	<b>34837225</b>	<b>34837225</b>	<b>100.00</b>	<b>100.00</b>

### DECLARATION ON CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Executives/Personnel have confirmed compliance with the Code of Conduct for the year ended on 30<sup>th</sup> June, 2014.

Place: New Delhi  
Date: 25<sup>th</sup> August, 2014

for SHREE CEMENT LIMITED

**H.M. Bangur**  
Managing Director

## **CEO/CFO CERTIFICATE**

**(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

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

Pursuant to Clause 49 of the Listing Agreement, this is to certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended on 30<sup>th</sup> June, 2014 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) 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.
2. 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.
3. 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 taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) 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.

Place: New Delhi  
Date: 25<sup>th</sup> August, 2014

**Ashok Bhandari**  
Chief Finance Officer

**H. M. Bangur**  
Managing Director

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SHREE CEMENT LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with general circular No. 15/2013 dated 13.09.2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have 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 appears from our examination of those books.

- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under sub-section (3C) of section 211 of the Act, read with general circular No. 15/2013 dated 13.09.2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013.
- (e) On the basis of written representations received from the directors as on June 30, 2014 and taken on record by the Board of Directors, none of the

directors is disqualified as on June 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **B. R. Maheswari & Co.**  
Chartered Accountants  
Firm's Registration No. 001035N

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- 2) In respect of its inventories:
  - (a) The inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clause (iii) of the Companies (Auditor's Report) order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 is not applicable to the Company for the current year.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- 5) In respect of the contracts or arrangement referred to in section 301 of the Act:
  - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement that need to be entered into the register maintained under section 301 of the Act have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lac in respect of any party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.
- 6) 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 58A and 58AA or any other relevant provisions of the Act. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for maintenance of cost records under Section 209 (1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and 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.

- 9) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 30<sup>th</sup> June, 2014 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, the details of disputed amount of Income Tax, Sales Tax, Excise Duty, Custom Duty, Entry Tax, Service Tax and Cess not deposited by the Company are as follows :

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
<b>(A) Entry Tax</b>				
Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax including interest on goods purchased from outside Rajasthan	193.83	2005-06 to 2013-14	Rajasthan High Court, Jodhpur
		40.37	2005-06 to 2011-12	Deputy Commissioner (Appeals), Ajmer (also pending with Rajasthan High Court, Jodhpur)
		12.03	2012-13 to 2013-14	CTO, Special Circle Ajmer (Also Pending with Rajasthan High Court, Jodhpur)
UP Tax on Entry of Goods Act, 2000	Entry Tax including interest on stock transfer from Rajasthan to Uttar Pradesh	12.19	2003-04 to 2009-10	Apex Court
<b>Total (A)</b>		<b>258.42</b>		
<b>(B) Excise and Service Tax</b>				
Central Excise Act, 1944	Cenvat credit on Inputs and capital goods	1.13	1994-95 to 2011-12	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs and capital goods	1.76	1997-98 to 2003-04 & 2007-08 to 2008-09	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
	Input Services	4.30	2012-13 to 2013-14	Commissioner of Central Excise
Finance Act, 1994	Service Tax and credit of Service Tax	0.06	2008-09 to 2010-11	Commissioner (Appeals) of Central Excise
	Service Tax credit on road freight and others	1.54	2004-05 to 2008-09	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (B)</b>		<b>8.79</b>		
<b>(C) Customs Duty</b>				
Customs Act, 1962	Custom Duty Valuation	5.62	2009-10 to 2011-12	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
<b>Total (C)</b>		<b>5.62</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) Sales Tax</b>				
Central Sales Tax Act, 1956	Partial Exemption Claim including interest	7.00	1998-99 to 2000-01	Rajasthan High Court, Jodhpur
<b>Total (D)</b>		<b>7.00</b>		
<b>(E) Others</b>				
The Rajasthan Finance Act, 2008	Environment & Health Cess	48.00	2007-08 to 2013-14	Rajasthan High Court, Jodhpur
<b>Total (E)</b>		<b>48.00</b>		
<b>Grand Total (A+B+C+D+E)</b>		<b>327.83</b>		

- 10) The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- 11) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions, banks or debenture holders.
- 12) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the company is not a chit fund Company or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- 14) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- 15) As informed to us, the company has not given any guarantees for loans taken by others from bank or financial institutions.
- 16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- 18) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act and therefore, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- 19) According to the information and explanations given to us, the Company has not issued any debentures during the year.
- 20) During the year under audit, the Company has not raised money by public issue and accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- 21) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **B. R. Maheswari & Co.**  
Chartered Accountants  
Firm's Registration No. 001035N

**Sudhir Maheswari**  
Partner  
Membership No. 081075

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

**BALANCE SHEET**AS AT 30<sup>TH</sup> JUNE, 2014

		(₹ in Crore)	
	Note	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	34.84	34.84
Reserves and Surplus	3	4,676.03	3,808.81
		<b>4,710.87</b>	<b>3,843.65</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	446.68	443.08
Other Long-Term Liabilities	5	652.88	438.23
Long-Term Provisions	6	19.01	18.16
		<b>1,118.57</b>	<b>899.47</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	631.59	534.30
Trade Payables	8	187.53	80.74
Other Current Liabilities	8	580.52	712.42
Short-Term Provisions	6	99.63	89.54
		<b>1,499.27</b>	<b>1,417.00</b>
<b>Total</b>		<b>7,328.71</b>	<b>6,160.12</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		2,193.77	1,781.94
Intangible Assets		-	-
Capital Work-in-Progress		758.50	133.33
Non-Current Investments	10	1,519.32	1,501.46
Deferred Tax Assets (Net)	11	142.86	93.77
Long-Term Loans and Advances	12	382.37	377.89
		<b>4,996.82</b>	<b>3,888.39</b>
<b>Current Assets</b>			
Current Investments	13	725.07	701.83
Inventories	14	809.78	530.48
Trade Receivables	15	296.59	314.66
Cash and Bank Balances	16	159.27	379.37
Short-Term Loans and Advances	12	306.85	316.11
Other Current Assets	17	34.33	29.28
		<b>2,331.89</b>	<b>2,271.73</b>
<b>Total</b>		<b>7,328.71</b>	<b>6,160.12</b>
Significant Accounting Policies	1		

Accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **B. R. MAHESWARI & CO.**  
Chartered Accountants  
Firm's Registration No. 001035N

For and on behalf of the Board

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**B. G. Bangur**  
Chairman

**H. M. Bangur**  
Managing Director

**Prashant Bangur**  
Whole Time Director

**R.L. Gaggar**  
Director

**O.P. Setia**  
Director

**Shreekant Somany**  
Director

**Dr. Y.K. Alagh**  
Director

**Nitin Desai**  
Director

**Dr. Leena Srivastava**  
Director

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

**Ramakant Sharma**  
Director

**Ashok Bhandari**  
Chief Finance Officer

**S.S. Khandelwal**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2014

				(₹ in Crore)	
	Note	For the Year ended 30 <sup>th</sup> June, 2014	For the Year ended 30 <sup>th</sup> June, 2013		
<b>REVENUE</b>					
Revenue from Operations (Gross)	18	6,544.31	6,169.08		
Less: Excise Duty		657.00	578.83		
Revenue from Operations (Net)		5,887.31	5,590.25		
Other Income	19	184.94	188.33		
		<b>6,072.25</b>	<b>5,778.58</b>		
<b>EXPENDITURE</b>					
Cost of Materials Consumed	20	463.86	406.56		
Changes in Inventories of Finished Goods and Work-in-Progress	21	(16.37)	(15.97)		
Employee Benefits Expense	22	395.30	338.01		
Power and Fuel		1,378.70	1,479.35		
Freight and Forwarding Expenses	23	1,190.54	915.01		
Finance Costs	24	129.19	193.14		
Other Expenses	25	1,112.48	916.11		
		<b>4,653.70</b>	<b>4,232.21</b>		
Captive Consumption of Cement [Net of Excise Duty ₹ 2.45 crore (Previous year ₹ 1.31 crore)]		(27.02)	(9.74)		
		<b>4,626.68</b>	<b>4,222.47</b>		
<b>PROFIT BEFORE DEPRECIATION, EXCEPTIONAL ITEMS AND TAX</b>					
Depreciation and Amortization Expense		549.91	435.63		
Exceptional Items					
Assets Constructed at Other's Premises Written Off		6.78	1.06		
Others (Refer Note 28)		73.73	-		
		<b>815.15</b>	<b>1,119.42</b>		
<b>PROFIT BEFORE TAX</b>					
Current Tax		184.55	219.81		
Less: MAT Credit Entitlement		11.62	80.33		
Net Current Tax		172.93	139.48		
Prior Period Tax Expense (Net)		(95.93)	-		
Deferred Tax (Credit) / Charge		(49.09)	(24.03)		
		<b>787.24</b>	<b>1,003.97</b>		
<b>PROFIT FOR THE YEAR</b>					
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>	36				
Cash		369.74	406.34		
Basic and Diluted		225.98	288.19		
Significant Accounting Policies	1				

Accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **B. R. MAHESWARI & CO.**  
Chartered Accountants  
Firm's Registration No. 001035N

For and on behalf of the Board

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**B. G. Bangur**  
Chairman

**H. M. Bangur**  
Managing Director

**Prashant Bangur**  
Whole Time Director

**R.L. Gaggar**  
Director

**O.P. Setia**  
Director

**Shreekant Somany**  
Director

**Dr. Y.K. Alagh**  
Director

**Nitin Desai**  
Director

**Dr. Leena Srivastava**  
Director

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

**Ramakant Sharma**  
Director

**Ashok Bhandari**  
Chief Finance Officer

**S.S. Khandelwal**  
Company Secretary

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2014

Particulars	(₹ in Crore)	
	For the year ended 30 <sup>th</sup> June, 2014	For the year ended 30 <sup>th</sup> June, 2013
<b>A Cash Flow From Operating Activities</b>		
Profit Before Tax	815.15	1,119.42
Add : Exceptional Items	80.51	1.06
<b>Profit Before Tax and Exceptional Items</b>	<b>895.66</b>	<b>1,120.48</b>
<b>Adjustments For :</b>		
Depreciation and Amortization	549.91	435.63
Unrealized Foreign Exchange Rate Differences (Net)	0.55	(1.51)
Balances Written Back (Net)	(0.84)	(1.13)
Provision for Bad and Doubtful Receivables (Net)	0.12	(0.03)
Profit on Sale of Investments (Net)	(50.18)	(112.33)
Interest Income	(79.73)	(64.28)
Dividend Received	(26.04)	(1.46)
Profit on Sale of Fixed Assets (Net)	(0.50)	(2.32)
Finance Costs	129.19	193.14
<b>Operating Profit Before Working Capital Changes</b>	<b>1,418.14</b>	<b>1,566.19</b>
<b>Adjustments For :</b>		
(Increase) / Decrease in Trade Receivables, Loans and Advances and Other Assets	9.21	(119.57)
(Increase) / Decrease In Inventories	(279.30)	(27.16)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	388.77	82.32
	118.68	(64.41)
<b>Cash Generated From Operations</b>	<b>1,536.82</b>	<b>1,501.78</b>
Direct Taxes Paid (Net of Refunds)	(55.63)	(240.99)
<b>Cash Flow Before Exceptional Items</b>	<b>1,481.19</b>	<b>1,260.79</b>
Exceptional Items	(80.51)	(1.06)
<b>Net Cash From Operating Activities</b>	<b>1,400.68</b>	<b>1,259.73</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets (Including Capital Work-in-Progress and Advances)	(1,584.62)	(897.08)
Sale of Fixed Assets	1.71	3.63
Purchase of Investments	(1,714.12)	(1,435.18)
Proceeds from sale of Investments	1,723.20	1,889.48
Investments in Subsidiary Companies	-	(0.06)
Investments in Bank Deposits	(144.83)	(215.89)
Maturity of Bank Deposits	376.10	309.61
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.19)	4.21
Dividend Received	26.04	1.46
Interest Received	82.77	70.12
<b>Net Cash Used in Investing Activities</b>	<b>(1,233.94)</b>	<b>(269.70)</b>

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2014

Particulars	(₹ in Crore)	
	For the year ended 30 <sup>th</sup> June, 2014	For the year ended 30 <sup>th</sup> June, 2013
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Long Term Borrowings	125.20	-
Repayment of Long Term Borrowings	(310.86)	(806.97)
Proceeds from Short Term Borrowings	596.60	771.51
Repayment of Short Term Borrowings	(470.62)	(840.09)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	(29.73)	(0.58)
Capital Subsidy	169.66	187.05
Interest and Financial Charges Paid	(146.52)	(223.63)
Dividend and Tax Paid there on (Interim and Final)	(89.49)	(68.99)
<b>Net Cash Used in Financing Activities</b>	<b>(155.76)</b>	<b>(981.70)</b>
<b>Net Increase In Cash and Cash Equivalents</b>	<b>10.98</b>	<b>8.33</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>30.13</b>	<b>21.80</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>41.11</b>	<b>30.13</b>

Accompanying notes are an integral part of the Financial Statements.

### Notes :

1. Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. Previous year figures have been regrouped and rearranged wherever necessary.
3. Cash and Cash Equivalents are as per note 16 of the Financial Statements.

As per our report of even date

For **B. R. MAHESWARI & CO.**  
Chartered Accountants  
Firm's Registration No. 001035N

For and on behalf of the Board

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**B. G. Bangur**  
Chairman

**H. M. Bangur**  
Managing Director

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Whole Time Director

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**Dr. Y.K. Alagh**  
Director

**Nitin Desai**  
Director

**Dr. Leena Srivastava**  
Director

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

**Ramakant Sharma**  
Director

**Ashok Bhandari**  
Chief Finance Officer

**S.S. Khandelwal**  
Company Secretary

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE - 1 - SIGNIFICANT ACCOUNTING POLICIES

#### I. Accounting Convention

The Financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting and comply with the Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, read with general circular No. 15/2013 dated 13.09.2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013 unless stated otherwise hereinafter. Accounting Policies not specifically referred to, are consistent with Generally Accepted Accounting Principles in India.

#### II. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### III. Fixed Assets

Fixed assets are disclosed at cost less accumulated depreciation/amortization and impairment loss, if any. Cost comprises of purchase price and attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any) except free hold land not containing mineral reserves which is disclosed at cost less impairment loss, if any.

#### IV. Capital Work-In-Progress

- a) Capital work-in-progress is carried at cost and Pre-operative expenditure during construction period which is allocated to the fixed assets on the completion of project.
- b) Expenditures on construction of assets for Company's use at premises owned by Government/ Local Authorities/others are charged to Statement of Profit and Loss in the year of expenditure.

#### V. Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

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

#### VI. Depreciation and Amortization

##### Tangible Assets

- (a) Depreciation is provided on Written down Value method at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates prescribed in the Income Tax Act, 1961, whichever is higher. However, in case of those assets whose WDV as per the Income Tax Act, 1961 is lower than the WDV as per books, additional depreciation is provided to align the Book WDV with WDV as per the Income Tax Act, 1961.
- (b) Leasehold land not containing mineral reserve is amortized over the period of lease.
- (c) Land bearing mineral reserves is amortized over its estimated commercial life based on the unit-of-production method.

##### Intangible Assets

- (a) Expenditure on Computer Software is amortized in the year in which it is capitalized.
- (b) Amount paid for Mining rights is amortized in the year in which amount is paid.

#### VII. Foreign Currency Transactions

Foreign currency transactions are recorded by applying the exchange rates on the date of transaction.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

At each Balance sheet date, foreign currency monetary items are reported using the closing rates. Non Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

### Derivative Instruments

Derivative financial instruments are used to hedge risk associated with foreign currency fluctuations and interest rates. The derivative contracts are closely linked with the underlying transactions and are intended to be held till maturity. These are accounted on the date of their settlement and realized gain/loss in respect of settled contracts is recognized in the Statement of Profit and Loss.

The premium or discount on forward exchange contracts is amortized over the life of the contract.

### VIII. Investments

Investments, that are intended to be held for not more than one year, from the date of acquisition, are classified as current investments. All other investments are classified as long term investments/non-current investments.

Current Investments are carried at lower of cost or fair market value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

### IX. Inventories

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

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

at or above cost. Cost is determined on a weighted average basis.

#### b) Work-in-progress and Finished goods:

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### X. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash on hand, balances with banks and fixed deposits with banks with an original maturity of three months or less.

### XI. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured

- a) Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Sales are disclosed net of sales tax / VAT, trade discounts and returns, as applicable.
- b) Power supplied under banking arrangements is accounted for as per terms of related agreements. Quantity of power banked is recorded as loan transaction valued at cost or net realizable value, whichever is lower and recognized as revenue when the same is returned and sold to an ultimate customer.
- c) Dividend income on investments is accounted for when the right to receive the payment is established.
- d) Interest is recognized using the time-proportion method, based on rates implicit in the transaction.
- e) Certain insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### XII. Government Grants/Subsidies

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

Government grants/subsidies, which are capital in nature, are credited to capital reserve.

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the period to match them with the related costs.

### XIII. Employee Benefits

#### Defined Contribution Plan

Superannuation, Provident Fund and National Pension Scheme are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss of the year in which the contributions to the respective funds are due.

#### Defined Benefit Plan

- a) Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
- b) Contribution to provident Fund set up by the Company in respect of a few employees is also defined benefit plan and contribution is charged to Statement of Profit and Loss of the year in which the contribution is due.
- c) Encashable leave in case of employees covered by Cement Wage Board is considered as defined benefit plan and is accounted for on the basis of actuarial valuation, as at the Balance Sheet date.

#### Other Benefits

Non-encashable leaves are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance sheet.

Actuarial gains and losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arise.

### XIV. Operating Leases

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained

by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

### XV. Borrowing Costs

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### XVI. Research and Development

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

### XVII. Mines Reclamation Expenditure

The Company provides for the expenditure to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted.

### XVIII. Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. The identification of geographical segment is based on the areas in which major operating divisions of the Company operates.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

### XIX. Taxation

Tax expense comprises of Current and Deferred Tax.

Current Tax is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognized for all the timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each Balance sheet date.

### XX. Provisions, Contingent Liabilities and Contingent Assets

Provisions in respect of present obligation arising out of past events are made in the accounts if it is probable that an outflow of resources will be required to settle

the obligation and in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

The contingent liabilities are disclosed, unless the possibility of outflow of resources is remote. Contingent Assets are generally neither recognized nor disclosed in the financial statements.

