



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 regards 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)

Forward Looking Statement

In this Annual Report, we have disclosed 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 connections with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, however, we believe we have been prudent in making 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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# WILLING PEOPLE, WINNING ORGANIZATION

The secret of our growing success as an organization  
over the years is our self-driven willing people.



People at Shree put their best into work every day, are ready to walk an extra mile, take total ownership of their work and most importantly, do so out of their own free will. This is to say, they are willing people or intrinsically engaged people. And an organization might have the best resources and the most insightful strategies but if it does not have intrinsically engaged people, it is unlikely to be successful.

Today, Shree may claim to have earned the integrity, enthusiasm and proactive involvement of its people by truly engaging them. Such willing people are the driving power of Shree's journey of success. They are the source of our industry redefining innovations, sustainability triumphs and productivity benchmarks.

When they are asked, why they have such high levels of engagement in their work, the reply is unanimous – because they are happy at work.

Shree recognizes this happiness as a universal and fundamental human driver and is one of the few organizations

globally that is dedicated to enhancing the happiness quotient (HQ) of its people. We strongly believe that HQ is a highly underrated performance metric and should deserve far more attention if today's organizations are to succeed tomorrow as well. As a result, while many other organizations are merely working on employee engagement, Shree is leading in researching and focusing on the happiness of its people and actively employs engagement catalysts, which ensure the organization's environment, culture and working style is most conducive for creating and sustaining happy people, willing people.

What this has meant is that the belief and practice of happiness which was earlier sub-consciously carried out while conducting business is now institutionalized at Shree. Our happy and intrinsically motivated people are driving numerous technological, sustainable and management innovations, every single day at Shree.

And the results are for all to see.







Shree Cement has earned the recognition of being one of the most efficient and sustainable organizations, friendly and loyal to all its stakeholders. Its continued thrust on realizing higher efficiencies has enabled the delivery of strong operational performances year after year while high standards of corporate governance and emphasis on transparency and timely reporting have made it a globally admired company.

Shree has successfully created and sustained a culture which encourages innovation and rewards risk taking which in turn has led to high engagement levels amongst its people who perform and outperform at work every single day.

The Company's Turnover and Net Profit for 11-12 (15 month period) was Rs. 5,898.12 crores and Rs. 618.50 crores respectively. The Company's cement plants are located at Beawar, Ras, Khushkhara, Jobner (Jaipur) and Suratgarh in Rajasthan and Laksar (Roorkee) in Uttarakhand. It follows a multi-brand strategy and sells its cement under the highly recognized brands of Shree Ultra, Bangur and Rockstrong. Shree sells the majority of the cement it produces in North India.

It presently has a cement production capacity of 13.5 MTPA (million tons per annum). It plans to raise it further and as a first step, has already undertaken work on setting up two new Clinker Manufacturing Units of 2 MTPA capacity each at Ras in Rajasthan. A new Grinding Unit in the state of Bihar and an Integrated Unit in the state of Chattisgarh have also been envisioned and pre-project activities are in their final stages of completion.

Shree also has a power generation capacity of 560 MW with plants located at Beawar and Ras in Rajasthan. This includes 300MW (150MWx2) thermal power plant commissioned at Beawar during 11-12. The first unit of this plant was completed in a world record time of 21 months and 20 days against the normal completion time of 32 months and best achieved period of 28 months for such power plants. The Company's waste heat recovery power plants have a total capacity of 46MW which is the largest such capacity in the global cement industry (excluding China). It has, over the years, turned itself from a mere captive power generator into a major player in the merchant power sale and trading business.

An important facet of Shree's success is its sustainable nature achieved on the foundation of its 'Clean and Green is Profitable' and 'You Green - Company Green - Globe Green' business philosophies. The Company has been successful in putting into action, green processes in its operations which in turn result in the production of 'Green Cement' and 'Green Power'. This manner of working has not only helped protect the environment but has also led to enhanced efficiencies and reduced costs in operations at Shree.

The fundamental drive behind such and indeed all other endeavors too at Shree is the high level of engagement and self-motivation in its people which in turn stems from the high levels of their happiness. The Company continually directs its efforts towards the prosperity of its people and believes that its talent and other stakeholders are ultimately, the ones who will sustain Shree's success story. This is aptly reflected in the Company's triple bottom-line approach i.e. environmental, economic and social.

**B. G. Bangur**

Chairman



**“Willingness to exceed expectations is vital.”**

Whenever we humans have tirelessly pushed the limits of our ingenuity and imagination, it has resulted in the greatest of discoveries and inventions. The benefits of such discoveries and inventions have been enjoyed by not just a set of people, a region or a country but by the entire human race. If you carefully observe these world changing discoveries and inventions, be it in the field of medicine, communications, transportation or archaeology, you will find a common denominator cutting across, which is the burning passion of the inventor or discoverer for their work, making them intrinsically motivated and self-driven.

Our biggest achievements are truly more likely to arrive if we ourselves are intrinsically driven to achieve them. It is then up to us to not wait for any form of external encouragement, to begin and sustain our journey of success. Yes, of course, appreciation and recognition from others does no harm and even motivates us for a while but it alone cannot be the driving force behind excellence in the long run.

A desire from within to put in relentless effort, not be disheartened by failure and the willingness to exceed expectations are far more important. In fact, they are the key that differentiates the ordinary from the extraordinary and lead to results that become benchmarks for the world to follow.

## Vision

To drive and sustain industry leadership of the company within a global context - by developing individual leadership competencies at every level, through a robust backbone of trust, support, innovation and reward.

## Mission

- To harness sustainability through low carbon philosophy
- To sustain its reputation as one of the most efficient manufacturers globally
- To continually have most engaged team
- To drive down cost through innovative practices
- To continually add value to its products and operations meeting expectations of all its stakeholders
- To continually build and upgrade skills and competencies of its human resource for growth
- To be a responsible corporate citizen with total commitment to communities in which it operates and society at large

## Guiding Principles

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

## Philosophy

“Aah no bhadra: Kratavo yantu vishwatah” - Rigveda

“Let Noble Thoughts Come To Us From All Over The World”



Our world is full of willing people, some who are willing to work and the rest who are willing to let them do so while they themselves sit back and relax. Unfortunately, it is the truth of today's times that the majority of people fall into the second category. And the challenge for leaders now is to increase the proportion of people of the first category within organizations.

Willingness means spontaneity, proactiveness. A willing person does not need supervision or external pressure to be persuaded to work. Willing also means you are ready to go longer, work harder and give more than anyone else. Only by giving more than anyone else, you are able to get more than everyone else. Of course, if taken the wrong way, it also means a habit of not saying no or not being able to refuse.

How teams within organizations perform, totally depends on their attitude towards work i.e. how willing are they to perform. Those who think that something will work, they are right and those who think it cannot be done, they are also right. In fact, those who feel something cannot be done can never do the task at hand, they are hence definitely right. On the other hand, with willing people, who think with a positive

mindset, most of the challenging tasks are executed with ease. To support them, we have to continuously ensure that failures at any level are not stuck upon. We have to get over unsuccessful experiments as soon as possible and be prepared to take on the next challenge and even if it fails, leave it as well and take the next one on.

We have to clearly understand that people are usually willing to do things which allow their influence to grow. In a fair organization, if for the proportion of efficient people, there is recognition of hard and intelligent work, then willingness increases. If people see the influence of willing people grow, they too and especially newcomers will be motivated to emulate such behavior. Now, willingness begins to spread in the organization. It becomes contagious. And it should become so, if the organization must become a winning organization. With the support of such willing people, the future of any organization is predestined. The war is won even before the bullets are fired. Gaining victory only remains a formality. We are confident that Shree is one such organization.

**People have to be promoted and should have the desire and confidence to be promoted if their work gets a bit easy to do. If it is too difficult, then they have a tendency to give up. The balance is critical. We focus heavily on training our people in order to enable them to do more challenging work. At Shree, the average number of training hours per person (annually) has been continuously increasing and it has now reached a healthy level of 24.61. We are planning to increase these training hours even more.**

Winning organizations also continuously put in place, leaders at all levels. This is because growth needs more leaders than one man, more decision makers and a team which is ready to grow. We have created a pipeline of willing and growth oriented leaders at all levels which has made Shree a growing organization. Such willing people also force the management and leaders to choose growth as an option and not be happy with existing results.

People would normally like to put in an honest hard day of work, every single day, if the conditions of working are not averse or unpleasant. Unfortunately, in organizations, as a result of mindless politics in the middle management and apathy from the senior level, the professional atmosphere becomes violated. Appreciation and promotions are awarded to those who are nearer to the management. If this happens, then against their own wishes and to enhance their career, people often tend to do what they themselves do not like.

Again, it must be clear here that creative permission or allowing people to become risk takers is not enough. Even if all permissions are given, all resources are ensured, it is not necessary that creativity will be seen in work. What is needed is the quest in the seniors to set an example for their teams through new ideas and thoughts for continual improvement. We strongly believe that creativity in the organization is directly proportional to the creativity of the senior level management. They have to become models for such creativity. The words 'reactive' and 'creative' are both made of the same letters; it is for people to 'C' things differently.

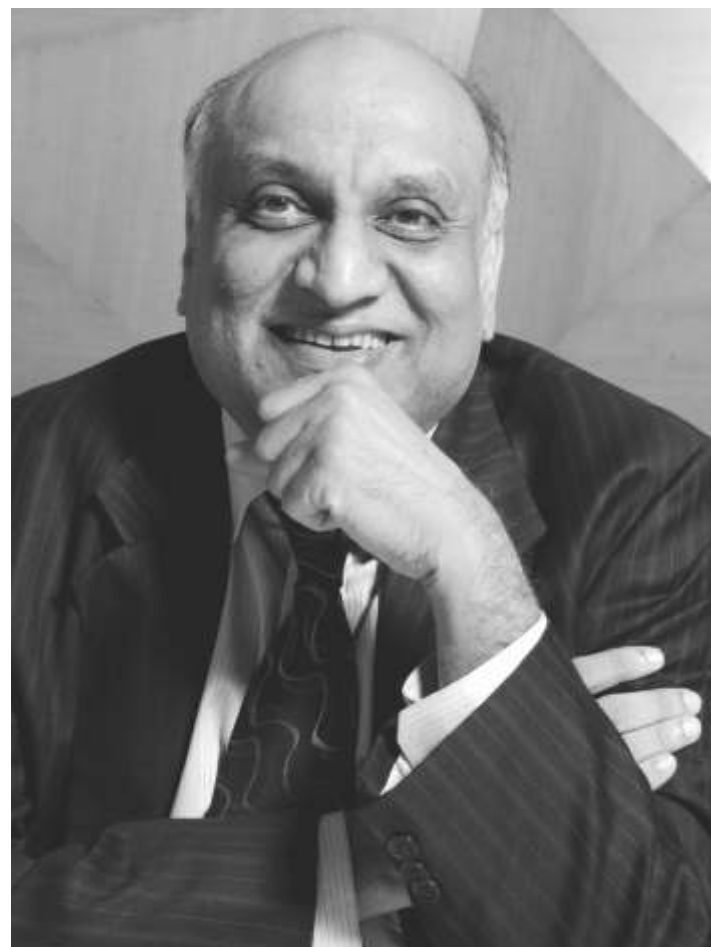
For success at all levels, leaders should remember that success comes 80% from knowing the people and 20% by knowing the product. Every successful leader has to take the best out of the team and if it happens at every level, success becomes a culture in the organization.

It is a wide-spread conception that in the service industry, high motivation of people is vital to organization success. For example, if the courier is delivered late or the service in the hospitality industry is a little slow, customers are likely to become very agitated. At the same time, it is a misconception that in the commodity industry, machines produce the goods and people are only needed to run them. And therefore, the willingness or engagement of people is not important. We at Shree, do not agree to this notion. We manage our business as if it were a service industry. After all, efficient willing people, irrespective of where they work, lead to efficient processes and products. Ultimately, this means high performance, success and growth.

Unwilling people are present in every organization, who do not achieve anything and naturally they suffer in the long run. These people work only for getting their salary without enjoying the work and are not doing justice to their own growth. They do not work themselves, find faults with everything and encourage others to become like themselves. They therefore adversely affect the performance of the organization. Good leaders recognize such people very well.

At times, the only option is to ignore such people and continue focusing on the willing people instead. In fact, because of non-willing people, others have the chance to work harder and enhance their career even further.

At Shree, we have been able to develop a unique culture where innovations thrive, failures are not discouraged and people relish challenges. People work willingly and with self-motivation and are thus sure to propel growth engine of Shree to greater heights.



**For success at all levels, leaders should remember that success comes 80% from knowing the people and 20% by knowing the product. Every successful leader has to take the best out of the team and if it happens at every level, success can become a culture in the organization.**

**H. M. Bangur**  
Managing Director

**A Will To Win** One often tends to imagine a successful organization as one that is led by visionaries in the leadership. Though this is correct to an extent, it is an incomplete perspective of success. Equally vital are people who shape and share the vision and channel their undivided focus and efforts to realize it. After all what is the benefit of envisioning a future if there is no one to build it?

In the long run, it is the passion for sustaining high performance, a well-embedded culture of innovation and the discipline to stay engaged with a goal that differentiates successful and growing organizations from others. Again, in a nutshell, this points to the need of having on board a group of talented people who are willing to realize the vision in the best possible manner.

Let us take the example of an organization that decides to place a great emphasis on the need for novelty in their products, processes and services. Now, will this drive be truly successful if innovation is passed around by the leadership in the organization as a commodity or if it is a culture that is professed by one and all in the organization? And will innovation be more sustainable if it is a mere process or if it is the spirit behind every process? At Shree, it is quite clear to us that innovation and other such success indicators in today's economy are all indeed the byproducts of talented, engaged and happy people at work.

Encouraging our people at every step and ensuring the right kind of support for their growth is the key factor behind their high levels of engagement at Shree. In most organizations, it is not the hard work that people run away from; instead it is the boredom of the repetitive and restrained nature of their jobs that they desist. What we practice instead at Shree is allowing

freedom of expression to flow without any hindrances. Stemming from our philosophy of letting good ideas and thoughts come to us from any and all, we have created an environment where every person, irrespective of their standing in the hierarchy is allowed and indeed encouraged to think differently and speak their ideas and suggestions freely. In other words, we encourage our people to take bold decisions even if it means that some of them might go wrong at times. This in turn comes from our belief that the riskiest thing to do is to take no risks.

By allowing talent to express their knowledge and expertise, we have not only increased the know-how of the organization as a whole but have also gained on countless minor and major viable on-ground improvements across all functions. It is this series of small improvements which has eventually contributed in Shree gaining success on a sustainable basis.

We have also tirelessly worked towards building a long-lasting relationship of trust with our people, as a result of which, our people willingly come up with solutions to problems no one asked them to solve in the first place. This can only happen when you begin to transfer ownership of the company's success down the line and right up to the bottom. Once everyone sees their presence as a vital component in the success of the organization, they become intrinsically engaged

with their tasks and responsibilities. They begin to achieve results, maximize performance and leverage strengths on their own accord. In a sense, they start performing like entrepreneurs within the larger framework and vision of Shree. This is the kind of energy which the Shree culture has imbibed in its people, by constantly encouraging them to be bold, move fast and make a lasting impact. And it is a known and time-proven fact of life that facing challenges with such confidence gives you a better chance of overcoming them.

True winning is when everyone ends up as a winner and when a better future exists for all. A better future, the way we envision it, is one where business growth, technological advancements, prosperity and happiness of all stakeholders is holistic i.e. not at the expense of others which includes, most importantly, our precious planet and its fast-draining resources. This is the core value of our working environment. Everyone at Shree believes in sustainability as the root of all

business actions and it is a cause that is not only adhered to but also used as a motivator by our people. Our people realize the importance of ensuring the precarious balance between growth, environmental protection and social well-being across the strata of society.

Today, both within the organization and outside of it, there is a tremendous sense of winning with regard to this direction we are taking and the diligence with which we are doing so. With our talent at the centre and sustainability and innovation as their wings, we are well-placed to continue realizing high-growth in the coming years. Also, with our prestigious recognition as the world's "New Sustainability Champions" by the World Economic Forum (WEF), all of us here at Shree are happy to see our business direction globally appreciated and are motivated even further to achieve even more. And with the ever-willing talent of Shree, we are confident of continuing this winning streak.



With our talent at the centre and sustainability and innovation as their wings, we are well-placed to continue realizing high-growth in the coming years.

**Mahendra Singhi**  
Executive Director

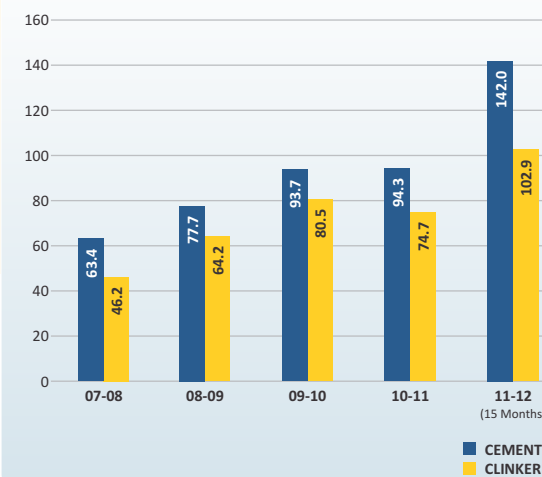


# PERFORMANCE HIGHLIGHTS

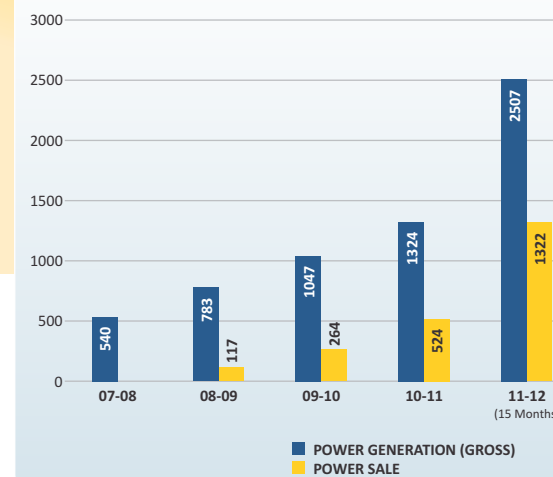
2011 = 2012

Annual Report 2011 - 2012

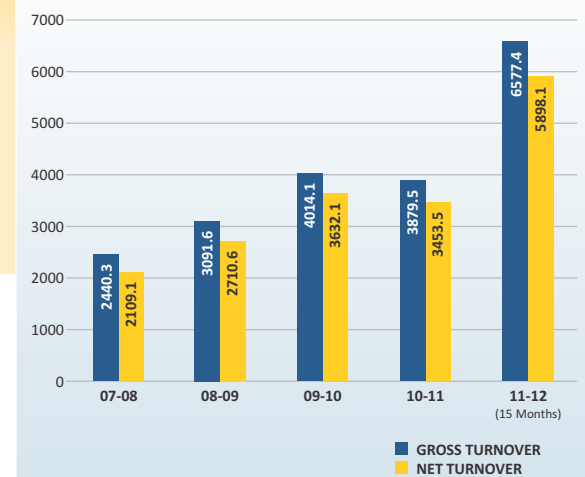
CEMENT & CLINKER PRODUCTION (Lac Ton)



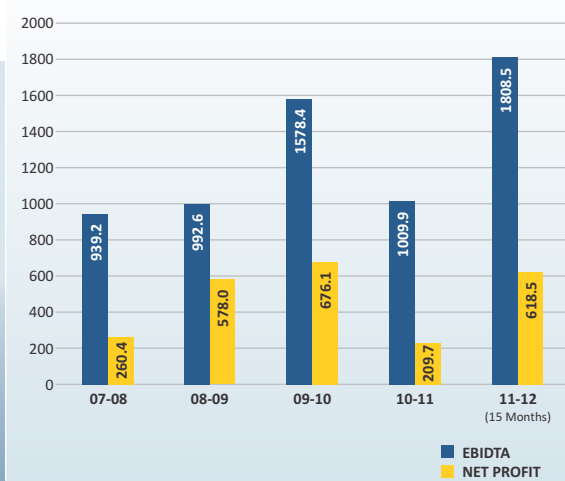
POWER GENERATION & SALE (Million Units)



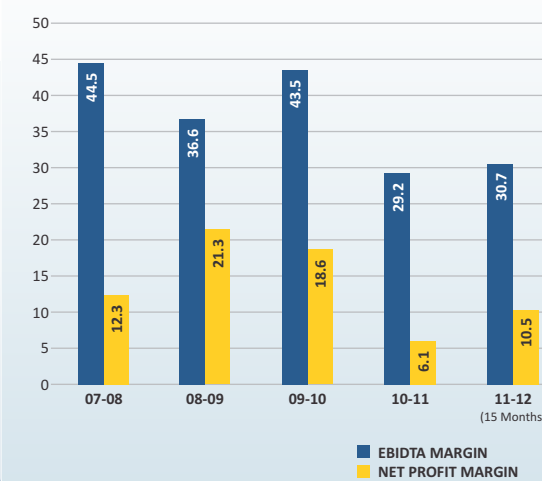
GROSS & NET TURNOVER (Rs. Cr)



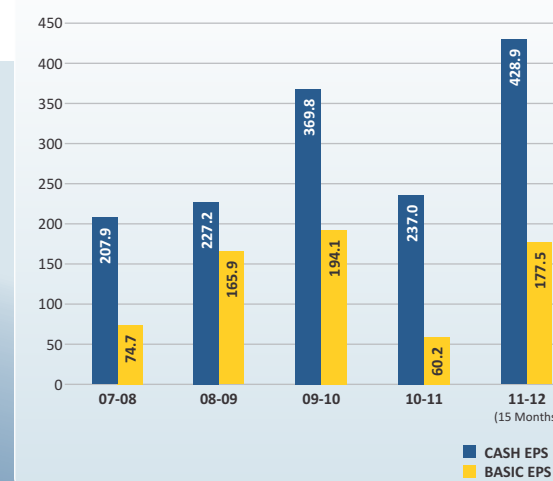
EBIDTA & NET PROFIT (Rs. Cr)



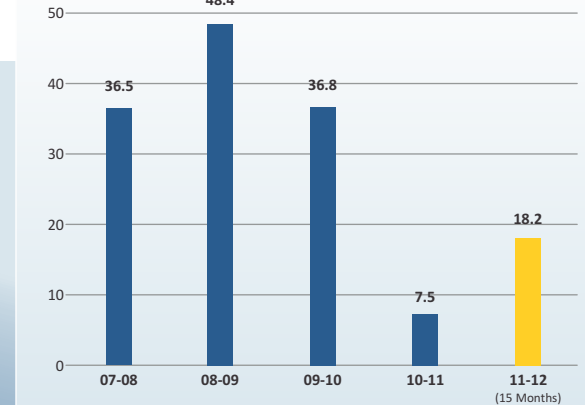
EBIDTA & NET PROFIT MARGIN (%)



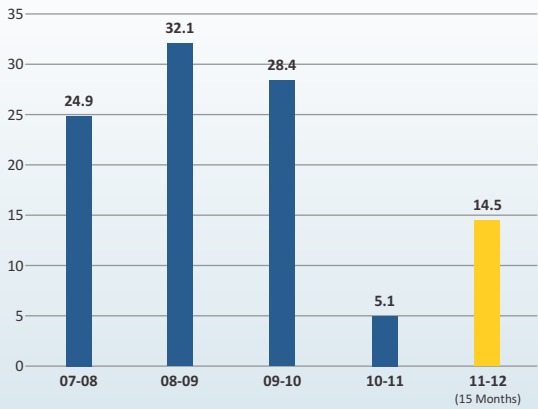
CASH & BASIC EPS (Rs. per Share)



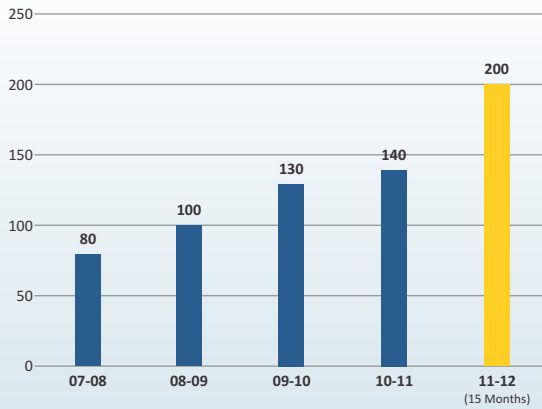
RETURN ON NET WORTH (%)



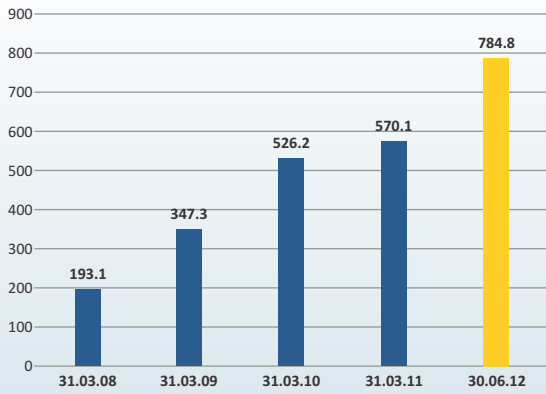
RETURN ON CAPITAL EMPLOYED (%)



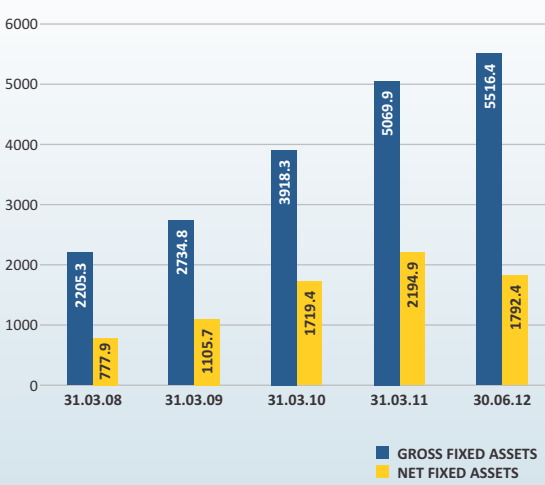
DIVIDEND (%)



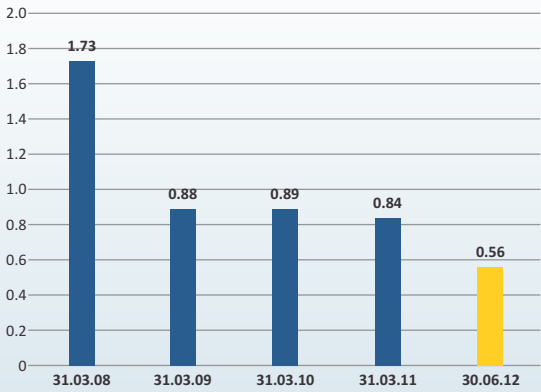
BOOK VALUE (Rs. per Share)



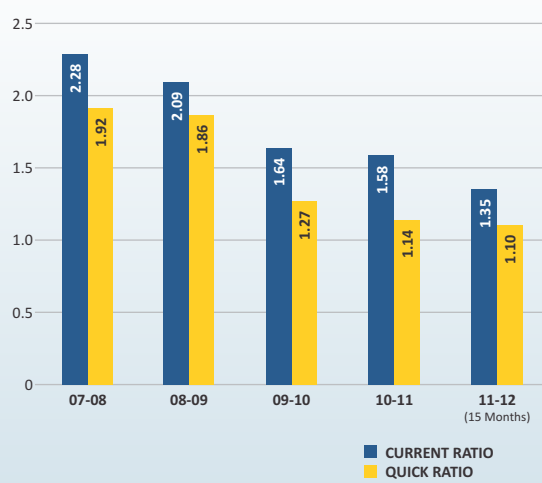
GROSS & NET FIXED ASSETS (Rs. Crore)



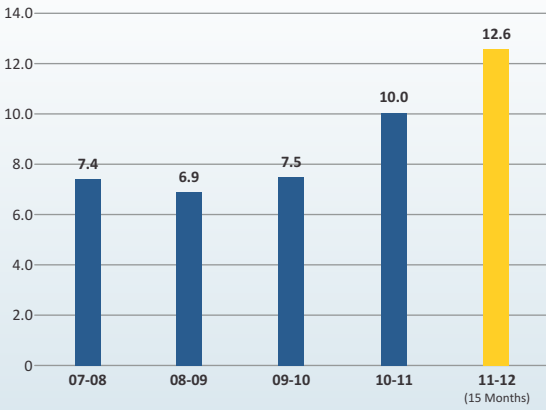
DEBT EQUITY RATIO (Times)



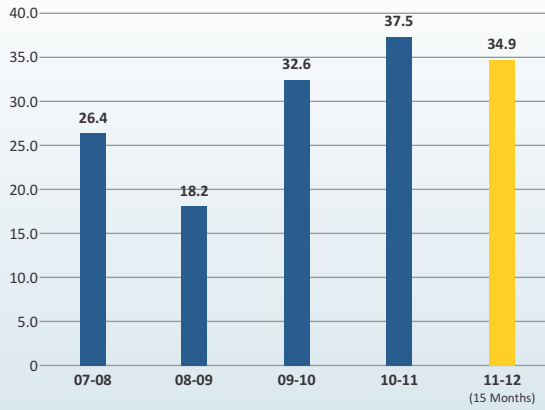
CURRENT & QUICK RATIO (Times)



DEBTOR TURNOVER (Days)



INVENTORY TURNOVER (Days)



The key to intrinsic engagement is happy people. If one is happy at work, relishes its challenges and enjoys his / her duties, one is naturally willing to go beyond the run of the mill and deliver results. In a way, at Shree, happiness is the cause of success while it is also the effect, and these dynamically interact, creating a spiral of positive energy that leads to innovations, increases in market share and delighted customers.

The question then automatically pops up, how can we make our people happy and keep them that way? At Shree, we believe we have the answer with our Engagement Catalysts. These catalysts are used as focus areas or guidelines to ensure that the environment and working styles at Shree are most conducive to creating and sustaining the happiness of people.

Meaningful Roles, Recognized Roles

Our people are more engaged in their work and responsibilities as they are able to visualize themselves as an important cog in turning the wheels of Shree's success. This is the first and key aim of our leadership – to enable each person to visualize their importance in the team. The leadership achieves this by carefully monitoring individual employees' growth, making sure they have a direct line of sight between their day to day work and the company's vision and goals. The challenge or the difficulty of task inspires talent to apply their complete competence at work.