### XXI. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

	(₹ in Crore)	
<b>NOTE 2 - SHARE CAPITAL</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
<b>Authorized</b>		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹10/- each	60.00	60.00
15,00,000 (Previous Year 15,00,000) Cumulative Preference Shares of ₹100/- each	15.00	15.00
	<b>75.00</b>	<b>75.00</b>
<b>Issued, Subscribed and Paid-up</b>		
3,48,37,225 (Previous Year 3,48,37,225) Equity Shares of ₹10/- each fully paid-up	34.84	34.84
	<b>34.84</b>	<b>34.84</b>

#### 2.1 Details of shareholders holding more than 5% shares of the Company:

Name of Shareholder	Number of Shares Held As at 30 <sup>th</sup> June, 2014	% of Total Paid-up Equity Share Capital	Number of Shares Held As at 30 <sup>th</sup> June, 2013	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	8,984,155	25.79	8,984,155	25.79
Digvijay Finlease Limited	4,234,780	12.16	4,234,780	12.16
FLT Limited	3,600,000	10.33	3,600,000	10.33
Mannakrishna Investments Private Limited	2,042,824	5.86	2,042,824	5.86

## NOTES FORMING PART OF FINANCIAL STATEMENTS

- 2.2 The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.
- 2.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 2.4 The Board of Directors, in its meetings held on 27<sup>th</sup> January, 2014 and 25<sup>th</sup> August, 2014 declared interim dividend of ₹10 and ₹12 per equity share respectively.
- 2.5 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous year, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.
- 2.6 The Equity Shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

	(₹ in Crore)	
<b>NOTE 3 - RESERVES AND SURPLUS</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
<b>Capital Reserve</b>		
As per last Financial Statements	397.80	210.75
Add: Addition During the Year	169.66	187.05
	<b>567.46</b>	<b>397.80</b>
<b>Capital Redemption Reserve</b>		
As per last Financial Statements	15.00	15.00
	<b>15.00</b>	<b>15.00</b>
<b>Securities Premium Account</b>		
As per last Financial Statements	26.53	26.53
	<b>26.53</b>	<b>26.53</b>
<b>Debenture Redemption Reserve</b>		
As per last Financial Statements	200.00	500.00
Less: Transfer to General Reserve	-	300.00
	<b>200.00</b>	<b>200.00</b>
<b>General Reserve</b>		
As per last Financial Statements	1,950.00	750.00
Add: Transfer from Surplus in the Statement of Profit and Loss	550.00	900.00
Add: Transfer from Debenture Redemption Reserve	-	300.00
	<b>2,500.00</b>	<b>1,950.00</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in Crore)	
<b>NOTE 3 - RESERVES AND SURPLUS</b>		As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Special Reserve (Refer Note 3.1)</b>			
As per last Financial Statements		105.20	105.20
Add: Transfer from Surplus in the Statement of Profit and Loss		394.80	-
		<b>500.00</b>	<b>105.20</b>
<b>Surplus in the Statement of Profit and Loss</b>			
As per Last Financial Statements		1,114.28	1,091.61
Add: Profit for the Year		787.24	1,003.97
		<b>1,901.52</b>	<b>2,095.58</b>
Less: Appropriations			
Transferred to General Reserve		550.00	900.00
Transferred to Special Reserve		394.80	-
Interim Dividends on Equity Shares		76.65	27.87
Tax on Interim Dividends		13.03	4.52
Proposed Final Dividend on Equity Shares		-	41.81
Tax on Final Dividend		-	7.10
		<b>1,034.48</b>	<b>981.30</b>
<b>Net Surplus</b>		<b>867.04</b>	<b>1,114.28</b>
		<b>4,676.03</b>	<b>3,808.81</b>

3.1 Demands raised by various statutory authorities related to taxes, legal and other matters, which are under various stages of litigation, are reflected under contingent liabilities. As a measure of prudence, the management has created a special reserve to meet any eventuality that may arise in the future with respect to these contingent liabilities.

		(₹ in Crore)			
<b>NOTE 4 - LONG-TERM BORROWINGS</b>		Non-Current Portion		Current Maturities	
		As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Secured</b>					
<b>Redeemable Non Convertible Debentures (NCDs)</b>					
2,000 (Previous year 2,000) 8.42% NCDs of ₹10,00,000/- each		200.00	200.00	-	-
Term Loans from Banks		246.52	243.08	121.56	310.86
Vehicle Loan from Others		0.16	-	0.04	-
		<b>446.68</b>	<b>443.08</b>	<b>121.60</b>	<b>310.86</b>
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)		-	-	(121.60)	(310.86)
		<b>446.68</b>	<b>443.08</b>	<b>-</b>	<b>-</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 4.1 Nature of securities and terms of repayment of each loan:

(₹ in Crore)					
Sr. No.	Nature of Securities	Rate of Interest	Loan Amount As at 30 <sup>th</sup> June, 2014	Loan Amount As at 30 <sup>th</sup> June, 2013	Terms of Repayment
<b>Non Convertible Debentures</b>					
1	These debentures (redeemable at par) are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable fixed assets on the first charge basis, pari pasu with other term lenders. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnager (Gujarat).	8.42%	200.00	200.00	Fully Repayable on 22.07.2015
<b>Term Loans from Banks</b>					
2	The Term loan is secured by joint equitable mortgage on all the immovable assets and by way of hypothecation of all the movable assets ranking subsequent and subservient to the prior mortgages and charges created/ to be created in favour of banks and institutions for their various term loans and working capital facilities.	10.00%	-	121.08	Paid during the year
3	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari pasu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	9.42%	106.41	148.97	Repayable in 5 half yearly installments of ₹ 21.282 crore each w.e.f. 08.09.2014
		9.65%	91.76	104.87	Repayable in 4 half yearly installments w.e.f. 02.09.2014, out of which 2 installments of ₹ 17.041 crore each and last 2 installments of ₹ 28.839 crore each
		8.04%	44.91	89.82	Repayable in 2 half yearly installments of ₹ 22.455 crore each w.e.f. 07.07.2014
4	Secured by Hypothecation of all movable fixed assets of the Company on first charge basis, pari passu with other term lenders.	9.50%	125.00	-	Fully Repayable on 15.10.2016
		8.76%	-	89.20	Paid during the year
<b>Vehicle Loan from Others</b>					
5	Secured by Hypothecation of the vehicle	10.09%	0.20	-	Repayable in 52 equated monthly installments w.e.f. 03.07.2014
<b>TOTAL</b>			<b>568.28</b>	<b>753.94</b>	
Less: Current Maturities			121.60	310.86	
<b>Total Non-Current Portion</b>			<b>446.68</b>	<b>443.08</b>	

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crore)

<b>NOTE 5 - OTHER LONG-TERM LIABILITIES</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
Security Deposits from Customers, Vendors and Others	194.83	141.54
Statutory Liabilities	458.05	296.69
	<b>652.88</b>	<b>438.23</b>

(₹ in Crore)

<b>NOTE 6 - PROVISIONS</b>	<b>Long-Term</b>		<b>Short-Term</b>	
	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
<b>Provision for Employee Benefits</b>				
Gratuity	-	-	0.02	0.22
Other Staff Benefit Schemes	0.93	0.86	2.82	2.75
<b>Other Provisions</b>				
Income Tax (Net of Advance Tax)	-	-	46.74	35.95
Wealth Tax	-	-	0.34	0.31
Mines Reclamation Expenses (Refer Note 37)	18.08	17.30	0.80	1.40
Interim Dividend	-	-	41.81	-
Tax on Interim Dividend	-	-	7.10	-
Proposed Dividend - Final	-	-	-	41.81
Tax on Final Dividend	-	-	-	7.10
	<b>19.01</b>	<b>18.16</b>	<b>99.63</b>	<b>89.54</b>

(₹ in Crore)

<b>NOTE 7 - SHORT-TERM BORROWINGS</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
<b>Secured</b>		
Loans Repayable on Demand from Banks (Refer Note 7.1)	80.84	110.82
Suppliers Credit from Bank (Refer Note 7.1)	78.60	-
Bank and Book Overdraft (Refer Note 7.2)	32.16	31.91
<b>Unsecured</b>		
Buyers Credit from Banks	439.99	391.57
	<b>631.59</b>	<b>534.30</b>

7.1 Demand loans and suppliers credit from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on First charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company on second charge basis.

7.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 16)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in Crore)	
<b>NOTE 8 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
<b>Trade Payables</b>		
Micro, Small and Medium Enterprises (Refer Note 8.1)	2.85	2.50
Others	184.68	78.24
	<b>187.53</b>	<b>80.74</b>
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Borrowings (Refer Note 4)	121.60	310.86
Interest Accrued but not Due on Borrowings	11.68	20.88
Customers Advances	73.76	63.52
Withholding and Other Taxes Payable	58.26	49.96
Payable for Capital Goods	90.09	48.56
Security Deposits and Retention Money	5.29	5.95
Provident Fund and Superannuation Payable	6.82	5.54
Investor Education and Protection Fund shall be credited by the following amount:		
- Unpaid Dividend (There are no amounts due and outstanding to said fund as at 30.06.2014)	1.40	1.21
Other Statutory Liabilities	48.45	48.07
Other Payables (Refer Note 8.2)	163.17	157.87
	<b>580.52</b>	<b>712.42</b>
	<b>768.05</b>	<b>793.16</b>

8.1 Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the said Act. This has been relied upon by the Auditors.

8.2 Other Payables include the liability related to Employees, Rebate and Discount to customers etc.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	GROSS BLOCK		DEPRECIATION / AMORTIZATION		NET BLOCK As at 30 <sup>th</sup> June, 2014		
	As at 30 <sup>th</sup> June, 2013	Additions During the Year	Deductions/ Adjustments During the Year	As at 30 <sup>th</sup> June, 2014		Up to 30 <sup>th</sup> June, 2014	Up to 30 <sup>th</sup> June, 2014
<b>Tangible Assets:</b>							
Free Hold Land	465.05	102.08	-	567.13	0.47	3.08	564.05
Lease Hold Land	20.11	74.97	-	95.08	1.44	1.94	93.14
Buildings	209.20	17.04	-	226.24	13.13	90.64	135.60
Plant and Machinery	5,100.92	727.72 (a)	0.04	5,828.60	3,977.71	4,493.98	1,334.62
Railway Siding	12.82	21.91	-	34.73	11.77	17.58	17.15
Furniture and Fixtures	32.42	5.70	0.07	38.05	17.13	20.95	17.10
Office Equipments	44.84	9.67	0.24	54.27	30.34	37.98	16.29
Vehicles	33.34	7.55	4.40	36.49	19.19	20.67	15.82
<b>Sub Total</b>	<b>5,918.70</b>	<b>966.64</b>	<b>4.75</b>	<b>6,880.59</b>	<b>4,136.76</b>	<b>553.56 (b)</b>	<b>2,193.77</b>
<b>Intangible Assets:</b>							
Computer Software	5.26	5.41	-	10.67	5.26	5.41	10.67
Mining Rights	16.33	-	-	16.33	16.33	-	16.33
<b>Sub Total</b>	<b>21.59</b>	<b>5.41</b>	<b>-</b>	<b>27.00</b>	<b>21.59</b>	<b>5.41</b>	<b>27.00</b>
<b>Total (A)</b>	<b>5,940.29</b>	<b>972.05</b>	<b>4.75</b>	<b>6,907.59</b>	<b>4,158.35</b>	<b>558.97</b>	<b>2,193.77</b>
<b>Capital Work-in-Progress (B)</b>							
<b>Grand Total (A+B)</b>							<b>2,952.27</b>

Particulars	GROSS BLOCK		DEPRECIATION / AMORTIZATION		NET BLOCK As at 30 <sup>th</sup> June, 2013		
	As at 30 <sup>th</sup> June, 2012	Additions During the Year	Deductions/ Adjustments During the Year	As at 30 <sup>th</sup> June, 2013		Up to 30 <sup>th</sup> June, 2013	
<b>Tangible Assets:</b>							
Free Hold Land	374.81	90.24	-	465.05	0.37	2.61	462.44
Lease Hold Land	8.33	11.78	-	20.11	0.10	0.50	19.61
Buildings	184.49	24.74	0.03	209.20	10.31	77.51	131.69
Plant and Machinery	4,553.12	553.48 (a)	5.68	5,100.92	3,563.12	3,977.71	1,123.21
Railway Siding	12.58	0.24	-	12.82	11.53	11.77	1.05
Furniture and Fixtures	24.30	8.33	0.21	32.42	14.36	17.13	15.29
Office Equipments	36.61	9.51	1.28	44.84	26.34	30.34	14.50
Vehicles	28.74	7.10	2.50	33.34	17.19	18.7	14.15
<b>Sub Total</b>	<b>5,222.98</b>	<b>705.42</b>	<b>9.70</b>	<b>5,918.70</b>	<b>3,702.39</b>	<b>439.41 (b)</b>	<b>1,781.94</b>
<b>Intangible Assets:</b>							
Clean Development Mechanism (Internally Generated)	0.47	-	0.47	-	-	-	-
Computer Software	5.26	-	-	5.26	5.26	5.26	5.26
Mining Rights	16.33	-	-	16.33	16.33	-	16.33
<b>Sub Total</b>	<b>22.06</b>	<b>-</b>	<b>0.47</b>	<b>21.59</b>	<b>21.59</b>	<b>-</b>	<b>21.59</b>
<b>Total (A)</b>	<b>5,245.04</b>	<b>705.42</b>	<b>10.17</b>	<b>5,940.29</b>	<b>3,723.98</b>	<b>439.41</b>	<b>1,781.94</b>
<b>Capital Work-in-Progress (B)</b>							
<b>Grand Total (A+B)</b>							<b>1,915.27</b>

(a) Includes ₹ 8.81 crore (Previous Year ₹ 12.98 crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹ 9.06 crore (Previous Year ₹ 3.78 crore) on assets during construction period.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crore)					
<b>NOTE 10 - NON-CURRENT INVESTMENTS (valued at cost, unless stated otherwise)</b>	<b>Face Value ( In ₹ )</b>	<b>As at 30<sup>th</sup> June, 2014</b>		<b>As at 30<sup>th</sup> June, 2013</b>	
<b>Particulars</b>		<b>No.</b>	<b>Amount</b>	<b>No.</b>	<b>Amount</b>
<b>LONG TERM (OTHER THAN TRADE)</b>					
<b>QUOTED</b>					
<b>Bonds</b>					
<b>National Bank for Agriculture and Rural Development (Refer Note 10.3)</b>					
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20,000	209,340.000	228.90	199,335.000	214.41
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	86,640.000	91.43	83,840.000	87.51
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	5,000.000	5.29	5,000.000	5.29
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	180.000	0.22	180.000	0.22
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180.000	0.22	180.000	0.22
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460.000	0.55	460.000	0.55
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65.000	0.07	65.000	0.07
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	314,660.000	307.45	314,660.000	307.45
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	11,800.000	11.36	11,800.000	11.36
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	16,160.000	15.26	16,160.000	15.26
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	128,945.000	113.08	128,945.000	113.08
<b>National Housing Bank (Refer Note 10.3)</b>					
Zero Coupon NHB Bonds - 24DC18	10,000	327,711.000	160.10	327,711.000	160.10
Zero Coupon NHB Bonds - 31MR19	10,000	83,760.000	39.21	83,760.000	39.21
<b>Indian Railway Finance Corporation</b>					
8.50% Indian Railway Finance Corporation Bonds - 22JU20	10,00,000	650.000	64.79	650.000	64.79
8.63% Indian Railway Finance Corporation Bonds Tax Free - 26MR29	1,000	500,000.000	50.00	-	-
<b>Power Finance Corporation</b>					
8.70% Power Finance Corporation Bonds - 14MY20	10,00,000	880.000	87.98	880.000	87.98

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crore)					
NOTE 10 - NON-CURRENT INVESTMENTS (valued at cost, unless stated otherwise)	Face Value ( In ₹ )	As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
		No.	Amount	No.	Amount
<b>Particulars</b>					
<b>Rural Electrification Corporation</b>					
8.65% Rural Electrification Corporation Bonds - 15JN19	10,00,000	200.000	19.95	200.000	19.95
8.65% Rural Electrification Corporation Bonds - 22JN20	10,00,000	50.000	4.98	50.000	4.98
<b>Power Grid Corporation</b>					
8.64% Power Grid Corporation of India Bonds - 08JL21	12,50,000	120.000	14.95	120.000	14.95
<b>National Highways Authority of India</b>					
8.20% NHAI Tax Free Bonds - 25JN22	1,000	1,188,951.000	119.50	1,188,951.000	119.50
<b>Housing and Urban Development Corporation Limited</b>					
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	100,000.000	9.65	100,000.000	9.65
<b>Preference Shares</b>					
<b>Infrastructure Leasing and Financial Services Limited</b>					
16.06% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 25 <sup>th</sup> March, 2021	7,500	28,000.000	35.00	-	-
15.99% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 16 <sup>th</sup> May, 2021	7,500	52,000.000	65.41	-	-
<b>UNQUOTED</b>					
<b>Preference Shares</b>					
<b>L&amp;T Finance Holding Limited</b>					
8.75% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 25 <sup>th</sup> March , 2016	100	6,155,000.000	62.50	6,000,000.000	60.89
8.75% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 31 <sup>th</sup> March , 2016	100	1,141,136.000	11.41	1,141,136.000	11.41
<b>Investments in Subsidiary Companies</b>					
<b>Fully Paid Equity Shares</b>					
Shree Global Pte. Ltd.	1 USD	10,000.000	0.05	10,000.000	0.05
Katni Industries Private Limited	10	10,000.000	0.01	10,000.000	0.01
<b>In Units of Mutual Funds</b>					
JM Arbitrage Fund (Direct) - Dividend	10	-	-	23,566,896.994	25.00
IDFC Arbitrage Fund - Dividend Direct Plan	10	-	-	19,939,384.272	25.00
Kotak Equity Arbitrage Fund-Direct- Dividend	10	-	-	23,206,809.806	25.00
ICICI Prudential Plan Blended Plan A - Direct Plan - Dividend	10	-	-	18,796,003.218	25.00
L&T Triple Ace Bond Fund-Bonus	10	-	-	26,870,163.370	50.00
Reliance Income Fund Growth Plan-Bonus Option	10	-	-	4,903,108.890	2.57
<b>TOTAL</b>			<b>1,519.32</b>		<b>1,501.46</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crore)

10.1 AGGREGATE COST AND MARKET VALUE OF QUOTED INVESTMENTS :	As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
<b>Quoted Investments:</b>				
- In Bonds and Preference shares of Public Financial Institutions	1,445.35	1,836.20	1,276.53	1,610.16
<b>Total</b>	<b>1,445.35</b>	<b>1,836.20</b>	<b>1,276.53</b>	<b>1,610.16</b>

10.2 AGGREGATE COST OF UNQUOTED INVESTMENTS 73.97 224.93

10.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.

(₹ in Crore)

NOTE 11 - DEFERRED TAX ASSETS (Net)	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Deferred Tax Assets</b>		
Arising on account of :		
Long-term and Short-term Capital Losses	19.09	6.71
Expenses allowed for tax purpose when paid	135.42	89.00
Depreciation	6.36	5.34
Others	0.18	0.14
<b>Less: Deferred Tax Liabilities</b>		
Arising on Account of :		
Others	18.19	7.42
	<b>142.86</b>	<b>93.77</b>

(₹ in Crore)

NOTE 12 - LOANS AND ADVANCES	Long-Term		Short-Term	
	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
(Unsecured, Considered Good)				
Capital Advances	342.43	337.31	-	-
Advances Recoverable in Cash or in Kind or for Value to be Received	20.27	25.95	116.45	121.48
Deposits with Government Departments and Others	17.05	11.90	13.17	48.86
Balance with Customs, Excise and Port Trust etc. on Current Accounts	-	-	96.92	56.67
Loans and Advances to Staff and Workers	2.62	2.73	3.84	2.48
Advance Tax (Net of Provisions)	-	-	2.28	2.28
MAT Credit Entitlement	-	-	70.48	81.03
Prepaid Expenses	-	-	3.71	3.31
	<b>382.37</b>	<b>377.89</b>	<b>306.85</b>	<b>316.11</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 13 - CURRENT INVESTMENTS	Face Value (In ₹)	(₹ in Crore)			
		As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
		No.	Amount	No.	Amount
<b>CURRENT PORTION OF LONG TERM INVESTMENTS (OTHER THAN TRADE)</b> (valued at cost, unless stated otherwise)					
<b>QUOTED</b>					
<b>Bonds</b>					
<b>India Infrastructure Finance Company Limited</b>					
6.85% IIFCL Tax Free Bonds - 22JN14	1,00,000	-	-	1,200.000	11.83
<b>OTHER CURRENT INVESTMENTS (OTHER THAN TRADE)</b> (valued at lower of cost or fair market value)					
<b>QUOTED</b>					
<b>In Units of Mutual Funds</b>					
Birla Sunlife Fixed Term Plan-Series GR (399 days)	10	-	-	45,000,000.000	45.00
ICICI Prudential FMP Series 64 - 367 Days Plan J Cumulative	10	-	-	40,000,000.000	40.00
ICICI Prudential FMP Series 66-407 Days Plan I Cumulative	10	-	-	75,000,000.000	75.00
SBI Debt Fund Series-13 Months-14- Direct plan- Growth	10	-	-	15,000,000.000	15.00
Reliance Fixed Horizon Fund - XXII - Series 14 - Growth Plan	10	-	-	35,000,000.000	35.00
Reliance Fixed Horizon Fund - XXII - Series 15 - Growth Plan	10	-	-	20,000,000.000	20.00
Reliance Fixed Horizon Fund - XXIII - Series 5 - Growth Plan	10	-	-	100,000,000.000	100.00
DSP Blackrock FMP - Series 64 - 12 M - Growth	10	-	-	5,000,000.000	5.00
DSP Blackrock FMP - Series 66 - 12 M - Growth	10	-	-	20,000,000.000	20.00
Kotak FMP Series 90 - Growth	10	-	-	5,000,000.000	5.00
ICICI Prudential FMP Series 66-412 Days Plan E Cumulative	10	-	-	45,000,000.000	45.00
HDFC FMP 371D July 2012 (1) - Growth	10	-	-	30,000,000.000	30.00
HDFC FMP 371D August 2012 (1) - Growth - Series 22	10	-	-	30,000,000.000	30.00
Tata Fixed Maturity Plan Series 40 Scheme F - Growth	10	-	-	15,000,000.000	15.00
Tata Fixed Maturity Plan Series 40 Scheme H - Growth	10	-	-	10,000,000.000	10.00

## NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in Crore)			
<b>NOTE 13 - CURRENT INVESTMENTS</b>		<b>As at 30<sup>th</sup> June, 2014</b>		<b>As at 30<sup>th</sup> June, 2013</b>	
<b>Particulars</b>	<b>Face Value (In ₹)</b>	<b>No.</b>	<b>Amount</b>	<b>No.</b>	<b>Amount</b>
UTI Fixed Term Income Fund Series - XII - IV - Growth	10	-	-	50,000,000.000	50.00
UTI Fixed Term Income Fund Series XII - IX - Growth Plan	10	-	-	20,000,000.000	20.00
UTI Fixed Income Interval Fund - Annual Interval Plan Series - II - Institutional Growth Plan	10	-	-	31,596,575.000	40.00
LIC Nomura MF FMP Series 53 - 367 Days - Growth Plan	10	-	-	10,000,000.000	10.00
SBI Debt Fund Series - 366 Days - 12 - Growth	10	-	-	25,000,000.000	25.00
SBI Debt Fund Series - 366 Days - 14 - Growth	10	-	-	10,000,000.000	10.00
HDFC FMP 371D September 2012 (1) - Growth - Series 22	10	-	-	10,000,000.000	10.00
IDFC Fixed Term Plan Series 11 Direct Plan- Growth	10	-	-	15,000,000.000	15.00
Birla SunLife Fixed Term Plan- Series HB (366 Days)-Growth Direct	10	20,000,000.000	20.00	-	-
Sundaram Fixed Term Plan DR 366 days Direct Plan growth	10	10,000,000.000	10.00	-	-
Reliance Fixed Horizon Fund XXV Series 24 Direct Growth	10	25,000,000.000	25.00	-	-
DSP Black Rock FMP - Series 146-12M-Direct Growth	10	25,000,000.000	25.00	-	-
Birla Sun Life Fixed Term plan Series KF (368 days)-Dr-Gr	10	25,000,000.000	25.00	-	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C Direct Plan	10	25,000,000.000	25.00	-	-
<b>UNQUOTED</b>					
<b>In Units of Mutual Funds</b>					
Peerless Liquid Fund Direct Plan Growth	10	-	-	15,259,604.013	20.00
L&T Triple Ace Bond Fund-Bonus	10	1,343,508.169	2.50	-	-
Reliance Income Fund Growth Plan-Bonus Option	10	4,903,108.890	2.57	-	-
Reliance Arbitrage Advantage Fund Direct Plan Monthly Dividend Plan	10	9,838,839.804	10.00	-	-
Birla Sunlife Enhanced Arbitrage Fund	10	37,966,165.487	40.00	-	-
JM Arbitrage Advantage Fund (Direct)-Dividend	10	46,963,753.950	50.00	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 13 - CURRENT INVESTMENTS	Face Value (In ₹)	(₹ in Crore)			
		As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
		No.	Amount	No.	Amount
Particulars					
Reliance Arbitrage Advantage Fund Direct Plan Dividend Plan	10	40,260,838.943	50.00	-	-
IDFC Arbitrage Fund - Dividend Direct Plan	10	79,199,637.628	100.00	-	-
Kotak Equity Arbitrage Fund-Direct Dividend Plan	10	92,711,289.921	100.00	-	-
ICICI Prudential Plan Blended Plan A- Direct Plan-Dividend	10	89,141,888.591	120.00	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan Dividend	10	86,747,616.807	120.00	-	-
<b>TOTAL</b>			<b>725.07</b>		<b>701.83</b>

AGGREGATE COST AND MARKET VALUE OF CURRENT INVESTMENTS :	(₹ in Crore)			
	As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted Investments:				
- In Bonds of Public Financial Institutions	-	-	11.83	11.93
- In Units of Mutual Funds	130.00	136.12	670.00	710.98
<b>Total</b>	<b>130.00</b>	<b>136.12</b>	<b>681.83</b>	<b>722.91</b>

**AGGREGATE COST OF UNQUOTED INVESTMENTS** 595.07 20.00

NOTE 14 - INVENTORIES (Valued at Lower of Cost and Net Realisable Value)	(₹ in Crore)	
	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
Raw Materials [Includes in transit ₹ 0.34 crore (Previous year ₹ 0.11 crore )]	26.50	16.19
Fuel [Includes in transit ₹ 341.73 crore (Previous year ₹ 18.51 crore)]	370.17	73.90
Stores and Spares	297.69	340.45
Packing Materials	7.59	8.48
Work-in-Progress [Includes in transit ₹ 6.44 crore (Previous year ₹ 4.29 crore)]	49.16	55.58
Finished Goods [Includes in transit ₹ 24.49 crore (Previous year ₹ 10.18 crore)]	58.67	35.88
	<b>809.78</b>	<b>530.48</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crore)

NOTE 15 - TRADE RECEIVABLES	Non-Current		Current	
	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Outstanding for a Period Exceeding Six Months from the Date they are Due for Payment</b>				
Secured, Considered Good	-	-	0.17	0.02
Unsecured				
Considered Good	-	-	5.83	9.43
Considered Doubtful	0.54	0.42	-	-
	<b>0.54</b>	<b>0.42</b>	<b>6.00</b>	<b>9.45</b>
Less: Provision for Doubtful Receivables	0.54	0.42	-	-
	-	-	<b>6.00</b>	<b>9.45</b>
<b>Others</b>				
Secured, Considered Good	-	-	85.06	70.47
Unsecured				
Considered Good	-	-	205.53	234.74
Considered Doubtful	-	-	-	-
	-	-	<b>290.59</b>	<b>305.21</b>
Less: Provision for Doubtful Receivables	-	-	-	-
	-	-	<b>290.59</b>	<b>305.21</b>
	-	-	<b>296.59</b>	<b>314.66</b>

(₹ in Crore)

NOTE 16 - CASH AND BANK BALANCES	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Cash and Cash Equivalents:</b>		
Balances with Banks	40.09	29.08
Cash on Hand	1.02	1.05
	<b>41.11</b>	<b>30.13</b>
<b>Other Bank Balances:</b>		
Earmarked Balance with Banks for Unpaid Dividend	1.40	1.21
Fixed Deposits with Banks		
Maturity less than twelve months (Refer Note 16.1 and 16.2)	116.76	313.03
Maturity more than twelve months	-	35.00
	<b>118.16</b>	<b>349.24</b>
	<b>159.27</b>	<b>379.37</b>

16.1 Deposits of ₹ 17.02 crore (Previous year ₹ 15.22 crore) are pledged with banks against overdraft facilities.

16.2 ₹ 51.73 crore (Previous year ₹ 11.73 crore), given as security to Government department and others.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crore)

<b>NOTE 17 - OTHER CURRENT ASSETS</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
Interest Accrued		
On Fixed Deposits	5.34	8.95
On Tax Free and Other Bonds	12.87	12.30
Unamortized Premium on Forward Contracts	16.12	8.03
	<b>34.33</b>	<b>29.28</b>

(₹ in Crore)

<b>NOTE 18 - REVENUE FROM OPERATIONS (GROSS)</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>
<b>Sale of Products</b>		
Cement	5,842.17	5,050.42
Clinker	47.85	49.65
Power	639.68	1,042.78
	<b>6,529.70</b>	<b>6,142.85</b>
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	113.91	94.91
Less: Purchase of Traded Power	110.73	91.79
	<b>3.18</b>	<b>3.12</b>
<b>Other Operating Revenue</b>	<b>11.43</b>	<b>23.11</b>
	<b>6,544.31</b>	<b>6,169.08</b>

(₹ in Crore)

<b>NOTE 19 - OTHER INCOME</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>
<b>Interest Income</b>		
On Fixed Deposits	18.93	33.66
On Tax Free and Other Bonds	28.84	27.98
On Income Tax and Sales Tax Refund	29.93	0.22
Others	2.03	2.42
<b>Dividend from Investments (Other than Trade)</b>		
Long term	6.63	-
Current	19.41	1.46
<b>Profit on Sale of Investments (Other than Trade)</b>		
Long term (Net)	64.50	113.65
Current (Net)	(14.32)	(1.32)
Provision No Longer Required (Net)	10.80	4.59
Profit on Sale of Fixed Assets (Net)	0.50	2.32
Balances Written Back (Net)	0.84	1.13
Foreign Exchange Rate Differences (Net)	15.99	1.51
Miscellaneous Income	0.86	0.71
	<b>184.94</b>	<b>188.33</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crore)

<b>NOTE 20 - COST OF MATERIALS CONSUMED</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>
<b>Raw Materials Consumed</b>		
Gypsum	102.73	90.37
Fly Ash	215.39	197.79
Red Ochre and Slag	16.02	13.62
Sulphuric Acid	28.39	17.69
Others	101.33	87.09
	<b>463.86</b>	<b>406.56</b>

(₹ in Crore)

<b>NOTE 21 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>	<b>(Increase) / Decrease</b>
<b>Closing Stock</b>			
Work-in-Progress	49.16	55.58	6.42
Finished Goods	58.67	35.88	(22.79)
	<b>107.83</b>	<b>91.46</b>	<b>(16.37)</b>
<b>Opening Stock</b>			
Work-in-Progress	55.58	38.52	(17.06)
Finished Goods	35.88	36.97	1.09
	<b>91.46</b>	<b>75.49</b>	<b>(15.97)</b>
<b>(Increase) / Decrease</b>	<b>(16.37)</b>	<b>(15.97)</b>	

(₹ in Crore)

<b>NOTE 22 - EMPLOYEE BENEFITS EXPENSE</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>
Salaries, Wages, Bonus and Allowances	318.50	266.53
Contribution to Provident and other Funds	48.49	44.26
Employees Welfare Expenses	28.31	27.22
	<b>395.30</b>	<b>338.01</b>

(₹ in Crore)

<b>NOTE 23 - FREIGHT AND FORWARDING EXPENSES</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>
On Finished Products	854.50	638.27
On Inter Unit Clinker Transfer	336.04	276.74
	<b>1,190.54</b>	<b>915.01</b>

(₹ in Crore)

<b>NOTE 24 - FINANCE COSTS</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>
Interest Expenses	110.32	154.10
Other Borrowing Costs	27.00	39.04
Applicable Net Gain/Loss on Foreign Currency Transactions and Translation	0.49	-
	<b>137.81</b>	<b>193.14</b>
Less: Interest and Other Borrowing Costs Capitalized	8.62	-
	<b>129.19</b>	<b>193.14</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crore)

<b>NOTE 25 - OTHER EXPENSES</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>
Stores and Spares Consumed	258.13	203.74
Packing Materials Consumed	231.76	186.24
Royalty and Cess	132.77	92.78
Mines Reclamation Expenses	0.62	1.04
Excise Duty on Captive Consumption of Clinker	22.80	19.95
Repairs to Plant and Machinery	98.89	92.56
Repairs to Buildings	15.12	12.31
Rent	9.39	7.73
Insurance	2.31	2.41
Rates and Taxes	11.81	7.55
Travelling	23.15	19.33
Commission to Non-executive Directors	1.24	0.95
Directors' Sitting Fees and Expenses	0.26	0.20
Advertisement and Publicity	56.85	40.20
Discount, Sales Promotion and Other Selling Expenses	172.78	172.22
Excise duty variance on Closing/Opening Stock (Refer note 30)	2.54	(0.08)
Provision for Bad and Doubtful Receivables (Net)	0.12	(0.03)
Miscellaneous (Refer Note 25.1)	71.94	57.01
	<b>1,112.48</b>	<b>916.11</b>

(₹ in Crore)

<b>25.1 Miscellaneous Expenses include the payments made to Auditors:</b>	<b>For the Year Ended 30<sup>th</sup> June, 2014</b>	<b>For the Year Ended 30<sup>th</sup> June, 2013</b>
<b>Statutory Auditors</b>		
Audit Fees	0.25	0.22
Tax Audit Fees	0.05	0.05
Certification / Other Services	0.09	0.05
Reimbursement of Expenses	0.07	0.07
<b>Cost Auditors</b>		
Audit Fees	0.02	0.02
Certification / Other Services	0.01	0.01
Reimbursement of Expenses [₹ 15325 (Previous year ₹ 8080)]		

### 26 Contingent liabilities (claims/demands not acknowledged as debt):

- Custom duty ₹ 56.56 crore (Previous year ₹ 56.56 crore).
- The Competition Commission of India (CCI) has, vide its order dated 30<sup>th</sup> July, 2012, imposed penalty of ₹ 397.51 Crore on the Company, which has been challenged before the Competition Appellate Tribunal (COMPAT). COMPAT has granted stay on CCI Order on the condition that the Company deposits 10% of the penalty amounting to ₹ 39.75 Crore. The same stands deposited in the form of bank fixed deposit with lien in favour of COMPAT.

- 27 Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 528.26 crore (Previous Year ₹ 772.06 crore).

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 28 Other Exceptional items include the following:

- Write off of Pre-operative expenses incurred on certain capital projects amounting to ₹ 11.24 Crore.
- Provision towards Statutory Liabilities amounting to ₹ 29.62 crore on account of disallowances by assessing authorities though appeal(s) have been filed in these matters.
- Provision towards tax exemption availed as per relevant notifications amounting to ₹ 32.87 crore for which assessing authorities have taken contrary stand. Company has however, filed appeals in these matters.

29 Capital Work-in-Progress includes pre-operative expenses of ₹ 69.08 crore (Previous Year ₹ 29.91 crore) which includes depreciation of ₹ 8.93 crore (Previous Year ₹ 1.13 crore) on assets during construction period.

30 Excise duty on sales amounting to ₹ 657.00 crore (Previous year ₹ 578.83 crore) has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / decrease in stock amounting to ₹ 2.54 crore [Previous year ₹ (0.08) crore] has been considered as other expenses.