Growing Roles, Learning Roles

Every human continually aspires for better futures and our people are no different. What is different though is that our people see these better futures for themselves within the organization itself. The leadership strives in this endeavor by ensuring sufficient growth, learning and leadership opportunities. When our people see their seniors supporting and even cheering them on to further develop, they are highly pleased that Shree is paying as much attention to their growth as they are paying to Shree's success. This association, based on mutual trust, has become the foundation for our people to push harder and exceed company expectations on their own initiative.

Trusted Roles, Independent Roles

Whenever we have trusted people with resources and given them space and opportunities to action their potential, they have invariably exhibited greater creativity, innovation and productivity. Such people have also been more committed to their work and their colleagues. This is because they are always aware of the bigger picture and are in alignment with Shree's overall objectives.

Visible Leadership, Approachable Leadership

Being available and visible during both good times and bad times is also a vital step the leadership at Shree takes. By sharing the success of its people, lending advice and motivation in testing times and taking active interest in their personal growth and career progression, the leadership has ensured bonding and trust across the hierarchy beyond the scope of just work. Such leadership has also ensured that people's concerns and achievements are of importance to all thus giving people the security that no one is working in a silo, but rather as part of a cohesive team. This security and the resulting higher performance it brings out in people can be best understood as an extension of the human instinct to be more comfortable and secure when amongst a group of people.

Feedback Up, Feedback Down

Regular feedback both from people and from the leadership is part and parcel of Shree's everyday functioning. By being accessible for one-on-one meetings, the leadership also puts itself in the best position to take quick corrective action whenever required. Our people feel highly valued when they see that not only are they being carefully and earnestly listened to by their seniors but their suggestions and ideas are being implemented too. They feel involved in the decision-making and intrinsically take on increased ownership of their tasks. In addition to the pride and happiness our people feel due to the acceptance of their valuable feedback and suggestions, this two-way communication also helps them gauge their own performance and ways to continually improve upon it as well.





## At Shree, people are at the centre of our core business strategy and are our prime competitive advantage.

Across the organization, any decision is only made after first taking into consideration whether or not the growth, development and happiness of our people is positively affected by the decision. Irrespective of their standing in the organization hierarchy, people are constantly encouraged to express their ideas and thoughts on all that is around them and are supported in experimenting with and implementing their suggestions. What this has done for us is the effective removal of the fear of failure from the minds of our people. It is our belief that this fear of failure causes inertia and is a huge dampener for initiation of actions. In the bargain, many actions which would have otherwise resulted in success, boosting the

confidence and self-esteem of the initiator, do not get executed. It has also resulted in giving confidence to people to take upon themselves additional responsibilities and challenges beyond the call of duty and thus in developing effective second lines of commands.

With the passage of time, a culture of entrepreneurship, committed to collectively improving the functioning of Shree has bloomed and we are now keen to nurture and sustain this momentum. People at Shree have recognized that the high level of empowerment that they are given is rare and hard to find elsewhere in the industry. In turn, they have always ensured to put in more than their best efforts, every day at work. We can proudly claim that they are a highly engaged workforce and today, one of the best in the cement industry. In such a context, the role of our Human Resource department has been undoubtedly crucial in sustaining the happiness and hence continued high performance of the people at Shree. A number of innovative and best practice initiatives have been taken which have been well-received and appreciated by our people.





#### HR COORDINATOR SYSTEM

As against the standard industry practice of gathering paper-based or online feedback from people on a yearly, half-yearly or quarterly basis, we have initiated a system of HR Coordinators. A team comprising HR personnel are deployed at all our departments on a fortnightly basis to actively listen to any feedback that people from that respective department might have.

The advantage of this in-person feedback system is that people are more willing to frankly share their thoughts with a person standing in front of them as opposed to say penning down their feedback in a form. Another benefit that has accrued to the HR department is a first-hand report of the working environment, conditions and behavior of people at work, which is again not possible if a remote feedback system is employed.

Also, the entire process of receiving feedback and implementing any corrective actions required is now much faster than ever before. In fact, much of the feedback received so far has already been addressed with corrective measures, most notably, the construction of a new residential colony, improvements in transportation connectivity, the renovation of our bachelor's accommodation and the declaration of second and fourth Saturdays as half-days.

Efforts have been made to ensure that the team of HR Coordinators even visits and conducts feedback sessions at all of Shree's plant and grinding unit locations as well as its numerous marketing sites. This has been especially beneficial to people who have recently joined Shree as they now have, a ready guide in the form of an HR Coordinator to help quickly understand and adjust to the processes, locations, other people and work culture at Shree.

#### IMPLEMENTATION OF THE 5S WORKPLACE MANAGEMENT BEST PRACTICE

We have implemented at Shree, the renowned Japanese 5S workplace management system. 5S is a recognized best practice across industries globally and mainly involves the placement or arrangement of tools, equipment and other materials in well-defined spaces and in a systematic manner. It has five primary phases, namely Sorting (Seiri), Stabilizing (Seiton), Spic and Span (Seiso), Standardizing (Seiketsu) and Sustaining (Shitsuke).

At Shree, 5S has enabled us to maintain highly organized, neat, clean and systematically laid out workspaces thus helping to achieve significant reduction in wastage, better equipment maintenance, improved efficiency in our processes and safety improvements due to the removal of hazardous clutters of tools and spares. The 5S implementation was initiated with a pilot run at our Ras site and thorough training was provided to over 300 people on what is the 5S methodology, which included where to implement it, how to achieve it and what are the advantages that can be gained from it.

On-site awareness and quiz programs, bi-weekly training sessions for contractual workers, half-yearly cross functional internal audits and the declaration of best 5S zone awards have now further augmented our drive towards the full implementation of 5S across the organization.

#### PEOPLE FIRST

At Shree, we are always keen to further hone the commitment, talent and engagement of our workforce into an unmatched competitive advantage while simultaneously securing the bright future of all our people. A big step forward in this direction was the People First initiative we took to study and enhance our entire range of people processes. For this, we brought on board renowned external consultants, to help us with their expertise on the ideal management of human capital.

The E&Y team interacted with important members of Shree on a one-to-one basis and through group discussions and surveys with four well-defined objectives. Specifically, these objectives

were; how HR systems and processes can be further improved for the benefit of our people, competency modeling for all roles in Shree, defining the career options of our people and the evaluation of engagement levels and bottlenecks. The first stage of surveys has been completed and results from the collated data have already been shared with the people of Shree during information sessions organized by the HR team. On completion, this initiative will immensely benefit both Shree and its people by enabling higher role clarity, more engagement in people, the design of job bands, extensive job profiling and the design of career paths.

#### EXTENSIVE AND ENHANCED INDUCTION PROGRAM

At Shree, we strongly believe that an induction program for new people joining the organization that goes beyond handing over of company documentation and assigning a job is necessary to ensure effective integration, high retention, high motivation and job satisfaction of the respective new people. Our extensive induction program hence even places emphasis on making the new members of Shree family feel comfortable, valued and geared up for a bright future with us. These inductions are also relatively longer than the industry standard in order to give our people enough time and support during this time to absorb and appreciate the working culture and methodologies at Shree.

Induction programs are also augmented with monthly and quarterly feedback meetings which are organized so that the ideas, views and suggestions of new people joining Shree are collectively discussed to arrive at viable and executable solutions. This exercise has indeed led to an increased bonding and high camaraderie amongst new people and has further helped them to adapt to new working environments with greater ease.

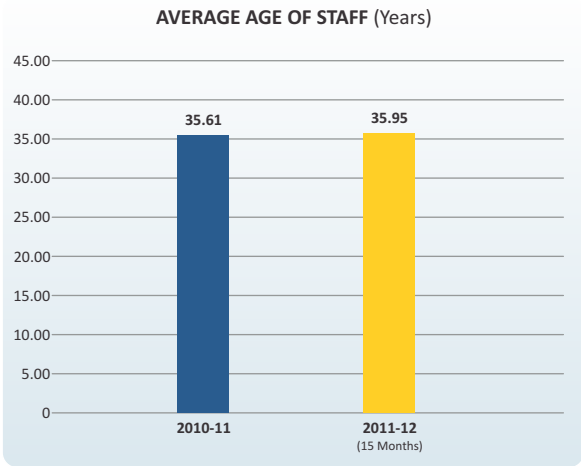
#### DEPARTMENT HIGHLIGHTS

- We have initiated a 'Guru Shishya' method of training for our people at Shree. In these highly interactive sessions, the trainer, most of the times, is a senior member of Shree itself. The participants are hence not only familiar and more comfortable with the trainer but also can relate more easily to the practical application of the learning. The examples

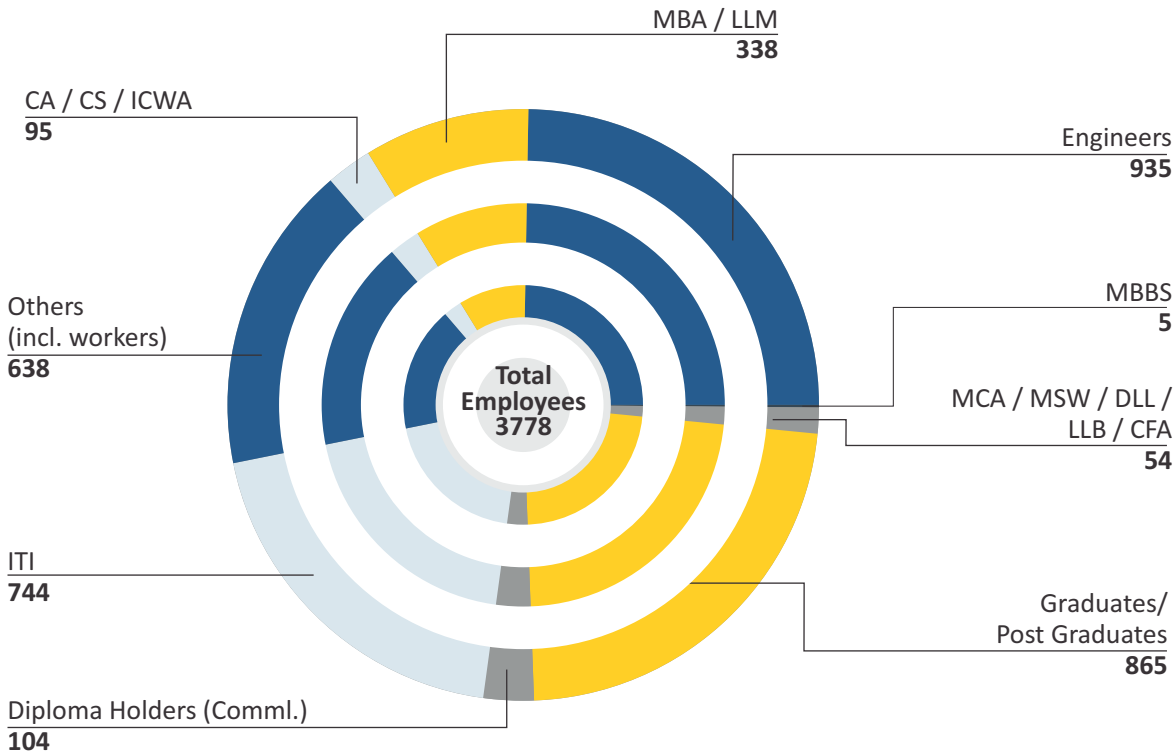


- used are often live examples from our plants and operations and therefore any brainstorming of solutions can lead to ideas that are immediately implementable. The holistic nature of these sessions has been an attraction for participants and their involvement is always high in and around every session
- At Shree, an online Performance Management System (PMS) helps gauge the potential and preparedness of our people for accepting and fulfilling higher responsibilities and greater challenges. This has led to the easy identification of talent that can fill senior positions in the organization, which is always better as against hiring new talent from outside. Our people too are geared up to constantly monitor their performance, which they can now do at the click of a button, and are highly motivated with the knowledge that they are the preferred choice to take on newer roles. Half-yearly reviews are also integrated into the system which allows for holistic feedback in shorter intervals and hence higher transparency and faster learning cycles
  - All of our training programs are followed by the collection of feedback from respective participants. To ensure that we receive the most specific and detailed feedback, we have now implemented an automated post-training e-mail survey system. As soon as a training session is concluded, an e-mail is automatically sent to all participants, which surveys the effectiveness, level of appreciation and scope of improvement for the respective training session while it is most fresh in the participants' minds
  - Replacement of paper-based Training Needs Identification system with an online version resulting in significant time savings
  - As Shree takes strong steps towards expanding its capacity, the HR department too is gearing up for the natural headcount increase. One thoughtful initiative in this regard has been the replacement of our paper-based people records, information and file management systems with an online version. This has already eased out the maintenance and reviewing of people records as well as helped save on a lot of time. The online version also supports convenient change in nominations for statutory compliances like provident fund, gratuity, superannuation and factory dues and is resulting in higher accuracy of information which can be easily updated and validated by the people themselves. As our headcount increases, the true scale of benefits and convenience of such systems will come to the fore

- Shree has always believed in the sharing of its gained knowledge, expertise and acumen with India's emerging youth. It is they who are next in line to carry forth the country's strong progress and Shree is keen to play its part in supporting them. This year too, we organized a series of guest lectures and industry talks at various educational institutes and other academic organizations to help create and develop a strong industry-ready talent pool
- We have created at Shree, a Happiness Centre in order to help people freshen their minds and bodies and ultimately be happy at work. This, as we understand, is vital to maintain the work-life balance of our people and ensure that they stay engaged at work by enjoying what they do. Many of our people have also begun to start their day at work with a jogging session followed by 10 minutes of loosening exercises which has indirectly helped to up their performance by keeping them motivated and energetic at work
- Shree has launched an ITI Apprentice Training program at its Ras Mines. The idea was to engage and train qualified technical personnel, 32 of whom are presently undergoing the training. This will help reduce the number of casual laborers and also ensure job-ready professionals at the time of recruitments.



QUALIFICATION WISE BREAK-UP



TRAINING & DEVELOPMENT	2010-11		2011-12 (15 Months)	
	In- house	External	In- house	External
Particulars				
Programs (Nos)	688	166	1104	168
Participants (Nos)	12573	285	19217	343
Person days spent on training	7211	669	10369	845
Person- hours of a training	57686	5355	82952	6761
Avg. Training Man-hour per person	18.50		24.61	



Our strength and ingenuity in manufacturing are at the core of our competitive edge. Higher than industry standard efficiencies, optimum capacity utilization, a thrust on innovation and teams that are ever willing to do even more and even better are the hallmarks of our manufacturing operations. This has enabled us to increase our production to full throttle when needed for responding to market demands while also rationalizing costs through better efficiencies in operations. The inability to respond to sudden changes in market conditions and a lack of thrust on building efficiencies in operations can constrain an organization and prevent gains from accruing. We at Shree however relish these challenges and look at them as opportunities to succeed. This confidence is a result of the trust we place on our people, their proven abilities to step up production on very short notices, utilize every single opportunity for optimization and try newer things never tried in the industry before.

As an example, the cement demand from October to May typically remains higher compared to the other months. The cement demand during this period in 11-12 was indeed showing an upward trend and accordingly it was natural to push as much material as possible into the market by maximizing our

production. Unfailing, our production team came true to the challenge and not only met the market demand, but also discovered the latent potential of our equipment.

We also pride on the efforts we take to ensure the sustainability of all our operations. Our working motto which is well-understood across our organization is “Use Less, Produce More”. What this signifies is an on-going successful initiative at Shree to use as less as possible of every resource including energy which goes into manufacturing our products while maintaining the desired quantity and quality levels. Further, across the hierarchy of our manufacturing teams, there is a constant quest to identify any possibilities of energy savings in our processes and realize them. Similarly, equal amount of thrust is placed on maximizing the use of waste resources through innovation.



## ARRESTING LOSS OF FALSE AIR IN PREHEATER

We were facing productivity losses in our preheater due to a significantly high proportion of false air, which is the unwanted leakage or entry of undesired atmospheric cold air into the system resulting in loss of energy and hence lowered productivity. In order to arrest this loss, a meeting was conducted with our shop floor people and contractual workers at a unique spot, the VIII floor of the preheater itself (90 meters high) with an aim of closely identifying potential areas of air ingress.

Many ways to arrest the false air loss were discussed including welding all the flanges of down pipes, covering all entry doors with welded MS plates and the use of mortar, sodium silicate solution and ceramic blanket pieces mixed together to produce putty and apply it on minor leakage points. These solutions were implemented with high gusto by our motivated people and the false air loss has now been arrested in our preheater.

## INCREASE IN PRODUCTIVITY OF CEMENT MILL

In a typical cement grinding ball mill, the rotating drum is layered with a replaceable protective liner on the inside to reduce the wear and tear of the drum. The raw mix and the grinding media (usually steel balls are used as grinding media), are then fed into the drum which rotates at defined speeds causing the grinding media to fall on and crush the raw mix into fine particles.

Now when the life of the classified liners we were using in one of our Cement Mills was fully utilized, we decided to replace it with drag-peg liners, which have half the thickness of the classified liner. The idea was to reduce the volume being occupied inside the drum by the liners which would allow us to feed more grinding media and hence achieve a higher output from the mill.

Indeed, on implementation we were able to increase the effective volume of the mill from 211 m<sup>3</sup> to 224 m<sup>3</sup> and load an extra 20 Metric Tons (MT) of grinding media. As a result, the rate of grinding was now faster and we achieved an increase of 10 to 14 Tons per Hour (TPH) in the mill's output rate. Significant energy savings of 0.35 KWH/MT were also gained and there has been no increase in the wear and tear of the grinding drum. This innovation is under implementation at other cement mills as well.

REGRADATION OF GRINDING MEDIA IN RECORD TIME

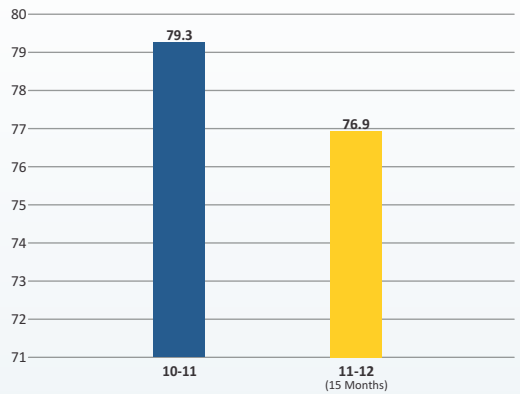
To match a sudden rise in demand of cement in the market and uphold the commitments of our marketing teams, it was vital that we speed-up our production to ensure timely deliveries. A highly innovative effort in this direction was the regradation or feeding of grinding media into one of our Cement Mills in a record time of 14 hours as against the industry standard time of 36 hours.

This Cement Mill has two feeding doors for the loading of grinding media. Our usual practice of feeding through the first door was to manually load the grinding media in small bags which were cut open using knives. Instead for this particular regradation, the grinding media was filled in jumbo sized bags and lifted with a Hydra crane to the start of a temporarily installed pipe that helped roll the grinding media directly into the mill. To further save time and manual effort, these bags were cut open almost instantaneously by using a gas cutter.

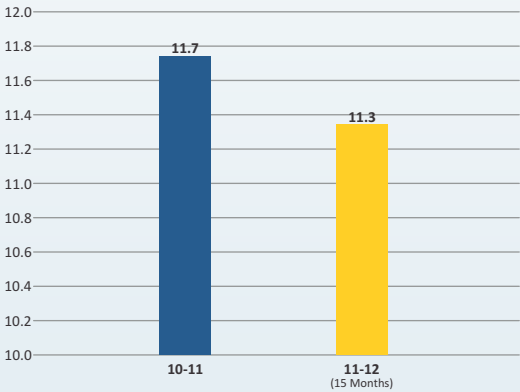
Loading through the mill's second feeding door was also earlier done using small bags but with an inclined chute. We made modifications to this chute and added a hopper which was loaded on the ground with the grinding media and then lifted with the help of a forklift and EOT crane to the feeding door. Once the hopper was properly in place over the feeding door, its gates were opened and the grinding media flowed smoothly into the mill. This helped us to load larger quantities of grinding media as compared to before in a single go itself.

A total of 271 MT of grinding media was loaded in this manner thereby ensuring its faster loading.

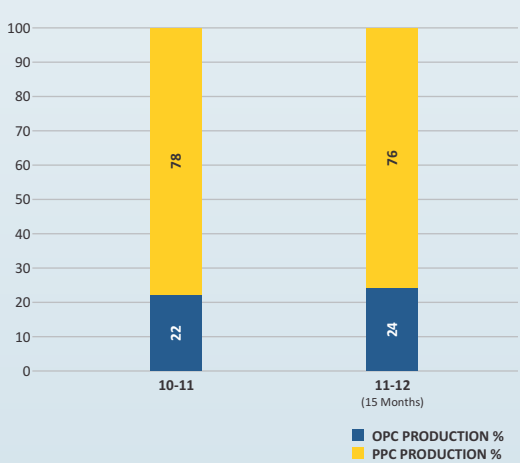
POWER CONSUMPTION (KWh per Ton of Cement)



FUEL CONSUMPTION (% of Clinker)



OPC & PPC PRODUCTION (%)





### AIR FLOW MODIFICATIONS IN V-SEPARATOR

In most cement mills, a V-separator is used to segregate the ground cement based on the desired particle fineness and the rejects or larger particles are sent back to either the grinding mill again or to a roller press. Particles of desired fineness are on the other hand sent ahead to the main separator (SKS Separator). The V-separator utilizes a stream of high velocity air to segregate the particles; smaller lighter particles are carried upwards by the air stream towards the main separator while larger heavier particles fall down as rejects.

Now, we were finding it hard to regulate the high air velocity in our V-separator at one of our Cement Mills and hence even larger than desired particles (which should have been rejected) were being carried into the main separator. To overcome the resulting higher load on the main separator which was decreasing its output, an additional by-pass duct was installed to reduce the velocity of air flow entering the V-separator. This as envisioned, decreased the load on the main separator and increased the overall output rate of the mill by 10 TPH. This innovative idea has been implemented / is under implementation at all other cement mills at Shree.

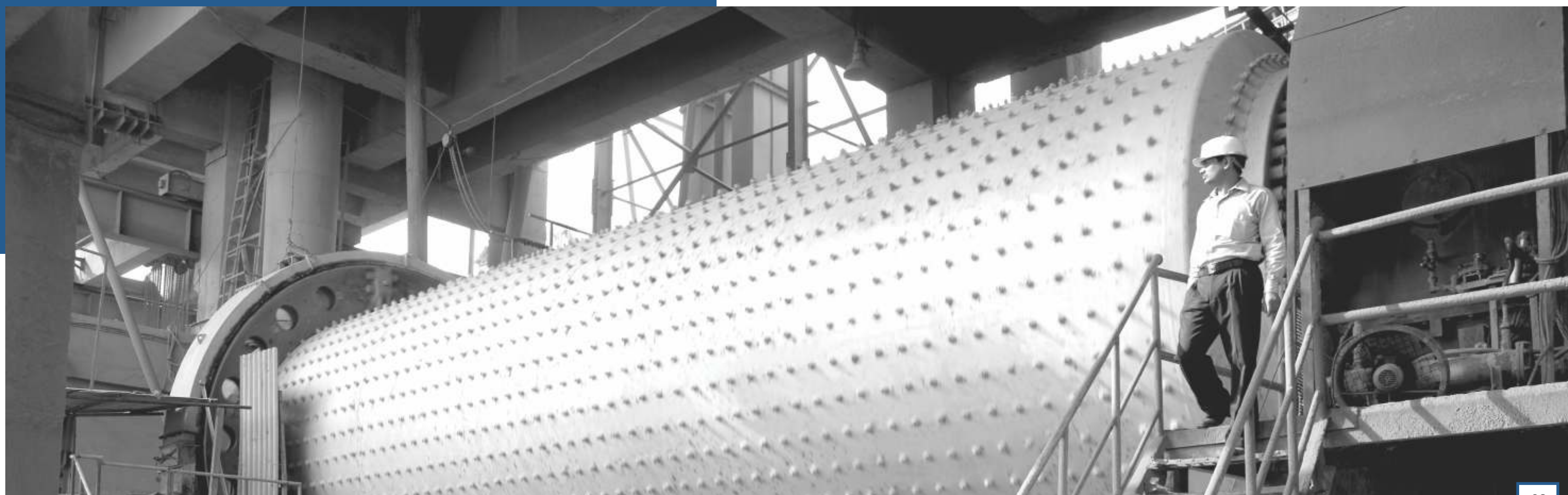
Subsequent innovation in the system was also carried out wherein a dummy inlet duct was provided at the V-separator to divert more air into the by-pass duct mentioned above. This re-orientation of air flow led to a further increase in the output rate of the Cement Mill. After this successful trial, the dummy inlet duct was replaced by a damper for improved control via the Central Control Room (CCR). Similar modifications have also now been made to other Cement Mills and similar gains have been realized.

### DEPARTMENT HIGHLIGHTS

- Our Green Power Plant (GPP) or Waste Heat Recovery Plant in Unit I re-utilizes the hot gases emitted by the unit's kiln to generate energy. This means a reduced load on our Gas Cooling Tower (GCT) which sprays water with the help of a 110 KW motor pump to cool the emitted hot gases. With an eye on possible energy savings, we installed a 37.5 KW motor pump in parallel with the existing 110 KW motor pump. Now, whenever the GPP is in operation, the water consumption of the GCT drops from 35 to 10 Kilolitre per Hour (KLPH) which can be easily managed by the smaller capacity pump. Also, if the GPP is not in use then the higher water quantities needed to be sprayed can be managed with the larger capacity pump. This initiative has resulted in energy savings of 20 KW per hour
- One of the 12 MT Kiln Supporting Rollers in our units was damaged and replaced with our only spare roller. Now, it was critical to quickly repair the damaged roller as if there was another breakdown in any of our kilns, we would have to shutdown that kiln due to the lack of a ready replacement and this would mean incurring losses by the hour. We

contacted our external vendors but received very long repair timelines which were not favorable to us. It was then that the decision was taken to attempt to repair, for the first time in-house, such a large roller. The technical expertise of our people combined with their dogged efforts eventually resulted in the successful repair of the roller thus ensuring a ready replacement in case of breakdowns in any of our kilns. It also resulted in saving vendor costs and remarkably, was completed faster than the time promised by our external vendors

- Use of water-based Lithofoam paint on our preheater, which as against Silver paint (oil-based paint in use earlier) is four times cheaper, helps detect refractory failures in the insulation of the preheater with easily visible black colorization and can be applied on hot surfaces or without shutting down the preheater and waiting for it to cool
- Successful trial run of spent oil, again thought of as an industry waste, as an alternative fuel for the kiln in one of our Units. Subsequent gains of the reduced use of pet coke quantity translated into savings in specific heat consumption of producing clinker





The story of Power at Shree is a case of successful experimenting and then scaling up to create and capitalize on opportunities. Our journey began, years ago, with the commissioning of our first captive power plant (36MW) at Beawar, Rajasthan. Over the years, this capacity was steadily augmented to match the power requirements of our growing cement production. The next leap in our learning curve came when we began transmitting our captive power to our Grinding Unit located at Khushkhera, Rajasthan through the open access system. Now this experience benefitted us immensely when the power exchange was launched in the country in 2008 as we already had the technical know-how of power transmission in place. This meant, we could immediately begin the sale of whatever excess captive power we generated.

Soon, we were expanding our power generation capacity well beyond our captive requirements. This was a result of the power sector showing positive signs of further opening up and developing into an opportunity-filled power market for merchant sales. We were quick to realize this and with the confidence of our experience in power, committed ourselves to making a full-fledged foray into this blooming power sector. The subsequent success we realized, further confirmed our decision to establish ourselves strongly in the power sector. What only remained was to analyze and plan as to how best we could build on this initial success achieved. The result of this thought culminated in the successful commissioning of Shree Mega Power (SMP), a 300 MW thermal plant which has already added impetus to our revenues and will do so even more in the future.

Right from the beginning, we at Shree were focused on ensuring that our power plants were operated in the most sustainable manner possible. We were also willing to make higher than usual capital investments

wherever required to ensure that our power generation was environment friendly and worked on the principles of conserving the planet's fast-depleting natural resources. Whether it is the capital-intensive setup of Waste Heat Recovery Plants (WHRP) with a combined capacity of 46MW (currently the largest capacity in the global cement industry excluding China) or the installation of Air Cooled Condensers (rarely used in power plant operations) as against the conventionally used Water Cooled Condensers, Shree has always been a front-runner in greening its power generation. Power plants at Shree also have one of the lowest auxiliary power consumption in the industry. This has been achieved through continual investments in new technology, application of innovative practices and our relentless efforts to identify every single energy saving opportunity, however minute, and take the required corrective action.

#### **World Record Breaking Achievement in Completion of Shree Mega Power (SMP)**

The project management and operations of Shree Mega Power turned into an astonishing success story for Shree. The 1<sup>st</sup> unit of 150 MW of this plant was completed in a new world record time of 21 months and 20 days against the normal completion time of 32 months and best achieved period of 28 months for such power plants. The entire plant was completed in a total period of 26 months. At the start of the project, it was unthinkable to many, including experts of the power sector, that a power plant of such large capacity as 300 MW can be commissioned in such a short time. Shree, however, was confident of its project execution capabilities even though it did not have prior experience of setting up such large sized power projects. Neither, our boiler supplier had any prior



experience of designing and installing CFBC boilers of such high capacity. At the end Shree not only set up the power plant but also built the transmission system at 400 KV voltage level within schedule to ensure that the power plant has no idle time waiting for availability of power evacuation system. The unique feat could be achieved through innovative management and out of box practices and team spirit and high motivation level of people at Shree. Equally important was the contribution from our Vendors and Suppliers in terms of maintaining the same zeal of speedy delivery and execution and all-round co-operation which enabled the above accomplishment. Some of the initiatives that played key roles in helping Shree achieve this world record included following: -

- Micro-planning of each activity from engineering to execution, ordering to dispatch and receipt to installation
- Continual tracking of critical activities
- Single point of communication to expedite decision making
- Expediting material supply through regular visits at Vendor locations and on road material tracking by dedicated team
- Helping hand to Suppliers & Contractors

We also organized in-depth project management training for our EPC contractors at XLRI, Jamshedpur in order to have a similar style and spirit of working on the SMP project. Additionally a remote surveillance system comprising a large number of IP cameras were installed at the plant site and their access was given to our Vendors to help them with 24x7 live monitoring, support and feedback.