### 31 Expenditure on Research and Development:

Particulars	(₹ in Crore)	
	2013-14	2012-13
Capital	8.81	12.98
Revenue	12.55	12.21
<b>Total</b>	<b>21.36</b>	<b>25.19</b>

### 32 a) Unhedged Foreign Currency Exposure:

S. No	Purpose	Currency	(Amount in crore)	
			As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
1	Outstanding Creditors for Spares, Capital Goods and Fuel	USD	1.13	0.01
2	Outstanding Creditors for Spares and Capital Goods	JPY	-	1.28
3	Outstanding Creditors for Spares and Capital Goods [13500 GBP (Previous Year 6750 GBP)]	GBP	-	-
4	Buyers Credit	USD	1.01	-
5	Interest Payable	USD	0.01	0.01
6	Interest Payable	JPY	-	0.01
7	Interest Payable [186.50 CHF (Previous Year Nil)]	CHF	-	-
8	Interest Payable [9080 Euro (Previous year 3376 Euro)]	EURO	-	-
9	Outstanding creditors for Consultancy [Nil (Previous year 2790 Euro)]	EURO	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

b) The details of Derivatives outstanding at the year end are as follows:

(Amount in crore)

S. No	Nature of Contract	Currency	Buy Amount		Purpose
			As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	
1	Forward Contracts	USD	4.69	6.30	Hedging of Buyers Credit
2	Forward Contracts	JPY	-	11.52	Hedging of Buyers Credit
3	Forward Contracts	EURO	0.76	0.26	Hedging of Buyers Credit
4	Forward Contracts	CHF	0.04	-	Hedging of Buyers Credit
5	Forward Contracts	USD	1.22	-	Hedging of Suppliers Credit
6	Forward Contracts (Previous Year 47025 USD)	USD	1.03	-	Hedging of Imports
7	Forward Contracts	GBP	-	0.01	Hedging of Imports
8	Forward Contracts	EURO	0.50	1.93	Hedging of Imports
9	Currency and Interest rate Swaps	USD	5.08	12.22	Hedging of Loans

### 33 Employee Benefits:

(i) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	2013-14	2012-13
Superannuation	6.19	6.18
Provident fund	21.03	17.76
National Pension Scheme	0.39	-
<b>Total</b>	<b>27.61</b>	<b>23.94</b>

(ii) Defined Benefit Plans:

(A) **Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

S. No.	Particulars	Gratuity (Funded Plan)	
		As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>I</b>	<b>Change in Obligation</b>		
1	Present Value of defined benefit obligation at the beginning of the year	97.87	72.13
2	Current service cost	10.85	7.62
3	Interest cost	7.83	5.77
4	Actuarial (gain)/loss on obligation	11.26	14.11
5	Benefits paid	(5.39)	(1.76)
6	Present value of defined benefit obligation at the end of the year	122.42	97.87
<b>II</b>	<b>Change in the Fair Value of Plan Assets</b>		
1	Fair Value of plan assets at the beginning of the year	97.65	71.92
2	Expected return on plan assets	9.25	7.21
3	Contributions by employer	20.89	20.28
4	Actuarial (gain)/loss on plan assets	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

S. No.	Particulars	Gratuity (Funded Plan)	
		As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
5	Benefits paid	(5.39)	(1.76)
6	Fair value of plan assets at the end of the year	122.40	97.65
<b>III</b>	<b>Expenses recognized in the Statement of Profit and Loss</b>		
1	Current service cost	10.85	7.62
2	Interest cost	7.83	5.77
3	Expected return on plan assets	(9.25)	(7.21)
4	Net actuarial (gain)/loss recognized in the current year	11.26	14.11
5	Expenses recognized in the Statement of Profit and Loss	20.69	20.29
<b>IV</b>	<b>Amount recognized in the Balance Sheet as at the end of the year</b>		
1	Present value of defined benefit obligation	122.42	97.87
2	Fair Value of plan assets at the end of the year	122.40	97.65
3	Funded status [Surplus/(Deficit)]	(0.02)	(0.22)
4	Net asset/(liability) as at the end of the year	(0.02)	(0.22)
<b>V</b>	<b>The major categories of plan assets as a percentage of total plan</b>		
1	Qualifying Insurance Policy	100%	100%
<b>VI</b>	<b>Actuarial Assumptions</b>		
1	Discount rate	8.00% p.a.	8.00% p.a.
2	Mortality rate	LIC (1994-96 Ultimate)	LIC (1994-96 Ultimate)
3	Withdrawal rate	1-3% depending on age	1-3% depending on age
4	Actual return on plan assets	9.25	7.21

- a) The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.
- b) Basis used to determine expected rate of return on assets:  
The expected return on plan assets is based on market expectation, at the beginning of the period, which is used for calculating returns over the entire life of the related obligation. The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India.
- c) Amount for the current and previous four years are as follows:

(₹ in Crore)

Gratuity-Funded plan	As at				
	30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
Defined benefit obligation	122.42	97.87	72.13	53.02	39.14
Plan assets	122.40	97.65	71.92	52.23	38.92
Surplus/ (deficit)	(0.02)	(0.22)	(0.21)	(0.79)	(0.22)
Experience Adjustment	(3.33)	(2.59)	(6.41)	(2.29)	(1.57)
Gain / (Loss) for Plan Liabilities					
Experience Adjustment	(0.49)	0.04	-	0.02	-
Gain / (Loss) for Plan Assets					

## NOTES FORMING PART OF FINANCIAL STATEMENTS

d) The Company expects to contribute ₹ 15 crore (Previous Year ₹ 20 Crore) to gratuity fund in next year.

### (B) Provident fund managed by a trust set up by the Company:

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 30.6.2014.

The details of the plan assets and obligations position are as follows:

Particulars	(₹ in Crore)	
	2013-14	2012-13
Plan assets at year end, at fair value	35.22	29.92
Present value of defined obligation at year end	35.22	29.92
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	(₹ in Crore)	
	2013-14	2012-13
Discounting Rate	8.75%	7.50%
Expected Guaranteed Interest Rate	8.75%	8.50%
Expected Rate of Return on Assets	8.75%	9.00%

(iii) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 9.98 crore (Previous Year ₹ 9.83 crore).

### 34 Segment Reporting :

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

(₹ in Crore)

Particulars	2013-14				2012-13			
	Cement	Power	Inter-Segment Eliminations	Total	Cement	Power	Inter-Segment Eliminations	Total
<b>Revenue</b>								
External Sales	5244.39	642.92	-	5887.31	4544.31	1045.94	-	5590.25
Inter Segment Revenue	-	600.78	(600.78)	-	-	546.13	(546.13)	-
<b>Total Revenue</b>	<b>5244.39</b>	<b>1243.70</b>	<b>(600.78)</b>	<b>5887.31</b>	<b>4544.31</b>	<b>1592.07</b>	<b>(546.13)</b>	<b>5590.25</b>
<b>Results</b>								
Segment Results (Profit before Finance Costs, Exceptional items and Tax)	521.31	347.59	-	868.90	741.84	393.71	-	1135.55
Add: Un-allocated Income	-	-	-	155.95	-	-	-	178.07
Less: Finance Costs	-	-	-	129.19	-	-	-	193.14

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	2013-14				2012-13			
	Cement	Power	Inter-Segment Eliminations	Total	Cement	Power	Inter-Segment Eliminations	Total
Profit before exceptional items and Tax	-	-	-	895.66	-	-	-	1120.48
Less: Exceptional Items	-	-	-	80.51	-	-	-	1.06
Profit before Tax	-	-	-	815.15	-	-	-	1119.42
Less : Tax Expenses	-	-	-	27.91	-	-	-	115.45
<b>Profit after Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>787.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1003.97</b>
Segment Assets	4034.78	640.32	-	4675.10	2859.85	511.25	-	3371.10
Un-allocated Assets	-	-	-	2653.61	-	-	-	2789.02
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7328.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6160.12</b>
Segment Liabilities	962.62	138.69	-	1101.31	699.84	69.32	-	769.16
Un-allocated Liabilities and Provisions	-	-	-	116.54	-	-	-	111.58
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1217.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>880.74</b>
Depreciation and Amortization	472.36	77.55	-	549.91	253.85	181.78	-	435.63
Capital expenditure	1465.78	131.44	-	1597.22	696.99	45.03	-	742.02
Significant Non Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

### B. Geographical Segment is identified as the secondary segment and details are given below:

Particulars	(₹ in Crore)	
	2013-14	2012-13
Segment Revenue from Operations (Net)		
Within India	5870.76	5574.00
Outside India	16.55	16.25
<b>Total</b>	<b>5887.31</b>	<b>5590.25</b>

All the assets of the Company are within India.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 35 Related Party Disclosure :

#### Relationships:

##### (a) Parties where control exists:

- |                                    |                    |
|------------------------------------|--------------------|
| (i) Shree Global Pte. Ltd.         | Subsidiary Company |
| (ii) Katni Industries Private Ltd. | Subsidiary Company |

##### (b) Enterprises over which Key Management Personnel (KMP) are able to exercise significant influence:

- (i) The Kamla Company Limited
- (ii) Shree Capital Services Ltd.
- (iii) Aqua Infra Projects Limited
- (iv) Asish Creations Pvt. Ltd.
- (v) Alfa Buildhome Pvt. Ltd.
- (vi) Rajasthan Forum
- (vii) The Bengal

##### (c) Key Management Personnel:

- |                            |                                     |
|----------------------------|-------------------------------------|
| (i) Shri H.M. Bangur       | Managing Director                   |
| (ii) Shri Prashant Bangur  | Wholesale Director (From 23.8.2012) |
| (iii) Shri Mahendra Singhi | Executive Director (upto 6.12.2013) |

##### (d) Relatives to Key Management Personnel:

- |                           |                            |
|---------------------------|----------------------------|
| (i) Shri B.G. Bangur      | Father of Shri H.M. Bangur |
| (ii) Shri Prashant Bangur | Son of Shri H.M. Bangur    |

#### Details of Transactions:-

##### (a) Parties where control exists:-

Particulars	(₹ in Crore)	
	2013-14	2012-13
<b>Equity contribution</b>		
- Shree Global Pte. Ltd.	-	0.05
- Katni Industries Private Ltd.	-	0.01
<b>Advances given</b>		
- Shree Global Pte. Ltd.	-	0.05

##### (b) Enterprises where KMPs have significant influence:-

Particulars	(₹ in Crore)	
	2013-14	2012-13
<b>Usage charges of common facilities</b>		
- The Kamla Company Limited	0.55	0.52
- Aqua Infra Projects Limited	0.11	0.10
<b>Payment for office rent</b>		
- Alfa Buildhome Pvt. Ltd.	1.81	1.02
- Shree Capital Services Ltd.	0.13	0.05
<b>Sale of Goods</b>		
- Alfa Buildhome Pvt. Ltd. (Current Year: ₹ 8250)	-	0.02
<b>Receiving of Services</b>		
- Asish Creations Pvt. Ltd.	1.17	1.00

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(₹ in Crore)	
	2013-14	2012-13
<b>Contribution towards Social Activities</b>		
- Rajasthan Forum	0.26	0.35
- The Bengal	0.10	-
<b>Security deposit given</b>		
- Alfa Buildhome Pvt. Ltd.	-	0.45
<b>Security deposit balance at the year end</b>		
- Alfa Buildhome Pvt. Ltd.	0.45	0.45

### (c) Key Management Personnel:-

Particulars	(₹ in Crore)	
	2013-14	2012-13
<b>Remuneration:-</b>		
- Shri H.M. Bangur	22.59	18.34
- Shri Prashant Bangur	7.46	5.07
- Shri Mahendra Singhi (Upto 6.12.2013)	7.16	6.31
<b>Total</b>	<b>37.21</b>	<b>29.72</b>

### (d) Relatives to Key Management Personnel:-

Particulars	(₹ in Crore)	
	2013-14	2012-13
<b>Director commission, Sitting Fee and reimbursement of expenses</b>		
- Shri B.G. Bangur	0.17	0.17
<b>Remuneration</b>		
- Shri Prashant Bangur (Upto 22.8.2012)	-	0.17

## 36 Earnings per share (EPS):

### A. Basic and Diluted EPS:

Particulars		(₹ in Crore)	
		2013-14	2012-13
Profit attributable to Equity shareholders	₹ in crore	787.24	1003.97
Equity share capital	₹ in crore	34.84	34.84
Weighted average number of Equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	225.98	288.19

### B. Cash EPS: (Profit for the year + Depreciation + Deferred Tax) / Weighted average number of Equity shares outstanding

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 37 Movement of Provision of Mines Reclamation Expenses:

Particulars	(₹ in Crore)	
	2013-14	2012-13
Opening Provision	18.70	18.29
Add : Provision during the year	0.62	1.04
Less : Utilization during the year	0.44	0.63
Closing Provision	18.88	18.70

### 38 Operating lease:

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

### 39 Other Notes:

#### (A) Value of imports during the year calculated on CIF basis:

S. No. Particulars	(₹ in Crore)	
	2013-14	2012-13
(i) Raw Materials	2.44	11.49
(ii) Fuel	1055.80	541.27
(iii) Stores, Spare parts and components	18.04	23.14
(iv) Capital Goods	231.27	73.93

#### (B) Expenditure incurred in foreign currencies:

S. No. Particulars	(₹ in Crore)	
	2013-14	2012-13
(i) Foreign Travel	1.17	0.63
(ii) Consultancy charges (#)	1.99	0.17
(iii) Interest	2.78	9.14
(iv) Others	0.75	0.74

(#) For Capital Projects, ₹ 0.89 crore (Previous Year ₹ Nil)

#### (C) Value of imported and indigenous raw materials, stores, spare parts and components consumed and their percentage to total consumption:

##### (a) Raw Materials:

S. No. Particulars	2013-14		2012-13	
	Value (₹ in crore)	%	Value (₹ in crore)	%
(i) Imported	5.47	1.18	18.58	4.57
(ii) Indigenous	458.39	98.82	387.98	95.43

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (b) Stores, Spare Parts and Components:

S. No.	Particulars	2013-14		2012-13	
		Value (₹ in crore)	%	Value (₹ in crore)	%
(i)	Imported	20.32	7.87	9.72	4.77
(ii)	Indigenous	237.81	92.13	194.02	95.23

### (D) Net dividend remitted to non-resident shareholders in foreign currency:

#### (a) Final Dividend

S. No.	Particulars	2013-14	2012-13
(i)	No. of non-resident share holders	1	2
(ii)	No. of shares held	3600000	3600500
(iii)	Year to which dividend relates	2012-13	2011-12
(iv)	Amount remitted (₹ in crore)	4.32	2.88

#### (b) Interim Dividend

S. No.	Particulars	2013-14	2012-13
(i)	No. of non-resident share holders	1	1
(ii)	No. of shares held	3600000	3600000
(iii)	Year to which dividend relates	2013-14	2012-13
(iv)	Amount remitted (₹ in crore)	3.60	2.88

40 Previous year figures have been regrouped and rearranged wherever necessary.

41 Figures less than 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lac.

Signature to Note 1 to 41

As per our report of even date

For **B. R. MAHESWARI & CO.**  
Chartered Accountants  
Firm's Registration No. 001035N

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**B. G. Bangur**  
Chairman

**Shreekant Somany**  
Director

**Ramakant Sharma**  
Director

For and on behalf of the Board

**H. M. Bangur**  
Managing Director

**Dr. Y.K. Alagh**  
Director

**Ashok Bhandari**  
Chief Finance Officer

**Prashant Bangur**  
Whole Time Director

**Nitin Desai**  
Director

**S.S. Khandelwal**  
Company Secretary

**R.L. Gaggar**  
Director

**Dr. Leena Srivastava**  
Director

**O.P. Setia**  
Director

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

# INDEPENDENT AUDITORS' REPORT

## ON CONSOLIDATED FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF SHREE CEMENT LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SHREE CEMENT LIMITED ("the Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at June 30, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

Based on our audit and on consideration of the reports of the other auditors and the management on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at June 30, 2014;
- in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### Other Matter

We did not audit the financial statements of subsidiary company ("Katni Industries Private Limited"), whose financial statements reflect total assets (net) of ₹ 79,203/- as at June 30, 2014, total revenue of ₹ Nil and net cash flows amounting to ₹ 8600/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Company's management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

The Consolidated financial statements include the unaudited financial statements of subsidiary company ("Shree Global Pte. Limited"), whose financial statements reflect total assets (net) of ₹ 2,94,656/- as at June 30, 2014, total revenue of ₹ 1693/- and net cash flows amounting to ₹ Nil for the year ended on that date. Our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on such management accounts. Our opinion is not qualified in respect of this matter.

For **B. R. Maheswari & Co.**  
Chartered Accountants  
Firm's Registration No. 001035N

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Place: New Delhi  
Date: 25<sup>th</sup> August, 2014

**CONSOLIDATED BALANCE SHEET**AS AT 30<sup>TH</sup> JUNE, 2014

		(₹ in Crore)	
	Note	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	34.84	34.84
Reserves and Surplus	3	4,675.97	3,808.78
		<b>4,710.81</b>	<b>3,843.62</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	446.68	443.08
Other Long-Term Liabilities	5	652.88	438.23
Long-Term Provisions	6	19.01	18.16
		<b>1,118.57</b>	<b>899.47</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	631.59	534.30
Trade Payables	8	187.57	80.75
Other Current Liabilities	8	580.52	712.42
Short-Term Provisions	6	99.63	89.54
		<b>1,499.31</b>	<b>1,417.01</b>
<b>Total</b>		<b>7,328.69</b>	<b>6,160.10</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		2,193.77	1,781.94
Intangible Assets		-	-
Capital Work-in-Progress		758.50	133.33
Non-Current Investments	10	1,519.26	1,501.40
Deferred Tax Assets (Net)	11	142.86	93.77
Long-Term Loans and Advances	12	382.37	377.89
		<b>4,996.76</b>	<b>3,888.33</b>
<b>Current Assets</b>			
Current Investments	13	725.07	701.83
Inventories	14	809.78	530.48
Trade Receivables	15	296.59	314.66
Cash and Bank Balances	16	159.29	379.39
Short-Term Loans and Advances	12	306.87	316.13
Other Current Assets	17	34.33	29.28
		<b>2,331.93</b>	<b>2,271.77</b>
<b>Total</b>		<b>7,328.69</b>	<b>6,160.10</b>
Significant Accounting Policies	1		

Accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **B. R. MAHESWARI & CO.**  
Chartered Accountants  
Firm's Registration No. 001035N

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**B. G. Bangur**  
Chairman

**Shreekant Somany**  
Director

**Ramakant Sharma**  
Director

For and on behalf of the Board

**H. M. Bangur**  
Managing Director

**Dr. Y.K. Alagh**  
Director

**Ashok Bhandari**  
Chief Finance Officer

**Prashant Bangur**  
Whole Time Director

**Nitin Desai**  
Director

**S.S. Khandelwal**  
Company Secretary

**R.L. Gaggar**  
Director

**Dr. Leena Srivastava**  
Director

**O.P. Setia**  
Director

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2014

		(₹ in Crore)	
	Note	For the Year Ended 30 <sup>th</sup> June, 2014	For the Year Ended 30 <sup>th</sup> June, 2013
<b>REVENUE</b>			
Revenue from Operations (Gross)	18	6,544.31	6,169.08
Less: Excise Duty		657.00	578.83
Revenue from Operations (Net)		5,887.31	5,590.25
Other Income	19	184.94	188.33
		<b>6,072.25</b>	<b>5,778.58</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	20	463.86	406.56
Changes in Inventories of Finished Goods and Work-in-Progress	21	(16.37)	(15.97)
Employee Benefits Expense	22	395.30	338.01
Power and Fuel		1,378.70	1,479.35
Freight and Forwarding Expenses	23	1,190.54	915.01
Finance Costs	24	129.19	193.14
Other Expenses	25	1,112.51	916.14
		<b>4,653.73</b>	<b>4,232.24</b>
Captive Consumption of Cement [Net of Excise Duty ₹ 2.45 crore (Previous year ₹ 1.31 crore)]		(27.02)	(9.74)
		<b>4,626.71</b>	<b>4,222.50</b>
<b>PROFIT BEFORE DEPRECIATION, EXCEPTIONAL ITEMS AND TAX</b>			
Depreciation and Amortization Expense		549.91	435.63
Exceptional Items			
Assets Constructed at Other's Premises Written Off		6.78	1.06
Others (Refer Note 28)		73.73	-
		<b>815.12</b>	<b>1,119.39</b>
<b>PROFIT BEFORE TAX</b>			
Current Tax		184.55	219.81
Less: MAT Credit Entitlement		11.62	80.33
Net Current Tax		172.93	139.48
Prior Period Tax Expense (Net)		(95.93)	-
Deferred Tax (Credit) / Charge		(49.09)	(24.03)
		<b>787.21</b>	<b>1,003.94</b>
<b>PROFIT FOR THE YEAR</b>			
<b>Earnings per Equity Share of ₹ 10 each (In ₹)</b>	36		
Cash		369.73	406.33
Basic and Diluted		225.97	288.18
Significant Accounting Policies	1		

Accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For **B. R. MAHESWARI & CO.**  
Chartered Accountants  
Firm's Registration No. 001035N

For and on behalf of the Board

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

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Director

**Nitin Desai**  
Director

**Dr. Leena Srivastava**  
Director

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

**Ramakant Sharma**  
Director

**Ashok Bhandari**  
Chief Finance Officer

**S.S. Khandelwal**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED AT 30<sup>TH</sup> JUNE, 2014

Particulars	(₹ in Crore)	
	For the year ended 30 <sup>th</sup> June, 2014	For the year ended 30 <sup>th</sup> June, 2013
<b>A Cash Flow From Operating Activities</b>		
Profit Before Tax	815.12	1,119.39
Add : Exceptional Items	80.51	1.06
<b>Profit Before Tax and Exceptional Items</b>	<b>895.63</b>	<b>1,120.45</b>
<b>Adjustments For :</b>		
Depreciation and Amortization	549.91	435.63
Unrealized Foreign Exchange Rate Differences (Net)	0.55	(1.51)
Balances Written Back (Net)	(0.84)	(1.13)
Provision for Bad and Doubtful Receivables (Net)	0.12	(0.03)
Profit on Sale of Investments (Net)	(50.18)	(112.33)
Interest Income	(79.73)	(64.28)
Dividend Received	(26.04)	(1.46)
Profit on Sale of Fixed Assets (Net)	(0.50)	(2.32)
Finance Costs	129.19	193.14
<b>Operating Profit Before Working Capital Changes</b>	<b>1,418.11</b>	<b>1,566.16</b>
<b>Adjustments For :</b>		
(Increase) / Decrease in Trade Receivables, Loans and Advances and Other Assets	9.21	(119.59)
(Increase) / Decrease In Inventories	(279.30)	(27.16)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	388.80	82.33
	118.71	(64.42)
<b>Cash Generated From Operations</b>	<b>1,536.82</b>	<b>1,501.74</b>
Direct Taxes Paid (Net of Refunds)	(55.63)	(240.99)
<b>Cash Flow Before Exceptional Items</b>	<b>1,481.19</b>	<b>1,260.75</b>
Exceptional Items	(80.51)	(1.06)
<b>Net Cash From Operating Activities</b>	<b>1,400.68</b>	<b>1,259.69</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets (Including Capital Work-in-Progress and Advances)	(1,584.62)	(897.08)
Sale of Fixed Assets	1.71	3.63
Purchase of Investments	(1,714.12)	(1,435.18)
Proceeds from sale of Investments	1,723.20	1,889.48
Investments in Bank Deposits	(144.83)	(215.89)
Maturity of Bank Deposits	376.10	309.61
Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.19)	4.21
Dividend Received	26.04	1.46
Interest Received	82.77	70.12
<b>Net Cash Used in Investing Activities</b>	<b>(1,233.94)</b>	<b>(269.64)</b>



## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED AT 30<sup>TH</sup> JUNE, 2014

Particulars	(₹ in Crore)	
	For the year ended 30 <sup>th</sup> June, 2014	For the year ended 30 <sup>th</sup> June, 2013
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Long Term Borrowings	125.20	-
Repayment of Long Term Borrowings	(310.86)	(806.97)
Proceeds from Short Term Borrowings	596.60	771.51
Repayment of Short Term Borrowings	(470.62)	(840.09)
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	(29.73)	(0.58)
Capital Subsidy	169.66	187.05
Interest and Financial Charges Paid	(146.52)	(223.63)
Dividend and Tax Paid there on (Interim and Final)	(89.49)	(68.99)
<b>Net Cash Used in Financing Activities</b>	<b>(155.76)</b>	<b>(981.70)</b>
<b>Net Increase In Cash and Cash Equivalents</b>	<b>10.98</b>	<b>8.35</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>30.15</b>	<b>21.80</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>41.13</b>	<b>30.15</b>

Accompanying notes are an integral part of the Consolidated Financial Statements.

### Notes :

1. Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. Previous year figures have been regrouped and rearranged wherever necessary.
3. Cash and Cash Equivalents are as per note 16 of the Consolidated Financial Statements.

As per our report of even date

For **B. R. MAHESWARI & CO.**  
Chartered Accountants  
Firm's Registration No. 001035N

For and on behalf of the Board

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

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Director

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

**Ramakant Sharma**  
Director

**Ashok Bhandari**  
Chief Finance Officer

**S.S. Khandelwal**  
Company Secretary

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

### I. Accounting Convention

The Financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting and comply with the Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, read with general circular No. 15/2013 dated 13.09.2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013 unless stated otherwise hereinafter. Accounting Policies not specifically referred to, are consistent with Generally Accepted Accounting Principles in India.

### II. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### III. Principles of Consolidation

The Subsidiaries (which alongwith Shree Cement Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	%age Shareholding	
			As at 30.06.2014	As at 30.06.2013
1	Shree Global Pte. Ltd. (w.e.f. 08.10.12)	Singapore	100%	100%
2	Katni Industries Private Limited (w.e.f. 11.09.12)	India	100%	100%

The Consolidated Financial Statements of the Group are prepared on following basis:

- The Consolidated Financial Statements are prepared in accordance with Accounting Standard-21 "Consolidated Financial Statements" as notified

under the Companies (Accounting Standards) Rules, 2006 (as amended).

- The Financial Statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating Intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with AS-21.
- The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's Standalone Financial Statements.
- The Financial Statements of the Company and its Subsidiaries used in the consolidation are drawn upto the same reporting date i.e. June 30, 2014.

The Financial Statements of foreign Subsidiaries have been re-stated in Indian Rupees considering them as non-integral part of the Group's operations and the resultant exchange gain/loss on conversion has been carried forward as 'Foreign Currency Translation Reserve'.

### IV. Fixed Assets

Fixed assets are disclosed at cost less accumulated depreciation/amortization and impairment loss, if any. Cost comprises of purchase price and attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any) except free hold land not containing mineral reserves which is disclosed at cost less impairment loss, if any.

### V. Capital Work-In-Progress

- Capital work-in-progress is carried at cost and Pre-operative expenditure during construction period which is allocated to the fixed assets on the completion of project.
- Expenditures on construction of assets for Company's use at premises owned by Government/ Local Authorities/others are charged to Statement of Profit and Loss in the year of expenditure.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### VI. Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

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

### VII. Depreciation and Amortization

#### Tangible Assets

- a) Depreciation is provided on Written down Value method at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates prescribed in the Income Tax Act, 1961, whichever is higher. However, in case of those assets whose WDV as per the Income Tax Act, 1961 is lower than the WDV as per books, additional depreciation is provided to align the Book WDV with WDV as per the Income Tax Act, 1961.
- b) Leasehold land not containing mineral reserve is amortized over the period of lease.
- c) Land bearing mineral reserves is amortized over its estimated commercial life based on the unit-of-production method.

#### Intangible Assets

- a) Expenditure on Computer Software is amortized in the year in which it is capitalized.
- b) Amount paid for Mining rights is amortized in the year in which amount is paid.

### VIII. Foreign Currency Transactions

Foreign currency transactions are recorded by applying the exchange rates on the date of transaction.

At each Balance sheet date, foreign currency monetary items are reported using the closing rates. Non Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

#### Derivative Instruments

Derivative financial instruments are used to hedge risk associated with foreign currency fluctuations and interest rates. The derivative contracts are closely linked with the underlying transactions and are intended to be held till maturity. These are accounted on the date of their settlement and realized gain/loss in respect of settled contracts is recognized in the Statement of Profit and Loss.

The premium or discount on forward exchange contracts is amortized over the life of the contract.

### IX. Investments

Investments, that are intended to be held for not more than one year, from the date of acquisition, are classified as current investments. All other investments are classified as long term investments/non-current investments.

Current Investments are carried at lower of cost or fair market value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

### X. Inventories

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

These are valued at lower of cost and net realizable value. However, materials and other items held for

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

### b) Work-in-progress and Finished goods

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### XI. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash on hand, balances with banks and fixed deposits with banks with an original maturity of three months or less.

### XII. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured

- a) Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Sales are disclosed net of sales tax / VAT, trade discounts and returns, as applicable.
- b) Power supplied under banking arrangements is accounted for as per terms of related agreements. Quantity of power banked is recorded as loan transaction valued at cost or net realizable value, whichever is lower and recognized as revenue when the same is returned and sold to an ultimate customer.
- c) Dividend income on investments is accounted for when the right to receive the payment is established.
- d) Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

- e) Certain insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

### XIII. Government Grants/Subsidies

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

Government grants/subsidies, which are capital in nature, are credited to capital reserve.

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the period to match them with the related costs.

### XIV. Employee Benefits

#### Defined Contribution Plan

Superannuation, Provident Fund and National Pension Scheme are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss of the year in which the contributions to the respective funds are due.

#### Defined Benefit Plan

- a) Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
- b) Contribution to provident Fund set up by the Company in respect of a few employees is also defined benefit plan and contribution is charged to Statement of Profit and Loss of the year in which the contribution is due.
- c) Encashable leave in case of employees covered by Cement Wage Board is considered as defined benefit plan and is accounted for on the basis of actuarial valuation, as at the Balance Sheet date.

#### Other Benefits

Non-encashable leaves are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance sheet.

Actuarial gains and losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arise.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### XV. Operating Leases

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

### XVI. Borrowing Costs

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### XVII. Research and Development

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

### XVIII. Mines Reclamation Expenditure

The Company provides for the expenditure to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted.

### XIX. Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. The identification of geographical segment is based on the areas in which major operating divisions of the Company operates.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

### XX. Taxation

Tax expense comprises of Current and Deferred Tax.

Current Tax is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognized for all the timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each Balance sheet date.

### XXI. Provisions, Contingent Liabilities and Contingent Assets

Provisions in respect of present obligation arising out of past events are made in the accounts if it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

The contingent liabilities are disclosed, unless the possibility of outflow of resources is remote. Contingent Assets are generally neither recognized nor disclosed in the financial statements.

### XXII. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SHARE CAPITAL	(₹ in Crore)	
	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Authorized</b>		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹10/- each	60.00	60.00
15,00,000 (Previous Year 15,00,000) Cumulative Preference Shares of ₹100/- each	15.00	15.00
	<b>75.00</b>	<b>75.00</b>
<b>Issued, Subscribed and Paid-up</b>		
3,48,37,225 (Previous Year 3,48,37,225) Equity Shares of ₹10/- each fully paid-up	34.84	34.84
	<b>34.84</b>	<b>34.84</b>

2.1 Details of shareholders holding more than 5% shares of the Company:

Name of Shareholder	Number of Shares Held As at 30 <sup>th</sup> June, 2014	% of Total Paid-up Equity Share Capital	Number of Shares Held As at 30 <sup>th</sup> June, 2013	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86

2.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

2.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.4 The Board of Directors, in its meetings held on 27<sup>th</sup> January, 2014 and 25<sup>th</sup> August, 2014 declared interim dividend of ₹10 and ₹ 12 per equity share respectively.

2.5 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous year, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

2.6 The Equity Shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Crore)	
<b>NOTE 3 - RESERVES AND SURPLUS</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
<b>Capital Reserve</b>		
As per last Financial Statements	397.80	210.75
Add: Addition During the Year	169.66	187.05
	<b>567.46</b>	<b>397.80</b>
<b>Capital Redemption Reserve</b>		
As per last Financial Statements	15.00	15.00
	<b>15.00</b>	<b>15.00</b>
<b>Securities Premium Account</b>		
As per last Financial Statements	26.53	26.53
	<b>26.53</b>	<b>26.53</b>
<b>Debenture Redemption Reserve</b>		
As per last Financial Statements	200.00	500.00
Less: Transfer to General Reserve	-	300.00
	<b>200.00</b>	<b>200.00</b>
<b>General Reserve</b>		
As per last Financial Statements	1,950.00	750.00
Add: Transfer from Surplus in the Statement of Profit and Loss	550.00	900.00
Add: Transfer from Debenture Redemption Reserve	-	300.00
	<b>2,500.00</b>	<b>1,950.00</b>
<b>Special Reserve (Refer Note 3.1)</b>		
As per last Financial Statements	105.20	105.20
Add: Transfer from Surplus in the Statement of Profit and Loss	394.80	-
	<b>500.00</b>	<b>105.20</b>
<b>Foreign Currency Translation Reserve</b>		
As per last Financial Statements (₹ 20778 as at 30.06.2013)	-	-
Add: Addition during the year ₹ 7926 (Previous Year ₹ 20778)	-	-
	<b>-</b>	<b>-</b>
<b>Surplus in the Statement of Profit and Loss</b>		
As per Last Financial Statements	1,114.25	1,091.61
Add: Profit for the Year	787.21	1,003.94
	<b>1,901.46</b>	<b>2,095.55</b>
Less: Appropriations		
Transferred to General Reserve	550.00	900.00
Transferred to Special Reserve	394.80	-
Interim Dividends on Equity Shares	76.65	27.87
Tax on Interim Dividends	13.03	4.52
Proposed Final Dividend on Equity Shares	-	41.81
Tax on Final Dividend	-	7.10
	<b>1,034.48</b>	<b>981.30</b>
<b>Net Surplus</b>	<b>866.98</b>	<b>1,114.25</b>
	<b>4,675.97</b>	<b>3,808.78</b>

3.1 Demands raised by various statutory authorities related to taxes, legal and other matters, which are under various stages of litigation, are reflected under contingent liabilities. As a measure of prudence, the management has created a special reserve to meet any eventuality that may arise in the future with respect to these contingent liabilities.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE 4 - LONG-TERM BORROWINGS	Non-Current Portion		Current Maturities	
	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Secured</b>				
<b>Redeemable Non Convertible Debentures (NCDs)</b>				
2,000 (Previous year 2,000 ) 8.42% NCDs of ₹ 10,00,000/- each	200.00	200.00	-	-
Term Loans from Banks	246.52	243.08	121.56	310.86
Vehicle Loan from Others	0.16	-	0.04	-
	<b>446.68</b>	<b>443.08</b>	<b>121.60</b>	<b>310.86</b>
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)	-	-	(121.60)	(310.86)
	<b>446.68</b>	<b>443.08</b>	<b>-</b>	<b>-</b>

## 4.1 Nature of securities and terms of repayment of each loan:

(₹ in Crore)

Sr. No.	Nature of Securities	Rate of Interest	Loan Amount	Loan Amount	Terms of Repayment
			As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	
<b>Non Convertible Debentures</b>					
1	These debentures (redeemable at par) are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable fixed assets on the first charge basis, pari pasu with other term lenders. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnager (Gujarat).	8.42%	200.00	200.00	Fully Repayable on 22.07.2015
<b>Term Loans from Banks</b>					
2	The Term loan is secured by joint equitable mortgage on all the immovable assets and by way of hypothecation of all the movable assets ranking subsequent and subservient to the prior mortgages and charges created/ to be created in favour of banks and institutions for their various term loans and working capital facilities.	10.00%	-	121.08	Paid during the year



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

Sr. No.	Nature of Securities	Rate of Interest	Loan Amount	Loan Amount	Terms of Repayment
			As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	
3	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari pasu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	9.42%	106.41	148.97	Repayable in 5 half yearly installments of ₹ 21.282 crore each w.e.f. 08.09.2014
		9.65%	91.76	104.87	Repayable in 4 half yearly installments w.e.f. 02.09.2014, out of which 2 installments of ₹ 17.041 crore each and last 2 installments of ₹ 28.839 crore each
		8.04%	44.91	89.82	Repayable in 2 half yearly installments of ₹ 22.455 crore each w.e.f. 07.07.2014
		9.50%	125.00	-	Fully Repayable on 15.10.2016
4	Secured by Hypothecation of all movable fixed assets of the Company on first charge basis, pari passu with other term lenders.	8.76%	-	89.20	Paid during the year
<b>Vehicle Loan from Others</b>					
5	Secured by Hypothecation of the vehicle	10.09%	0.20	-	Repayable in 52 equated monthly installments w.e.f. 03.07.2014
<b>TOTAL</b>			<b>568.28</b>	<b>753.94</b>	
Less: Current Maturities			121.60	310.86	
<b>Total Non-Current Portion</b>			<b>446.68</b>	<b>443.08</b>	

(₹ in Crore)

<b>NOTE 5 - OTHER LONG-TERM LIABILITIES</b>	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
Security Deposits from Customers, Vendors and Others	194.83	141.54
Statutory Liabilities	458.05	296.69
	<b>652.88</b>	<b>438.23</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE 6 - PROVISIONS	Long-Term		Short-Term	
	As at	As at	As at	As at
	30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013
<b>Provision for Employee Benefits</b>				
Gratuity	-	-	0.02	0.22
Other Staff Benefit Schemes	0.93	0.86	2.82	2.75
<b>Other Provisions</b>				
Income Tax (Net of Advance Tax)	-	-	46.74	35.95
Wealth Tax	-	-	0.34	0.31
Mines Reclamation Expenses (Refer Note 37)	18.08	17.30	0.80	1.40
Interim Dividend	-	-	41.81	-
Tax on Interim Dividend	-	-	7.10	-
Proposed Dividend - Final	-	-	-	41.81
Tax on Final Dividend	-	-	-	7.10
	<b>19.01</b>	<b>18.16</b>	<b>99.63</b>	<b>89.54</b>

(₹ in Crore)

NOTE 7 - SHORT-TERM BORROWINGS	As at	As at
	30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013
<b>Secured</b>		
Loans Repayable on Demand from Banks (Refer Note 7.1)	80.84	110.82
Suppliers Credit from Bank (Refer Note 7.1)	78.60	-
Bank and Book Overdraft (Refer Note 7.2)	32.16	31.91
<b>Unsecured</b>		
Buyers Credit from Banks	439.99	391.57
	<b>631.59</b>	<b>534.30</b>

7.1 Demand loans and suppliers credit from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on First charge basis and on whole of movable fixed assets of the Company on second charge basis and also secured by joint equitable mortgage on all the immovable assets of the Company on second charge basis.