SMP boasts of India's largest Air cooled condenser (ACC) which will reduce the water consumption requirement for the plant by as much as 90%. It also takes pride in commissioning the highest capacity CFBC Boiler in India. Every facet in the plant has been designed and developed keeping in mind the importance of being environmentally friendly and sustainable. SMP is one of the world's most compact power plants with a span of 60 acres as against the industry standard of 200 acres. Its chimney is 220 meters high as against the standard 130 meter tower to ensure discharge of exhaust gases at maximum possible altitude. Some of the other unique initiatives undertaken in SMP and worth mentioning are the commissioning of the plant with coal firing as against the more expensive industry standard option of diesel and conducting for the first time in the industry, an air leakage test as against a water leakage test, which not only saved valuable time but also saved on water consumption.



### Timely Completion of SMP Transmission System

Considering that our SMP was to sell its output in the merchant market (i.e. possibility of selling to Distribution Companies and consumers across the country as against pre-fixed buyers), it was desirable to have connectivity with the Regional Power System at 400 KV Level. However this required connectivity through a LILO (Line In Line Out) system on an existing 400 KV line passing at a distance of around 30 km from the power plant. Now, this was uncharted territory for Shree as it had never operated at the 400KV level. Also normally the entire process of connecting a power plant of such capacity and installing the transmission system takes around two and a half to three years. Thus time was also big issue to handle keeping in view the commissioning schedule of SMP. Nevertheless, we kept up our confidence in the decision and initiated the connection of SMP with the regional transmission system. The entire process of installing and completing this transmission line was remarkably completed within a 15-month time period. This was achieved through meticulous planning of each activity involved in the process right from obtaining connectivity approval, seeking of statutory clearances to the laying down of transmission towers and ultimately charging the line. As a result of this achievement, Shree was able to start its transmission of power within a shorter period of time hence ensuring that our power plant did not remain idle due to the lack of availability of a power evacuation system.

### Operational Excellence at SMP

Apart from the multiple unique initiatives and accomplishments in SMP project execution, similar achievements have been undertaken in its operations also. Some of these were as under:-

- The full load running of the 150 MW unit was achieved within a period of merely 21 days of its Synchronization which is the best in Indian power sector for such capacity plant. This is outstanding as usually plants of this size take pretty long time to stabilize
- With continuous monitoring, application of best practices and innovative methods, SMP team has achieved an astounding level of auxiliary consumption

of 6.26% in a month. This when compared with 8%, the one guaranteed by our equipment suppliers and 9-10% which is the industry standard, is remarkable achievement given such short span of operation of the plant

- Apart from Air Cooled Condensers which have enabled significant savings in water consumption, there are many other small initiatives that have been put into place during operations to conserve water. The result is the lowest specific water consumption achieved of 0.15 litre per Kwh which is the best in the industry
- The plant was designed with the possibility of running on multiple fuels. During operations, we have successfully operated the plant on different fuels from domestic coal to imported coal from USA, South Africa and Indonesia and to pet coke both imported as well as domestically available. Each of these fuels has completely different calorific values and chemical and other compositions. None of the power plants in India has ever operated on such different fuels. In fact this flexibility has even given us an extra leverage in our fuel procurement decisions also

### Flue Gas Desulphurization (FGD) Pilot Plant

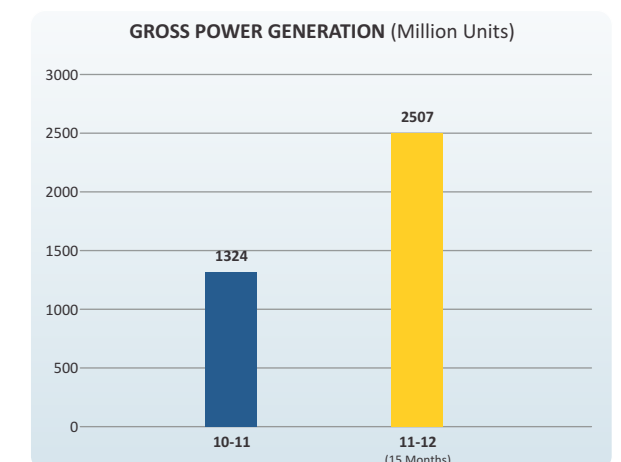
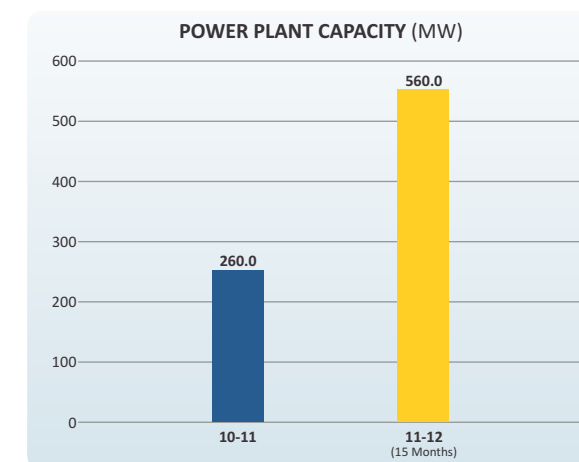
When fuels having high Sulphur content undergo combustion in a boiler or furnace, the Sulphur in the fuel is converted into gaseous oxides (mainly Sulphur dioxide or SO<sub>2</sub>), popularly known as SO<sub>x</sub> gases. The presence of these SO<sub>x</sub> gases in exhaust emissions is harmful to the environment and is traditionally absorbed in a slurry form (by dosing lime stone along with the fuel) for safe disposal. At Shree, we decided to instead look for alternative ways of capturing these SO<sub>x</sub> gases. Our persistent efforts in this direction led us to initiate a Flue Gas DeSulphurization (FGD) pilot plant at our R&D center in Beawar, Rajasthan. This plant is not only an environmentally conscious move but also helps us to substitute the increasingly scarce mineral gypsum. The plant is designed to produce 182 TPD (tons per day) of FGD-gypsum. The production of gypsum from FDG plant has even greater value as it is of very high purity and can be directly used in our cement manufacturing process.

### Departmental Highlights

- Online replacement of exhaust fan coils in Boiler 4 of our 4X18 MW power plant, which led to saving the plant from tripping right away on start-up
- At Shree, our focus is on reducing the auxiliary power consumption in our power plants to a minimum. Auxiliary consumption rises if the amount of False Air (heated air escaping into the atmosphere through leaks) rises. To now achieve, a minimum of False Air amount, multiple teams put in their best efforts in mobilizing people to arrest as many

leakages as possible. The results were remarkable and even broke standing world records of false air reduction. The achievement was special considering the high amount of manual effort required in sealing up leakages

- Shree, as against procuring plant equipment and technology from a single source for its FGD pilot plant, procured different equipment from different sources and integrated them itself. This enabled Shree to significantly bring down the project cost







We realize that in times of dull market demand, effective marketing will help us in fully utilizing capacities and bettering realizations. It is no longer accurate to consider cement as just a commodity and hence downplay the importance of marketing and branding for companies in our industry. In fact, we believe it is safe to assume that cement is somewhere in the maturity phase of its product life cycle and hence the building of customer preferences through effective communication is more important now than ever before.

Moreover, we have a reputation of being one of the best customer service providers in the Indian cement industry and certainly the best when it comes to markets in Northern India. This reputation has been hard earned with utmost dedication to the time frames our customers request and high levels of synchronization between our marketing, production and logistics teams.



### Flexible Marketing Strategy

With increasingly stiff competition, our marketing function has revamped its style of working, by becoming even more flexible in terms of strategies to adopt and when to appropriately move away from them. We constantly monitor the past 3-6 months to analyze what marketing initiatives worked well for our business, what marketing initiatives worked well, but could have worked even better still, what marketing initiatives did we undertake that did not work well at all, what will be our target markets in the coming months and do we need to change our target markets in the first place.

This proactiveness has meant that we are always in-sync and responsive to the ever-changing markets and are hence able to identify opportunities, fine tune our strategy to capitalize on them and ultimately realize higher gains.

### Multiple Branding Powers

We believe each rupee spent on branding is an investment towards safeguarding the future of our company and even in our branding efforts, we have strived for innovation to outdo our competitors. While most of the industry focused on consolidating their portfolio of products, we took the road less taken and diversified our cement produce under three strong independent brands.

The benefits have since been manifold like satisfying multiple customer sections by customizing to their specific requirements and having a higher and more dominant brand presence in retail outlets, which has helped us acquire leadership in key markets in North India and exert a stronger presence in other markets across the rest of the country. Our positioning strategies for each brand have also been carefully chalked out by an expert team in order to make sure that cannibalization doesn't hamper any of our three brands.

### Dealer Optimization

In today's cement business environment, the success of an organization depends critically on matching your dealer network with the respective consumer demands they serve. This optimization in terms of the number of dealerships, the dealership sizes and locations involves first studying and thoroughly analyzing markets in order to capitalize on untapped market potential, identify gaps in the dealer network and rectify them by investing in extending the dealer network. This analysis benefitted us immensely to gain maximum realizations in high potential markets and in identify low-performing dealers as well, which subsequently led to a significant increase in sales volumes.

### Power Sale and Trading

The power sale and trading business is a regulated business and regulations keep evolving every now and then. To keep a constant tab on these changing or modified regulations and policies, we have formed an in-house team that monitors and identifies opportunities that arise as a result of the changes. Our power generation and commercial teams are also well-supported by the trading team, which keeps them updated with the latest information on where power buys are occurring, where the selling is happening, where the opportunities lie and how best we can capitalize on them. We also engage ourselves as third-party facilitators or power brokers between buying and selling parties. This apart from accruing revenue has also helped improve our grasp of market insights and build-up a repertoire of valuable experience in the power trading business, which is being utilized to improve the sale of power from our own generation units.





Quality has a key role to play in creating and sustaining a happy, safe and loyal customer base. At Shree, we respect the growing awareness and expectations of today's customers and through continued research have improved our products and processes to match new demands.

R&D also strives to help us set energy efficiency and waste product usage benchmarks in the cement industry. These efforts align Shree further to a sustainable way of functioning which is driven by innovation. Our teams are hence highly motivated and eager to analyze the potential of latest developments in technologies to realize any possible gain in the high performance and value addition of our products while simultaneously reducing the energy and fresh resource quantities required to do so.



## ALTERNATIVE FUEL RESOURCES

Shree is steadfast to its commitment of being an energy conscious and environment friendly business organization and has taken many initiatives in waste resource utilization by co-processing traditional industry wastes along with fresh resources. This not helps in the cost optimization of our products but also in the effective disposal of wastes, some of which are hazardous in nature and extremely difficult to safely dispose otherwise. The other key advantage is a reduced burden on fresh resources which are becoming increasingly scarce by the day and which need to be responsibly preserved for the use of coming generations. We have successfully tested various alternative fuels and the same are yet to be confirmed by the statutory authorities for its usability in our plants. These alternative fuels shall be used to partially replace the conventional fuels at Shree and will result in savings in fuel cost.

## MALVERN PARTICLE SIZE ANALYZERS (PSA)

Installation of 2 Malvern Particle Size Analyzers (PSA) at Ras and Khushkhara to augment our existing PSA at Beawar. The analyzers help Shree in the performance optimization of its cement mills by accurately analyzing the Blaine size (a measure of the particle size or fineness of cement) thereby resulting in consistent performance, better productivity and lower energy consumption.

## ENERGY MANAGEMENT CENTER

We have strengthened our Energy Management Center to maximize energy efficiency in all of our operations. The Center has continued to help us identify areas for improvements with regard to reduction in power usage and fuel consumption and is accruing benefits for Shree. The observations and gains accrued as above are then replicated across all of our locations so as to benefit Shree across its presence.



## CONCRETE TESTING LABS

Shree has established Concrete Testing Laboratories at all its manufacturing units. At these labs, tests are conducted to arrive at the optimum mixing ratio of the raw materials of concrete (aggregates, cement & water) for particular grades of concrete. Additionally, cement super-plasticizer compatibility studies which help in identifying the most compatible super-plasticizer (strengthening additive mixed into concrete) with a particular grade of cement are also carried out. These labs were setup with the intention of supporting marketing teams in offering technical expertise on concrete testing to customers. Upon arriving at the optimum mixing ratio, the information is then shared with the customers who are happy to receive such valuable technical assistance from their supplier. This is especially helpful for our bulk or institutional buyers, who find it difficult to arrive at the optimum mixing ratios as quickly and accurately as we do. Ultimately, this has led to Shree significantly raising its customer satisfaction levels.



## Materials management is streamlined at Shree with a focus on three key aspects;

- Ensuring timely delivery of right quantities of raw materials so as to not hamper production
- Ensuring the maximum possible cost-efficiency in procurement while adhering to desired quality
- Ensuring the exploration and use of alternative materials that support sustainability and natural conservation

In the past, we gained widespread recognition over our pioneering efforts of using petcoke both in cement and power plants. This was followed by a number of innovations such as the production of synthetic gypsum, use of agro waste and use of other industry wastes such as zinc slag, spent oil, fly ash etc. Today, our search for newer and better ways to manage resources continues in the same vigor as before. Pond ash, an environmentally harmful dumped waste is increasingly being procured and used by us.

Such efforts have also resulted in Shree increasing its sourcing options for various raw materials and fuels and this in turn has resulted in more reliable supplies and rationalized costs. An example of our raw material source diversification is the importing of petcoke and coal from various countries (USA, South Africa and Indonesia) as well as using Lignite to augment our domestic supplies. We have further extended this diversification to gypsum, fly ash and other raw materials.

This is not to say that all of our endeavors in resource optimization have been successful. There have been failures as well but they only motivate us to try harder and inevitably success does arrive. We believe, it is our innate approach to resources, the way we view them as precious and irreplaceable that acts as the seed of our striving. Also, as an organization renowned for its sustainable approach to resources, we feel it is only right that we continue to lead the way towards a clean, green yet profitable business.

## GYPSUM

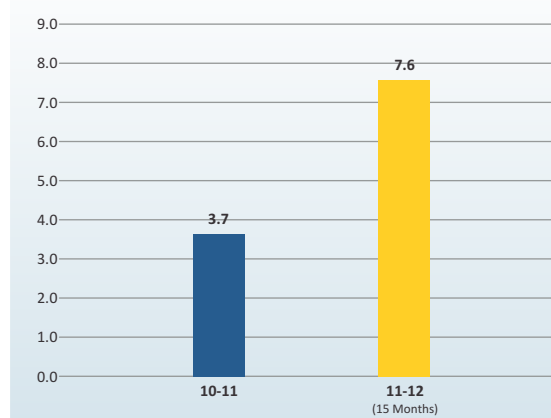
Gypsum affects the setting time properties of cement and is an essential additive in its manufacturing. In India, substantial sources of mineral gypsum are currently available only in Rajasthan where its supply and mining is monopolized by government organizations. Even these reserves have been producing a lesser quantity and quality of gypsum in recent years which has led to a highly competitive and tough scenario in gypsum procurement. Our earlier efforts of developing the country's first synthetic gypsum manufacturing plant had created a cushion for Shree in gypsum procurement; however operational difficulties in the plant were now leading to a shortfall for our production units. The need of the hour was to step up efforts in our procurement of mineral gypsum and a

number of initiatives were subsequently put to action. We keenly followed new mine explorations to create new supply points and reduce high dependency and load on any one single source. Our expertise in mining and our equipment also was shared to augment mine contractors' efforts which in turn increased the throughput rate at the mining sites.

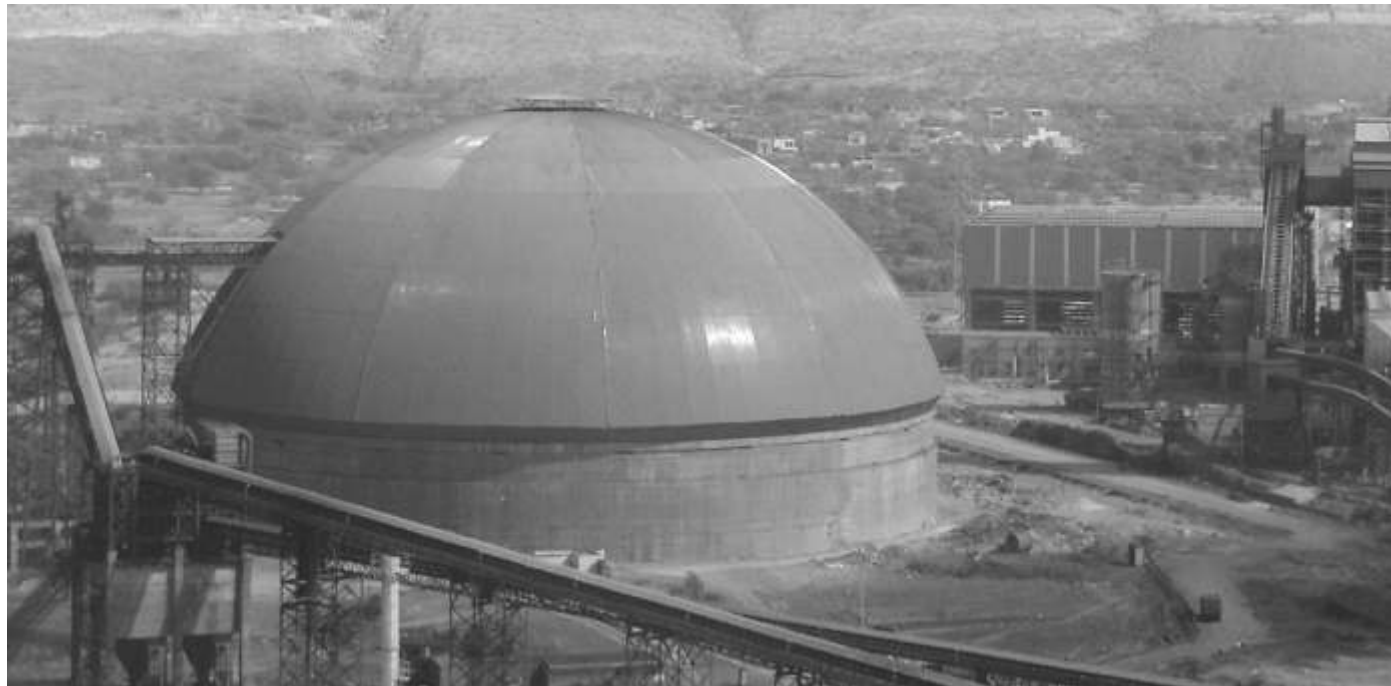
A concerted drive to obtain gypsum of highest possible purity was also simultaneously engaged in as an increase in the purity of gypsum reduces its overall consumption while enabling increase in consumption of fly ash. Even relatively higher freight costs were incurred if it made the procurement of higher purity gypsum possible as the overall profitability was still benefitted.

Also Shree, in order to meet the gypsum requirements at its Khushkhera and Roorkee grinding units had to face high logistics costs. This led us to search for a more economically viable procurement means which subsequently included the exploration of high purity imported gypsum. The imported supply turned out to be more lucrative as logistics costs were down in its case. We also followed an approach of inducting multiple suppliers which not only led to a reliable supply but also resulted in cost benefits due to inter-supplier competition. These efforts resulted in maintaining supply of required amount of mineral gypsum for our production units thereby ensuring continued cement production.

GYPSUM PROCUREMENT (Lac Ton)







#### POND ASH

Pond ash, a hard to dispose environmentally harmful waste, is being increasingly utilized as a key raw material in our manufacturing process. Pond ash is fly ash (waste generated by power plants) which has been mixed with water into a slurry and dumped into landfills. With capacities growing in the industry, dry fly ash requirements and subsequently its costs

are rising. In such a scenario, pond ash makes for a cost viable alternative while its utilization also helps clean the environment. To increase our efficiencies in the procurement of pond ash, we set up a pond yard spread over 6-7 acres near the site of a major source itself. With an intention to reduce its moisture content, the pond ash is sprayed in the yard for drying. Any foreign material / vegetation is also segregated and removed in the yard itself. These efforts led to a reduction in the moisture content of the pond ash from around 18-20% to around 14-15% at the site of availability itself. In turn, we accrued benefits like savings in logistics cost due to lesser weight transported and an increase in efficiency of our plants utilizing the dryer and hence more combustible pond ash.

#### COAL STORAGE DOME

Shree has set-up the automatic unloading of bulk quantities of fuel with the installation of a wagon tippler which unloads the solid fuel into closed system additionally featuring a water sprinkling facility. The unloaded coal is then transported through a covered conveyor belt and stored in a huge dome silo, a rare infrastructure asset in cement plants. The dome also has an in-built circular stacker and reclaimers (one of the biggest in Asian cement plants) to ensure the proper blending of fuel. The initiative has helped Shree improving its environment surrounding its operations while also saving on fuel handling costs.

#### MANAGING INVENTORY

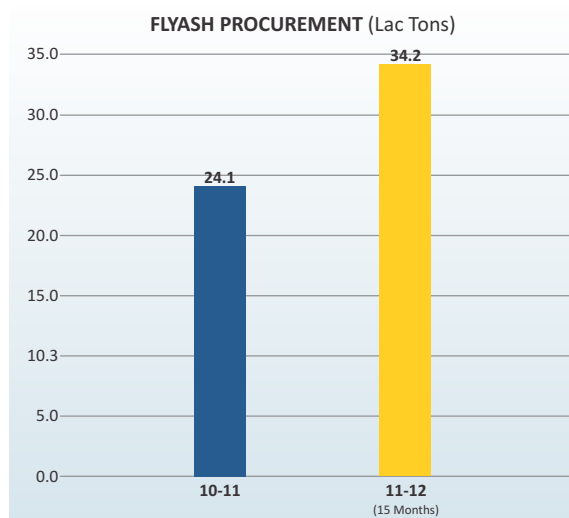
Effective Inventory Management helps to reduce the costs associated with the storage and handling of materials. This requires maintaining an optimal level of stocks which supports operations by providing an uninterrupted flow of materials and at the same time avoids unnecessary build-up in the stockyards thereby minimizing the inventory holding cost. Inventory Management at Shree, is a fully automated and a well-designed system. This takes into account the complexities of multiple manufacturing locations as well as different requirements of our cement and power businesses. The system helps us to know the exact quantities of each item available in the stockyards, their exact location and condition for usability as well.

The people engaged in inventory management work in close coordination with those involved in material procurement as well as the eventual users so as to determine exactly how much to order, when to order and the most effective source of supply. Also there is an effective system of tracking and management review in place for regular review of trends in consumption, indenting, availability, movement across locations, pricing and other factors for each of the major inventory items, which enables raising of timely alarms for any anticipated shortages or inventory pile up. This helps us to identify the need for ordering items before the inventory of the same gets dangerously low or on the other hand need for using the same before its inventory inflates unfavorably.

#### DEPARTMENT HIGHLIGHTS

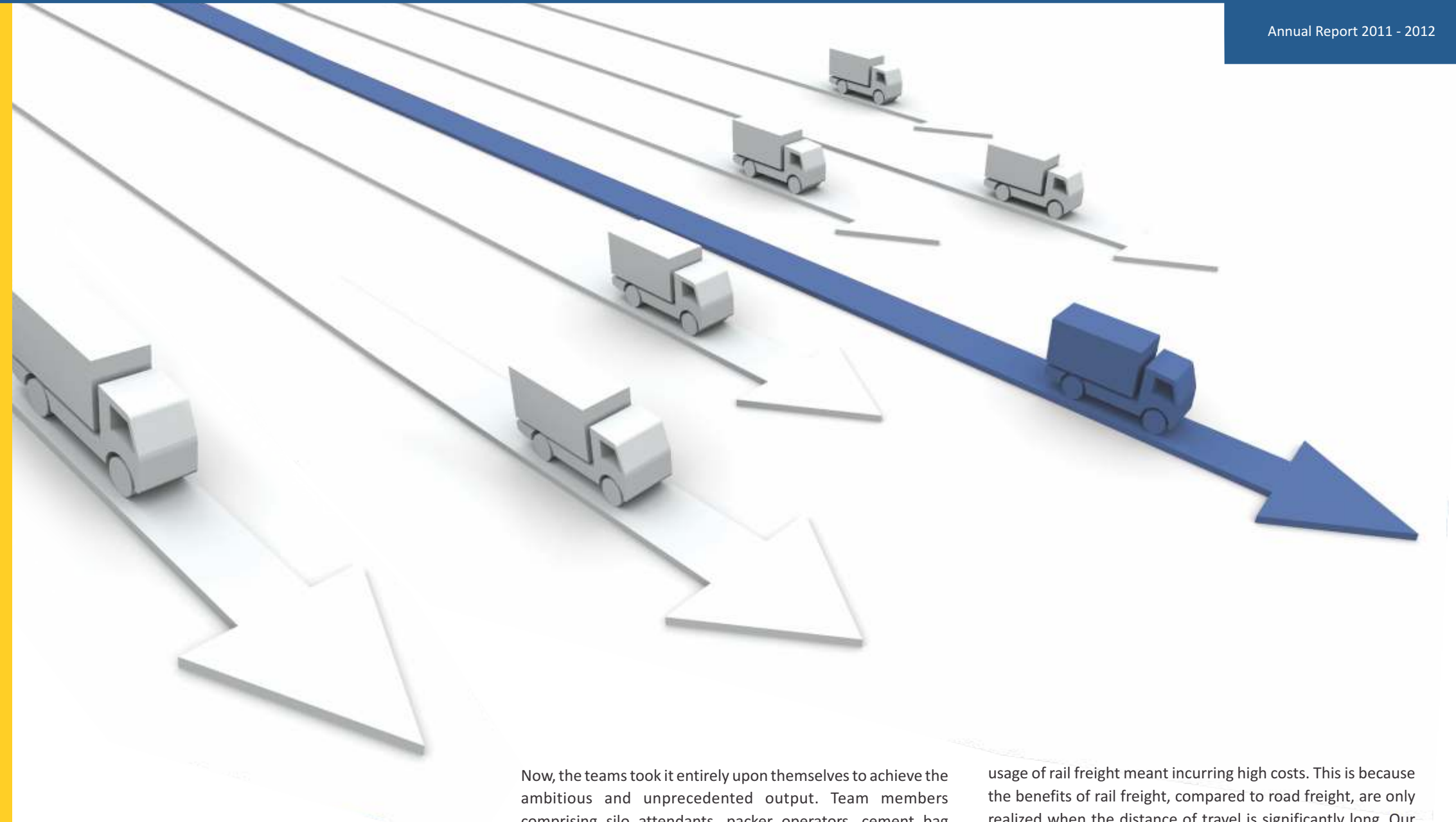
In order to meet raw material targets and fulfill our production units' requirements, we need to conduct large scale blasting operations by using the industry standard ANFO explosive. Earlier we had the permission to manufacture only 2.5 tons of ANFO explosives by a hand mixing procedure. However, keeping in mind growing demands in the market and hence subsequent higher quantities of raw materials that will be required, we have now procured a license for a Bulk Mixing Van along with the permission to manufacture 2400 tons of ANFO explosives per annum. Apart from being able to conduct larger blasts, there is also a marked improvement in the quality of the explosives. We are the first explosive-user company to obtain such a license for a Bulk Mixing Van.

To capture the sulphur content in our fuels, we were earlier using high grade limestone which would react with the sulphur and form a more safely disposable slag. However, there was a shortage in the supply of high grade limestone which resulted in significant increase in the cost of using it. To overcome this, we successfully experimented with 100% screen reject (limestone rejected in our screening processes). This has led to savings of 150 tons / day of high grade limestone and has also enabled lowering the disposal requirements for rejected limestone.



High performance of the logistics function, especially for the cement industry where the end product is bulky and sold in large volumes, is decisive in sustaining an organization's success. It is vital to adapt to fast changing market and transportation dynamics, which is the nature of the industry, and match high production outputs with timely dispatches so as to fulfill and capitalize on sudden rises in demand. Furthermore, the onus is on logistics to deliver the cement or clinker without any deterioration in the quality of its condition and with high speed to market.

At Shree, logistics has thrived in these tough scenarios with its high efficiency, on-ground working innovations and fast & flexible decision making systems. **It has continually ensured that none of our customers are left waiting due to delays or are dissatisfied by any compromise in quality. What this has meant in the long run for Shree is the building of a reput**e of being the best cement company in Northern India in terms of customer servicing. Our customers are hence, often repeat customers and this habit we have cultivated of keeping them happy has led to the creation of a strong, loyal base of secured buyers. In other words, we keep our promises and deliver to our commitments which in turn stems from our continued belief in making not just our products but also their associated services, a strategic advantage for Shree. This has helped the company consolidate and increase its market share in Northern India and leverage the benefits of sustaining a large and loyal group of happy customers.



#### HIGH DISPATCHES FROM PACKING PLANTS

Due to a sudden increase in demand for cement in the market, our production units were working overtime (by reducing down time) to match the high quantities required. Now, the onus was on our packing teams to sustain this momentum and ensure that all dispatch requirements were met on time. The task was daunting to say the least and the management called for a meeting with all packing teams to convey the same. The teams were only asked to try their best and told that the management was willing to accept that failure was a likely option.

Now, the teams took it entirely upon themselves to achieve the ambitious and unprecedented output. Team members comprising silo attendants, packer operators, cement bag loaders and shift staff organized meetings among themselves focused on further increasing their co-ordination and synergy. They also identified potential bottlenecks which could slow down their planned faster working and higher output. These self-driven initiatives coupled with a sustained push in efforts from the entire team not only resulted in the outputs being met but also led to exceeding them.

#### COST OPTIMIZATION BY OPENING OF TRANSIT DEPOTS

We were facing a scarcity of trucks willing to travel directly from our plants to our depots at certain locations in Central India and at the same time, high demands of cement dispatches were to be met. Now, depending on the easily available alternative of

usage of rail freight meant incurring high costs. This is because the benefits of rail freight, compared to road freight, are only realized when the distance of travel is significantly long. Our teams went into brainstorming sessions and soon came up with an innovative solution of opening 2 new transit depots on these routes to ensure the continued cost optimization of our supply chain.

Now, one set of trucks transports our dispatches up to these new transit depots from where another set of trucks takes over. The costs of having two sets of trucks and opening and maintaining two new transit depots is only a marginal amount as against the savings.



### SUPPLY CHAIN OPTIMIZATION THROUGH DEPOT MANAGEMENT

Shree has an extensive network of wholesaler and retailer distribution depots which are located in close proximity to high sale regions. Our network is highly dynamic in nature which is to say, new depots are opened and old ones shutdown with the objective of matching the ever-changing market demands and maintaining optimum supply chain costs.

This year, after carefully analyzing the markets and possible alternatives, we opened 6 new distribution depots in Haryana, Uttar Pradesh and Uttarakhand and 15 new distribution depots in Rajasthan.

These new distribution depots are closer to our high sale customers and have resulted in considerable savings on secondary freight, which is the cost of transporting from the distribution depot to the customer's doorstep. Also, being nearer to our customers means covering a relatively shorter distance than before to reach them which in turn leads to faster replenishment. This is a vital benefit which is helping us to improve our market share in these markets.