7.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 16)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Crore)	
<b>NOTE 8 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
<b>Trade Payables</b>		
Micro, Small and Medium Enterprises (Refer Note 8.1)	2.85	2.50
Others	184.72	78.25
	<b>187.57</b>	<b>80.75</b>
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Borrowings (Refer Note 4)	121.60	310.86
Interest Accrued but not Due on Borrowings	11.68	20.88
Customers Advances	73.76	63.52
Withholding and Other Taxes Payable	58.26	49.96
Payable for Capital Goods	90.09	48.56
Security Deposits and Retention Money	5.29	5.95
Provident Fund and Superannuation Payable	6.82	5.54
Investor Education and Protection Fund shall be credited by the following amount:		
- Unpaid Dividend (There are no amounts due and outstanding to said fund as at 30.06.2014)	1.40	1.21
Other Statutory Liabilities	48.45	48.07
Other Payables (Refer Note 8.2)	163.17	157.87
	<b>580.52</b>	<b>712.42</b>
	<b>768.09</b>	<b>793.17</b>

- 8.1 Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the said Act. This has been relied upon by the Auditors.
- 8.2 Other Payables include the liability related to Employees, Rebate and Discount to customers etc.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As at 30 <sup>th</sup> June, 2013	Additions During the Year	Deductions/ Adjustments During the Year	As at 30 <sup>th</sup> June, 2014	Up to 30 <sup>th</sup> June, 2013	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2014
<b>Tangible Assets :</b>									
Free Hold Land	465.05	102.08	-	567.13	2.61	0.47	-	3.08	564.05
Lease Hold Land	20.11	74.97	-	95.08	0.50	1.44	-	1.94	93.14
Buildings	209.20	17.04	-	226.24	77.51	13.13	-	90.64	135.60
Plant and Machinery	5,100.92	727.72 (a)	0.04	5,828.60	3,977.71	516.28	0.01	4,493.98	1,334.62
Railway Siding	12.82	21.91	-	34.73	11.77	5.81	-	17.58	17.15
Furniture and Fixtures	32.42	5.70	0.07	38.05	17.13	3.88	0.06	20.95	17.10
Office Equipments	44.84	9.67	0.24	54.27	30.34	7.84	0.20	37.98	16.29
Vehicles	33.34	7.55	4.40	36.49	19.19	4.71	3.23	20.67	15.82
<b>Sub Total</b>	<b>5,918.70</b>	<b>966.64</b>	<b>4.75</b>	<b>6,880.59</b>	<b>4,136.76</b>	<b>553.56 (b)</b>	<b>3.50</b>	<b>4,686.82</b>	<b>2,193.77</b>
<b>Intangible Assets :</b>									
Computer Software	5.26	5.41	-	10.67	5.26	5.41	-	10.67	-
Mining Rights	16.33	-	-	16.33	16.33	-	-	16.33	-
<b>Sub Total</b>	<b>21.59</b>	<b>5.41</b>	<b>-</b>	<b>27.00</b>	<b>21.59</b>	<b>5.41</b>	<b>-</b>	<b>27.00</b>	<b>-</b>
<b>Total (A)</b>	<b>5,940.29</b>	<b>972.05</b>	<b>4.75</b>	<b>6,907.59</b>	<b>4,158.35</b>	<b>558.97</b>	<b>3.50</b>	<b>4,713.82</b>	<b>2,193.77</b>
<b>Capital Work-in-Progress (B)</b>									
<b>Grand Total (A+B)</b>									

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK		
	Opening Balance	Additions During the Year	Deductions/ Adjustments During the Year	As at 30 <sup>th</sup> June, 2013	Opening Balance	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2013
<b>Tangible Assets :</b>									
Free Hold Land	374.81	90.24	-	465.05	2.24	0.37	-	2.61	462.44
Lease Hold Land	8.33	11.78	-	20.11	0.40	0.10	-	0.50	19.61
Buildings	184.49	24.74	0.03	209.20	67.21	10.31	0.01	77.51	131.69
Plant and Machinery	4,553.12	553.48 (a)	5.68	5,100.92	3,563.12	416.32	1.73	3,977.71	1,123.21
Railway Siding	12.58	0.24	-	12.82	11.53	0.24	-	11.77	1.05
Furniture and Fixtures	24.30	8.33	0.21	32.42	14.36	2.93	0.16	17.13	15.29
Office Equipments	36.61	9.51	1.28	44.84	26.34	5.27	1.27	30.34	14.50
Vehicles	28.74	7.10	2.50	33.34	17.19	3.87	1.87	19.19	14.15
<b>Sub Total</b>	<b>5,222.98</b>	<b>705.42</b>	<b>9.70</b>	<b>5,918.70</b>	<b>3,702.39</b>	<b>439.41 (b)</b>	<b>5.04</b>	<b>4,136.76</b>	<b>1,781.94</b>
<b>Intangible Assets :</b>									
Clean Development Mechanism (Internally Generated)	0.47	-	0.47	-	-	-	-	-	-
Computer Software	5.26	-	-	5.26	5.26	-	-	5.26	-
Mining Rights	16.33	-	-	16.33	16.33	-	-	16.33	-
<b>Sub Total</b>	<b>22.06</b>	<b>-</b>	<b>0.47</b>	<b>21.59</b>	<b>21.59</b>	<b>-</b>	<b>-</b>	<b>21.59</b>	<b>-</b>
<b>Total (A)</b>	<b>5,245.04</b>	<b>705.42</b>	<b>10.17</b>	<b>5,940.29</b>	<b>3,723.98</b>	<b>439.41</b>	<b>5.04</b>	<b>4,158.35</b>	<b>1,781.94</b>
<b>Capital Work-in-Progress (B)</b>									
<b>Grand Total (A+B)</b>									

(a) Includes ₹ 8.81 crore (Previous Year ₹ 12.98 crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹ 9.06 crore (Previous Year ₹ 3.78 crore) on assets during construction period.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - NON-CURRENT INVESTMENTS (valued at cost, unless stated otherwise)	Face Value (In ₹)	(₹ in Crore)			
		As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
		No.	Amount	No.	Amount
<b>Particulars</b>					
<b>LONG TERM (OTHER THAN TRADE)</b>					
<b>QUOTED</b>					
<b>Bonds</b>					
<b>National Bank for Agriculture and Rural Development (Refer Note 10.3)</b>					
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20,000	2,09,340.000	228.90	1,99,335.000	214.41
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	86,640.000	91.43	83,840.000	87.51
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	5,000.000	5.29	5,000.000	5.29
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	180.000	0.22	180.000	0.22
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180.000	0.22	180.000	0.22
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460.000	0.55	460.000	0.55
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65.000	0.07	65.000	0.07
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	3,14,660.000	307.45	3,14,660.000	307.45
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	11,800.000	11.36	11,800.000	11.36
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	16,160.000	15.26	16,160.000	15.26
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	1,28,945.000	113.08	1,28,945.000	113.08
<b>National Housing Bank (Refer Note 10.3)</b>					
Zero Coupon NHB Bonds - 24DC18	10,000	3,27,711.000	160.10	3,27,711.000	160.10
Zero Coupon NHB Bonds - 31MR19	10,000	83,760.000	39.21	83,760.000	39.21
<b>Indian Railway Finance Corporation</b>					
8.50% Indian Railway Finance Corporation Bonds - 22JU20	10,00,000	650.000	64.79	650.000	64.79
8.63% Indian Railway Finance Corporation Bonds Tax Free - 26MR29	1,000	5,00,000.000	50.00	-	-
<b>Power Finance Corporation</b>					
8.70% Power Finance Corporation Bonds - 14MY20	10,00,000	880.000	87.98	880.000	87.98

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)					
<b>NOTE 10 - NON-CURRENT INVESTMENTS (valued at cost, unless stated otherwise)</b>	<b>Face Value (In ₹)</b>	<b>As at</b>		<b>As at</b>	
		<b>30<sup>th</sup> June, 2014</b>		<b>30<sup>th</sup> June, 2013</b>	
<b>Particulars</b>		<b>No.</b>	<b>Amount</b>	<b>No.</b>	<b>Amount</b>
<b>Rural Electrification Corporation</b>					
8.65% Rural Electrification Corporation Bonds - 15JN19	10,00,000	200.000	19.95	200.000	19.95
8.65% Rural Electrification Corporation Bonds - 22JN20	10,00,000	50.000	4.98	50.000	4.98
<b>Power Grid Corporation</b>					
8.64% Power Grid Corporation of India Bonds - 08JL21	12,50,000	120.000	14.95	120.000	14.95
<b>National Highways Authority of India</b>					
8.20% NHAI Tax Free Bonds - 25JN22	1,000	11,88,951.000	119.50	11,88,951.000	119.50
<b>Housing and Urban Development Corporation Limited</b>					
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	1,00,000.000	9.65	1,00,000.000	9.65
<b>Preference Shares</b>					
<b>Infrastructure Leasing and Financial Services Limited</b>					
16.06% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 25 <sup>th</sup> March, 2021	7,500	28,000.000	35.00	-	-
15.99% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 16 <sup>th</sup> May, 2021	7,500	52,000.000	65.41	-	-
<b>UNQUOTED</b>					
<b>Preference Shares</b>					
<b>L&amp;T Finance Holding Limited</b>					
8.75% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 25 <sup>th</sup> March, 2016	100	61,55,000.000	62.50	60,00,000.000	60.89
8.75% Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 31 <sup>st</sup> March, 2016	100	11,41,136.000	11.41	11,41,136.000	11.41
<b>In Units of Mutual Funds</b>					
JM Arbitrage Fund (Direct)-Dividend	10	-	-	2,35,66,896.994	25.00
IDFC Arbitrage Fund - Dividend Direct Plan	10	-	-	1,99,39,384.272	25.00
Kotak Equity Arbitrage Fund-Direct - Dividend	10	-	-	2,32,06,809.806	25.00
ICICI Prudential Plan Blended Plan A- Direct Plan-Dividend	10	-	-	1,87,96,003.218	25.00
L&T Triple Ace Bond Fund-Bonus	10	-	-	2,68,70,163.370	50.00
Reliance Income Fund Growth Plan-Bonus Option	10	-	-	49,03,108.890	2.57
<b>TOTAL</b>			<b>1,519.26</b>		<b>1,501.40</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10.1 AGGREGATE COST AND MARKET VALUE OF QUOTED INVESTMENTS :	(₹ in Crore)			
	As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted Investments:				
- In Bonds and Preference shares of Public Financial Institutions	1,445.35	1,836.20	1,276.53	1,610.16
<b>Total</b>	<b>1,445.35</b>	<b>1,836.20</b>	<b>1,276.53</b>	<b>1,610.16</b>
10.2 AGGREGATE COST OF UNQUOTED INVESTMENTS	<b>73.91</b>		224.87	
10.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.				

NOTE 11 - DEFERRED TAX ASSETS (Net)	(₹ in Crore)	
	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Deferred Tax Assets</b>		
Arising on account of :		
Long-term and Short-term Capital Losses	19.09	6.71
Expenses allowed for tax purpose when paid	135.42	89.00
Depreciation	6.36	5.34
Others	0.18	0.14
<b>Less: Deferred Tax Liabilities</b>		
Arising on Account of :		
Others	18.19	7.42
	<b>142.86</b>	<b>93.77</b>

NOTE 12 - LOANS AND ADVANCES	(₹ in Crore)			
	Long-Term		Short-Term	
	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
(Unsecured, Considered Good)				
Capital Advances	342.43	337.31	-	-
Advances Recoverable in Cash or in Kind or for Value to be Received	20.27	25.95	116.45	121.48
Deposits with Government Departments and Others	17.05	11.90	13.19	48.88
Balance with Customs, Excise and Port Trust etc. on Current Accounts	-	-	96.92	56.67
Loans and Advances to Staff and Workers	2.62	2.73	3.84	2.48
Advance Tax (Net of Provisions)	-	-	2.28	2.28
MAT Credit Entitlement	-	-	70.48	81.03
Prepaid Expenses	-	-	3.71	3.31
	<b>382.37</b>	<b>377.89</b>	<b>306.87</b>	<b>316.13</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 - CURRENT INVESTMENTS	Face Value (In ₹)	(₹ in Crore)			
		As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
		No.	Amount	No.	Amount
<b>Particulars</b>					
<b>CURRENT PORTION OF LONG TERM INVESTMENTS (OTHER THAN TRADE) (valued at cost, unless stated otherwise)</b>					
<b>QUOTED</b>					
<b>Bonds</b>					
<b>India Infrastructure Finance Company Limited</b>					
6.85% IIFCL Tax Free Bonds - 22JN14	1,00,000	-	-	1,200.000	11.83
<b>OTHER CURRENT INVESTMENTS (OTHER THAN TRADE) (valued at lower of cost or fair market value)</b>					
<b>QUOTED</b>					
<b>In Units of Mutual Funds</b>					
Birla Sunlife Fixed Term Plan-Series GR (399 days)	10	-	-	4,50,00,000.000	45.00
ICICI Prudential FMP Series 64 - 367 Days Plan J Cumulative	10	-	-	4,00,00,000.000	40.00
ICICI Prudential FMP Series 66-407 Days Plan I Cumulative	10	-	-	7,50,00,000.000	75.00
SBI Debt Fund Series-13 Months-14- Direct plan- Growth	10	-	-	1,50,00,000.000	15.00
Reliance Fixed Horizon Fund - XXII - Series 14 - Growth Plan	10	-	-	3,50,00,000.000	35.00
Reliance Fixed Horizon Fund - XXII - Series 15 - Growth Plan	10	-	-	2,00,00,000.000	20.00
Reliance Fixed Horizon Fund - XXIII - Series 5 - Growth Plan	10	-	-	10,00,00,000.000	100.00
DSP Blackrock FMP - Series 64 - 12 M - Growth	10	-	-	50,00,000.000	5.00
DSP Blackrock FMP - Series 66 - 12 M - Growth	10	-	-	2,00,00,000.000	20.00
Kotak FMP Series 90 - Growth	10	-	-	50,00,000.000	5.00
ICICI Prudential FMP Series 66-412 Days Plan E Cumulative	10	-	-	4,50,00,000.000	45.00
HDFC FMP 371D July 2012 (1) - Growth	10	-	-	3,00,00,000.000	30.00
HDFC FMP 371D August 2012 (1) - Growth - Series 22	10	-	-	3,00,00,000.000	30.00
Tata Fixed Maturity Plan Series 40 Scheme F - Growth	10	-	-	1,50,00,000.000	15.00



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 - CURRENT INVESTMENTS	Face Value (In ₹)	(₹ in Crore)			
		As at 30 <sup>th</sup> June, 2014		As at 30 <sup>th</sup> June, 2013	
		No.	Amount	No.	Amount
Particulars					
Tata Fixed Maturity Plan Series 40 Scheme H - Growth	10	-	-	1,00,00,000.000	10.00
UTI Fixed Term Income Fund Series - XII - IV - Growth	10	-	-	5,00,00,000.000	50.00
UTI Fixed Term Income Fund Series XII - IX - Growth Plan	10	-	-	2,00,00,000.000	20.00
UTI Fixed Income Interval Fund - Annual Interval Plan Series - II - Institutional Growth Plan	10	-	-	3,15,96,575.000	40.00
LIC Nomura MF FMP Series 53 - 367 Days - Growth Plan	10	-	-	1,00,00,000.000	10.00
SBI Debt Fund Series - 366 Days - 12 - Growth	10	-	-	2,50,00,000.000	25.00
SBI Debt Fund Series - 366 Days - 14 - Growth	10	-	-	1,00,00,000.000	10.00
HDFC FMP 371D September 2012 (1) - Growth - Series 22	10	-	-	1,00,00,000.000	10.00
IDFC Fixed Term Plan Series 11 Direct Plan- Growth	10	-	-	1,50,00,000.000	15.00
Birla SunLife Fixed Term Plan- Series HB (366 Days) - Growth Direct	10	2,00,00,000.000	20.00	-	-
Sundaram Fixed Term Plan DR 366 days Direct Plan growth	10	1,00,00,000.000	10.00	-	-
Reliance Fixed Horizon Fund XXV Series 24 Direct Growth	10	2,50,00,000.000	25.00	-	-
DSP Black Rock FMP - Series 146-12M-Direct Growth	10	2,50,00,000.000	25.00	-	-
Birla Sun Life Fixed Term plan Series KF (368 days)-Dr-Gr	10	2,50,00,000.000	25.00	-	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C Direct Plan	10	2,50,00,000.000	25.00	-	-
<b>UNQUOTED</b>					
<b>In Units of Mutual Funds</b>					
Peerless Liquid Fund Direct Plan Growth	10	-	-	1,52,59,604.013	20.00
L&T Triple Ace Bond Fund-Bonus	10	13,43,508.169	2.50	-	-
Reliance Income Fund Growth Plan-Bonus Option	10	49,03,108.890	2.57	-	-
Reliance Arbitrage Advantage Fund Direct Plan Monthly Dividend Plan	10	98,38,839.804	10.00	-	-
Birla Sunlife Enhanced Arbitrage Fund	10	3,79,66,165.487	40.00	-	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in Crore)			
<b>NOTE 13 - CURRENT INVESTMENTS</b>		<b>As at 30<sup>th</sup> June, 2014</b>		<b>As at 30<sup>th</sup> June, 2013</b>	
Particulars	Face Value (In ₹)	No.	Amount	No.	Amount
JM Arbitrage Advantage Fund (Direct)- Dividend	10	4,69,63,753.950	50.00	-	-
Reliance Arbitrage Advantage Fund Direct Plan Dividend Plan	10	4,02,60,838.943	50.00	-	-
IDFC Arbitrage Fund - Dividend Direct Plan	10	7,91,99,637.628	100.00	-	-
Kotak Equity Arbitrage Fund-Direct Dividend Plan	10	9,27,11,289.921	100.00	-	-
ICICI Prudential Plan Blended Plan A- Direct Plan-Dividend	10	8,91,41,888.591	120.00	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan Dividend	10	8,67,47,616.807	120.00	-	-
<b>TOTAL</b>			<b>725.07</b>		<b>701.83</b>