### DEVELOPMENT OF FLEET OF SMALL TRUCKS

A significant proportion of Shree's cement dispatch requests are small delivery requests and for them it is more profitable to utilize smaller capacity trucks. This is because of their size, smaller trucks have higher maneuverability when compared to their larger counterparts and hence can use narrower city roads to deliver right up to the customer location.

In turn, savings on new depot and secondary freight costs, which are incurred if large trucks that cannot enter cities are used, can be realized. To build a fleet of small trucks, our teams held a number of meetings with our transportation partners and explained the advantage, even they would benefit from if they chose to invest in small trucks. This advantage was a faster return on their investment as a faster truck meant more trips and consequently more profits.

Special incentives like a preference in the cement loading queue at Shree were also offered to them to gain their trust and accelerate their investments. These efforts have led to increasing the size of our fleet of small trucks considerably, which in turn has resulted in further bettering our high customer servicing standards. Our customers are more than

happy to see that their requirements and time are being given our complete attention and respect. Hence, when the time comes to purchase again, they often end up choosing Shree again and again. Ultimately, apart from profitability, this initiative has also led to the capturing of a higher market share in key regions across Northern India.

### SIMULTANEOUS LOADING AND UNLOADING OF RAIL WAGONS

Earlier, there was a railway policy in place that restricted the loading of clinker at a railway station while the unloading of coal was happening at the same time. Due to this, there were unnecessary delays for our clinker loading teams who had to wait till the coal unloading teams finished their job.

To overcome this, we thoroughly analyzed the possible situation of simultaneously loading clinker and unloading coal and presented a detailed report to the railways. We successfully managed to convince them that changing their policy would not have any safety reduction or any other serious consequences as well.

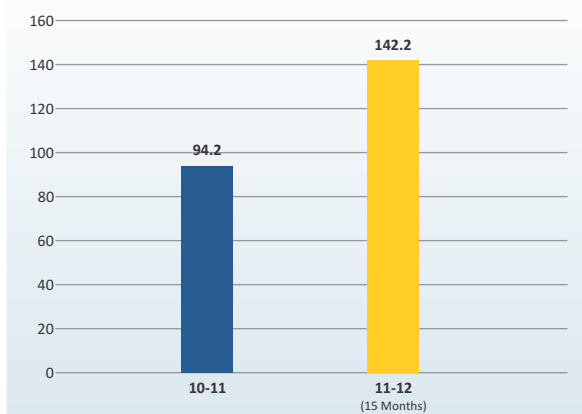
In what was a landmark decision, the railways changed this policy and allowed our loading and unloading teams to work at the same time. This has led to a significant time saving of 3 hours per clinker wagon.

### DEPARTMENT HIGHLIGHTS

- Scouting, surveying and mapping of multiple road routes by the logistics teams which has helped Shree to stay updated with the latest developments in road networks across the country. This in turn has led to a reduction of transportation costs as all drivers are now advised to take the new optimum routes discovered
- Modifications in our online transporter bidding system which has increased its speed, added functionalities and led to greater transparency in the process. Key among these improvements is a significantly reduced loading time of the bidding screen on the transporters' computers which has helped all transporters place their bids on time (within the bidding time window) in a convenient manner
- At the start of the year, our 25-member Loco operations team set themselves a challenge of ensuring a derailment-free month and successfully achieved it. This spurred them to set a subsequently bigger target of achieving three

continuous derailment-free months which again they achieved successfully. Confidence and self-motivation was riding high in the team and they set themselves their most ambitious target yet, ensuring six continuous derailment-free months. With persistent efforts and the high involvement of the entire team, even this target was reached, leading to one full derailment-free year. By setting themselves incrementally higher targets, the team worked steadily towards their ultimate target while also keeping themselves driven with high engagement along the way

CEMENT DISPATCHES (Lac Ton)





Strong financials have always been a backbone of support behind operations, growth and expansion at Shree. Externally also, our impeccable credibility in national and global financial institutions and across our vast supplier and vendor networks is well-acknowledged. We have earned the reput e of being fair, transparent and good paymasters.

We have been successful in reducing the cost of our borrowings by 23 basis points from 8.76% to 8.53%. This is in sharp contrast to the tight monetary policy stance of Reserve Bank of India (RBI) as during this period it increased the Repo Rate by 125 basis points. The total debt position of the company stood as follows:

As on	Long Term Debt		Short Term Debt*		Total	
	Amount	Interest	Amount	Interest	Amount	Interest
31.03.11	1600.92	8.74%	279.48	8.84%	1880.21	8.76%
30.06.12	1497.11	8.79%	534.99	7.79%	2032.10	8.53%

\*As per Bank

DEPARTMENT HIGHLIGHTS

- Receipt of a disbursement of US Dollar 20 million, 3 year ECB at LIBOR plus 160 basis points from a leading French Bank at a Fixed Coupon Rate of 8.76% inclusive of Exchange Risk. This was as against the alternative of a loan in INR which for the same duration had a cost of 11%
- Fuel imports at Shree are financed for 360 days under a Buyer's Credit Arrangement with various banks. The rates are on a fully hedged basis. The alternative was to finance the imports by utilizing Working Capital Limits at an interest rate of 11%. As a result, savings of 3.88% have been gained
- The total treasury investment during the period increased from Rs. 1196.46 crore to Rs. 2535.20 crore. The average yield also improved from 8.58% to 9.08% in tandem with market conditions. The company invests only in gilts, AAA rated debt securities and first class mutual fund debt

schemes with fixed maturities to minimize any credit default risk

- The long term credit rating of the company was reaffirmed as AA+ by CARE & CRISIL while the credit rating of short term debt was also reaffirmed as A1+ by CARE

Lender	Amount (Crore Rs.)	Rate%
Bank 1	88.79	7.17
Bank 2	25.42	4.33
Bank 3	65.13	5.25
Bank 4	55.14	7.62
Bank 5	191.27	7.67
Bank 6	34.24	8.70
TOTAL	460.00	7.12

- We continued to maintain our credit rating of SBBJ-1 (the highest possible rating) for working capital limits
- The constant need for Dollar denominated working capital financing due to large fuel imports can be best served by the induction of US Dollar Long Banks in our bankers' consortium. JP Morgan Chase and Bank of Tokyo-Mitsubishi have been inducted to overcome a potential roadblock of dollar unavailability to finance fuel imports
- Also, the RBI directive of following Base Rate benchmarked lending made it further imperative to look for domestic banks having lower cost of capital as it has a direct bearing on their Base Rate. The bankers' consortium has further been tweaked to increase the share of such banks
- Our working capital limits increased from Rs. 600 crore to Rs. 650 crore with a suitable interchangeability option between fund and non-fund facilities. Such large credit lines enabled the company to fully utilize the low cost purchase opportunities in imported fuel and maximize the use of cheaper dollar Buyers Credit mode of financing for working capital. Of course, all such exposures though for a maximum period of 360 days are also fully swapped to protect the INR cost
- Regular team interactions with external fund managers and research analysts to improve the market's awareness of the latest developments and successes at Shree. This helped in increasing our market capitalization by 46% despite the lackluster performance of the leading market indices





Effectively managing information enables the taking of timely and correct decisions, ultimately leading to competitive advantage. At Shree, we are constantly looking at ways to further adopt IT into our work and processes. This is because we intend to embed the high performance, efficiency and outreach that IT offers into the very core of our business. Information Technology or IT has grown over the past two decades probably more than any other field of knowledge. Such rapid development has meant that newer technologies, newer software and updates are being released almost on a daily basis. At Shree, we have focused to stay in sync with these developments with an objective to further improve the scope and performance of our knowledge processes and structures.

We also understand that every new offering of the IT domain will not necessarily be optimal for our requirements. Indeed, what works for one may not work for the other. What is more important to us than the fact that a given product or process is the latest is whether it is compatible or appropriate for our needs. This thinking has also resulted in high efforts to customize as much of our IT resource as possible to ensure that it is in congruence to our requirements.

## IN-HOUSE DEVELOPMENT OF MIS DASHBOARD

As against purchasing from an external vendor, our in-house IT team developed a fully-featured MIS Dashboard to monitor and analyze the plant running status, key plant parameters, plant dispatches and sales on one single screen. This has not only enabled a consolidated view of our operational status but

has also ensured updates on a real time basis. Earlier the collection and collation of this data used to take a minimum of 2-3 days but now it only takes a few minutes. This has resulted in improved decision-making as it is based on up to date values and figures. The dashboard can also be accessed from any of our plant locations.





IN-HOUSE DEVELOPMENT OF TARGET AND SALES REVIEW SYSTEM

Earlier, the details of our dealer wise targets and actual sales were recorded manually and hence collating many years' data and observing any probable trends was very tedious and time-consuming. Now, after developing an online version, it is much easier to retrieve and review dealers' performance which has resulted in improved forecasting and decision making. The performance of marketing teams can also be analyzed at a micro-level through this system.

DEPARTMENT HIGHLIGHTS

Continued performance enhancement of the ERP Solution at Shree with addition of new features such as system generated alarms and notifications which ensures that users are actively alerted with key happenings well in time to take suitable action.

Continued performance enhancement of our Freight Bill Passing System which has resulted in faster, smoother, error-free user experiences.

Almost 100% uptime of our ERP and other System Servers as well as various networks achieved. No data thefts / losses were detected during the year as a result of up to date data security systems.

Shree Manthan, our highly utilized and appreciated intranet crossed a key milestone of ten million hits.

Initiation of migration of old data (called legacy data) to a new centralized platform which is faster, more secure and more scalable / expandable in nature. Also initiated implementing NAC (Network Access Control) which will ensure that only virus free machines are allowed to access the corporate network.





Creating value for investors means delivering consistently high returns on their capital. This generally requires strong revenue growth, consistent profitability and maintaining good financial health without taking too much risk. This, in turn, can be achieved only if an organization's business is conducted on sound economic principles by leveraging its human and financial capital and leading to long term sustainability of the organization. Sustainable Value Creation is thus a basic underlying principle, a recognized measure by which an organization is judged for investment feasibility.

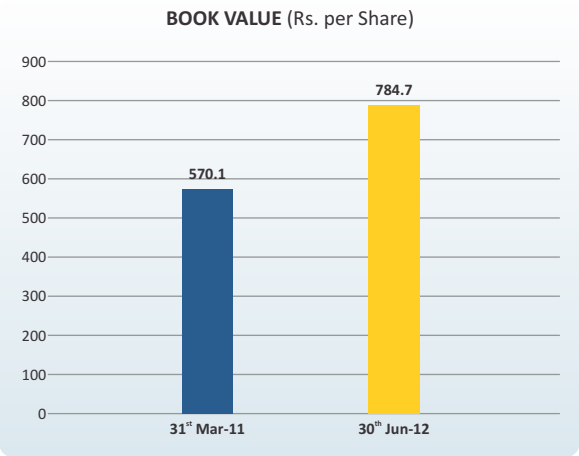
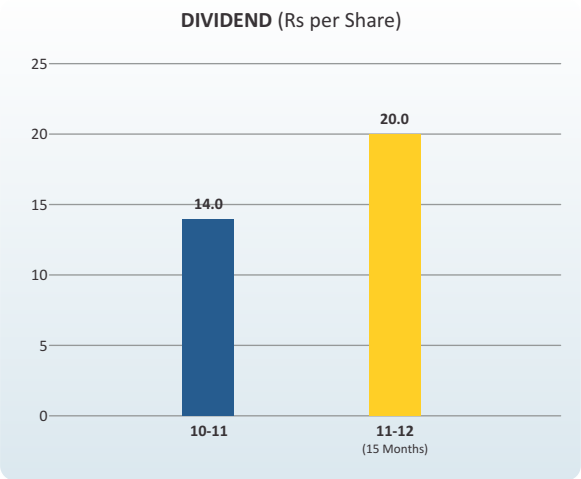
Shree's steadily rising net worth and profitability track record together with its solid financial condition is a testimony to the fact that its business is run on sound economic principles, thus creating sustainable value for its investors.

Retaining Investors Trust

Shree believes that sound Corporate Governance is critical to enhancing and retaining investors' trust. Investors develop their trust in a Company based on its quality and level of disclosure of meaningful information. Accordingly, Shree always ensures that it attains its performance goals with integrity and hence retains the trust of its investors over many a year. In its reporting to investors, Shree ensure complete transparency and maintains high disclosure levels. Our disclosure covers not only what is statutorily required but also gives a detailed and truthful

account of various facets of the Company's functioning so as to best help investors understand how the Company's business and operations are being carried out.

Our consistent growth in operations and business deliverables have aided in achieving a strong financial performance. The growth in book value of the Company in the past five years has been 40.7%. This strong financial standing together with our sound fundamentals of transparency, goodwill and integrity have further helped earn and retain the trust of investors in the Company.



Delivering Higher Returns Consistently

With its growing operations and consistent financial performance, our Company has been able to generate a better return on investment which is higher than what is ordinarily gained by investors. This is the reason as to why we keep our dividend payout ratio relatively lower and instead plough back the retained profits into the business itself. The average Return on Investment (Capital Employed) generated by Shree over last 5 years is 21.0%.

Rising Dividend

The Company shares the gains of its strong financial performance with its investors as is reflected in our consistently rising dividend payouts. Our dividend payouts have shown a compounded annual growth rate (CAGR) of 21.7% over the past five years.



At Shree, sustainable development is the only way forward. We have designed and redesigned our processes and operations continually to ensure that they are people and planet friendly while also economically beneficial at the same time. And we share our knowledge and success with competitors, local communities and all other stakeholders. Remarkably, this has not been a conscious effort. It is our intrinsic values and understanding of the roles businesses should claim responsibility to fulfill that is the driving force behind sustainability at Shree. We respect the fact that our environment is not ours alone and that even our success is not entirely from our own doing. It is just a natural progression then that we are looking to grow as an organization only after first ensuring the growth of our environs and all people too.

During 11-12, Shree was identified as world's New Sustainability Champions by the World Economic Forum (WEF) which is an independent international organization working in the field of sustainability; engaging business, political, academic and other leaders from society to share global agenda. This honour was a resounding affirmation of our commitment to sustainability over many years starting right from the way we defined sustainability and began this journey and has also awakened others in our industry, to realize our direction as the future of business worldwide. When looking to define sustainability, we took care to ensure that it was not defined as a process which is undertaken separately and apart from the organization's core activities. We believe a key uniqueness we share with other sustainability champions is this understanding that if sustainability is to be realized, it must be defined as the central foundation of all organizational activities.

As the world and especially emerging and developing nations begin to feel the direness of the environmental overload situation, it is becoming crucial for organizations to take up the mantle of improving energy efficiency and reducing resource consumption. We, at Shree, have readied ourselves to tackle this challenge through the use of innovative and efficient measures to achieve sustainability. We measure our business performance against the triple bottom line of economy, environment and social aspect. This for us means being very efficient and utilizing resources (people, input and machines) in an optimal manner. In fact, how we best understand sustainability is the ratio of input resources to the output products. This hence becomes a continuous process. In its iterative nature, you do something, you learn from it, you improve your systems, you sometimes fail, and you then do it again. It is only through this grind, that innovation with a focus on sustainability emerges. An example to strengthen the value of these iterations is our identity as one of the world's most energy efficient cement manufacturers.

#### LOW CARBON STRATEGY

Realizing that its operations are energy intensive, Shree has undertaken several initiatives and innovative practices which lead to low-carbon emissions. Keeping an eye on its growing business and to meet future challenges of green house gas emissions, we at Shree, have initiated a voluntary assessment of our green house gas emission foot print and evaluated options to minimize the same. This has led to the formulation of a Low Carbon Strategy which will help us to address future climate change regulations and identify profitable opportunities from environmental market based mechanisms. This strategy will also help Shree re-enforce its image as an environmentally responsible and proactive organization.

#### PARTICIPATION IN GLOBAL FORUMS ON SUSTAINABILITY

Shree actively participates at various global forums which are working on several issues concerning sustainability. It is the first cement Company in India to join the Cement Sustainability Initiative (CSI), of the World Business Council for Sustainable Development, Switzerland. CSI members deliberate and share information on issues such as climate change, environment, health & safety, alternative fuels & raw materials and their reporting to all stakeholders. During 11-12, we organized a meeting of CSI's Health and Safety Task Force at our plant in Beawar, Rajasthan. The meeting was attended by 14 international Health and Safety experts from countries like Belgium, Mexico, France, Germany, Brazil, Italy, Japan and Switzerland together with 11 Indian experts as well.

Extending its participation in India, Shree acted as the Co-Chair of CSI in India, which is working on various sustainability initiatives in India. This apart, Shree is also the Co-Chair of a group working under CSI in India for the development of a low carbon technology roadmap for the Indian cement industry. As part of the above low carbon technology roadmap of CSI in India, we recently signed an agreement with International Finance Corporation, Washington to conduct emission reduction technology roadmap studies at our plant. An assessment of our industry's energy performance and

emission levels and the technologies which can contribute to their reduction will be a part of this study and its results will help the entire industry.

#### IMPROVING ENVIRONMENT

Our Green Power Plants (GPPs) or Waste Heat Recovery Plants have a combined capacity of 46MW which is the largest such capacity in the global cement industry (excluding China). These GPPs have been generating green power by using the waste heat of our cement plants and thereby also eliminate GHG emissions and reduce fuel cost. During 11-12, our GPPs generated 341.6 million units as against 265.2 million units in 10-11. The operation of our GPPs have also resulted in saving 3.6 lac tons of fuel during 11-12 and in turn 4.3 lac tons of CO<sub>2</sub>.

Thermal power plants generate large quantities of fly ash which is discarded in landfills and hence cause harm to the environment. We at Shree are instead using fly ash as an additive in our manufacturing of cement and are hence helping conserve the environment in many ways. Neither are landfills needed anymore nor is the high volume of water used to mix the fly ash into slurry. Fly ash partially replaces clinker which is energy-intensive to produce and uses up limestone reserves. Hence the benefits of energy savings, conservation of limestone as well as reduced CO<sub>2</sub> emissions (32.87 lac ton during 11-12 as against 22.65 lac ton in 10-11) are also accrued by utilizing fly ash.

With our committed focus on improving the environment around us, we have planted nearly 38,000 saplings during 11-12.

As a result of our multiple initiatives and efforts, our specific CO<sub>2</sub> emissions during 11-12 came down significantly from 654 kg/ton of cement produced in 10-11 to 606 kg/ton.

#### SOCIAL DEVELOPMENT INITIATIVES

Shree has a full-fledged sustainability wing, manned by qualified professionals, which works towards the upliftment of underprivileged rural masses in a professional manner. One of its key focus areas is the promotion of healthy living among communities by providing efficient health and family welfare services.

Mamta Health Camps (Rural Medical Camps), providing free medical services and awareness to the needy, were a continued success with 2823 villagers being a part of 68 such camps this year. These camps also focus on population control





through awareness sessions for villagers on the possible improvement in quality of life through birth control, achieving a low infant and maternal mortality rate in the community overall and on healthy spacing between pregnancies. Further, Mamta Camps partners with the Block Health Department to effectively address prevailing issues such as the lack of antenatal and postnatal maternal care.

Shree also keenly promotes education as a driver to community development. Multiple education programs for children and adults, awareness workshops, exposure visits and the establishment of study centers have been continued with vigor this year. The Company operates eight education centers (Shree Ki Pathshala) for helping around 200 children, who never attended any form of schooling, with study materials and tutors in a one-year basic literacy program. 19 scholarships for ITI (Industrial Training Institute) were also offered to students in the district in order to promote a higher quality of technical education.

Another focus area for our sustainability wing is the optimum management of natural resources like land and water. Harnessing rain water to stem the extraction of ground water, utilizing land to its full capacity and improving green cover by mass tree plantation are some of the on-going successful

initiatives. This year, eight water harvesting structures were deepened, farm bunding (building of walls around an area to help liquid containment or prevent leaks and spillage from tanks and pipes) was accomplished in many villages and improved quality hybrid seeds and agricultural equipment like sprinkler sets, sprayers, chaff cutter were distributed in partnership with the Government's Agriculture and Horticulture Department, Pali. The active promotion of vermi-composting and construction of five vermi pits was also carried out.

Women empowerment is also actively promoted by Shree in the villages surrounding its operations. An initiative, the Shree Shakti Project has been established to help women in communities to form self-help groups and increase their awareness of women rights and equality. Currently, 485 women are a part of Shree Shakti.

The construction of multiple village roads, Khelies (open water storage tank to provide drinking water for animals), drinking water supply systems in four villages comprising submersible pumps, underground piping and electrical connectivity, community meeting sheds and two bird feeding shelters has also been carried out by the Company as part of its focus on the development of rural infrastructure.

#### RAINWATER HARVESTING AT SYNTHETIC GYPSUM PLANT

An indigenous system to collect rainwater on the roof of our synthetic gypsum plant was developed by using scrap materials. The collected water was transported through pipes (developed in-house) to the plant's water tank for use in the plant's operations itself. A total of 5,625 kilolitres of water has been collected since and utilized which has helped in reducing the plant's external water supply requirements. Our next aim is to harvest enough rainwater so as to match 100% of the plant's water requirements.

#### SUSTAINABILITY REPORTING

During 11-12, we released our seventh Corporate Sustainability Report (CSR) in line with our commitment to following the triple bottom line approach to business management and reporting the same to all our stakeholders. The report has been independently assured by KPMG India and achieved the highest level rating of 'A+' from the Global Reporting Initiative (GRI).

We won the FE - EVI Green Business Leadership Award, 2011 which is instituted jointly by the Financial Express and Emergent Ventures India (an integrated climate change company). The award was given in recognition of our initiatives and practices towards Climate Change & Environment, Natural Resource Management & Corporate Governance and Stakeholder Engagement & Disclosure

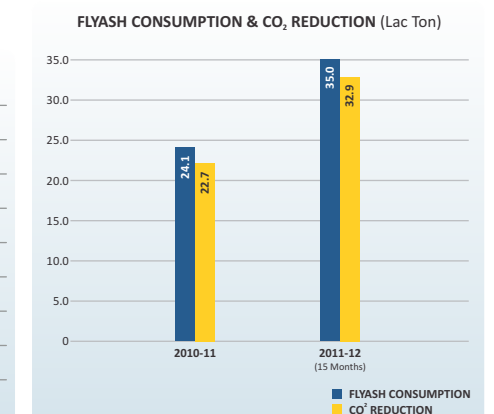
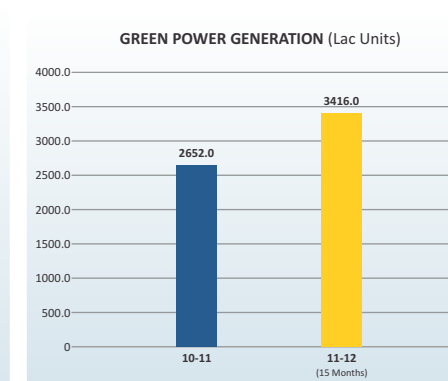
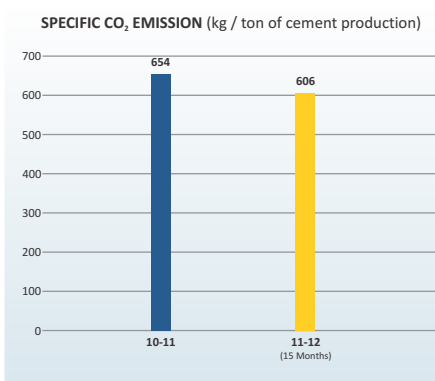
We also won the prestigious Jamnalal Bajaj Award 2010 for fair business practices in the category of large manufacturing enterprises. This was in recognition of our performance in the areas of Customer Satisfaction, Customer Communication, Employee Motivation, Supply Chain Systems, Environment Protection, Corporate Social Responsibility and Compliance with Laws.

Organization of study classes where over 800 students were tutored by our own employees on school subjects to strengthen their grasp on them as well as on career opportunities and planning

Provision of infrastructure support to around 7 schools including lighting facilities in playgrounds, seating arrangements and drinking water structures. Water is also supplied to these drinking water structures with the help of tankers. These initiatives have benefitted nearly 2200 students

Organization of eye camp for over 350 people at the Central Academy School, Bangur Nagar by the Shree Ladies Club

The Shree Youth Club took many social initiatives that were well received and highly participative including celebration of Women's Day for the Shree Ladies Club, organization and volunteering in a 5-day eye camp and the honoring of Earth Hour wherein lights were completely shut off across the plant in a bid to contribute to reduction in global warming. The Youth Club was also active in organizing the 2<sup>nd</sup> SCLympics at Beawar which saw 160 people participate with their families in interesting games like tag team running, treasure hunt, thread and needle etc. The games were concluded with a cultural evening and prize distribution function.







Commendation Certificate by CII-ITC for its achievements on the journey towards sustainable development



Jamnalal Bajaj Award for Fair Business Practices



ICWAI National Award for Excellence in Cost Management



Nirmata Rajya Mitra Award by Department of Taxes, Govt. of Rajasthan for maximum tax payment for the year 2010-2011 in "manufacturer" category



Green Business Leadership Award by FE-EVI



Best Environmental Excellence in Plant Operation Award by NCCBM



National Water Management Award by CII



Second best Quality Excellence Award by NCCBM



**Shri B.G. Bangur,**  
Chairman



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



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



**Shri O.P. Setia,**  
Director

## Shri B.G. Bangur, Chairman

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 Marwar Textile (Agency) Pvt. Ltd. He has also been actively associated with various philanthropic and charitable institutions and trusts.

## Shri H.M. Bangur, Managing Director

Shri H.M. Bangur is a Chemical Engineer from IIT, Mumbai 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.

## Shri R.L. Gaggar, Director,

Shri R.L. Gaggar is a B.A. (Hons) from Kolkata University and is a renowned solicitor and advocate based in Kolkata. He is practicing as a solicitor and an advocate at the High Court of

Kolkata for more than past 50 years. Mr. Gaggar is also on the Board of Somany Ceramics Ltd., Sarda Plywood Industries Ltd., TIL Ltd., 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. and Machino Polymer Ltd.

## Shri O.P. Setia, Director

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, Director

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.

## Dr. Y.K. Alagh, Director

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 currently the Chancellor of Nagaland University, Chairman of Institute of Rural Management, Anand, Gujarat and Vice Chairman of Sardar Patel Institute of Economic and Social Research, Ahmedabad. He is a trustee of Rajiv Gandhi Foundation, New Delhi. He is also Chairman 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. He is on the Board of Tata Chemicals Ltd., Somany Ceramics Ltd. and Rallis India Ltd.

## Shri Nitin Desai, Director

Shri Nitin Desai is 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.

## Shri Mahendra Singhi, Executive Director

Shri M.K. Singhi is a fellow Chartered Accountant and a Science and Law Graduate. He joined the Company as President in January, 1995 and has 34 years experience of working at senior positions. He is the leader of Indian Cement Sector Task Force for Energy Conservation, appointed by Bureau of Energy Efficiency, Ministry of Power, and Government of India. He is a member of Cement Sustainability Initiative (CSI) of World Business Council for Sustainable Development.. He is the President of Rajasthan Cement Manufacturers Association. He is the Chairman of Cement Sub-committee of FICCI. He is also Member of Sectoral Expert Committee for Cement Sector constituted under Perform Achieve & Trade (PAT) Scheme (A part of National Mission on Enhanced Energy Efficiency covered by the Prime Minister's National Action Plan on Climate Change). He is also on the Board of Shree Cement Marketing Limited.

## Shri Prashant Bangur, Whole Time Director

Shri Prashant Bangur is a graduate from the Indian School of Business, Hyderabad. He joined Shree Cement on 22<sup>nd</sup> June, 04 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 from 23<sup>rd</sup> August, 12. He is also a director in Khemka Properties Pvt. Ltd.



**Shri Shreekant Somany,**  
Director



**Dr. Y.K. Alagh,**  
Director



**Shri Nitin Desai,**  
Director



**Shri Mahendra Singhi,**  
Executive Director



**Shri Prashant Bangur,**  
Whole Time Director



**SUSTAINABILITY POLICY**

To produce quality cement in an eco-friendly, healthy & safe working environment in a socially responsible manner with continual improvement in performance and profitability to the satisfaction of all stakeholders by ensuring:

- Customer satisfaction
- Clean and green environment
- Sound health and safe working practices
- Compliance to the applicable laws and respecting the international instruments
- Implementation of the systems and continually improving their effectiveness
- Adoption of cost-effective technologies and practices for improved productivity and profitability
- Mutually beneficial stakeholders' relationship
- Human resource satisfaction

*"AN ENERGY & ENVIRONMENT CONSCIOUS SUSTAINABLE ORGANIZATION"*

**HIV / AIDS POLICY**

Being a socio-economic issue concerning stakeholders of the society Shree Cement is committed to:

- Create awareness on HIV / AIDS and its prevention among all stakeholders of the society
- Treatment of HIV / AIDS infected patient in the Company's Dispensary without any discrimination

**QUALITY POLICY**

To provide products conforming to National standards and meeting customers' requirements to their total satisfaction.

To continually improve performance and effectiveness of quality management system by setting and reviewing quality objectives for:

- Customer satisfaction
- Cost effectiveness

*"JO SOCHE, WOH PAAVE"*

**SOCIAL ACCOUNTABILITY POLICY**

To operate in a socially responsible manner and focus on continual improvement of workplace conditions by:

- Conforming to all the requirements of SA 8000 standard
- Respecting the international instruments for Social Accountability and complying with all applicable laws

**ENERGY POLICY**

To continue to ensure energy sustainability, we are committed to:

- Continual reduction of specific energy consumption
- Utilization of alternate and renewable energy sources especially to produce green power
- Adoption of eco-friendly and more energy efficient technology
- Low carbon economy through regular energy audit and implementation of corrective actions
- Data collection, analysis, monitoring and supporting system for continual bench marking and improvement
- Compliance of all applicable legal and other requirements

*"ENERGY SAVING: A PROFITABLE WAY TO REDUCE GLOBAL WARMING AND TO REMAIN SUSTAINABLE"*

**ENVIRONMENT POLICY**

To ensure:

- Clean, green and healthy environment
- Efficient use of natural resources, energy, plant and equipment
- Reduction in emissions, noise, waste and green house gases
- Continual improvement in environment management
- Compliance of relevant environmental legislations

*"CLEAN AND GREEN IS PROFITABLE"*

**INFORMATION TECHNOLOGY (IT) POLICY**

To create a robust IT platform that would focus on better efficiency & transparency in a constantly changing and competitive business environment.

**HUMAN RESOURCE POLICY**

We at Shree Cement are committed to:

- Empower people
- Honour individuality of every employee
- Non discrimination in recruitment process
- Develop competency
- Employees shall be given enough opportunity for betterment
- None of the person below the age of 18 years shall be engaged to work
- Incidence of Sexual Harassment shall be viewed seriously
- Statute enacted shall be honoured in letter & spirit & standard Labour Practices shall be followed. Every employee shall be accountable to the law of the land & is expected to follow the same without any deviation
- Management will appreciate observance of business ethics & professional code of conduct
- To follow Safety & Health, Quality, Environment, Energy Policy

**WATER POLICY**

To provide sufficient and safe water to people & plant as well as to conserve water, we are committed to efficient water management practices viz:

- Develop means & methods for water harvesting
- Treatment of waste discharge water for reuse
- Educate people for effective utilisation & conservation of water
- Water audit & regular monitoring of water consumption

**HEALTH & SAFETY POLICY**

To ensure Good Health and Safe Environment for all concerned by:

- Promoting awareness on sound health and safe working practices
- Continually improving health & safety Performance by regularly setting and reviewing objectives & targets
- Identifying and minimising injury and health hazards by effective risk control measures
- Complying with all applicable legal and other requirements

*"PROSPERITY THROUGH HEALTH & SAFETY"*

*"WATER ADDS VALUE TO PEOPLE & ORGANIZATION, CONSERVE IT INTELLIGENTLY"*

FIVE & TWENTY FIVE YEARS HIGHLIGHTS

Five Years Financial Highlights

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12 (15 Months)
Production (in Lac MTs)					
Clinker (in Lac MTs)	46.23	64.18	80.45	74.65	102.88
Cement (in Lac MTs)	63.37	77.65	93.72	94.28	142.02
Sales (Clinker & Cement) (in Lac MTs)	66.05	84.50	102.47	102.65	148.69
Sales (Power)(in Lac Kwh)	-	1171	2636	5240	13223
Energy Consumption					
Power (Kwh / PT Cement)	79.35	76.72	75.25	79.26	76.86
Fuel (% of Clinker)	11.34	10.75	10.64	11.74	11.28
Rs. in Crore					
Sales - Gross	2440.32	3091.60	4014.09	3879.45	6577.37
Other Income	76.84	39.15	75.84	125.10	162.78
Total Income	2517.16	3130.75	4089.92	4004.55	6740.15
Operating Expenses (inc. Excise Duty)	1577.91	2138.11	2511.57	2994.62	4931.61
Operating Profit	939.25	992.64	1578.35	1009.93	1808.54
Finance Cost	53.30	33.41	76.58	175.35	235.36
Profit before Depreciation & Tax	885.95	959.23	1501.77	834.58	1573.18
Less: Depreciation & Amortisations	478.76	205.39	570.43	675.76	873.09
Less: Exceptional items	38.88	30.93	63.43	48.47	12.34
Profit before Tax	368.31	722.91	867.91	110.35	687.75
Tax (including FBT)	122.65	136.87	193.83	(39.50)	66.73
Deferred Tax	(14.72)	8.07	(2.01)	(59.85)	2.52
Profit after Tax	260.37	577.97	676.10	209.70	618.50
Basic and Diluted EPS (in Rupees)	74.74	165.91	194.07	60.19	177.54
Cash EPS (in Rupees)	207.94	227.18	369.77	236.99	428.88
Investment (Gross Block + CWIP)	2205.26	2734.80	3918.28	5069.90	5516.42
Net Block*	759.96	626.86	751.95	1167.06	1521.06
Shareholders' Fund*	672.81	1210.02	1833.24	1986.18	2733.93
Total Capital Employed*	2003.50	2706.17	3939.48	4241.29	4825.27
Return on Net Worth (%)	36.51	48.43	36.77	7.54	18.17
Return on Avg. Capital Employed (%)#	24.88	32.12	28.42	5.09	14.51

\* Excluding Revaluation Reserve  
# Return on Average capital employed has been calculated after adding additional depreciation.  
Figures have been regrouped/rearranged wherever necessary

Twenty Five Years Highlights

Year		Clinker Production Lac MT	Cement Production Lac MT	Cement Sales Qty. Lac MT	Gross Sales Value (in Rs. Cr.)	Net Worth (in Rs. Cr.)	Book Value (Rs. per share)
1986		6.34	7.16	7.04	66.72	16.66	10.82
1991-92		6.90	7.64	7.53	134.97	46.24	22.25
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	6577.37	2733.93	784.77
Absolute No. of Times	25 Years	12.98	15.87	16.14	78.87	131.25	58.02
	20 Years	11.94	14.87	15.09	38.99	47.30	28.22
	15 Years	9.53	11.98	12.22	26.19	15.02	15.02
	10 Years	3.80	4.72	4.73	9.94	7.61	8.18
	5 Years	2.35	2.37	2.35	3.26	4.81	4.81
CAGR	25 Years	10.80%	11.69%	11.77%	19.09%	21.54%	17.64%
	20 Years	13.20%	14.45%	14.54%	20.10%	21.27%	18.17%
	15 Years	16.22%	18.00%	18.16%	24.32%	19.80%	19.80%
	10 Years	14.28%	16.78%	16.81%	25.81%	22.50%	23.38%
	5 Years	18.61%	18.81%	18.65%	26.68%	36.92%	36.92%

\* Sales value includes amount of power sale.  
Note: 1. Net Worth is net of revaluation reserve.  
2. Figures regrouped and rearranged wherever necessary.  
3. For calculating the Return in Absolute No. of Times, figures have been annualised wherever necessary.



# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

The Members,

We have pleasure in presenting this Directors' Report of the company for the 15 months period ended 30<sup>th</sup> June, 2012. The Management Discussion and Analysis also forms part of this report.

## Financial Results

During the year, the Board decided to change the Accounting year of the company from “period ending March” to “period ending June”. Consequently, the accounting year for 2011-12 is of 15 months (from April 11 to June 12). Brief summary of the Company's financial performance is as under:

Rs. in Crore		
Particulars	2011-12 (15 Months)	2010-11
Revenue from operation	5898.12	3453.53
Profit Before Depreciation, Interest and Taxes	1808.54	1009.93
Profit before Tax	687.75	110.35
Tax Expense	69.25	(99.35)
Profit after Tax	618.50	209.70
Balance of Profit & Loss brought forward from previous year	1139.09	1136.15
Profit available for appropriation	1757.59	1345.85
Appropriations:		
Interim Dividend	41.81	20.90
Proposed Final Dividend	27.87	27.87
Dividend Distribution Tax		
- Interim Dividend	6.78	3.47
- Proposed Final Dividend	4.52	4.52
Transferred to Debenture Redemption Reserve	300.00	125.00
Transferred to General Reserve	285.00	25.00
Surplus carried to Balance Sheet	1091.61	1139.09

## Dividend

The Directors are pleased to recommend a final dividend @ Rs. 8 per share. Together with two interim dividends of Rs. 6/-per share each, total dividend for 2011-12 (15 months period ended 30<sup>th</sup> June, 12) would be Rs. 20 per share as against Rs. 14 per share paid for the year 2010-11 (12 months). The total outgo on dividend payment for the 2011-12 amounts to Rs. 80.98 Crore including dividend distribution tax of Rs. 11.30 Crore as against Rs. 56.76 Crore including dividend distribution tax of Rs. 7.99 Crore of 2010-11.

## Economic Scenario and Outlook

India's growth faced a three-year low with the GDP growing at just 6.5 per cent in 2011-12 (April 11- March 12), as compared to 8.4 per cent in the previous two years. With services continuing to perform well, the economic slowdown can be attributed mainly to weakening industrial growth and to some extent to agriculture. The Index of Industrial

Production (IIP) grew at 3.4 per cent for the period April 11 - March 12 as against 7.2 per cent during 2010-11. During April - May 2012, IIP growth further plummeted to 0.8 per cent which is not a good sign for industrial growth. Within industry, the manufacturing sector grew by 2.5 per cent during April 11 - March 12 compared to 7.6 per cent recorded in 2010-11. The weak performance of industrial sector is partly attributed to declining investment rates, high inflation and interest rates.

Inflation was high at around 9 per cent during April 11 - March 12. Though, during quarter ended June 12, inflation softened a little, to around 7.50 per cent, it still remained higher than comfort level of Reserve Bank of India. Food inflation has been particularly of concern. In order to curb inflationary pressures, RBI has kept the policy rates high which kept the interest rates high and slowed down the growth especially of industrial sector of the country. The inflationary conditions and resulting high interest cost are still continuing. The monsoon has been poor this year so far, which will add further pressure on food inflation. Accordingly, the year 2012-13 is also likely to end with low economic growth. This does not augur well both for cement industry as well as the power sector.

## Cement Industry Developments and Outlook

During first six months of 2011-12 (April 11- June 12), the general economic slowdown, high interest rates, less government spending coupled with good monsoon impacted real estate, infrastructure and other construction projects resulting in moderation in cement demand growth to around 3 per cent. Construction activity however picked up subsequently resulting in cement demand recording healthy growth. Overall the cement industry clocked a growth of around 7.5 per cent during 2011-12 (15 months) which is better than 4.8 per cent recorded in the previous year.

Costs especially power & fuel and freight have increased during 2011-12. This was mainly driven by international fuel prices which remained high during most of 2011-12 although showing some moderation towards end of the year. Sharp depreciation of rupee at the same time has added to the cost of imported fuel. The general inflation and high interest cost have caused rise in costs of other inputs and overheads also.

In order to give much needed impetus to the slackening infrastructure space, the Planning Commission has projected an investment of over Rs 45 lakh crore (about US \$ 1 trillion) during the Twelfth Plan (2012-17). Infrastructure projects such as the dedicated freight corridors, upgraded and new airports and ports, large number of highway projects are expected to enhance the scale of economic activity, leading to increase in cement demand. Based on Report of a Working Group on Rural Housing formed by the Planning Commission for Twelfth Plan, a shortage of 40 million dwelling units has been estimated in rural areas. A similar report of a Working Group formed for Financing Urban Infrastructure has estimated shortage of 29 million units for affordable housing in urban area during Twelfth Plan. These shortages are expected to drive housing demand both in rural and urban areas which, in turn, will help in driving cement demand.

The cement industry is thus likely to grow in tandem with the national economic growth in the medium to long term. This is corroborated by the recommendations of the Working Group on Cement Industry constituted by the Planning Commission for the Twelfth Plan.

## Power Sector Development and Outlook

India continued to face high deficit both in terms of peak as well as base energy. The peak and base energy deficit were at 11.1 per cent and 8.5 per cent for 2011-12 (April 11 - March 12) vis a vis 9.8 per cent and 8.5 per cent respectively for the same period last year. During quarter ended June 12, the peak deficit moderated to 8.6 per cent and base energy deficit dropped a little to 8.1 per cent.

Greater participation from private sector accelerated new capacity addition, but the issue of fuel availability and transmission bottleneck continued. There are many gas based power projects which are operating at much lower capacity than rated as gas availability has deteriorated. Similarly many coal based power projects are forced to operate on costly imported coal as domestic linkage coal supply is not adequate, leading to high cost of generation. Southern India is facing acute power shortages. Although other regions have surplus power, the same can't be fully transferred due to transmission constraints resulting in significant mismatch in merchant power prices. Further, because of un-remunerative tariffs, the State Electricity Distribution Companies (Discoms), which are the main buyers of power in India are facing acute financial crisis. They prefer to apply power cuts rather than buy

expensive power for which there is very little cost recovery. All the above factors have led to a situation where, while power can be generated (i.e. supply is available), the power plants are required to operate at a low load (as either fuel is not available or Discoms refrain from buying). In fact low plant load factor of power plants has become a norm. As a result of low power purchase by the Distribution Companies, the merchant tariff during the year remained low in the range of Rs. 3.50 - 4.00 per unit.

The silver lining is that the RBI and power ministry are forcing Discoms into reforms by regulating bank funding. There are reports that the Ministry of Power is finalizing a loan restructuring programme spread over three-seven years under which the State Governments of the respective Discoms will issue bonds for part of their losses and there will be deferment on some part of the principle repayment obligation. Also filing of Annual Revenue Requirement and consequently tariff increases has become mandatory for all Discoms. Already many of the Discoms have gone in for tariff increases / have proposed increase in their tariffs to Regulatory Agencies. All these measures should lead to much needed increase in tariffs thereby increasing revenues of the Discoms. With improvement in financial position, the Discoms are expected to enhance their power purchases leading to up-tick in power demand.

## Performance Highlights

The Company's operating and financial performance during 2011-12 vis-à-vis 2010-11 was as hereunder:

Particulars	Unit	2011-12 (15 Months)	2010-11	+/-% (Annualized)
Cement Sale	Lac Tons	142.06	93.38	21.7
Clinker Sale	Lac Tons	6.64	9.26	(42.6)
Cement & Clinker Sale	Lac Tons	148.69	102.65	15.9
Power Generation	Million Units	2342	1240	51.1
Power Sale	Million Units	1322	524	101.8
Revenue from operation	Rs. Crore	5898.12	3453.53	36.6
Operating Profit (EBIDTA)	Rs. Crore	1808.54	1009.93	43.3
EBIDTA Margin to Revenue	%	30.7	29.2	-
Net Profit	Rs. Crore	618.50	209.70	136.0

Cement

On the back of a good momentum in cement demand in the later part of the Year, the performance of cement business of the Company improved during 2011-12. Company's cement sales volume grew by 21.7 per cent (annualized) during the year to 142.06 lac tons as against overall industry growth of approx. 7.5 per cent. Increased brand visibility and faster delivery practices amongst many other customer focused initiatives helped the Company in achieving this healthy growth. This apart, strong demand helped the Company in improving its overall price realizations. The cement realization improved by about 12 per cent during 2011-12. With higher than industry growth, Company improved its market share on all India basis from approx. 4.5 per cent in 2010-11 to approx. 5.0 per cent during 2011-12.

On the cost front, there was increase across all input costs driven by general inflation as well as other specific factors. Fly Ash and Gypsum, both are key bought out raw materials in cement production. Fly Ash cost went up on account of high transportation cost and sourcing from longer distances. Gypsum cost also rose on account of increase in its prices as well as higher incidence of royalty. During 2011-12, the imported fuel prices were up on account of depreciation of the Indian rupee and increase in fuel prices in international markets. As a result, the cost of Power and Fuel which constitute major part of cost of production were up during the year. This impact could be neutralized to some extent by greater efficiency in use of power and fuel in operations. Power Consumption per ton of cement was brought down to 76.86 units from 79.26 units in the previous year. Fuel Consumption was also got reduced from 834 Kcal per kg of Clinker to 794 Kcal in 2011-12.

There was increase observed in freight cost also. The Railway freight cost was up by about 14%. The road freight also went up on account of increase in diesel prices as well as overall inflationary pressures.

Power

During 2011-12, Company commissioned its 300 MW (2 x 150 MW) capacity Thermal Power Plant at Beawar, Rajasthan. Company also takes pride in sharing the World record breaking accomplishment attained by it by completing the first unit of this plant in 21 months and 20 days as against normal commissioning period of 32 months and best achieved time of 28 months for power plants of such size. This unique feat was achieved through meticulous planning, careful monitoring of project execution against time and budget schedules, and innovative management practices. Team work and high motivation levels of the project execution people as also unstinting support received from vendors and contractors also played a key role. This distinct achievement will serve as a new benchmark for other projects in the power sector.

With commissioning of the above 300 MW power plants, Company has been able to ramp up its power generation and sales volumes. The net power generation during the year increased to 2342 Million Units (15 months) vis-à-vis 1240 Million Units in previous year. The power sale also went up from 524 Million Units in 2010-11 to 1322 Million Units in 2011-12 (15 Months) showing an annualized increase of 102 per cent. The power sale was affected because of financial constraints faced by Discoms resulting in lower power procurement by them. Company is making efforts to enter into advance sales arrangements to increase its sales volume during 2012-13. Company has taken several steps to optimize the operations of the 300 MW Power Plant. Already it has achieved one of the lowest auxiliary consumption of 6.26 per cent in a month from this plant against the industry standard of around 9 per cent.

Power Trading

The power trading activities undertaken by the Company showed all round growth during the year. Company executed several power trading deals for sale and purchase as well as banking of power for third parties. The power trading volume carried out for third parties including banking transactions during the year increased from 418 Million Units to 1283 Million Units during the year. The commission and other income generated from power trading activities rose to Rs.6.26 Crore during 2011-12 (15 months) vis-à-vis Rs.2.14 Crore during the previous year. Through its regular update on market trends and happenings and timely interactions with the utilities, the Power Trading activities also helped Company in raising its sales volumes from its own power plants.

New / Expansion Projects

Keeping in view the expected growth in cement demand as also for further improving its market share in North India, Company has decided to increase its cement capacity further. Considering that sufficient land is available at its existing plant sites at Beawar, Ras and grinding units as well as looking to the intricate and time-consuming process involved in allotment of land, registration, conversions, clearances from various authorities etc, it has been decided to set up clinker plants at Ras and cement grinding plants at existing and new places. As a first step in this direction, Company has decided to set up two clinker manufacturing units (IX & X) of 2 Million Ton Per Annum (MTPA) each at Ras in Rajasthan. Company has got sufficient limestone reserves to meet its present as well as future needs at Ras. The locations for cement grinding capacity is under finalization based on the demand potential in the relevant markets, logistics optimization, better servicing, cost of production and other factors.

The Company has also undertaken setting up a cement grinding unit in the State of Bihar. Company also plans to set up a clinker cum grinding unit (integrated unit) in the State of Chhattisgarh for which necessary pre-project activities are being undertaken. As soon as these activities are completed, the Company shall undertake the project implementation activities. The clinker requirement for Bihar Grinding Unit will also be met through this integrated unit.

Internal Controls

Your Company remains committed to ensuring an effective and comprehensive internal control system. Company has an Internal Audit department and has also engaged the services of a professional firm to carry out internal audit spanning all production units and functions. All business processes are covered in the audit process and controls are continually reviewed and strengthened. Business as well as process risks, if any, are dealt with immediately and adequately addressed. The control systems are regularly reviewed by the functional heads who are required to certify the effectiveness and adequacy of the systems.

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

Sustainability - Triple Bottom-line approach

A. World's New Sustainability Champion:

Sustainability is at the core of Company's business - i.e from running efficient and profitable operations - to continual improvement in its environment footprint - to live up to its social commitment by using its capabilities to enhance the lives of its employees and society at large and - to collaborating with others to create sustainable solutions. As part of this approach, it has integrated sustainability into all its operations. It places lot of thrust on innovation and creativity. In recognition of its innovative business practices and solutions deployed with sustainable development objective, Company has been identified as World's New Sustainability Champion by the World Economic Forum (WEF). WEF is an independent international organization working in the field of sustainability; engaging business, political, academic and other leaders from society to share global agenda. WEF worked globally to identify Companies working on sustainable development objective. As part of this identification process, initially over 11 million projects / companies were examined from emerging economies. Out of these, 1000

Companies were selected through a screening process. Finally, after thorough study and interaction with Company management, 16 companies were identified as New Sustainability Champions. The study was shared at Summer Davos Summit held in Dalian, China in September-2011.

B. Green Power Plants

The 46 MW Waste Heat Recovery based power plants or 'Green Power Plants' (GPPs) (which is the largest such capacity in World Cement Industry, excluding China) have enabled Company to improve energy efficiency, eliminate GHG emissions and reduce fuel cost. During the year, GPP operations have saved 3.6 lac tons of fuel and in turn saved 4.3 lac tons of CO<sub>2</sub> which otherwise would have been emitted in the atmosphere due to use of fossil fuel. Driven by the success of GPPs, Company has increased its GPP capacity further by installing GPP boilers in its Clinkerisation (U-VIII) and plans to do the same in its upcoming clinker units.

C. Use of Alternative Fuel and Raw Materials

Company's R&D team continued its endeavor to experiment with use of alternative fuels and raw materials which offer a wide range of advantages such as helping in cost reduction, reduced emission levels, natural resource conservation and imparting an image of environmentally responsible corporate. On a broader level, it also helps in addressing disposal problem of hazardous wastes of other industry. During the year, Company carried out surveys and mapping of around 500 km radius surrounding its Plants at Beawar and Ras. Samples of more than 30 companies were collected and out of which 9 type of wastes from different industries were found to be suitable for use as alternative fuel or alternative raw materials. Liquid fuel (organic residue) was found most suitable as alternative fuel due to its high calorific value. Though its use was very challenging due to its very high viscosity, Company's R&D team addressed this issue with the help of other cross functional teams and was able to find a workable solution for use in kiln. Company is also exploring use of two other alternative fuels.

D. Formulation of Low Carbon Strategy

The cement manufacturing and thermal power generation both are carbon intensive operations. The Company thus places high importance on adopting measures and practices which lead to low-carbon emissions from its operations. Already, several initiatives have been undertaken in the past towards achieving this objective. The Company is fast expanding its business. In order to keep itself ready for meeting future challenges regarding green house gas emissions, it has undertaken a voluntary assessment of its green-house gas emission foot print and evaluated options to minimize the same. This initiative shall benefit Company in number of ways including preparing it to address future climate change regulations, re-enforcing its image as an environmentally-responsible and proactive company and helping identify opportunities to generate revenues from environmental market based mechanisms.

Company has also engaged itself with Cement Sustainability Initiative (CSI) in India and acted as its Co-Chair in the development of low carbon technology roadmap for the Indian Cement Industry. The International Energy Agency (IEA) in France is modeling data collected on the industry's energy performance and emission. An assessment of this, and the technologies which can contribute to emissions reductions, will help the cement industry and its stakeholders understand the potential CO<sub>2</sub> reductions from Indian cement manufacturers by 2050. As part of the above low carbon technology roadmap of CSI in India, Company has recently signed an agreement with International Finance Corporation,

Washington to conduct emission reduction technology roadmap studies at its plant.

E. Corporate Social Responsibility

Company is sensitive to the needs of the local community and the impact of its operations on them. Through formal and informal interactions, Company identifies their concerns and addresses them through focused CSR programs. The Company has undertaken several initiatives which include:

- Provision of 24x7 medical services and regular visits by Company doctors in nearby communities as well as conducting regular health care programs such as, polio vaccination camps, eye camps, weekly health camps etc
- “Mamta” project which deals with addressing the maternal and child mortality issues in nearby areas
- Education related initiatives such as “Shree ki Pathshala” under which education centres have been developed for drop out or non-school going children
- Infrastructure development of nearby areas by construction of roads, rooms at Govt hospital, renovation of buildings of gram panchayats, construction of water huts, water supply through tankers, plantations etc.
- Celebration of annual Sankatmochan Hanuman Temple function as cultural extravaganza

'Village Development Committees' have been formed for engaging in dialogue with the community whilst assessing their needs and for planning, monitoring and coordinating CSR activities accordingly. Company also engages with external agencies like NGOs and government bodies on the basis of the need and their ability to assist in its CSR programs.

Company's CSR programs also focus on building value for the communities by engaging with them to enable them enhance their means of livelihood. One such initiative is conducting workshops for farmers for imparting knowledge and training about latest techniques and methods in agriculture thereby helping them in their farming activities.

F. Occupational Health and Safety

Your Company has embedded Occupational Health and Safety as an inherent part of its business processes. The Company has health and safety policies which help it in creating awareness towards health and safety hazards and preventive measures thereby making it a safe place to work. All its plants have appropriate medical facilities. All major sites have qualified doctors. Safety training is provided to all employees prior to engaging them. Company regularly arranges training session for employees to create awareness about safe working practices, usage of appropriate safety equipments etc. Under the leadership of Executive Director, a mandatory safety meeting is conducted on every 1st day of the month with participation from all employees. Measures related to health, hygiene, safety and improvement of the working environment are reviewed in this meeting.

During the year, a meeting of the Cement Sustainability Initiative (CSI) Health and Safety Task Force was organized by Company for the first time in India. CSI works on climate change, environment, health & safety, alternative fuels & raw materials and their reporting to all stakeholders. Shree was the first Cement Company in India to join CSI in 2002. The meeting was attended by 14 International Health and Safety experts from countries like Belgium, Mexico, France, Germany, Brazil, Italy,



Japan and Switzerland together with 11 Indian experts. They represented various reputed cement plants of the world such as Holcim, Lafarge, Cemex, Heidelberg, Italcementi, Taheiyo Cement, Votorantim and Ultra Tech Cement. The meeting offered them an opportunity to share knowledge and discuss the best practices to ensure utmost safety in all business operations.

G. Human Resources

Company recognizes that its people are its core strength and its biggest performance catalyst. Company has created a work culture which strives to attract the best talent and provide a conducive environment for their personal and professional growth. Training is one of the means for providing enhanced capabilities and skills and preparing the talent for taking on greater responsibilities. During the year, total 89713 man hours of training was imparted which works out to 24.61 man hours per employee. A total of 19560 people were provided with multi skills training programmes to help them acquire cross functional expertise and use it through job enrichment and increased responsibilities. One of the knowledge sharing initiatives, 'imparting training by executives / senior leaders', enabled senior executives to impart training thereby sharing their expertise with their young counter parts and at the same time updating their own knowledge and skills. This initiative also gave young ones to share their thoughts / ideas with the executives of the Company at an open platform and synchronize their view with vision of the senior executives. To capture the effectiveness of such training programs and for further improvement, online feedback system has also been put in place for faster feedback and improvement.

H. Happy and Engaged Employees

Company makes every endeavor to generate happiness at work for its employees and ensure that its policies and culture keep them engaged at work by enjoying what they do. A Happiness & Wellness Centre has been created to help people freshen their minds and bodies and ultimately be happy at work.

In order to engage the human capital more happily and efficiently, Company has undertaken a project 'People First' and is availing the services of a leading global advisory firm to assist it in achieving the same. The project aims at studying entire range of people management processes with an objective of improvement in systems and procedures, competency modeling, defining career options and evaluation of engagement levels of the employees. The ultimate aim of the Company by this study is to ensure that its people work as a happy and motivated team. The improvement measures based on the outcome of the study shall be implemented during 2012-13.

Young talent tend to be more savvy with new technology, new knowledge and bring a fresh perspective to the work environment and are more open to developing new ways of doing things. With this objective, Company has placed thrust on attracting young people and is reckoned as a young organization. The average age of employee is 35.95 years.

People at Shree have recognized the high level of importance that they are given. In turn, they always ensure to put in more than their best efforts, every day at work.

Total number of employees as on 30<sup>th</sup> June 12 was 3778.

I. Corporate Sustainability Report

Company issued its 7<sup>th</sup> Corporate Sustainability Report, independently assured by KPMG India, for the year 2011 highlighting the work it has done across the three dimensions of the triple bottom line. Your Company has achieved the highest level 'A+' as per Global Reporting Initiative for reporting the 'triple bottom line' performance.

Risks / Concerns and Opportunities

Company has incorporated a Risk Management Framework to facilitate identification and effective addressal of all its business risks. As part of this framework, board members are regularly apprised of the risk assessment and mitigation procedures. Company, in fact views its risk management process more as opportunity identification and management process. The Key Risks identified by company are as below:

A. Supply Overhang due to New Capacity Additions:

During last 3-4 years, there has been rapid capacity addition in the cement industry which has made it challenging for the Company to maintain its market share. Although the pace of capacity addition has now slowed down, the risk of supply overhang still continues. Company has been able to weather this risk by enhancing its thrust on branding and advertising, improved consumer focussed practices and expanding its market reach.

B. Volatility in Power Sale Prices

As merchant power market has high price volatility, Company is exposed to volatile power price movements. Company actively manages this risk by keeping a close eye on market movements. Company has its own trading division which helps it track market movements and sell power with different parties.

C. Rise in Cost of Inputs

With increasing demand for fuel in India and internationally, cost of fuel for cement production as well as for power generation has been increasing. Cost of raw materials such as Gypsum and Fly Ash has also been increasing. Transportation cost has also risen in line with diesel prices and general inflation. The Company has taken several steps to meet these challenges through utilization of alternate raw material and fuel sources, increased energy efficiency and better logistics management.

D. Currency Risk

The exchange rates of Indian currency vis a vis foreign currencies are volatile which exposes the Company to forex risk on its foreign currency borrowings and Letter of Credits (L/Cs) for imports. Company, as a policy, hedges all its foreign currency borrowings through appropriate forward covers and swap instruments. All imports under letter of credit (barring some short duration or small amount L/Cs) are also hedged through appropriate forward cover.

E. Regulatory Risk

Competition Commission of India (CCI) has recently issued an order alleging existence of a cartel in the Cement Industry and imposed penalty on the Cement Companies including the Company. Though, the Company denies any such allegation as it is not at all indulged in any cartel or anti-competitive Agreement and shall appeal against the order of CCI, there may be false allegation of participating in cartel like activities. Consequently, there may be penal consequences and adverse publicity against the Company. The Company has consistently shown its ability to expand output, keep high rates of capacity utilization and work on marginal cost principles rather than any restrictive or monopolistic behavior. It believes through its practice to demonstrate its ability to competitively serve the nation in its quest for high growth through infrastructure expansion befitting a great modern economy.

Awards & Accolades

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

- a. Company's thrust on cost control, cost management techniques and effective Cost Management Systems & Practices were recognized and awarded at ICWAI National Award for Excellence in Cost Management-2010 where it bagged first prize in corporate sector under Private Manufacturing Units (Large) category. No other Company was selected under the said category for this award.
- b. Company also bagged the National Award for Excellence in Water Management 2011 instituted by CII in recognition of various initiatives undertaken towards water conservation such as installation of Air Cooled Condensers in power plants, Waste Heat Recovery Projects, construction of water harvesting structures for nearby communities etc.
- c. Company also won the Best Environmental Excellence Award in Plant Operation for 2009-10 and Second Best Quality Excellence award 2009-10 & 2010-11 by National Council for Cement and Building Materials (NCCBM), New Delhi.
- d. Company was granted "Nirmata Rajya Mitra Award" by Department of Taxes, Govt of Rajasthan for maximum tax payment for the year 2010-11 in "manufacturer" category. The Award was presented by Shri Ashok Gehlot, Hon'ble Chief Minister of Rajasthan.
- e. Company has bagged Greentech HR Gold Award 2011-12 for adopting "best strategy" in people management and processes.
- f. Commendation Certificate was conferred by CII - ITC on Company for its achievements on the journey towards Sustainable Development for the year 2011.
- g. Company won the FE - EVI Green Business Leadership Award, 2011 which is instituted jointly by the Financial Express and Emergent Ventures India (an integrated climate change company). The award was given in recognition of its initiatives and practices towards Climate Change & Environment, Natural Resource Management & Corporate Governance and Stakeholder Engagement & Disclosure.
- h. Company won the prestigious Jamnalal Bajaj Award 2010 for fair business practices in the category of large manufacturing enterprises. This was in recognition of its performance in the areas of Customer Satisfaction, Customer Communication, Employee Motivation, Supply Chain Systems, Environment Protection, Corporate Social Responsibility and Compliance with Laws.