		(₹ in Crore)			
<b>AGGREGATE COST AND MARKET VALUE OF CURRENT INVESTMENTS :</b>		<b>As at 30<sup>th</sup> June, 2014</b>		<b>As at 30<sup>th</sup> June, 2013</b>	
		<b>Aggregate Net Cost</b>	<b>Market Value</b>	<b>Aggregate Net Cost</b>	<b>Market Value</b>
Quoted Investments:					
- In Bonds of Public Financial Institutions		-	-	11.83	11.93
- In Units of Mutual Funds		130.00	136.12	670.00	710.98
<b>Total</b>		<b>130.00</b>	<b>136.12</b>	<b>681.83</b>	<b>722.91</b>
<b>AGGREGATE COST OF UNQUOTED INVESTMENTS</b>		<b>595.07</b>		<b>20.00</b>	

		(₹ in Crore)	
<b>NOTE 14 - INVENTORIES (Valued at Lower of Cost and Net Realisable Value)</b>		<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
Raw Materials [Includes in transit ₹ 0.34 crore (Previous year ₹ 0.11 crore )]		26.50	16.19
Fuel [Includes in transit ₹ 341.73 crore (Previous year ₹ 18.51 crore)]		370.17	73.90
Stores and Spares		297.69	340.45
Packing Materials		7.59	8.48
Work-in-Progress [Includes in transit ₹ 6.44 crore (Previous year ₹ 4.29 crore)]		49.16	55.58
Finished Goods [Includes in transit ₹ 24.49 crore (Previous year ₹ 10.18 crore)]		58.67	35.88
		<b>809.78</b>	<b>530.48</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE 15 - TRADE RECEIVABLES	Non-Current		Current	
	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Outstanding for a Period Exceeding Six Months from the Date they are Due for Payment</b>				
Secured, Considered Good	-	-	0.17	0.02
Unsecured				
Considered Good	-	-	5.83	9.43
Considered Doubtful	0.54	0.42	-	-
	<b>0.54</b>	<b>0.42</b>	<b>6.00</b>	<b>9.45</b>
Less: Provision for Doubtful Receivables	0.54	0.42	-	-
	-	-	<b>6.00</b>	<b>9.45</b>
<b>Others</b>				
Secured, Considered Good	-	-	85.06	70.47
Unsecured				
Considered Good	-	-	205.53	234.74
Considered Doubtful	-	-	-	-
	-	-	<b>290.59</b>	<b>305.21</b>
Less: Provision for Doubtful Receivables	-	-	-	-
	-	-	<b>290.59</b>	<b>305.21</b>
	-	-	<b>296.59</b>	<b>314.66</b>

(₹ in Crore)

NOTE 16 - CASH AND BANK BALANCES	As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>Cash and Cash Equivalents:</b>		
Balances with Banks	40.11	29.10
Cash on Hand	1.02	1.05
	<b>41.13</b>	<b>30.15</b>
<b>Other Bank Balances:</b>		
Earmarked Balance with Banks for Unpaid Dividend	1.40	1.21
Fixed Deposits with Banks		
Maturity less than twelve months (Refer Note 16.1 and 16.2)	116.76	313.03
Maturity more than twelve months	-	35.00
	<b>118.16</b>	<b>349.24</b>
	<b>159.29</b>	<b>379.39</b>

16.1 Deposits of ₹ 17.02 crore (Previous year ₹ 15.22 crore) are pledged with banks against overdraft facilities.

16.2 ₹ 51.73 crore (Previous year ₹ 11.73 crore), given as security to Government department and others.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

<b>NOTE 17 - OTHER CURRENT ASSETS</b>	<b>As at 30<sup>th</sup> June, 2014</b>	<b>As at 30<sup>th</sup> June, 2013</b>
Interest Accrued		
On Fixed Deposits	5.34	8.95
On Tax Free and Other Bonds	12.87	12.30
Unamortized Premium on Forward Contracts	16.12	8.03
	<b>34.33</b>	<b>29.28</b>

(₹ in Crore)

<b>NOTE 18 - REVENUE FROM OPERATIONS (GROSS)</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>
<b>Sale of Products</b>		
Cement	5,842.17	5,050.42
Clinker	47.85	49.65
Power	639.68	1,042.78
	<b>6,529.70</b>	<b>6,142.85</b>
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	113.91	94.91
Less: Purchase of Traded Power	110.73	91.79
	<b>3.18</b>	<b>3.12</b>
<b>Other Operating Revenue</b>	<b>11.43</b>	<b>23.11</b>
	<b>6,544.31</b>	<b>6,169.08</b>

(₹ in Crore)

<b>NOTE 19 - OTHER INCOME</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>
<b>Interest Income</b>		
On Fixed Deposits	18.93	33.66
On Tax Free and Other Bonds	28.84	27.98
On Income Tax and Sales Tax Refund	29.93	0.22
Others	2.03	2.42
<b>Dividend from Investments (Other than Trade)</b>		
Long term	6.63	-
Current	19.41	1.46
<b>Profit on Sale of Investments (Other than Trade)</b>		
Long term (Net)	64.50	113.65
Current (Net)	(14.32)	(1.32)
Provision No Longer Required (Net)	10.80	4.59
Profit on Sale of Fixed Assets (Net)	0.50	2.32
Balances Written Back (Net)	0.84	1.13
Foreign Exchange Rate Differences (Net)	15.99	1.51
Miscellaneous Income	0.86	0.71
	<b>184.94</b>	<b>188.33</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

<b>NOTE 20 - COST OF MATERIALS CONSUMED</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>
<b>Raw Materials Consumed</b>		
Gypsum	102.73	90.37
Fly Ash	215.39	197.79
Red Ochre and Slag	16.02	13.62
Sulphuric Acid	28.39	17.69
Others	101.33	87.09
	<b>463.86</b>	<b>406.56</b>

(₹ in Crore)

<b>NOTE 21 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>	<b>(Increase) / Decrease</b>
<b>Closing Stock</b>			
Work-in-Progress	49.16	55.58	6.42
Finished Goods	58.67	35.88	(22.79)
	<b>107.83</b>	<b>91.46</b>	<b>(16.37)</b>
<b>Opening Stock</b>			
Work-in-Progress	55.58	38.52	(17.06)
Finished Goods	35.88	36.97	1.09
	<b>91.46</b>	<b>75.49</b>	<b>(15.97)</b>
<b>(Increase) / Decrease</b>	<b>(16.37)</b>	<b>(15.97)</b>	

(₹ in Crore)

<b>NOTE 22 - EMPLOYEE BENEFITS EXPENSE</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>
Salaries, Wages, Bonus and Allowances	318.50	266.53
Contribution to Provident and Other Funds	48.49	44.26
Employees Welfare Expenses	28.31	27.22
	<b>395.30</b>	<b>338.01</b>

(₹ in Crore)

<b>NOTE 23 - FREIGHT AND FORWARDING EXPENSES</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>
On Finished Products	854.50	638.27
On Inter Unit Clinker Transfer	336.04	276.74
	<b>1,190.54</b>	<b>915.01</b>

(₹ in Crore)

<b>NOTE 24 - FINANCE COSTS</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>
Interest Expenses	110.32	154.10
Other Borrowing Costs	27.00	39.04
Applicable Net Gain/Loss On Foreign Currency Transactions and Translation	0.49	-
	<b>137.81</b>	<b>193.14</b>
Less: Interest and Other Borrowing Costs Capitalized	8.62	-
	<b>129.19</b>	<b>193.14</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Crore)	
<b>NOTE 25 - OTHER EXPENSES</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>
Stores and Spares Consumed	258.13	203.74
Packing Materials Consumed	231.76	186.24
Royalty and Cess	132.77	92.78
Mines Reclamation Expenses	0.62	1.04
Excise Duty on Captive Consumption of Clinker	22.80	19.95
Repairs to Plant and Machinery	98.89	92.56
Repairs to Buildings	15.12	12.31
Rent	9.39	7.73
Insurance	2.31	2.41
Rates and Taxes	11.81	7.55
Travelling	23.15	19.33
Commission to Non-executive Directors	1.24	0.95
Directors' Sitting Fees and Expenses	0.26	0.20
Advertisement and Publicity	56.85	40.20
Discount, Sales Promotion and Other Selling Expenses	172.78	172.22
Excise duty variance on Closing/Opening Stock (Refer note 30)	2.54	(0.08)
Provision for Bad and Doubtful Receivables (Net)	0.12	(0.03)
Miscellaneous (Refer Note 25.1)	71.97	57.04
	<b>1,112.51</b>	<b>916.14</b>

	(₹ in Crore)	
<b>25.1 Miscellaneous Expenses include the payments made to Auditors:</b>	<b>For the Year ended 30<sup>th</sup> June, 2014</b>	<b>For the Year ended 30<sup>th</sup> June, 2013</b>
<b>Statutory Auditors</b>		
Audit Fees	0.25	0.22
Tax Audit Fees	0.05	0.05
Certification / Other Services	0.09	0.05
Reimbursement of Expenses	0.07	0.07
<b>Cost Auditors</b>		
Audit Fees	0.02	0.02
Certification / Other Services	0.01	0.01
Reimbursement of Expenses [₹ 15325 (Previous year ₹ 8080)]		

### 26 Contingent liabilities (claims/demands not acknowledged as debt):

- a. Custom duty ₹ 56.56 crore (Previous year ₹ 56.56 crore).
- b. The Competition Commission of India (CCI) has, vide its order dated 30<sup>th</sup> July, 2012, imposed penalty of ₹ 397.51 Crore on the Company, which has been challenged before the Competition Appellate Tribunal (COMPAT). COMPAT has granted stay on CCI Order on the condition that the Company deposits 10% of the penalty amounting to ₹ 39.75 Crore. The same stands deposited in the form of bank fixed deposit with lien in favour of COMPAT.

27 Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 528.26 crore (Previous Year ₹ 772.06 crore).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 28 Other Exceptional items include the following:

- Write off of Pre-operative expenses incurred on certain capital projects amounting to ₹ 11.24 Crore.
  - Provision towards Statutory Liabilities amounting to ₹ 29.62 crore on account of disallowances by assessing authorities though appeal(s) have been filed in these matters.
  - Provision towards tax exemption availed as per relevant notifications amounting to ₹ 32.87 crore for which assessing authorities have taken contrary stand. Company has however, filed appeals in these matters.
- 29 Capital Work-in-Progress includes pre-operative expenses of ₹ 69.08 crore (Previous Year ₹ 29.91 crore) which includes depreciation of ₹ 8.93 crore (Previous Year ₹ 1.13 crore) on assets during construction period.
- 30 Excise duty on sales amounting to ₹ 657.00 crore (Previous year ₹ 578.83 crore) has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / decrease in stock amounting to ₹ 2.54 crore [Previous year ₹ (0.08) crore] has been considered as other expenses.

### 31 Expenditure on Research and Development :

Particulars	(₹ in Crore)	
	2013-14	2012-13
Capital	8.81	12.98
Revenue	12.55	12.21
<b>Total</b>	<b>21.36</b>	<b>25.19</b>

### 32 a) Unhedged Foreign Currency Exposure :

S.No	Purpose	Currency	(Amount in Crore)	
			As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
1	Outstanding Creditors for Spares, Capital Goods and Fuel	USD	1.13	0.01
2	Outstanding Creditors for Spares and Capital Goods	JPY	-	1.28
3	Outstanding Creditors for Spares and Capital Goods [13500 GBP (Previous Year 6750 GBP)]	GBP	-	-
4	Buyers Credit	USD	1.01	-
5	Interest Payable	USD	0.01	0.01
6	Interest Payable	JPY	-	0.01
7	Interest Payable [186.50 CHF (Previous Year Nil)]	CHF	-	-
8	Interest Payable [9080 Euro(Previous year 3376 Euro)]	EURO	-	-
9	Outstanding creditors for Consultancy [Nil (Previous year 2790 Euro)]	EURO	-	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b) The details of Derivatives outstanding at the year end are as follows :

S.No	Nature of Contract	Currency	Buy Amount		Purpose
			As at	As at	
			30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013	
1	Forward Contracts	USD	4.69	6.30	Hedging of Buyers Credit
2	Forward Contracts	JPY	-	11.52	Hedging of Buyers Credit
3	Forward Contracts	EURO	0.76	0.26	Hedging of Buyers Credit
4	Forward Contracts	CHF	0.04	-	Hedging of Buyers Credit
5	Forward Contracts	USD	1.22	-	Hedging of Suppliers Credit
6	Forward Contracts (Previous Year 47025 USD)	USD	1.03	-	Hedging of Imports
7	Forward Contracts	GBP	-	0.01	Hedging of Imports
8	Forward Contracts	EURO	0.50	1.93	Hedging of Imports
9	Currency and Interest rate Swaps	USD	5.08	12.22	Hedging of Loans

### 33 Employee Benefits:

(i) Contribution to defined contribution plans recognized as expenses are as under:

Particulars	(₹ in Crore)	
	2013-14	2012-13
Superannuation	6.19	6.18
Provident fund	21.03	17.76
National Pension Scheme	0.39	-
<b>Total</b>	<b>27.61</b>	<b>23.94</b>

(ii) Defined Benefit Plans:

(A) **Gratuity** - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

S.No	Particulars	Gratuity (Funded Plan)	
		As at	As at
		30 <sup>th</sup> June, 2014	30 <sup>th</sup> June, 2013
<b>I</b>	<b>Change in Obligation</b>		
1	Present Value of defined benefit obligation at the beginning of the year	97.87	72.13
2	Current service cost	10.85	7.62
3	Interest cost	7.83	5.77
4	Actuarial (gain)/loss on obligation	11.26	14.11
5	Benefits paid	(5.39)	(1.76)
6	Present value of defined benefit obligation at the end of the year	122.42	97.87



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

S.No	Particulars	(₹ in Crore)	
		Gratuity (Funded Plan)	
		As at 30 <sup>th</sup> June, 2014	As at 30 <sup>th</sup> June, 2013
<b>II</b>	<b>Change in the Fair Value of Plan Assets</b>		
1	Fair Value of plan assets at the beginning of the year	97.65	71.92
2	Expected return on plan assets	9.25	7.21
3	Contributions by employer	20.89	20.28
4	Actuarial (gain)/loss on plan assets	-	-
5	Benefits paid	(5.39)	(1.76)
6	Fair value of plan assets at the end of the year	122.40	97.65
<b>III</b>	<b>Expenses recognized in the Statement of Profit and Loss</b>		
1	Current service cost	10.85	7.62
2	Interest cost	7.83	5.77
3	Expected return on plan assets	(9.25)	(7.21)
4	Net actuarial (gain)/loss recognized in the current year	11.26	14.11
5	Expenses recognized in the Statement of Profit and Loss	20.69	20.29
<b>IV</b>	<b>Amount recognized in the Balance Sheet as at the end of the year</b>		
1	Present value of defined benefit obligation	122.42	97.87
2	Fair Value of plan assets at the end of the year	122.40	97.65
3	Funded status [Surplus/(Deficit)]	(0.02)	(0.22)
4	Net asset/(liability) as at the end of the year	(0.02)	(0.22)
<b>V</b>	<b>The major categories of plan assets as a percentage of total plan</b>		
1	Qualifying Insurance Policy	100%	100%
<b>VI</b>	<b>Actuarial Assumptions</b>		
1	Discount rate	8.00% p.a.	8.00% p.a.
2	Mortality rate	LIC (1994-96 Ultimate)	LIC (1994-96 Ultimate)
3	Withdrawal rate	1-3% depending on age	1-3% depending on age
4	Actual return on plan assets	9.25	7.21

- a) The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.
- b) Basis used to determine expected rate of return on assets:  
The expected return on plan assets is based on market expectation, at the beginning of the period, which is used for calculating returns over the entire life of the related obligation. The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India.
- c) Amount for the current and previous year are as follows:-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Crore)	
<b>Gratuity-Funded plan</b>	<b>30<sup>th</sup> June, 2014</b>	<b>30<sup>th</sup> June, 2013</b>
Defined benefit obligation	122.42	97.87
Plan assets	122.40	97.65
Surplus/ (deficit)	(0.02)	(0.22)
Experience Adjustment Gain / (Loss) for Plan Liabilities	(3.33)	(2.59)
Experience Adjustment Gain / (Loss) for Plan Assets	(0.49)	0.04

d) The Company expects to contribute ₹ 15 crore (Previous Year ₹ 20 Crore) to gratuity fund in next year.

### (B) Provident fund managed by a trust set up by the Company:

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 30.6.2014.

The details of the plan assets and obligations position are as follows:

	(₹ in Crore)	
<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Plan assets at year end, at fair value	35.22	29.92
Present value of defined obligation at year end	35.22	29.92
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

	(₹ in Crore)	
<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Discounting Rate	8.75%	7.50%
Expected Guaranteed Interest Rate	8.75%	8.50%
Expected Rate of Return on Assets	8.75%	9.00%

(iii) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 9.98 crore (Previous Year ₹ 9.83 crore).