Directors

Company deeply regrets the sad demise of Dr. Abid Hussain on 21<sup>st</sup> June, 2012. Dr. Hussain was a veteran economist and diplomat. He was known for his simplicity, depth, forthrightness and eloquence. During his association as an independent director on the Board of Shree Cement, since 2004, he made laudable contribution through his grander vision, proficient advice and able guidance. The Board of Directors would like to place on record its sincere gratitude to Dr. Hussain and appreciates the contribution made by him during his association with the Company.

During 2011-12, Shri B.G. Bangur who is one of the founder Directors and promoters of the Company expressed his desire to act as a Non-Executive Chairman and as such resigned from the position of Executive Chairman of the Company w.e.f. 23<sup>rd</sup> January 2012. Board while accepting the resignation of Shri Bangur from the Executive Chairmanship of the Company, re-appointed him as the Non-Executive

Chairman of the Company thereafter. The Board placed on record its appreciation for the valuable contribution made by him during his tenure as Executive Chairman.

In accordance with the provisions of the Articles of Association of the Company, (i) Shri O.P. Setia and (ii) Shri R.L. Gaggar, Directors of the Company, will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer them for re-appointment. The Board recommends their re-appointment.

Shri Mahendra Singhi was appointed as Executive Director for a period of five years which term will expire on 31<sup>st</sup> March, 2013. He is proposed to be re-appointed for another term of three years from 1<sup>st</sup> April, 2013. The Board recommends for his re-appointment.

Shri Prashant Bangur has been co-opted as Additional Director on the Board on 23<sup>rd</sup> August, 2012 and appointed as Whole-time Director for a period of five years from the same date. The term of appointment of Shri Prashant Bangur as additional Director shall expire at the ensuing annual general meeting in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company. He being eligible, offers himself for re-appointment. The Board recommends for his re-appointment.

Further details about these Directors are given in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

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 for the year ended 30<sup>th</sup> June, 2012 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 your Company as at 30<sup>th</sup> June, 2012 and of the profit and cash flow of your 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 your Company and for preventing and detecting fraud and other irregularities
- The annual accounts have been prepared on a going concern basis.

Auditors

The Statutory Auditors' of your Company M/s. B.R. Maheswari & Company, Chartered Accountants would retire at the ensuing Annual General Meeting. They have confirmed their eligibility under section 224 of the Companies Act, 1956 and willingness for re-appointment as Statutory Auditors of the Company.

The Board of Directors recommends the re-appointment of M/s. B.R. Maheswari & Company as Statutory Auditors from conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

The observations of the Auditors' in their report are self explanatory and, therefore, do not call for any further comments of the management on the observations of auditors.

Cost Audit

Pursuant to the directives of Central Government, your Company has appointed M/s. K. G. Goyal & Associates, Cost Accountants as Cost Auditors of the Company under section 233B of the Companies Act, 1956 for the year 2011-2012.

Transfer to Investor Education and Protection Fund

The Company has transferred a sum of Rs. 6.02 lacs during the year 2011-12 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 2003-04 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 of ensuing AGM.

Information of Unpaid Dividend on Shree Cement and Ministry of Corporate Affairs Website

Ministry of Corporate Affairs vide notification dated 10<sup>th</sup> May, 2012 has notified 'Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012', which mandates every company to submit information of unclaimed and unpaid dividend amounts as referred to in subsection (2) of Section 205C of the Companies Act, 1956 and also upload investor-wise details of unclaimed and unpaid dividend on website of the MCA as well of the Company.

For the year ended 31<sup>st</sup> March, 2011, the said information was required to be uploaded latest by 31<sup>st</sup> July, 2012 (further extended till 31<sup>st</sup> August, 2012). Company is duly complying with the above requirement and is uploading the investor-wise details of unclaimed dividend on IEPF portal of Ministry of Corporate Affairs (MCA) and website of the Company. **Shareholders are advised to visit the website of the Company viz. www.shreecement.in and check their unpaid / unclaimed dividend status and contact the Company for encashment if the same is depicting unpaid.**

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.

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 set out in the Annexure I forming part of this report.

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 II forming part of this report.

Cautionary Statement

*Statements in the Directors' Report and the Management Discussion & Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: demand and supply conditions of products Company deal with, affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and such other factors which are materials to the business operations of the Company.*

Acknowledgement

Your Directors take this opportunity to place on record the co-operation and support received from various agencies of the Central Government and State Government(s), various Government departments and agencies, financial institutions and banks. Your Directors thank and express their gratitude to various stakeholders i.e. customers, dealers, suppliers, transporters, advisors, local community etc. for their committed engagement with the Company. Your Directors further appreciate the support and co-operation received from the employees for their contribution to the growth and success of the Company. Your Directors further express their deep sense of gratitude to the Shareholders for their confidence, faith and trust in the Company.

Your Company's consistent growth has been made possible only through the dedication and support of all the above stakeholders and we expect this support and confidence to keep growing.

For and on behalf of the Board  
Place: Kolkata B. G. Bangur  
Date: 23<sup>rd</sup> August, 2012 Chairman

ANNEXURE-I

Statement of Particulars of Employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 30<sup>th</sup> June, 2012 (1<sup>st</sup> April, 2011 to 30<sup>th</sup> June, 2012).

EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN RS. 60,00,000/- PER ANNUM (RS. 75,00,000 FOR 15 MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE, 2012)

S. No, Name of the Employee, Designation / Nature of Duties, Remuneration (Rs.), Qualification, Age (Years), Experience (Years), Date of Commencement of Employment, Last Employment (Name of the Organisation, Position held)

- 1. Bangur H.M., Managing Director, 136601801, B.E. (Chemical), 60, 34, 01.01.1992, Shree Digvijay Cement Company Ltd., Financial Advisor
- 2. Singhi Mahendra, Executive Director, 55732240 B.Sc., LLB., FCA, 60, 34, 17.01.1995, Rajshree Cement - A unit of Indian Rayon & Industries Ltd., Sr. Vice President (Commercial)
- 3. Bangur Prashant, Executive President, 17323300, B. Sc., MBA, 32, 08, 22.06.2004, -, -
- 4. Bhandari Ashok, Chief Finance Officer, 14802310, B.Sc. (Hons.), FCA, 59, 34, 01.04.1990, PT Indo Rama Synthetics, Vice President (Finance)
- 5. Payal Diwakar, Jt. President (Marketing), 14669454, B. Tech., PGDM, 54, 30, 23.10.2001, Gujrat Ambuja Cements Ltd., Vice President (Marketing)
- 6. Chhangani P.N., Jt. President (Works), 9387886, B. Sc. (Chemical Engg), 52, 29, 03.04.2006, Holtec Consulting Pvt. Ltd., General Manager
- 7. Verma Kuldeep, Sr. Vice President (Marketing), 11210175, B.Com, M.B.A, 55, 31, 20.07.2009, ACC Ltd., Head Product Innovation & Large Buyer Business
- 8. Bhalla Arun, Chief Executive (Power Business), 9866278, PGD (Marketing & Sales Management), 61, 37, 15.02.2010, PTC India Ltd., Executive Director
- 9. Savoor Shrinath, Sr. Vice President (Strategy), 8432120, F.C.A., M.M.S. (Finance), 54, 32, 01.12.2009, Holtec Consulting Pvt. Ltd., Chief General Manager
- 10. Mehta Sanjay, Sr. Vice President (Comml.), 8292703, B.Com, FCA, 47, 24, 11.11.1995, Aditya Cement, Dy. Manager (Accounts)
- 11. Daga Gopal, Sr. Vice President (Project Management), 8160691, B. Com, 60, 42, 7.09.1994, Rilaxon (Division of Shree Digvijay Cement Company Ltd.), Vice President (Project)
- 12. Gandhi K.C., Sr. Vice President (Material Management), 7921715, B. Sc., 56, 34, 01.07.1991, Shree Digvijay Cement Co., Purchase Officer

EMPLOYED FOR PART OF THE FINANCIAL YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE OF NOT LESS THAN RS. 5,00,000/- PER MONTH

S. No, Name of the Employee, Designation / Nature of Duties, Remuneration (Rs.), Qualification, Age (Years), Experience (Years), Date of Commencement of Employment, Last Employment (Name of the Organisation, Position held)

- 1. Bangur B.G., Executive Chairman, 115398285, B.Com, 78, 59, 13.08.1992, Hasting Mill, A division of Shree Digvijay Cement Company Ltd., Chief Executive (Production and Development)
- 2. Sharma M.M., Sr. Vice President (Projects), 1548998, B. Sc. (Mech. Engineering), 62, 39, 15.06.1992, U. P. State Cement Corporation Limited, Manager (Maintenance)
- 3. Bhatnager Vikas Rai, Chief People & Wellness Officer, 385712, B.Sc., M.B.A., 47, 24, 11.06.2012, Minda Management Services (Minda Group), Group Chief Human Resource Officer

Notes:

- i) All appointments are contractual and terminable by applicable notice period as per contractual terms.
- ii) Remuneration includes salary, allowances, bonus, commission, perquisites (including medical, leave travel and leave encashment on payment basis and monetary value of taxable perquisites) and Company's Contribution to Provident and Superannuation Funds. In addition to the said remuneration, employees are entitled to Gratuity in accordance with the Company's rules.
- iii) Other terms and conditions are as per Company's Rules.
- iv) Shri H.M. Bangur is son of Shri B.G. Bangur and hence they are related to each other. Shri Prashant Bangur, Executive President of the Company is son of Shri H.M. Bangur, Managing Director and grand-son of Shri B.G. Bangur, Chairman. None of the other employees are related to Directors of the Company.
- v) Shri B.G. Bangur and Shri H.M. Bangur belong to promoters group. Shri Prashant Bangur, Executive President also belongs to promoters group. Except them, no employee was holding voting right of 2% or more of the company along with relatives during the year.



ANNEXURE-II

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosures 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, 2012 (1<sup>st</sup> April, 2011 to 30<sup>th</sup> June, 2012).

A. Conservation of Energy

a) Measures taken for conservation of energy

1. Partial modification of kiln string down comer duct in Kiln to reduce pressure drop
2. Installed 37.5 kw motor in parallel with 110kw motor in GCT in Kiln
3. Installation of additional by-pass duct at V-separator (cement mill) to reduce velocity of air flow towards V-separator and re-orientation of air flow through V-separator inlet duct in Cement Mills
4. Replacement of classified liner by thin liner in Cement Mill thereby increasing mill volume output and thereby reducing power consumption
5. Replacement of Dense Phase system by Mechanical conveying system consisting of Air Slide & belt conveyor for flyash feeding in Cement mill
6. Reduction of Fan power by adjusting Primary Air and Secondary Air fan air flow in Boiler
7. Reduction of Boiler feed pumps discharge pressure by opening Control valve full open with speed regulation through Variable Frequency Drive (VFD)
8. Interconnection of Lime and Ash handling compressors air line to reduce the unloading time of both compressors
9. Shut off of ESP Hoppers heaters considering the hopper temperature
10. Reduction in Boiler startup time by optimizing the resource utilization and system use
11. Provision of Power cycle make up in Exhaust device in place of Condensate storage tank
12. Installation of P-Cal Software System to monitor system losses online on DCS

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

1. Pre-heater and cooler up-gradation
2. Complete modification of PH- Kiln String down duct
3. K-Turbo blower for firing system
4. Installation of Variable Frequency Drives in some of small bag filter fans
5. Triplet cyclone in Kiln
6. Use of LED lights
7. Installation of Sonic Soot Blower in place of Steam Soot Blower
8. Replacement of Aux. cooling tower fan blades to FRP

9. Installation of Fin cleaning system inside of ACC tube bundles to clean them properly thereby conserving the ACC Fan power
10. Installation of Continuous Blow Down (CBD) water heat exchanger to heat up make up water
11. Installation of High capacity High efficiency Boiler feed pump
12. Installation of Plant Performance and optimization software to improve the power plant efficiency
13. Installation of pilot flue gas heat exchanger
14. Installation of Acoustic steam gas leak detection system

c) Impact of measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods

The measures stated in points (a) and (b) above, have resulted / will result in saving of energy used, both thermal and electrical as well as improvement of quality of cement and overall productivity.

d) Total energy consumption and energy consumption per unit of production

Information given in the prescribed form A annexed.

B. Technology Absorption

Information given in the prescribed form B annexed.

C. Foreign Exchange Earnings and Outgo

a) Activities relating to export, initiative taken to increase export, development 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

	Rs. in Crore	
	Current Year ended 30.6.2012 (April, 11 - June, 12)	Previous Year ended 31.3.2011 (April, 10 - March,11)
Used	814.31	535.27
Earned	-	-

ANNEXURE-II

Form - A (See Rule 2)

Form of Disclosure of Particulars with respect to Conservation of Energy

A Power and Fuel Consumption

Particulars	2011-12 (April, 11 - June, 12)	2010-11 (April, 10 - March, 11)
<b>1. Electricity</b>		
<b>a) Purchased</b>		
<b>i. From grid</b>		
Unit (Kwh in lacs)	991.56	653.32
Total amount (Rs. in Crore)	49.15	30.44
Rate / unit (Rs.)	4.96	4.66
<b>ii. From Energy Exchange</b>		
Unit (Kwh in lacs)	281.51	669.90
Total amount (Rs. in Crore)	10.94	26.14
Rate / unit (Rs.)	3.89	3.90
<b>b) Own Generation</b>		
<b>i. Through Diesel Generators</b>		
Units (Kwh in lacs)	5.04	3.53
Unit per Ltr. of Diesel	3.21	2.78
Cost / unit (Rs.)	14.30	16.13
<b>ii. Through Steam Turbine / Generators*</b>		
Units (Kwh in lacs)	10192.79	7160.26
Unit per Kg. of Fuel	2.96	2.45
Cost / unit (Rs.)	2.50	2.36
<b>2. Coal and other fuels</b>		
<b>a. Used in Kiln &amp; Calcliner</b>		
Quantity (in Lac MT)	11.61	8.77
Total cost (Rs. in Crore)	796.81	577.71
Average rate per MT (Rs.)	6865	6589
<b>b. Used in Steam Turbine / Generators</b>		
Quantity (in Lac MT)	3.45	2.92
Total cost (Rs. in Crore)	220.49	151.50
Average rate per MT (Rs.)	6395	5181

B Consumption per unit of production

Particulars	Standard (If any)	2011-12 (April, 11 - June, 12)	2010-11 (April, 10 - March, 11)
Product: Cement			
Unit: MT			
Electricity (Kwh / MT of Cement)	75 - 90	76.86	79.26
Coal and other fuel (% of Clinker)	15	11.28	11.74

\*a) Cost per unit of own generation (through steam turbines / generators) has been worked out considering power generated from waste heat recovery plants also

\*b) Total generation (net of auxillary) from Waste Heat Recovery Power Plants during 2011-12 was 3416 lac Units (2652 lac units for 2010-11). Out of the above generation by Waste Heat Recovery Power Plants, 2542 lac units for 2011-12 (1703 lac units for 2010-11) have been consumed for own consumption. The same is included in electricity consumed from own generation (through Steam Turbines / Generators)

ANNEXURE-II

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 activities carried out by the Company

We have continued to increase focus on R&D. Few initiatives are given below:

- a) Established Concrete Labs at various manufacturing locations of the Company for customer support
- b) Conducted trials of Alternative Fuels & Raw materials
- c) For measuring and controlling the particle size distribution of Cement in order to achieve the desired product performance and to optimize costs two more Particle Size Analyzer installed at Ras & Khushkhera
- d) Enhanced Cement mill production by air balancing in Separator system

4. Expenditure on R&D

2011-12 (Fifteen months period ended 30<sup>th</sup> June, 2012)

Particulars	Beawar	Ras	Khushkhera	Suratgarh	Laksar	Jaipur	Total
Capital Expenditure (Rs. in Crore)	1.86	1.92	-	-	0.02	0.03	3.83
Recurring Expenditure (Rs. in Crore)	7.10	3.58	0.80	0.41	0.53	0.15	12.57
Total Expenditure (Rs. in Crore)	8.96	5.50	0.80	0.41	0.55	0.18	16.40
Total R&D Expenditure as a percentage of turnover (In %)							0.31

2010-11 (Twelve months ended 31<sup>st</sup> March, 2011)

Particulars	Beawar	Ras	Khushkhera	Suratgarh	Laksar	Jaipur	Total
Capital Expenditure (Rs. in Crore)	10.48	-	-	0.27	-	0.35	11.10
Recurring Expenditure (Rs. in Crore)	5.16	1.57	0.69	0.63	0.25	0.01	8.31
Total Expenditure (Rs. in Crore)	15.64	1.57	0.69	0.90	0.25	0.36	19.41
Total R&D Expenditure as a percentage of turnover (In %)							0.30

B. Technology Absorption, Adaptation and Innovation

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

The Company makes continuous efforts to improve, adapt and implement new technology, equipments and innovation. Focus is on green technology, automation for energy efficiency and improvement in quality, water conservation, improving life of refractory, pollution control, resource sustainability, up-gradation and use of residual resources etc.

Various efficient cement and power plants of World are also visited by Company's executives and participated in different seminars and workshops like NCB, MBEE etc. Company is a member of various global and domestic forums that are working on debating climate change, few of them are Cement Sustainability Initiative of World Business Council for Sustainable Development, Switzerland, TERI BCSD, Global Reporting Initiative, Netherland. Company is also the leader of Cement Task Force set up by Bureau of Energy Efficiency, Government of India. Company has made regular efforts towards conservation of energy, which include installation of high energy efficiency fans, VFDs etc.

2. Benefits as a result of above R & D

- a) Productivity enhancement & improved product quality
- b) Promote usage of alternative fuels like industrial wastes to reduce manufacturing cost and thereby conserving conventional fuels
- c) Value maximization for stakeholders
- d) Conservation of resources, better environment and cost reduction

3. Future plan of action

- a) Evaluation of fly ash from different sources with respect to their mineralogical composition and reactivity to enhance its usage in PPC
- b) Setting up Fuel Testing Lab
- c) To increase the use of alternative fuel and raw materials to conserve the natural resources & sustain the environment
- d) Energy audits
- e) Burnability studies

2. Benefits derived as a result of above efforts

- a) Learning about energy conservation methodology, approach and technologies adopted by the successful energy efficient units
- b) Sharing of information by excellent energy efficient companies
- c) Saving in thermal energy due to use of alternate fuels
- d) Improvement in the quality of cement
- e) Conservation of natural resources
- f) Increase in capacity utilization, smooth operation & increasing productivity and Improved life of refractory
- g) Reduction in production cost

3. Information regarding technology imported during last 5 years

a) Technology imported	-
b) Year imported	-
c) Has technology been fully absorbed?	-
d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action	N.A.

To,

THE MEMBERS OF SHREE CEMENT LIMITED

We have examined the compliance of conditions of Corporate Governance by Shree Cement Limited, for the 15 months period ended on 30<sup>th</sup> June, 2012, 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.**  
Firm Registration No.: 001035N  
Chartered Accountants

Place: Kolkata

Date: 23<sup>rd</sup> August, 2012

**(SUDHIR MAHESHWARI)**  
Partner  
Membership No.: 81075



Company's philosophy on Corporate Governance

Good Corporate Governance emerges from application of the best management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Shree Cement fully recognizes all these attributes in its workings coupled with its ongoing contribution to the local community through its sustainable activities in order to create sustained value for all its stakeholders.

The Board of Directors of the Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This is achieved through adherence to the core values of Corporate Governance viz. independence, integrity, transparency, fairness etc.

Governance Structure

Corporate Governance structure of the Company is enumerated below:

- i) **Board of Directors:** The Board of the Company has been entrusted to play a vital role in ensuring good governance and for creating shareholders value. The Board has democratic style of functioning and its role, functions, responsibility and accountability are clearly spelt out and defined. The primary role of the Board is fiduciary in nature and is responsible for creating and enhancing value of the members of the Company and carrying its sustainability agenda
- ii) **Committee of Directors:** The Board has constituted three main committees of its Directors viz Audit Committee, Shareholders' & Investors' Grievances Committee and Nomination cum Remuneration Committee for providing more focused attention on various aspects of business operations and to ensure better accountability

Board of Directors: Composition, functioning & procedures

The Board of Directors is the main organ of the Company which provides a vision and strategic direction to the operations of the Company which aims to enhance the value of the stakeholders.

Composition of Board of Directors as on 30<sup>th</sup> June, 2012

The composition of the Board is in accordance with the Corporate Governance requirements specified in Clause 49 of the Listing Agreement entered into by the Company with Stock Exchange(s). Company has appropriate combination of Executive, Non Executive and Independent Directors at the Board level, to maintain the independence of the Board and to separate the Board functions of governance and management. The Board of Directors is headed by Shri B G Bangur, the founder Director of the Company who is acting as Non Executive Chairman. The Board has eight Directors as at 30<sup>th</sup> June, 2012 out of which five are Independent and one is Non Executive.

Independent Directors consist of persons having diverse backgrounds, experience and personalities viz. Economist, Banker, Industrialist, Solicitor etc. One of our Independent Director Dr. Abid Hussain, a veteran bureaucrat and known for his simplicity, depth, forthrightness passed away in London due to Cardiac arrest on 21<sup>st</sup> June 2012. Brief profile of all the Directors is given in separate section of this annual report.

As per the terms of the Articles of Association of the Company, all the Independent & Non-Executive Directors are liable to retire by rotation subject to the provision of section 255 of the Act. One-third of the Directors, who are liable to retire by rotation, retire every year. In terms of the Articles of Association of the Company, the strength of the Board shall neither be fewer than three nor more than twelve. The Company has appropriate size of the Board looking to the current circumstances and requirements.

Further, the Independent Directors do not have any material pecuniary relationship with the Company.

The details of Directorship, Membership/Chairmanship in Board Committees of other Companies as on 30th June, 2012 are as under:

Name of Director	Category	Number of Directorships and Committee Memberships / chairmanships in other companies as at 30 <sup>th</sup> June, 2012			Number of shares held
		Other Directorships#	Committee Memberships*	Committee Chairman*	
Shri B.G. Bangur	Executive Chairman - upto 23.01.2012				
	Non-Executive Chairman - thereafter	-	-	-	425821
Shri H.M. Bangur	Managing Director	-	-	-	462438
Shri R.L. Gaggar	Independent and Non-Executive Director	10	7	-	-
Shri Shreekant Somany	Independent and Non Executive Director	5	-	-	-
Shri O.P. Setia	Independent and Non Executive Director	-	-	-	-
Dr. Abid Hussain@	Independent and Non Executive Director	6	4	-	-
Dr. Y.K. Alagh	Independent and Non Executive Director	3	4	1	-
Shri A. Ghosh\$	Independent and Non Executive Director	-	-	-	-
Shri Nitin Desai\$\$	Independent and Non Executive Director	-	-	-	-
Shri Mahendra Singhi	Executive Director	1	-	-	4451

# Excludes directorship held in private limited companies, foreign companies and companies incorporated under section 25 of the Companies Act, 1956.

\*Only membership & chairmanship in Audit Committee and Shareholders' & Investors' Grievances Committee has been taken into account.

\$ ceased w.e.f. 27.5.2011

\$\$ appointed as an Additional Director w.e.f. 27.5.2011, confirmed in AGM held on 1.8.2011.

@ passed away on 21.6.2012

Board functioning and procedure

The Board of Directors is the 'management trustee' of the Company responsible for managing day-to-day affairs on behalf of the shareholders, the true owners of the Company. Therefore, it is absolutely necessary to ensure complete transparency and foresightness in the decision making process. The Board takes decisions based on detailed discussion and deliberations 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 for the same. Agenda of meeting is circulated to the board members at least seven working days before the meeting. 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 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. The matters placed before the Board includes the following:

- Business Plans and Progress thereof

• Company performance
- The information on recruitment and remuneration of senior officers including appointment or removal of Chief Financial Officer and the Company Secretary

• Delegation of power to the Management
- Show cause, demand, prosecution notices and penalty notices which are materially important

- Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company

• Significant Human Resources related issues

• Sale / purchase of investments, assets of material nature
- Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed stricture on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company

• Review of compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any.

Meetings and Attendance

The Board meets as and when it is necessary to do so. Generally meetings of the Board are held once in every three months. It is ensured that the time gap between two consecutive board meetings is less than four months. The annual calendar of the meetings is determined at the beginning of each year. During the year under review, five meetings of the Board were held details of which and attendance of Directors in those meetings are as under:

Name of Director	Attendance of Directors in Board meetings during 15 months period ended on 30 <sup>th</sup> June, 2012					Attendance of Directors in last AGM
	27-May-11	01-Aug-11	10-Nov-11	23-Jan-12	15-May-12	01-Aug-11
Shri B.G. Bangur	✓	✓	✓	✓	✓	✓
Shri H.M. Bangur	✓	✓	✓	✓	✓	✓
Shri R.L. Gaggar	✓	✕	✕	✓	✓	✕
Shri Shreekant Somany	✓	✓	✓	✓	✓	✓
Shri O.P. Setia	✓	✓	✓	✓	✓	✓
Dr. Abid Hussain@	✓	✓	✕	✓	✕	✓
Dr. Y.K. Alagh	✓	✓	✓	✓	✓	✓
Shri A. Ghosh\$	✓	-	-	-	-	-
Shri Nitin Desai	✓	✓	✓	✓	✓	✓
Shri Mahendra Singhi	✓	✓	✓	✓	✓	✓

@ passed away on 21.6.2012  
\$ ceased w.e.f. 27.5.2011

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

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 in terms of Section 292A of the Companies Act, 1956 and the Corporate Governance Code as prescribed under Clause 49 of the Listing Agreement, broadly include 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:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by them
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act, 1956,
  - Changes, if any, in accounting policies and practices and reasons for the same,
  - Major accounting entries involving estimates based on the exercise of judgment by management,
  - Significant adjustments made in the financial statements arising out of audit findings,
  - Compliance with listing and other legal requirements relating to financial statements,

- Disclosure of any related party transaction,
  - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
  - Reviewing with the statutory and internal auditors the adequacy of internal controls and steps to be taken for strengthening the areas of weaknesses in internal controls
  - Reviewing reporting structure, coverage & frequency of internal audit
  - Discussion with internal auditors any significant findings and follow up there on
  - Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) & creditors
  - To review the following information:
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - Management letters / letters of internal control weaknesses issued by the statutory auditors
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

Constitution of Audit Committee

All the members of the Audit Committee are Independent Directors. The composition of the Committee is as below:

Name of the Member	Category	Qualification of the Member
Shri O.P. Setia - Chairman	Independent 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 Director	Member is a renowned solicitor and advocate of Kolkata. He possesses good accounting and financial management knowledge.
Dr. Abid Hussain@	Independent Director	Member was a retired IAS officer. He had good accounting and financial management knowledge.
Dr. Y.K. Alagh	Independent Director	Member is a noted Economist. He has good accounting and financial management knowledge.

@ passed away on 21.06.2012

The committee met five times during the 15 month period ended 30<sup>th</sup> June, 2012 including for approval of accounts for the year ended 31<sup>st</sup> March, 2011, before placing the same before the Board. The attendance of the members of the Committee is as under:

Name of Member	No. of meetings of Audit Committee	
	Held	Attended
Shri O.P. Setia - Chairman	5	5
Shri R.L. Gaggar	5	3
Dr. Abid Hussain	5	3
Dr. Y.K. Alagh	5	5

For the meetings, internal auditors of the Company are invited for discussions and review. Executive Director and Chief Finance Officer are the permanent invitees to the meetings for responding to the observations of the Committee while Company Secretary acts as Secretary to the Committee.

B. Nomination cum Remuneration Committee

The purpose of this Committee of the Board of Directors is to:

- Identify individuals qualified to become Directors & recommend to Board for selecting the candidates for all Directorships to be filled by the Board.
- Determine the remuneration packages of the Whole-Time Directors such as salary, benefits, bonus, stock options including pension rights, notice period, severance fee/ compensation, performance linked incentives, commission and other terms and conditions of their appointment(s).

The composition of the Committee consists of all Independent Directors which is as under:

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

During the period under review, committee met twice. On 27<sup>th</sup> May, 2011 for consideration and recommending to the Board the terms and conditions of remuneration of the Executive Chairman and Managing Director of the Company for a new term of five years and to recommend the Board for appointment of Shri Nitin Desai as Additional Director of the Company. On 15<sup>th</sup> May, 2012 for consideration and recommending to the Board reappointment of Shri Mahendra Singhi as Executive Director for further period of 3 years commencing from 1.4.2013 and consideration and recommending to the Board revised terms and conditions as to

remuneration of Shri H. M. Bangur, Managing Director w.e.f. 1<sup>st</sup> April, 2013. The detail of the attendance of the Directors in the meeting is as under:

Name of Member	No. of meetings of Nomination cum Remuneration Committee	
	Held	Attended
Shri R.L. Gaggar - Chairman	2	2
Shri O.P. Setia	2	2
Shri Shreekant Somany	2	2
Dr. Y.K. Alagh	2	2

Remuneration Policy

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

I. For Whole-Time Directors / Working Directors

The appointment of Whole-Time Directors is made by the Board of Directors in their meeting and remuneration as determined by Nomination cum Remuneration Committee is agreed upon. The remuneration is decided on the basis of following broad criteria:-

- 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 comprises of salary, contribution to Provident & Superannuation funds, commission / bonus, 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 fee for attending meetings of Board.

II. For Non-Executive and Independent Directors

The Independent & Non Executive Directors are paid sitting fees of Rs. 20,000/- for each meeting of the Board / Committee of the Board attended by them. Besides the sitting fees, they are also paid commission. The shareholders had, at the Annual General Meeting of the Company held on 18<sup>th</sup> July, 2008, approved payment of Commission to Independent and Non-Executive Directors not exceeding one percent of net profit of the Company computed in the manner provided under Section 198(1) of the Companies Act, 1956. Payment of commission to Independent and Non Executive Directors is made based on their contribution at the Board, time spent on operational matters and other responsibilities assigned.

The details of remuneration package, fees paid etc. to Directors for the 15 months period ended on 30<sup>th</sup> June, 2012, for information of Members, are given hereunder:



**a) Paid to Non-executive Directors:**

S No	Name of Director	Sitting fees	Commission	Total
1.	Shri B.G. Bangur	0.20	-	0.20
2.	Shri R.L. Gaggar	2.00	13.50	15.50
3.	Shri Shreekant Somany	1.60	13.50	15.10
4.	Shri O.P. Setia	2.80	13.50	16.30
5.	Dr. Abid Hussain@	1.40	13.50	14.90
6.	Dr. Y.K. Alagh	2.60	13.50	16.10
7.	Shri Nitin Desai\$	1.00	13.50	14.50
8.	Shri Amitabh Ghosh\$\$	0.20	-	0.20
	TOTAL	11.80	81.00	92.80

@ passed away on 21.6.2012

\$ appointed as an additional director w.e.f. 27.5.2011 confirmed vide AGM held on 1.8.2011

\$\$ ceased w.e.f. 27.5.2011

None of the Independent Directors hold shares / options of the Company.

Except Shri B.G. Bangur, all above Directors are Independent Directors.

**b) Paid to Executive Directors / Whole-Time Directors:**

Sno	Particulars	Shri B.G. Bangur, Executive Chairman (upto 23.1.2012)	Shri H.M. Bangur, Managing Director	Shri Mahendra Singhi, Executive Director
(i)	Remuneration Basic salary Contribution to Provident and Superannuation fund Benefits - allowances / perks Bonus Commission Stock options Pension Total * excluding payment of gratuity of Rs. 2.19 crore	1.95 0.43 1.56* - 7.60 - - 11.54	3.15 0.60 2.41 - 7.50 - - 13.66	2.70 0.51 0.96 1.40 - - - 5.57
(ii)	Details of Fixed Component and performance linked incentives along with the performance criteria a) Fixed Component: - Effective date of commencement of remuneration package - Salary - Basic #Effective for year 2011-12. The same has increased to Rs. 25,00,000 per month w.e.f. 1-4-2012 and thereafter there will be an annual increase of 10% (on the previous year basic salary) effective from 1-4-2013) @Salary has increased to Rs. 22,00,000 per month w.e.f. 1-4-2012 - Contribution to Provident Fund & Superannuation Fund - Perks and other allowances b) Performance Linked Incentive: Commission / Bonus (Based on Net Profit for the year as computed u/s 349 of the Companies Act, 1956 within the individual / overall ceiling for managerial remuneration from time to time)	01-April-2011 Rs. 20,00,000 per month (for the period 1-4-2012 to 23-1-2012)  As per rules of the Company As per terms of appointment Commission as may be decided by Board, limited to 5% of the Net Profit by way of Salary, Perks and Commission taken together till the period of holding office of Executive Chairman	01-April-2011 Rs. 20,00,000 Per month#  As per rules of the Company As per terms of appointment Commission as may be decided by Board, limited to 5% of the Net Profit by way of Salary, Perks and Commission taken together	01-April-2011 Rs. 17,00,000 per month@  As per rules of the Company As per terms of appointment Bonus as may be decided by Board, limited to 5% of the Net Profit by way of Salary, Perks and bonus taken together

Sno	Particulars	Shri B.G. Bangur, Executive Chairman (upto 23.1.2012)	Shri H.M. Bangur, Managing Director	Shri Mahendra Singhi, Executive Director
(iii)	c) Minimum Remuneration in case of inadequacy of profits in any year as calculated under section 198/ 349 of the Act  Service Contracts, notice period, severance fees a) Service Contract  b) Notice period  c) Severance fees	Within the ceiling of Schedule XIII as amended from time to time  Appointment was for five years i.e. till 31 <sup>st</sup> March, 2016 but ceased to be Executive Chairman w.e.f 23.1.2012 & re-appointed as Non-Executive Chairman thereafter  As per terms of appointment  Except Gratuity and earned leave at the end of tenure, no other severance fee is payable.	Within the ceiling of Schedule XIII as amended from time to time  Appointment is for five years i.e. till 31 <sup>st</sup> March, 2016.  As per terms of appointment  Except Gratuity and earned leave at the end of tenure, no other severance fee is payable.	Within the ceiling of Schedule XIII as amended from time to time  Appointment is for five years i.e. till 31 <sup>st</sup> March, 2013  As per terms of appointment  Except Gratuity and earned leave at the end of tenure, no other severance fee is payable.
(iv)	Stock Option details, if any, and whether the same has been issued at discount as well as the period over which accrued and over which exercisable	No Stock option issued, hence not applicable	No Stock option issued, hence not applicable	No Stock option issued, hence not applicable

**C. Shareholders' and Investors' Grievances Committee**

The Board of Directors has constituted a Shareholders' and Investors' Grievances Committee to deal with the following matters:

- Review, on a periodic basis, status of cases relating to transfer, transmission of shares, issue of duplicate shares etc.
- Monitors expeditious redressal of investors' grievances,
- Review of instances of non receipt of Annual Report and declared dividend, and
- All other matters related to shareholders.

The composition of the Shareholders' and Investors' Grievances Committee consists of all Independent Directors which is as under:

Name of the Member	Category
Shri O.P. Setia - Chairman	Independent Director
Shri R.L. Gaggar	Independent Director
Dr. Abid Hussain@	Independent Director
Dr. Y.K. Alagh	Independent Director
@ passed away on 21.06.2012	

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 29 complaints received during the 15 months period ended 30<sup>th</sup> June, 2012) and no complaint or grievance remained unattended / unresolved at the end of period.

The Committee during the year met once on 23<sup>rd</sup> January, 2012 and reviewed the status of investors' complaints received and resolved during the calendar year 2011. The attendance details of the Directors in the meeting are as under:

Name of the Member	No. of meetings	
	Held	Attended
Shri O.P. Setia - Chairman	1	1
Shri R.L. Gaggar	1	1
Dr. Abid Hussain	1	1
Dr. Y.K. Alagh	1	1

The Committee expressed satisfaction on the Company's / Share Transfer Agent's efforts to resolve investor grievances. Following is the composition of the complaints received and resolved during 15 months period ended 30<sup>th</sup> June, 2012:

S. No.	Nature of Complaints	No. of Complaints received	No. of Complaints resolved
I	Dividend related issues	8	8
II	Duplicate shares related issues	7	7
III	Annual Reports related issues	6	6
IV	Shares transfer / transmission related issues	7	7
V	Others (regarding change in address)	1	1
	Total	29	29

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 20 times during 15 months period ended 30<sup>th</sup> June, 2012. All the transfers of shares have been done within stipulated period.

Further, the Company has paid listing fees to all the Stock Exchanges for the year 2011-12.

D. Selection Committee

The Board of directors has constituted a Selection Committee to deal with the matters pertaining to appointment and deciding the terms and conditions as to remuneration of relatives of Directors of the Company with following composition:

Name of the Member	Category
Shri O.P. Setia - Chairman	Independent Director
Shri R.L. Gaggar	Independent Director
Dr. Abid Hussain@	Independent Director
Shri Shreekant Somany	Independent Director
Shri Mahendra Singhi	Executive Director
@ Passed away on 21.06.2012	

The Committee during the year met once on 15<sup>th</sup> May, 2012 to discuss and approve revision in terms of appointment and remuneration of Shri Prashant Bangur, Executive President of the Company and relative of Shri B.G. Bangur, Chairman and Shri H.M. Bangur, Managing Director of the Company. The attendance details of the Directors in the meeting are as under:

Name of the Member	No. of meetings	
	Held	Attended
Shri O.P. Setia - Chairman	1	1
Shri R.L. Gaggar	1	1
Dr. Abid Hussain	1	-
Shri Shreekant Somany	1	1
Shri Mahendra Singhi	1	1

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.

Postal Ballot

During the year, no postal ballot process was undertaken.

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 th 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 issued by ICAI. 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, on 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 for all the Board Members and all the Employees in the management grade of the Company. The code covers amongst other things the company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The code of conduct is posted on the website of the Company.

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

Trading in the Company's shares by Promoters, Promoters’ Group, Directors and Designated Employees

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 of Conduct 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 alongwith official press release of the Company and are displayed on the Company's website 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 Investors' Education and Protection Fund (IEPF)

**A feedback form is being given in this report. Members are requested to send their response about this Annual Report in the feedback form. This would encourage us to improve our Annual Reporting.**

General Shareholders Information

The required information under Clause 49 of the Listing Agreement under this heading is given in the "Shareholders Information" given separately in the annexure to this Corporate Governance Report.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Shareholders Information

**Registered Office:** Bangur Nagar, Beawar - 305 901, District 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

**Plants Locations:**  
**Integrated Cement Unit I & II and Power Plant:** Bangur Nagar, Beawar - 305 901, Distt.: Ajmer (Rajasthan)

**Integrated Cement Unit III to IV and Clinker Unit V to VIII and Power Plants:** Bangur City, Ras, Tehsil: Jaitaran, Distt.: Pali (Rajasthan)

**Cement Grinding Unit(s) at:**  
**Khushkhhera:** Plot No SP-3 / A-II, RIICO Industrial Area, Khushkhhera, Tehsil: Bhiwadi, Distt.: Alwar, Rajasthan - 301707

**Suratgarh:** Near N.H.-15, Udaipur Udasar, Tehsil: Suratgarh, Distt.: Shriganganagar, Rajasthan - 335804

**Laksar (Roorkee):** Akbarpur - Oud, Tehsil: Laksar, Distt.: Haridwar, Uttarakhand - 247663

Annual General Meeting

Day & Date of AGM	Time	Venue
Tuesday 16 <sup>th</sup> October, 2012	11.30 AM	Registered Office at Bangur Nagar, Beawar - 305 901, Distt.: Ajmer, Rajasthan

a) The details of Annual General Meetings held in last three years are as under:

Year ended	Day & Date of AGM	Time	Venue
31.3.2009	Friday, 24 <sup>th</sup> July, 2009	11.30 AM	Registered Office at Bangur Nagar, Beawar - 305 901, Distt. Ajmer, Rajasthan
31.3.2010	Saturday, 14 <sup>th</sup> August, 2010	11.30 AM	-do-
31.3.2011	Monday, 1 <sup>st</sup> August, 2011	11.30 AM	-do-

b) Special Resolution passed in previous three AGMs

Date of AGM	Special Resolution Passed by Members
24.7.2009	Revision in remuneration of Shri Prashant Bangur, Relative of the Directors of the Company
14.8.2010	No special resolution was passed by the members
01.8.2011	a) Reappointment of Shri B.G. Bangur as Executive Chairman of the Company for the period of 5 years w.e.f. 1.04.2011 b) Reappointment of Shri H.M. Bangur as Managing Director of the Company for the period of 5 years w.e.f. 1.04.2011 c) Revision in remuneration of Shri Prashant Bangur, Relative of the Directors of the Company. d) Revision in remuneration of Shri Mahendra Singhi, Executive Director of the Company w.e.f. 1.04.2011.



Financial Calendar (For the Financial Year 2012 - 2013)

Board of Directors of the Company vide circular resolution dated 8<sup>th</sup> May, 2012 had approved change of Company's financial year from 'April-March' ending to 'July-June' ending and accordingly Company's current financial year was extended to 30<sup>th</sup> June, 2012. In view of above, next annual financial statements of the Company shall be from 1<sup>st</sup> July, 2012 to 30<sup>th</sup> June, 2013.

Un-audited / Limited Review Results:	
First Quarter ending 30.09.2012	Within 45 days from end of the quarter
Second Quarter / half year ending 31.12.2012	Within 45 days from end of the quarter
Third quarter / nine months ending 31.03.2013	Within 45 days from end of the quarter
Last Quarter / year ending 30.06.2013	Within 45 days from end of the quarter
Audited Results:	
Year ending 30.06.2013	Within 60 days from end of year

Date of Book Closure

10<sup>th</sup> October, 2012 to 16<sup>th</sup> October, 2012 (both days inclusive)

Dividend payment date

Company's Board, vide their meetings dated 23<sup>rd</sup> January and 15<sup>th</sup> May, 2012 declared two interim dividends of Rs. 6 per share respectively, which was paid to those shareholders who held shares in the Company on record dates i.e. 30<sup>th</sup> January (for fist interim dividend) and 21<sup>st</sup> May, 2012 (for second interim dividend). Board, further at its meeting held on 23<sup>rd</sup> August, 2012 has recommended a final dividend of Rs.8/- per share for 15 months period ended 30<sup>th</sup> June, 2012 to be paid to those shareholders who hold shares in the Company on 16<sup>th</sup> October, 2012 (last day of Book Closure). In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.

Listing on Stock Exchanges:

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
<b>Name of the Depositories (for demat only)</b> <b>National Securities Depository Ltd.</b> Trade World, 'A' Wing, 4 <sup>th</sup> & 5 <sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400013	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

Company's securities are also available for trading in Futures and Options (F&O) segment of National Stock Exchange of India Limited.

Market price data

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-11	2,065.00	1,917.00	16276	2,080.00	1,901.10	108492
May-11	2,048.50	1,757.00	41296	2,044.90	1,752.05	83457
Jun-11	1,844.00	1,625.00	136957	1,830.00	1,650.10	374576
Jul-11	1,836.90	1,699.50	429401	1,865.00	1,690.00	240714
Aug-11	1,840.00	1,615.00	89334	1,850.00	1,520.00	564899
Sep-11	1,859.00	1,570.50	360405	1,875.00	1,561.50	315002
Oct-11	1,919.95	1,755.00	96249	1,930.00	1,737.85	104351
Nov-11	2,100.00	1,857.00	15828	2,109.95	1,850.00	78768
Dec-11	2,200.00	1,881.00	149198	2,239.95	1,892.90	278592
Jan-12	2,299.70	2032.00	11167	2,295.00	2,050.00	113915
Feb-12	2,821.00	2,250.00	65995	2,849.00	2,184.80	236861
Mar-12	3,250.00	2,750.00	33165	3,259.00	2,760.00	440234
Apr-12	3,279.95	2,725.00	53279	3,295.00	2734.50	135954
May-12	2,951.00	2,388.80	13527	2,850.00	2348.50	158820
June-12	3,060.00	2,270.00	302153	3,070.00	2,271.00	309839
TOTAL			1814230			3544474

The performance in comparison to broad based indices:

Indices	BSE (Sensex)	SCL Quote at BSE (Rs.)	NSE (Nifty)	SCL Quote at NSE (Rs.)
01.4.2011 (open)	19,463.11	2065.00	5835.00	2070.05
30.6.2012 (close)	17,429.98	3,016.30	5278.90	3039.95
Increase / Decrease	-10.4%	46.1%	-9.5%	46.9%

CHART SHOWING PERFORMANCE OF EQUITY SHARES OF THE COMPANY WITH SENSEX  
MOVEMENT OF SHREE'S STOCK VIS-A-VIS SENSEX  
(AVERAGE OF MONTHLY HIGH-LOW)

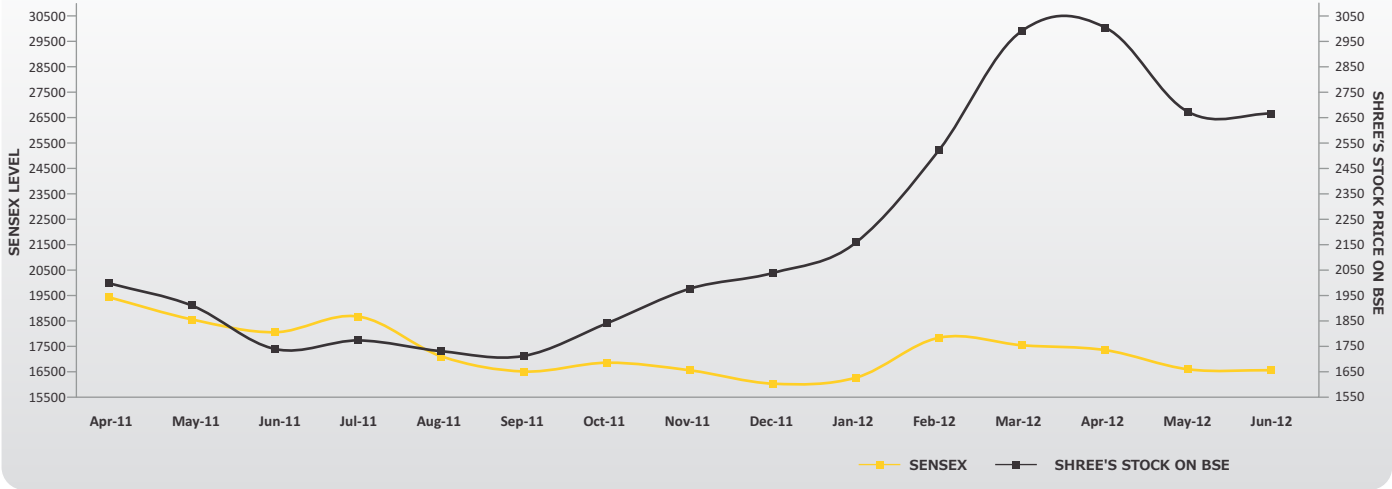
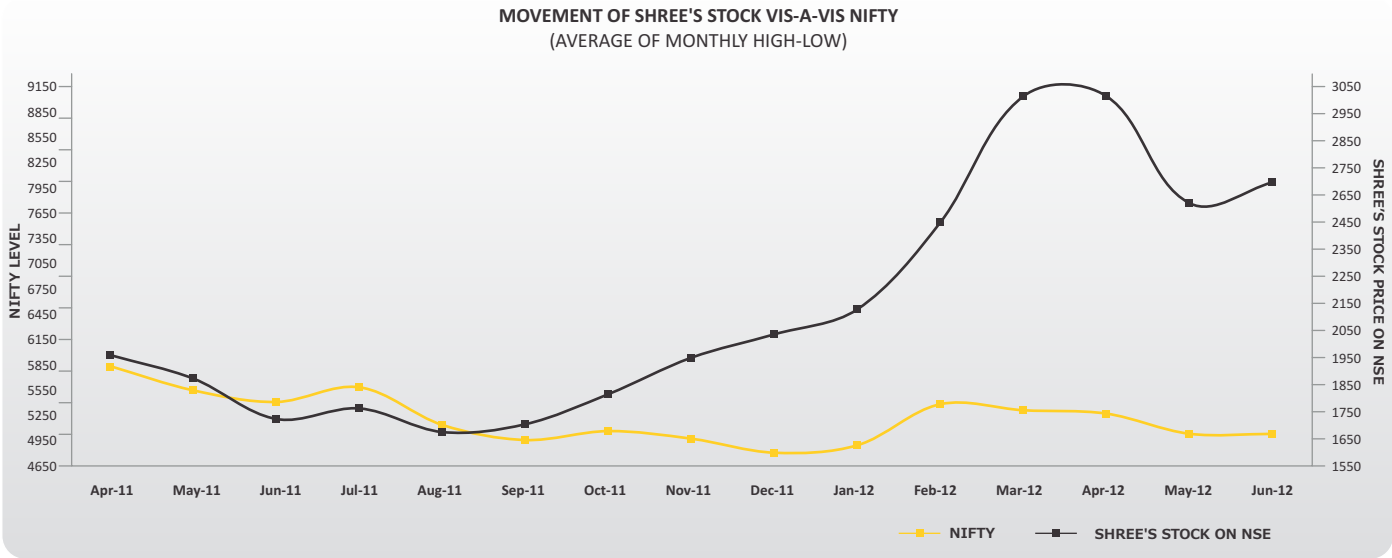


CHART SHOWING PERFORMANCE OF EQUITY SHARES OF THE COMPANY WITH NIFTY



Registrar and Share Transfer Agents

M/s. Karvy Computershare Private Limited,  
  
Unit: SHREE CEMENT LIMITED  
Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 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. As regards transfer of share in physical form, the transfer document can be lodged with Karvy Computershare Pvt. Ltd., Registrar and Share Transfer Agent or with the Company.

The physical shares along with transfer instruments, as and when received, are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferees complying with the rules in force. 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.

Nomination facility for shareholding

As per the provisions of the Companies Act, 1956, facility for making nomination is available for shareholders in respect of shares held by them. Those shareholders who hold shares in physical form may fill in the prescribed Form No. 2B enclosed with this Annual Report and send to the Registrar and Share Transfer Agent of the Company. Investors holding share in electronic form should contact their concerned Depository Participant (DP) directly for nomination.

Payment of dividend through National Electronic Clearance Service

To facilitate dividend payment through NECS, members who hold shares in demat mode should inform depository participant and such of members holding shares in physical form should inform the Company of the new account number allotted to them by their bankers consequent upon the banks migration to the core banking system. In case where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue dividend warrants to the members. For more details, please refer specified section of the Notice attached with the Annual Report.

Unclaimed dividends

The Company is required to transfer dividends which have remained unpaid /unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will accordingly transfer the dividend amount of year 2004-2005 on 19.9.2012 which has remained unclaimed / unpaid.

As per practice, the Company has sent intimation to shareholders whose dividend warrants have not been encashed. Shareholders are requested to revert to the Company if they have not received / encashed their dividend warrants of relevant year.

Unclaimed share certificates lying with Company/ R&T agent

In compliance with the SEBI Circular No. CIR/CFD/DIL/10/2010 dated 16.12.2010 the company has issued 3 reminders to 11 shareholders holding 645 shares of the Company in physical form which were lying unclaimed, on 29<sup>th</sup> March, 2011, 28<sup>th</sup> April, 2011 and 31<sup>st</sup> May, 2011 respectively. Having received no response, the company has got these shares dematerialized after transferring such unclaimed shares to 'Unclaimed Shares demat suspense account of Shree Cement Limited' opened with M/s Karvy Stock Broking Limited, Hyderabad (DP).

The details of such Unclaimed Share demat suspense account for the 15 months period ended on 30<sup>th</sup> June, 2012 are as under:

Particulars	Aggregate number of shareholders	Outstanding shares
Aggregate number of shareholders and the outstanding shares transferred to the Unclaimed Suspense Account	11	645
Number of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	-	-
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	-	-
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. 30.06.2012	11	645

Correspondence regarding change of address etc

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

Furnishing Permanent Account Number (PAN) for share transfer cases

The Securities 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 the 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 case:

- Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
- Transmission of shares to 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 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 license, photo identity cards issued by statutory bodies, banks, public sector undertaking etc.

Distribution of Shareholding as on June 30, 2012

Range	Total no. of Shareholders	%	Total no. of Shares held	%
From - To				
1 to 50	6269	58.90	144110	0.41
51 - 100	2075	19.49	194293	0.56
101 - 200	931	8.75	159090	0.46
201 - 500	755	7.09	283697	0.81
501 - 1000	303	2.85	241989	0.69
1001 - 5000	181	1.70	390110	1.12
5001 - 10000	29	0.27	209817	0.60
10001 and above	101	0.95	33214119	95.35
TOTAL	10644	100.00	34837225	100.00



Shareholding Pattern

Description	No. of Shares held		%	
	30.06.2012	31.03.2011	30.06.2012	31.03.2011
Promoters	22567147	22567797	64.78	64.78
Mutual Fund & UTI	1796023	2043133	5.16	5.87
Financial Institutions, Banks, Insurance Companies etc.	50363	94663	0.15	0.27
FII's	2757216	2059669	7.91	5.91
NRIs/OCBs/Non Domestic Companies	3760101	3785449	10.79	10.87
Private Corporate Bodies	2673378	2878416	7.67	8.26
Indian Public	1228536	1403632	3.53	4.03
Others- Directors/ relatives (non- promoters)	4461	4466	0.01	0.01
Total	34837225	34837225	100.00	100.00

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, 2012, 88.53% (as on 31<sup>st</sup> March, 2011: 26.20%) 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, 2012.**

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 15 months period ended on 30<sup>th</sup> June, 2012.

for SHREE CEMENT LIMITED

Place: Kolkata

Date:23<sup>rd</sup> August, 2012

H.M. Bangur  
Managing Director

The Board of Directors,

SHREE CEMENT LIMITED

Pursuant to Clause 49 of the Listing Agreement, this is to certify that:

1. We have reviewed financial statements and the cash flow statement for the 15 months period ended on 30<sup>th</sup> June, 2012 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: Kolkata

Date: 23<sup>rd</sup> August, 2012

Ashok Bhandari

Chief Finance Officer

H.M. Bangur

Managing Director

PHILOSOPHY

Shree Cement Ltd is a professionally managed company. The company always believes in complete transparency and discharge of the fiduciary responsibilities which has been assumed by Directors as well as by the Senior Management Executives and/or Staff. Therefore, in order to ensure the continuity thereof though, not written but otherwise ingrained, the Board of Directors has approved of the following Code of Conduct for all Directors as well as for the Senior Management Executive and / or personnel and other employees.

All the Directors as well as Senior Management Executive and / or Personnel owe to the Company as well as to the shareholders:

- i) "fiduciary duty"
- ii) "duty of skill and care"
- iii) "Social responsibility"

With the above objects in mind the following code of conduct has been evolved and it is expected that all Directors as well as Senior Management Executives and/or personnel will adhere to it.

FIDUCIARY DUTIES

All Directors as well as Senior Management Executives and / or personnel while dealing on behalf of the company will exercise the power conferred upon him / them and fulfil his / their duties honestly and in the best interest of the company.

DUTY TO EXERCISE POWER FOR PROPER PURPOSES

The Board from time to time shall determine the powers to be exercised by the Directors as well as the Senior Management Executives and / or Personnel and all such powers shall be exercised reasonably.

CONFLICT OF INTEREST

None of the Directors and / or Senior Management Executives and / or personnel will put himself in a position where there is potential conflict of interest between personal interest and his duty to the company. None of the Directors and / or Senior Management Executive and/or personnel will exploit an opportunity arising while associated with the Company for his personal gain either directly or indirectly.

SECRET PROFITS

The Director as well as Senior Management Executives and / or personnel while discharging their duties in a fiduciary capacity is precluded from making any personal profit from an opportunity which may arise being a Director and / or Senior Management Executive of the Company and should always ensure that he is acting for and on behalf and for the good of the Company.

DUTY OF SKILL AND CARE

Since all the Directors as well as Senior Management Executives and / or personnel are acting in a fiduciary capacity and for the benefit of

the company, being advocates of the business of the Company, none of them will do anything which is in conflict with the interest of the company.

ATTENTION TO BUSINESS

All Directors as well as Senior Management Executives and / or personnel will give proper attention to the business of the company.

SECRECY AND CONFIDENTIALITY

None of the Directors as well as Senior Management Executives and/or personnel while associated or working for the company will be entitled to disclose either directly or indirectly or make use of the confidential information which may come in their possession while acting on behalf of the company and shall not divulge the financial status and position of the company to any person or persons.

INTERNAL TRADING

None of the Directors as well as Senior Management Executives and / or personnel will directly or indirectly in the name of his family members and / or associates will indulge in any internal trading of the company's shares and stocks.

RISK AND PROPER PROCESS

The Senior Management personnel and / or employees are expected to keep the Directors fully informed about the effect of the policies adopted by the company from time to time and also regarding the risk connected with such policies.

Senior Management personnel and / or staff who have been entrusted with specific duties for ensuring compliance of statutory requirements including the rules and regulations shall forthwith comply with the same and keep the Board of Directors fully informed about such compliance or non-compliance.

Senior Management personnel will from time to time provide or cause to be provided a true and faithful account of the company's working and effectiveness of the procedures adopted by the company from time to time.

All Directors as well as Senior Management Executives and / or personnel are aware that while working with the company they have a social responsibility as well and therefore from time to time will devote such time for the upliftment of the downtrodden, poor and needy persons in the locality.

To The Members of Shree Cement Limited

1. We have audited the attached Balance Sheet of Shree Cement Limited as at 30<sup>th</sup> June, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the period from 1<sup>st</sup> April 2011 to 30<sup>th</sup> June 2012 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) 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.
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (v) On the basis of information & explanations given to us and representations received from the Directors of the Company, we report that none of the Directors of the Company, is prima facie, disqualified from being appointed as Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, 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 30<sup>th</sup> June, 2012;
    - (b) in the case of the Statement of Profit and Loss, of the profit for the period from 1<sup>st</sup> April, 2011 to 30<sup>th</sup> June, 2012; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the period from 1<sup>st</sup> April, 2011 to 30<sup>th</sup> June, 2012.

Place: Kolkata  
Date: 23<sup>rd</sup> August, 2012

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

(SUDHIR MAHESHWARI)  
Partner  
Membership No. 81075



- 1)

(a)

The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b)

As explained to us, a Substantial portion of fixed assets has been physically verified during the year by the management and in our opinion the frequency is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c)

During the year, the Company has not disposed off any major part of fixed assets that would affect the Going Concern status of the Company.
- 2)

(a)

As explained to us, inventories were physically verified by the management at reasonable intervals during the year.