## 34 Segment Reporting:

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

	(₹ in Crore)							
<b>Particulars</b>	<b>2013-14</b>				<b>2012-13</b>			
	<b>Cement</b>	<b>Power</b>	<b>Inter-Segment Eliminations</b>	<b>Total</b>	<b>Cement</b>	<b>Power</b>	<b>Inter-Segment Eliminations</b>	<b>Total</b>
<b>Revenue</b>								
External Sales	5244.39	642.92	-	5887.31	4544.31	1045.94	-	5590.25
Inter Segment Revenue	-	600.78	(600.78)	-	-	546.13	(546.13)	-
<b>Total Revenue</b>	<b>5244.39</b>	<b>1243.70</b>	<b>(600.78)</b>	<b>5887.31</b>	<b>4544.31</b>	<b>1592.07</b>	<b>(546.13)</b>	<b>5590.25</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in Crore)							
	2013-14				2012-13			
	Cement	Power	Inter-Segment Eliminations	Total	Cement	Power	Inter-Segment Eliminations	Total
<b>Results</b>								
Segment Results (Profit before Finance Costs, Exceptional items and Tax)	521.28	347.59	-	868.87	741.81	393.71	-	1135.52
Add: Un-allocated Income	-	-	-	155.95	-	-	-	178.07
Less: Finance Costs	-	-	-	129.19	-	-	-	193.14
Profit before exceptional items and Tax	-	-	-	895.63	-	-	-	1120.45
Less: Exceptional Items	-	-	-	80.51	-	-	-	1.06
Profit before Tax	-	-	-	815.12	-	-	-	1119.39
Less : Tax Expenses	-	-	-	27.91	-	-	-	115.45
<b>Profit after Tax</b>	-	-	-	<b>787.21</b>	-	-	-	<b>1003.94</b>
Segment Assets	4034.79	640.32	-	4675.11	2859.87	511.25	-	3371.12
Un-allocated Assets	-	-	-	2653.58	-	-	-	2788.98
<b>Total Assets</b>	-	-	-	<b>7328.69</b>	-	-	-	<b>6160.10</b>
Segment Liabilities	962.66	138.69	-	1101.35	699.85	69.32	-	769.17
Un-allocated Liabilities and Provisions	-	-	-	116.54	-	-	-	111.58
<b>Total Liabilities</b>	-	-	-	<b>1217.89</b>	-	-	-	<b>880.75</b>
Depreciation and Amortization	472.36	77.55	-	549.91	253.85	181.78	-	435.63
Capital expenditure	1465.78	131.44	-	1597.22	696.99	45.03	-	742.02
Significant Non Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

### B. Geographical Segment is identified as the secondary segment and details are given below:

Particulars	(₹ in Crore)	
	2013-14	2012-13
Segment Revenue from Operations (Net)		
Within India	5870.76	5574.00
Outside India	16.55	16.25
<b>Total</b>	<b>5887.31</b>	<b>5590.25</b>

All the assets of the Company are within India.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 35 Related Party Disclosure:

#### Relationships:

#### (a) Enterprises over which Key Management Personnel (KMP) are able to exercise significant influence:

- (i) The Kamla Company Limited
- (ii) Shree Capital Services Ltd.
- (iii) Aqua Infra Projects Limited
- (iv) Asish Creations Pvt. Ltd.
- (v) Alfa Buildhome Pvt. Ltd.
- (vi) Rajasthan Forum
- (vii) The Bengal

#### (b) Key Management Personnel:

- (i) Shri H.M. Bangur Managing Director
- (ii) Shri Prashant Bangur Wholetime Director (From 23.8.2012)
- (iii) Shri Mahendra Singhi Executive Director (upto 6.12.2013)

#### (c) Relatives to Key Management Personnel:

- (i) Shri B.G. Bangur Father of Shri H.M. Bangur
- (ii) Shri Prashant Bangur Son of Shri H.M. Bangur

#### Details of Transactions:

#### (a) Enterprises where KMPs have significant influence:

Particulars	₹ in Crore	
	2013-14	2012-13
<b>Usage charges of common facilities</b>		
- The Kamla Company Limited	0.55	0.52
- Aqua Infra Projects Limited	0.11	0.10
<b>Payment for office rent</b>		
- Alfa Buildhome Pvt. Ltd.	1.81	1.02
- Shree Capital Services Ltd.	0.13	0.05
<b>Sale of Goods</b>		
- Alfa Buildhome Pvt. Ltd. (Current Year: ₹ 8250)	-	0.02
<b>Receiving of Services</b>		
- Asish Creations Pvt. Ltd.	1.17	1.00
<b>Contribution towards Social Activities</b>		
- Rajasthan Forum	0.26	0.35
- The Bengal	0.10	-
<b>Security deposit given</b>		
- Alfa Buildhome Pvt. Ltd.	-	0.45
<b>Security deposit balance at the year end</b>		
- Alfa Buildhome Pvt. Ltd.	0.45	0.45

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (b) Key Management Personnel:

Particulars	(₹ in Crore)	
	2013-14	2012-13
<b>Remuneration:-</b>		
- Shri H.M. Bangur	22.59	18.34
- Shri Prashant Bangur	7.46	5.07
- Shri Mahendra Singhi (Upto 6.12.2013)	7.16	6.31
<b>Total</b>	<b>37.21</b>	<b>29.72</b>

### (c) Relatives to Key Management Personnel:

Particulars	(₹ in Crore)	
	2013-14	2012-13
<b>Director commission, Sitting Fees and reimbursement of expenses</b>		
- Shri B.G. Bangur	0.17	0.17
<b>Remuneration</b>		
- Shri Prashant Bangur (Upto 22.8.2012)	-	0.17

### 36 Earnings per share (EPS):

#### A. Basic and Diluted EPS:

Particulars		2013-14	2012-13
Profit attributable to Equity shareholders	₹ in Crore	787.21	1003.94
Equity share capital	₹ in Crore	34.84	34.84
Weighted average number of Equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	225.97	288.18

#### B. Cash EPS: (Profit for the year + Depreciation + Deferred Tax) / Weighted average number of Equity shares outstanding

### 37 Movement of Provision of Mines Reclamation Expenses:

Particulars	(₹ in Crore)	
	2013-14	2012-13
Opening Provision	18.70	18.29
Add : Provision during the year	0.62	1.04
Less : Utilization during the year	0.44	0.63
Closing Provision	18.88	18.70

### 38 Operating lease:

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 39 Information relating to financial performance of Subsidiaries Companies : (In terms of Government of India, Ministry of Corporate Affairs general Circular No: 2/2011, No: 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011)

Particulars	Year	Shree Global Pte. Ltd.		Katni Industries Private Limited
		Amount In USD	Amount In INR	Amount in INR
Capital	2013-2014	10000	600900	100000
	2012-2013	10000	597000	100000
Reserves	2013-2014	(11006.51)	(661381)	(22297)
	2012-2013	(5729.31)	(342040)	(13697)
Total Assets	2013-2014	4903.57	294656	79203
	2012-2013	5846.93	349062	87803
Total Liabilities	2013-2014	5910.08	355137	1500
	2012-2013	1576.24	94102	1500
Detail of Investments (Except investment in subsidiaries)	2013-2014	-	-	-
	2012-2013	-	-	-
Turnover excluding other income	2013-2014	-	-	-
	2012-2013	-	-	-
Profit / (Loss) before taxation	2013-2014	(5277.20)	(323387)	(8600)
	2012-2013	(5729.31)	(313221)	(13697)
Provision for Taxation	2013-2014	-	-	-
	2012-2013	-	-	-
Profit / (Loss) after taxation	2013-2014	(5277.20)	(323387)	(8600)
	2012-2013	(5729.31)	(313221)	(13697)
Proposed Dividend	2013-2014	-	-	-
	2012-2013	-	-	-

Note - For converting the figures given in foreign currency appearing in the accounts of the subsidiary company into equivalent INR, following exchange rates are used.

Currency	Balance Sheet (Closing rate)		Statement of Profit and Loss (Average rate)	
	2013-2014	2012-2013	2013-2014	2012-2013
United States Dollars (USD) - Indian Rupee	60.09	59.70	61.28	54.67

- 40 Previous year figures have been regrouped and rearranged wherever necessary.
- 41 Figures less than 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lac.

Signature to Note 1 to 41

As per our report of even date

For **B. R. MAHESWARI & CO.**  
Chartered Accountants  
Firm's Registration No. 001035N

For and on behalf of the Board

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**B. G. Bangur**  
Chairman

**H. M. Bangur**  
Managing Director

**Prashant Bangur**  
Whole Time Director

**R. L. Gaggar**  
Director

**O. P. Setia**  
Director

**Shreekant Somany**  
Director

**Dr. Y. K. Alagh**  
Director

**Nitin Desai**  
Director

**Dr. Leena Srivastava**  
Director

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014

**Ramakant Sharma**  
Director

**Ashok Bhandari**  
Chief Finance Officer

**S. S. Khandelwal**  
Company Secretary

## RATIO ANALYSIS

### FINANCIAL PERFORMANCE RATIOS

	2009-10	2010-11	2011-12 <sup>#</sup>	2012-13	2013-14
Raw Material Cost / Total Turnover (%)	8.43	11.22	8.98	8.11	9.13
Fuel & Power Cost / Total Turnover (%)	15.21	23.17	23.15	23.98	21.07
Manpower & Admin Cost / Total Turnover (%)	5.18	6.63	6.36	7.02	7.88
Net Interest / Total Turnover (%)	1.91	2.48	2.08	2.09	0.76
Profit Before Interest (Net), Depericiation & Tax / Total Turnover (%)	39.32	23.68	26.36	27.31	22.84
Profit Before Depericiation & Tax / Total Turnover (%)	37.41	21.19	24.28	25.22	22.09
Depreciation / Total Turnover (%)	14.21	17.16	13.48	7.06	8.40
Tax / Net Profit (%)	28.37	(47.38)	11.20	11.50	3.55
Tax / Total Turnover (%)	4.78	(2.52)	1.07	1.87	0.43
Net Profit / Total Turnover (%)	16.84	5.33	9.55	16.27	12.03
Net Profit / Net Turnover (%)	18.61	6.07	10.66	17.96	13.37
Cash Profit / Total Turnover (%)	31.00	20.97	23.06	22.95	19.68
ROCE [PBIT / Avg. Capital Employed (%)]	30.00	6.98	15.50	24.14	15.52
Return on Net Worth (%)	37.02	7.83	18.65	26.13	16.16
Turnover / Average Capital Employed (%)	120.80	96.27	108.81	113.47	107.54
EBIDTA / Net Turnover (With Other Income)	43.46	29.24	31.18	31.29	26.75
EBIDTA / Net Turnover (Without Other Income)	41.37	25.62	28.38	27.92	23.61
Earning Per Share (₹)	194.07	60.19	177.54	288.19	225.98
Cash Earning Per Share (₹)	369.77	236.99	428.88	406.34	369.74

### BALANCE SHEET RATIOS

	2009-10	2010-11	2011-12 <sup>#</sup>	2012-13	2013-14
Debt - Equity Ratio (Times)	0.89	0.84	0.56	0.20	0.12
Debtors Turnover (Days)	7.49	10.03	12.75	18.62	16.54
Inventory Turnover (Days)	32.56	37.47	35.43	31.39	45.16
Current Ratio (Times)	1.64	1.58	1.37	1.60	1.56
Quick Ratio (Times)	1.27	1.14	1.11	1.23	1.02
Book Value Per Share (₹)	526.23	570.13	784.77	1103.32	1352.25

<sup>#</sup> Figures for 2011-12 has been annualized wherever necessary in view of 15 months period.

## CORPORATE INFORMATION

### Board of Directors

Shri B.G. Bangur	- Chairman
Shri H.M. Bangur	- Managing Director
Shri Prashant Bangur	- Whole-time Director
Shri R.L. Gaggar	
Shri O.P. Setia	
Shri Shreekant Somany	
Dr. Y.K. Alagh	
Shri Nitin Desai	
Dr. Leena Srivastava	
Shri Ramakant Sharma	

### CHIEF FINANCE OFFICER

Shri Ashok Bhandari (upto 31<sup>st</sup> August, 2014)  
Shri Subhash Jajoo (w.e.f. 1<sup>st</sup> September, 2014)

### Senior Executives

Shri Diwakar Payal	- President (Marketing)
Shri P.N. Chhangani	- President (Works)
Shri Kuldeep Verma	- Jt. President (Marketing)
Shri Sanjay Mehta	- Jt. President (Commercial) and Chief Happiness and Friendship Officer
Shri K.C. Gandhi	- Jt. President (Material Management)
Shri Arvind Khicha	- Sr. Vice President (Commercial)
Shri S.C. Suthar	- Sr. Vice President (Mines)
Shri Shrinath Savoor	- Sr. Vice President (Strategy)
Shri S.K. Gupta	- Sr. Vice President (Project)
Shri M.M. Rathi	- Vice President (Power Plant)
Shri Rakesh Bhargava	- Vice President (R&D) and Chief Climate & Sustainability Officer
Shri Vinay Saxena	- Vice President (Operations)
Shri R.K. Manawat	- Vice President (Operations & Grinding Units)
Shri R.K. Agarwal	- Vice President (Projects)
Shri S.R. Singhvi	- Vice President (P&A)
Shri Manoj Kumar Mahla	- Vice President (P&A)
Shri Narip Bajwa	- Vice President (Marketing)
Shri Himanshu Dewan	- Vice President (Marketing)
Shri Sharad Rajvanshi	- Vice President (Marketing)
Shri Ravi Kant Tiwari	- Vice President (Liasion and P&A)
Shri S.P. Nema	- Vice President (Project - Technical)
Shri N.C. Jain	- Jt. Vice President (Finance & Internal Audit)
Shri Anil Shukla	- Jt. Vice President (Purchase)
Shri R.N. Dani	- Jt. Vice President (Costing & MIS)
Shri S.K. Soni	- Jt. Vice President (Sales Accounts)

Shri Yogesh Mehta	- Jt. Vice President (Logistics)
Shri K.K. Jain	- Jt. Vice President (Accounts & Contract Cell)
Shri S.L. Bhansali	- Jt. Vice President (Legal)
Shri Anil Kaushik	- Jt. Vice President (Marketing)
Shri K.K. Talwar	- Jt. Vice President (Marketing)
Shri Sanjay Jain	- Jt. Vice President (Operations)
Shri S.C. Maheshwari	- Jt. Vice President (Operations)
Shri S.K. Gupta	- Jt. Vice President (Project Accounts)
Shri A.K. Gupta	- Jt. Vice President (Project - Civil)
Shri A.K. Srivastav	- Jt. Vice President (Project - Mechanical)
Shri Malay Kumar Paul	- Jt. Vice President (Internal Audit)

### Company Secretary and Chief Risk & Compliance Officer

Shri S.S. Khandelwal

### Bankers

State Bank of Bikaner & Jaipur  
State Bank of India  
ICICI Bank Ltd.  
Axis Bank Ltd.  
Standard Chartered Bank  
HDFC Bank Ltd.  
DBS Bank Ltd.  
The Bank of Tokyo-Mitsubishi UFJ Ltd.  
J P Morgan Chase Bank N.A.  
BNP Paribas

### Advertising Consultant

Shri Alyque Padamsee

### Statutory Auditors

M/s. B.R. Maheswari & Co., New Delhi

### Cost Auditors

M/s. K.G. Goyal & Associates, Jaipur

### Internal Auditors

M/s. P.K. Ajmera & Co., Ahmedabad

### Registered Office

Bangur Nagar, Beawar-305 901,  
Distt. Ajmer, Rajasthan  
Phone: (91)1462-228101-06  
Fax: (91)1462-228117/19  
Toll free no.: 1800 180 6003-04  
website: www.shreecement.in  
email: sclbwr@shreecementltd.com

### Corporate Office

21, Strand Road, Kolkata-700 001  
Phone: (91) 33-22390601-05  
Fax: (91) 33-22434226  
email: sclcal@shreecementltd.com



## COMPANY'S PLANTS & MARKETING OFFICES

### Cement and Power Plants

#### Beawar:

Bangur Nagar, Beawar - 305 901,  
Distt.: Ajmer, Rajasthan (India)  
Phone: (91) 1462-228101-06  
Fax: (91) 1462-228117 / 228119  
Email: shreebwr@shreecementltd.com

#### Ras:

Bangur City, Ras, Tehsil: Jaitaran-306 107,  
Distt.: Pali, Rajasthan (India)  
Phone: (91) 1462-228101-06  
Fax: (91) 1462-228117 / 228119  
Email: shreebwr@shreecementltd.com

### Split Grinding Units

#### Khushkhera:

Plot No SP 3-II, A-1,  
RIICO Industrial Area,  
Khushkhera (Bhiwadi),  
Distt.: Alwar, Rajasthan

#### Suratgarh:

Near N.H. 15,  
Udaipur Udasar,  
Tehsil: Suratgarh,  
Distt.: Sriganganagar,  
Rajasthan

#### Jobner (Jaipur):

Mahela-Jobner Road,  
Village: Aslapur, Distt.: Jaipur, Rajasthan

#### Laksar (Roorkee):

Akbarpur-Oud, Distt.: Haridwar,  
Uttarakhand

#### Aurangabad:

Industrial Growth Centre  
Biada, Near Jasoia More,  
Post: Mojurahi,  
Distt.: Aurangabad, Bihar

### Marketing Offices

#### Shree Ultra Cement

##### Delhi

122-123, Hans Bhawan  
1 Bahadur Shah Zafar Marg,  
New Delhi - 110 002  
Phone: (91) 11-23370828, 23379829  
Fax: (91) 11-23370499

##### Jaipur

SB-187, 2<sup>nd</sup> Floor,  
Shree Corporate Tower  
Opp. Rajasthan University, JLN Marg,  
Jaipur - 302 015  
Phone: (91) 141-6611200  
Fax: (91) 141-6611219

#### Bangur Cement

##### Delhi

6B, 6<sup>th</sup> Floor, Hansalaya Building,  
15, Barakhamba Road,  
New Delhi - 110 001  
Phone: (91) 11-23702794-95  
Fax: (91) 11-23702796

##### Jaipur

SB-187, 3<sup>rd</sup> Floor,  
Shree Corporate Tower  
Opp. Rajasthan University, JLN Marg,  
Jaipur - 302 015  
Phone: (91) 141-6611000, 6611322  
Fax: (91) 141-6611315

#### Rockstrong Cement

##### Delhi

10-A, DCM Building,  
16-Barakhamba Road  
Connaught Place,  
New Delhi - 110 001  
Phone: (91) 11-23731084-85  
Fax: (91) 11-23731084

##### Jaipur

SB-187, 4<sup>th</sup> Floor,  
Shree Corporate Tower  
Opp. Rajasthan University, JLN Marg,  
Jaipur - 302 015  
Phone: (91) 141-6611000  
Fax: (91) 141-6611421











[www.shreecement.in](http://www.shreecement.in)

CIN No. L26943RJ1979PLC001935

## FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

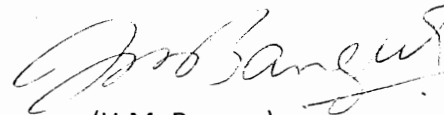
1.	Name of the Company	Shree Cement Limited
2.	Annual financial statements for the year ended	30 <sup>th</sup> June 2014 (Standalone and Consolidated)
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not Applicable

For **B. R. Maheswari & Co.**  
Chartered Accountants  
Firm's registration No. 001035N

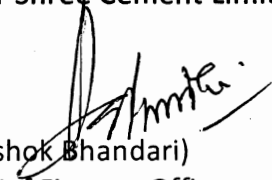
  
(Sudhir Maheshwari)  
Partner  
Membership No.081075



For **Shree Cement Limited**

  
(H.M. Bangur)  
Managing Director

For **Shree Cement Limited**

  
(Ashok Bhandari)  
Chief Finance Officer

For **Shree Cement Limited**

  
(O.P. Setia)  
Chairman of Audit Committee

Place : New Delhi  
Date : 25<sup>th</sup> August, 2014