(b)

In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the 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)

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 Companies Act, 1956. 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 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 weaknesses in the internal control system.
- 5)

(a)

According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(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 Companies Act, 1956 and exceeding the value of rupees five lacs 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)

The Company has not accepted any deposit from the public during the year.
- 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 rules made by the Central Government for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, 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 record 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 protection fund, income tax, sales tax, wealth 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 aforesaid dues were outstanding as at 30.06.2012 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 Statute	Nature of the dues	Amount under dispute not yet deposited (Rs. in Cr.)	Period to which the amount relates	Forum where dispute is pending
A. Entry Tax				
Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax including Interest on goods purchased from outside Rajasthan	99.18	2005-06 to 2011-12	Rajasthan High Court, Jodhpur
	Entry tax including Interest - 50% Exemption on Ras Plant	24.57	2005-06 to 2009-10	Deputy Commissioner (Appeals), Ajmer
		13.95	2010-11 to 2011-12	CTO, Special Circle, Ajmer
UP Tax on Entry of Goods Act, 2000	Entry Tax including Interest on stock transfer from Rajasthan to Uttar Pradesh	19.95	2003-04 to 2009-10	Apex Court
Total (A)		157.65		

Name of Statute	Nature of the dues	Amount under dispute not yet deposited (Rs. In Cr.)	Period to which the amount relates	Forum where dispute is pending
B. Excise and Service Tax				
Central Excise Act, 1944	Cenvat credit on Inputs and capital goods	1.03	1994-95 to 2011-12	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs and capital goods	0.14	1997-98, 2007-08 & 2008-09	Customs Excise Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Service Tax credit	0.07	2008-09 to 2010-11	Commissioner (Appeals) of Central Excise
	Service Tax credit on Road Freight & Others	1.52	2004-05 to 2008-09	Customs Excise Service Tax Appellate Tribunal (CESTAT)
Total (B)		2.76		
(C) Sales Tax				
Central Sales Tax Act, 1956	Partial Exemption claim including Interest	4.27	1998-99 to 2000-01	Rajasthan High Court, Jodhpur
Total (C)		4.27		
(D) Others				
The Rajasthan Finance Act, 2008	Environment & Health Cess on Limestone including Interest	30.14	2007-08 to 2011-12	Rajasthan High Court, Jodhpur
Total (D)		30.14		
Grand Total (A+B+C+D)		194.82		

- 10)

The Company does not have any accumulated losses at the end of the financial year and 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 nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the order is 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 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)

The Company has created securities or charge in respect of debentures issued and outstanding at the year end.
- 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)

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  
(Registration No. 001035N)  
(SUDHIR MAHESHWARI)  
Partner  
Membership No. 81075
- Place: Kolkata  
Date: 23<sup>rd</sup> August, 2012

BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2012

Rs. in Core			
	Note	As at 30.06.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	34.84	34.84
Reserves & Surplus	3	2,699.09	1,951.34
		2,733.93	1,986.18
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	817.74	1,471.71
Other Long-Term Liabilities	5	369.69	357.19
Long-Term Provisions	6	17.41	15.72
		1,204.84	1,844.62
<b>Current Liabilities</b>			
Short-Term Borrowings	7	143.33	217.48
Trade Payables	8	584.29	184.72
Other Current Liabilities	8	1,128.26	440.34
Short-Term Provisions	6	177.95	267.04
		2,033.83	1,109.58
Total		5,972.60	4,940.38
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	9		
Tangible Assets		1,520.59	1,166.93
Intangible Assets		0.47	0.13
Capital Work-in-Progress		96.73	729.02
Non-Current Investments	10	1,335.20	1,196.46
Deferred Tax Assets (Net)	11	69.74	72.26
Long-Term Loans and Advances	12	205.30	308.48
		3,228.03	3,473.28
<b>Current Assets</b>			
Current Investments	13	1,200.00	-
Inventories	14	503.32	404.23
Trade Receivables	15	181.08	108.21
Cash and Bank Balances	16	458.97	498.73
Short-Term Loans and Advances	12	362.68	428.63
Other Current Assets	17	38.52	27.30
		2,744.57	1,467.10
Total		5,972.60	4,940.38
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  
Registration No. 001035N

**Sudhir Maheshwari**  
Partner  
Membership No. 81075

**B. G. Bangur**  
Chairman

**H. M. Bangur**  
Managing Director

**O.P. Setia**  
Director

**Shreekant Somany**  
Director

**Dr. Y.K. Alagh**  
Director

**Place:** Kolkata  
**Date:** 23<sup>rd</sup> August, 2012

**Nitin Desai**  
Director

**Mahendra Singhi**  
Executive Director

**Ashok Bhandari**  
Chief Finance Officer

**S.S. Khandelwal**  
Company Secretary

STATEMENT OF PROFIT & LOSS  
FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2012

Rs. in Crore			
	Note	For the period ended 30.06.2012	For the Year ended 31.03.2011
<b>REVENUE</b>			
Revenue from Operations (Gross)	18	6,577.37	3,879.45
Less: Excise Duty		679.25	425.92
Revenue from Operations (Net)		5,898.12	3,453.53
Other Income	19	162.78	125.10
		6,060.90	3,578.63
<b>EXPENDITURE</b>			
Cost of Materials Consumed	20	579.04	372.34
Purchase of Stock-in-Trade		0.18	4.17
Changes in Inventory of Finished Goods and Work-in-Progress	21	18.69	(34.81)
Employee Benefits Expense	22	319.49	198.54
Power and Fuel		1,499.87	904.81
Freight and Forwarding Expenses	23	1,006.35	602.25
Finance Costs	24	235.36	175.35
Other Expenses	25	833.99	533.49
		4,492.97	2,756.14
Captive Consumption of Cement [Net of Excise Duty Rs. 0.65 crore (Previous year Rs. 1.98 crore)]		(5.25)	(12.09)
		4,487.72	2,744.05
<b>PROFIT BEFORE DEPRECIATION, EXCEPTIONAL ITEMS &amp; TAX</b>			
Depreciation and Amortisation Expense		873.09	675.76
Exceptional Items			
Assets Constructed at Other's Premises Written Off		12.34	48.47
		687.75	110.35
<b>PROFIT BEFORE TAX</b>			
Current Tax		141.48	21.71
Less: MAT Credit Entitlement		-	2.13
Net Current Tax		141.48	19.58
Prior Period Tax Expense (Net)		(74.75)	(59.08)
Deferred Tax		2.52	(59.85)
		618.50	209.70
<b>NET PROFIT FOR THE PERIOD</b>			
<b>Earnings per Equity Share of Rs. 10 each (In Rs.) - Cash</b>		428.88	236.99
<b>- Basic &amp; Diluted</b>		177.54	60.19
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  
Registration No. 001035N

**Sudhir Maheshwari**  
Partner  
Membership No. 81075

**B. G. Bangur**  
Chairman

**H. M. Bangur**  
Managing Director

**O.P. Setia**  
Director

**Shreekant Somany**  
Director

**Dr. Y.K. Alagh**  
Director

**Place:** Kolkata  
**Date:** 23<sup>rd</sup> August, 2012

**Nitin Desai**  
Director

**Mahendra Singhi**  
Executive Director

**Ashok Bhandari**  
Chief Finance Officer

**S.S. Khandelwal**  
Company Secretary



CASH FLOW STATEMENT
FOR THE PERIOD ENDED ON 30TH JUNE, 2012

Rs. in Crore

	For the period ended 30 <sup>th</sup> June, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>A Cash Flow From Operating Activities</b>		
Net Profit Before Tax	687.75	110.35
Add: Exceptional Items	12.34	48.47
Net Profit Before Tax & Exceptional Items	700.09	158.82
Adjustment For:		
Depreciation and Amortisation	873.09	675.76
Foreign Exchange Rate Difference (Net)	1.23	2.19
Balances Written Back (Net)	(6.86)	(0.28)
Provision for Bad and Doubtful Receivables	0.45	-
Loss / (Profit) on Sale of Investment (Net)	(13.11)	(43.88)
Interest Income	(100.71)	(77.52)
Dividend Received	(0.09)	(0.23)
Loss / (Profit) on Sale / Disposal of Fixed Assets (Net)	(1.26)	0.52
Interest and Financial Expenses	235.36	175.35
Operating Profit Before Working Capital Changes	1,688.19	890.73
Adjustment For:		
(Increase) / Decrease in Trade and Other Receivables	(189.42)	(19.25)
(Increase) / Decrease In Inventories	(99.09)	(46.10)
Increase / (Decrease) in Trade Payables and Other Liabilities	531.46	228.55
Cash Generated From Operations	1,931.14	1,053.93
Foreign Exchange Rate Difference (Net)	(1.23)	(2.19)
Direct Taxes Paid (Net of Refunds)	8.71	70.88
<b>Cash Flow Before Exceptional Items</b>	<b>1,938.62</b>	<b>1,122.62</b>
Exceptional Items	(12.34)	(48.47)
<b>Net Cash From Operating Activities</b>	<b>1,926.28</b>	<b>1,074.15</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets (Including Capital Work-in-Progress and Advances)	(473.84)	(1,153.99)
Sale of Fixed Assets	4.46	2.18
Purchase of Investments	(2,708.91)	(785.48)
Proceeds from sale of Investments	1,373.28	1,234.64
Dividend Received	0.09	0.23
Interest Received	96.07	66.35
<b>Net Cash Used in Investing Activities</b>	<b>(1,708.85)</b>	<b>(636.07)</b>
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Long Term Borrowings	89.20	289.82
Repayment of Long Term Borrowings	(193.01)	(56.68)
Repayment of Short Term Borrowings (Net)	(74.15)	(453.63)
Capital Subsidy	210.23	-
Interest and Financial Charges Paid	(208.48)	(173.81)
Dividend & Tax Paid there on (Interim and / or Final)	(80.98)	(56.87)
<b>Net Cash Used in Financing Activities</b>	<b>(257.19)</b>	<b>(451.17)</b>
Net Increase / (Decrease) In Cash & Cash Equivalents	(39.76)	(13.09)
Cash & Cash Equivalents as at the beginning of the Year	498.73	511.82
Cash & Cash Equivalents as at the close of the Year	<b>458.97</b>	<b>498.73</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's figures have been regrouped and rearranged wherever necessary

3 Cash and cash equivalents are Cash and Bank Balances as per Balance Sheet and includes Rs. 5.42 crore (Previous Year Rs. 0.84 crore) in respect of unclaimed Dividend, the balance of which is not available to the Company.

As per our report of even date  
For **B. R. Maheswari & Co.**  
Chartered Accountants  
Registration No. 001035N

<b>Sudhir Maheshwari</b> Partner Membership No. 81075	<b>B. G. Bangur</b> Chairman	<b>H. M. Bangur</b> Managing Director	<b>O.P. Setia</b> Director	<b>Shreekant Somany</b> Director	<b>Dr. Y.K. Alagh</b> Director
<b>Place:</b> Kolkata <b>Date:</b> 23 <sup>rd</sup> August, 2012	<b>Nitin Desai</b> Director	<b>Mahendra Singhi</b> Executive Director	<b>Ashok Bhandari</b> Chief Finance Officer	<b>S.S. Khandelwal</b> Company Secretary	

NOTES FORMING PART OF FINANCIAL STATEMENTS

Annual Report 2011 - 2012

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 prescribed in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 1956 unless stated otherwise hereinafter. Accounting Policies not specifically referred to, are consistent with Generally Accepted Accounting Principles.

During the period ended 30<sup>th</sup> June 2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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

Tangible Assets

- a) Free hold land not containing mineral reserves is disclosed at cost.
- b) Other Fixed assets are disclosed at cost less accumulated depreciation/amortization and impairment loss, if any. Cost comprises of purchase price and attributable cost of bringing the asset to its working condition for its intended use (net of credit availed, if any).

Intangible assets

Intangible assets are recognized only if its cost can be measured reliably and it is possible that future economic benefits will flow to the Company. Such assets are stated at cost (net of credit availed, if any) less accumulated amortization. Cost includes any directly attributable expenditure on making the assets ready for its intended use.

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

IV. 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/ foreign exchange contracts are recognized as income or expense in the period 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 to 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.

V. Capital Work In Progress

Capital work in progress is carried at direct cost and Pre-operative expenditure during construction period 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.

VI. Investments

Investments are classified into current and long-term investments. Current Investments are carried at lower of cost or fair market value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

VII. Inventories

a. Raw Materials, Stores & Spare Parts, Packing Materials and Fuels

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.

VIII. Revenue Recognition

Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer.

Dividend income on investments is accounted for when the right to receive the payment is established.

- Interest is recognized using the time-proportion method, based on rates implicit in the transaction.
- Certain insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on mutually agreed price.
- Sale of Certified Emission Reductions (CERs) is recognized as income on the delivery of the CERs to the buyer's account as evidenced by the receipt of confirmation of execution of delivery instructions.
- IX. 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.
- X. Employee Benefits**
- (a) Defined Contribution Plan**
- Superannuation and Provident Fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit & Loss of the year in which the contributions to the respective funds are due.
- (b) Defined Benefit Plan**
- Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
- 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.
- 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.
- (c) Other Benefits**
- Non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of balance sheet.
- Actuarial gains and losses, if any, are recognized in the Statement of Profit & Loss in the year in which they arise.
- XI. 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.
- XII. Borrowing Costs**
- Borrowing costs directly attributable to the acquisition / construction

- of a qualifying asset are capitalized as part of the cost of the asset till the date the asset is put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.
- XIII. 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 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 Income Tax Act, 1961.
- (b) Leasehold land not containing mineral reserve is amortized over the period of lease.
- (c) Land bearing mineral reserves is valued at cost and are amortized over their estimated commercial lives based on the unit-of-production method.
- Intangible Assets**
- (a) Expenditure incurred on Clean Development Mechanism Projects is amortized against sale proceeds.
- (b) Expenditure on Computer Software is amortized in the year in which it is capitalized.
- (c) Amount paid for Mining rights is amortized in the same year.
- XIV. 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.
- XV. 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.
- XVI. 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".
- XVII. Taxation**
- 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 virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- Tax credit is recognised 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.
- XVIII. Provisions and Contingent Liabilities / Assets**
- Provisions in respect of present obligation arising out of past events are made in the accounts when reliable estimate can be made of the amount of the obligations. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- NOTE 2 - SHARE CAPITAL**
- Authorised**
- 6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of Rs.10/- each
- 15,00,000 (Previous Year 15,00,000) Cumulative Preference Shares of Rs.100/- each
- Issued, Subscribed and Paid-up**
- 3,48,37,225 (Previous Year 3,48,37,225) Equity Shares of Rs.10/- each fully paid-up
- Note**
- 2.1 Details of shareholders holding more than 5% shares of the company:

Name of Shareholder	Number of Shares Held as at 30.06.2012	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2011	% of Total Paid-up Equity Share Capital
1 Shree Capital Services Limited	89,84,155	25.79	89,84,405	25.79
2 Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16
3 FLT Limited	36,00,000	10.33	36,00,000	10.33
4 Mannakrishna Investment 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 Rs. 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 23<sup>rd</sup> January, 2012 and 15<sup>th</sup> May, 2012 declared two interim dividend of Rs. 6 each per equity share. The Final dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- 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 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 fee has been paid for the year.

- 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.
- XIX. 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 shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Rs. in Crore

	As at 30.06.2012	As at 31.03.2011
<b>NOTE 2 - SHARE CAPITAL</b>		
<b>Authorised</b>		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of Rs.10/- each	60.00	60.00
15,00,000 (Previous Year 15,00,000) Cumulative Preference Shares of Rs.100/- each	15.00	15.00
	75.00	75.00
<b>Issued, Subscribed and Paid-up</b>		
3,48,37,225 (Previous Year 3,48,37,225) Equity Shares of Rs.10/- each fully paid-up	34.84	34.84
	34.84	34.84



	Rs. in Crore	
	As at 30.06.2012	As at 31.03.2011
<b>NOTE 3 - RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Financial Statements	0.52	0.52
Add: Addition During the Year	210.23	-
	210.75	0.52
<b>Capital Redemption Reserve</b>		
As per last Financial Statements	15.00	15.00
	15.00	15.00
<b>Securities Premium Account</b>		
As per last Financial Statements	26.53	26.53
	26.53	26.53
<b>Debenture Redemption Reserve</b>		
As per last Financial Statements	200.00	75.00
Add: Transfer from Surplus in the Statement of Profit and Loss	300.00	125.00
	500.00	200.00
<b>General Reserve</b>		
As per last Financial Statements	465.00	440.00
Add: Transfer from Surplus in the Statement of Profit and Loss	285.00	25.00
	750.00	465.00
<b>Special Reserve (Refer Note 3.1)</b>		
As per last Financial Statements	105.20	105.20
	105.20	105.20
<b>Surplus in the Statement of Profit and Loss</b>		
As per Last Financial Statements	1,139.09	1,136.15
Add: Transfer from Statement of Profit and Loss	618.50	209.70
	1,757.59	1,345.85
Less: Appropriations		
Transferred to General Reserve	285.00	25.00
Transferred to Debenture Redemption Reserve	300.00	125.00
Interim Dividend on Equity Shares	41.81	20.90
Corporate Dividend Tax on Interim Dividend	6.78	3.47
Proposed Final Dividend on Equity Shares	27.87	27.87
Corporate Dividend Tax on Final Dividend	4.52	4.52
	665.98	206.76
	1,091.61	1,139.09
	<b>2,699.09</b>	<b>1,951.34</b>

**Note**

3.1 Special reserve is free reserve and available for distribution.

	Rs. in Crore			
	Non-Current Portion		Current Maturities	
	As at 30.06.2012	As at 31.03.2011	As at 30.06.2012	As at 31.03.2011
<b>NOTE 4 - LONG-TERM BORROWINGS</b>				
<b>Secured Loans</b>				
Redeemable Non Convertible Debentures				
2,000 (Previous year 2,000 ) 8.42% NCDs of Rs. 10,00,000/- each	200.00	200.00	-	-
3,000 (Previous year 3,000) 8.10% NCDs of Rs. 10,00,000/- each	-	300.00	300.00	-
Term Loans from Banks	553.94	907.91	443.17	193.01
	<b>753.94</b>	<b>1,407.91</b>	<b>743.17</b>	<b>193.01</b>
<b>Unsecured Loans</b>				
Deferred Sales Tax (Refer Note 4.2)	63.80	63.80	-	-
	<b>63.80</b>	<b>63.80</b>	-	-
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)	-	-	(743.17)	(193.01)
	<b>817.74</b>	<b>1,471.71</b>	-	-

**Note**

4.1 Nature of securities and terms of repayment of each loan:

Rs. in Crore				
Sr. No.	Nature of Securities	Loan Amount as at 30.06.2012	Loan Amount as at 31.03.2011	Terms of Repayment
	<b>Non Convertible Debentures</b>			
1	These debentures are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable assets (save & except book debts) of the Company both present and future subject to prior charge(s) created and / or to be created in favour of the Company's bankers on inventories of stock-in-trade, stores & spares, book debts and other current assets of the Company for Working Capital facilities. The charges rank pari passu with the charge created / to be created in favour of various banks for their respective Term Loans. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnager (Gujarat).	200.00	200.00	Fully Repayable on 22.07.2015
		300.00	300.00	Fully Repayable on 23.11.2012
	<b>Term Loans</b>			
2	These all Term loans are 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.	98.32	98.32	Fully Repayable on 31.01.2013
		98.26	98.26	Fully Repayable on 01.02.2013
		98.28	98.28	Fully Repayable on 02.02.2013
		121.08	121.08	Fully Repayable on 26.07.2013
3	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable assets and by way of hypothecation of all the movable assets ranking pari passu with the Debenture holders (save & except book debts) of the Company both present and future subject to prior charge(s) created and/or to be created	-	80.78	Paid during the year
		-	82.48	Paid during the year
		90.72	90.72	Fully Repayable on 15.03.2013

Rs. in Crore				
Sr. No.	Nature of Securities	Loan Amount as at 30.06.2012	Loan Amount as at 31.03.2011	Terms of Repayment
	in favour of the Company's bankers on inventories of stock-in-trade, stores & spares, book debts and other current assets of the Company for working capital facilities. The above charge(s) rank pari passu inter-se among these Lenders.	170.25	170.25	Repayable in 8 half yearly installments of Rs. 21.28 crore each w.e.f. 08.03.2013
		117.98	124.53	Repayable in 8 half yearly installments w.e.f. 01.09.2012, out of which 4 installments of Rs. 6.55 crore each, next 2 installments of Rs. 17.04 crore each and last 2 installments of Rs. 28.85 crore each
		89.82	89.82	Repayable in 4 half yearly installments of Rs. 22.45 crore each w.e.f. 05.07.2013
4	Secured by joint equitable mortgage on all the immovable fixed assets and hypothecation of all movable fixed assets on pari pasu basis with other term lenders and by way of pari pasu second charge on stock and book debts of the company.	23.20	46.40	Fully Repayable on 19.09.2012
5	Secured by Hypothecation of all movable fixed assets of the company on first charge basis, pari passu with other term lenders.	89.20	-	Fully Repayable on 29.04.2014
	<b>TOTAL</b>	<b>1,497.11</b>	<b>1,600.92</b>	
	<b>Less: Current Maturities</b>	<b>743.17</b>	<b>193.01</b>	
	<b>Total Non-Current Portion</b>	<b>753.94</b>	<b>1,407.91</b>	

4.2 Deferred sales tax represents sales tax amount which has been accumulated in 11 quarters as per the government scheme and payable after seven years from end of the corresponding quarter. First installment is due on 15<sup>th</sup> July, 2013 for corresponding first quarter.

Rs. in Crore		
	As at 30.06.2012	As at 31.03.2011
<b>NOTE 5 - OTHER LONG-TERM LIABILITIES</b>		
Security Deposits	139.72	155.61
Statutory Liabilities	229.97	201.58
	<b>369.69</b>	<b>357.19</b>

Rs. in Crore				
	Long-Term		Short-Term	
	As at 30.06.2012	As at 31.03.2011	As at 30.06.2012	As at 31.03.2011
<b>NOTE 6 - PROVISIONS</b>				
Income Tax	-	-	143.61	232.70
Wealth Tax	-	-	0.22	0.18
Gratuity and Staff Benefit Schemes	0.64	0.20	0.21	0.79
Mines Reclamation Expenses (Refer Note 40)	16.77	15.52	1.52	0.98
Proposed Dividend - Final	-	-	27.87	27.87
Corporate Dividend Tax	-	-	4.52	4.52
	<b>17.41</b>	<b>15.72</b>	<b>177.95</b>	<b>267.04</b>

Rs. in Crore		
	As at 30.06.2012	As at 31.03.2011
<b>NOTE 7 - SHORT-TERM BORROWINGS</b>		
<b>Secured Loan</b>		
Loan Repayable on Demand from Banks (Refer Note 7.1)	117.85	179.56
Bank and Book Overdraft (Refer Note 7.2)	25.48	37.92
	<b>143.33</b>	<b>217.48</b>

**Note**

7.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and 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 Deposit. (Refer Note 16)

Rs. in Crore		
	As at 30.06.2012	As at 31.03.2011
<b>NOTE 8 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>		
<b>Trade Payables</b>		
Acceptances	460.13	139.34
Micro, Small and Medium Enterprises (Refer Note 8.1)	0.76	0.46
Others	123.40	44.92
	<b>584.29</b>	<b>184.72</b>
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Borrowings (Refer Note 4)	743.17	193.01
Interest Accrued but not Due on Borrowings	51.37	24.49
Customers Advances	63.95	94.79
Withholding and Other Taxes Payable	50.42	29.65
Payable for Capital Goods	7.25	24.82
Security Deposit and Retention Money	4.34	8.00
Provident Fund and Superannuation Payable	4.13	7.49
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 30.06.2012)	5.42	0.84
Statutory Liabilities	56.31	4.77
Other Payables (Refer Note 8.2)	141.90	52.48
	<b>1,128.26</b>	<b>440.34</b>
	<b>1,712.55</b>	<b>625.06</b>

**Note**

8.1 Trade Payables is 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 includes the liability of employees and rebates to customers etc.



NOTE 9 - FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As At 31.03.2011	Additions During The Year	Deductions/ Adjustme- nts During TheYear	As At 30.06.2012	Up to 31.03.2011	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 30.06.2012	As At 30.06.2012	As At 31.03.2011
	Rs. in Crore									
<b>Tangible Assets:</b>										
Free Hold Land	188.87	185.94	-	374.81	-	2.24	-	2.24	372.57	188.87
Lease Hold Land	8.33	-	-	8.33	-	0.40	-	0.40	7.93	8.33
Buildings	154.15	31.77	1.43	184.49	55.60	12.03	0.42	67.21	117.28	98.55
Plant & Machinery	3,578.88	996.23	21.99	4,553.12 (a)	2,737.77	846.67	21.32	3,563.12	990.00	841.11
Railway Siding	12.32	0.26	-	12.58	11.00	0.53	-	11.53	1.05	1.32
Furniture & Fixtures	20.00	4.33	0.03	24.30	11.80	2.58	0.02	14.36	9.94	8.20
Office Equipments	31.96	4.90	0.25	36.61	22.41	4.13	0.20	26.34	10.27	9.55
Vehicles	26.80	6.35	4.41	28.74	15.80	4.34	2.95	17.19	11.55	11.00
<b>Sub Total</b>	<b>4,021.31</b>	<b>1,229.78</b>	<b>28.11</b>	<b>5,222.98</b>	<b>2,854.38</b>	<b>872.92 (b)</b>	<b>24.91</b>	<b>3,702.39</b>	<b>1,520.59</b>	<b>1,166.93</b>
<b>Intangible Assets:</b>										
Clean Development Mechanism (Internally Generated)	0.13	0.34	-	0.47	-	-	-	-	0.47	0.13
Computer Software	4.30	0.96	-	5.26	4.30	0.96	-	5.26	-	-
Mining Rights	16.33	-	-	16.33	16.33	-	-	16.33	-	-
<b>Sub Total</b>	<b>20.76</b>	<b>1.30</b>	<b>-</b>	<b>22.06</b>	<b>20.63</b>	<b>0.96</b>	<b>-</b>	<b>21.59</b>	<b>0.47</b>	<b>0.13</b>
<b>Total (A)</b>	<b>4,042.07</b>	<b>1,231.08</b>	<b>28.11</b>	<b>5,245.04</b>	<b>2,875.01</b>	<b>873.88</b>	<b>24.91</b>	<b>3,723.98</b>	<b>1,521.06</b>	<b>1,167.06</b>
<b>Previous Year</b>	<b>2,950.86</b>	<b>1,095.21</b>	<b>4.00</b>	<b>4,042.07</b>	<b>2,198.91</b>	<b>677.40</b>	<b>1.30</b>	<b>2,875.01</b>	<b>1,167.06</b>	<b>751.95</b>
<b>Capital Work-in-Progress (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96.73</b>	<b>729.02</b>
<b>Grand Total (A+B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,617.79</b>	<b>1,896.08</b>

(a) Includes Rs. 3.83 crore (Previous Year Rs.11.10 crore) for capital expenditure on research and development.  
(b) Depreciation for the year includes Rs. 0.79 crore (Previous Year Rs. 1.64 crore) on assets during construction period.

NOTE 10 - NON-CURRENT INVESTMENTS

Particulars	Rs. in Crore			
	Face Value	As at 30.06.2012		As at 31.03.2011
	Rs. Per Unit	No.	Amount	No.
<b>LONG TERM (OTHER THAN TRADE)</b>				
<b>QUOTED</b>				
<b>Government Securities</b>				
8.26% GOI Bonds - 02AG27 [Face Value Rs.15.00 Crore (Previous Year Rs. 13.05 Crore)]			14.84	
<b>Bonds</b>				
<b>National Bank for Agriculture and Rural Development</b>				
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20000	1,99,335,000	214.41	1,95,895,000
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20000	83,840,000	87.51	77,004,000
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20000	5,000,000	5.29	5,000,000
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20000	2,94,010,000	283.32	2,85,430,000
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20000	10,700,000	10.08	10,700,000
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20000	15,710,000	14.74	10,260,000
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20000	65,000	0.07	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20000	180,000	0.22	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20000	180,000	0.22	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20000	480,000	0.55	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20000	1,28,945,000	113.08	1,27,860,000
<b>National Housing Bank</b>				
Zero Coupon NHB Bonds - 24DC18	10000	3,15,627,000	153.03	3,14,588,000
Zero Coupon NHB Bonds - 31MR19	10000	83,760,000	39.21	83,760,000
<b>Indian Railway Finance Corporation</b>				
8.50% Indian Railway Finance Corporation Bonds - 22JU20	1000000	650,000	64.79	650,000
<b>Power Finance Corporation</b>				
8.70% Power Finance Corporation Bonds - 14MY20	1000000	880,000	87.98	880,000
<b>Rural Electrification Corporation</b>				
8.65% Rural Electrification Corporation Bonds - 15JN19	1000000	200,000	19.95	200,000
8.65% Rural Electrification Corporation Bonds - 22JN20	1000000	50,000	4.98	50,000

NOTE 10 - NON-CURRENT INVESTMENTS

Particulars	Face Value Rs. Per Unit	As at 30.06.2012		As at 31.03.2011	
		No.	Amount	No.	Amount
<b>Power Grid Corporation</b>					
8.64% Power Grid Corporation of India Bonds - 08JL21	1250000	120.000	14.95	120.000	14.95
<b>National Highways Authority of India</b>					
8.20% NHAI Tax Free Bonds - 25JN22	1000	11,88,951.000	119.50	-	-
<b>India Infrastructure Finance Company</b>					
6.85% IIFCL Tax Free Bonds - 22JN14	100000	1,200.000	11.83	-	-
<b>Housing and Urban Development Corporation Limited</b>					
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1000	1,00,000.000	9.65	-	-
<b>In Units of Mutual Fund</b>					
Birla Sun Life Fixed Term Plan Series CX Growth	10	-	-	2,50,00,000.000	25.00
HDFC FMP 370D March 2011 (5) - Growth Series XVI	10	-	-	5,00,00,000.000	50.00
Kotak FMP Series 41 - Growth Plan	10	-	-	2,50,00,000.000	25.00
Tata Fixed Maturity Plan Series 40 Scheme F - Growth	10	1,50,00,000.000	15.00	-	-
UTI Fixed Term Income Series - XII - IV (369 Days)- Growth	10	5,00,00,000.000	50.00	-	-
<b>TOTAL</b>			<b>1,335.20</b>		<b>1,196.46</b>

AGGREGATE COST AND MARKET VALUE OF NON-CURRENT INVESTMENTS

	As at 30.06.2012		As at 31.03.2011	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted Investment:				
- In Government Securities and Bonds of Public Financial Institutions	1,270.20	1,462.60	1,096.46	1,167.89
- In Units of Mutual Funds	65.00	65.16	100.00	100.24
<b>Total</b>	<b>1,335.20</b>	<b>1,527.76</b>	<b>1,196.46</b>	<b>1,268.13</b>

NOTE 12 - LOANS & ADVANCES

(Unsecured, Considered Good)

Capital Advances	174.65	298.81	-	-
Advance Recoverable in Cash or in Kind or for Value to be Received	21.00	3.00	123.04	75.32
Deposit with Government Departments and Others	8.95	6.15	61.40	51.20
Balance with Customs, Excise and Port Trust etc. on Current Accounts	-	-	81.95	43.94
Loans & Advances to Staff & Workers	0.70	0.52	3.09	2.25
Advance Tax	-	-	88.67	251.03
MAT Credit Entitlement	-	-	0.70	2.83
Prepaid Expenses	-	-	3.83	2.06

	<b>205.30</b>	<b>308.48</b>	<b>362.68</b>	<b>428.63</b>
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NOTE 11 - DEFERRED TAX ASSETS (Net)

Deferred Tax Assets

Arising on account of:

Long-term and Short-term Capital Losses

Expenses allowed for tax purpose when paid

Depreciation

Less: Deferred Tax Liabilities

Arising on Account of:

Others

	Rs. in Crore	
	As at 30.06.2012	As at 31.03.2011
	6.39	4.53
	63.93	64.07
	5.02	9.45
	5.60	5.79
	<b>69.74</b>	<b>72.26</b>

Rs. in Crore

	Long-Term		Short-Term	
	As at 30.06.2012	As at 31.03.2011	As at 30.06.2012	As at 31.03.2011
	174.65	298.81	-	-
	21.00	3.00	123.04	75.32
	8.95	6.15	61.40	51.20
	-	-	81.95	43.94
	0.70	0.52	3.09	2.25
	-	-	88.67	251.03
	-	-	0.70	2.83
	-	-	3.83	2.06
	<b>205.30</b>	<b>308.48</b>	<b>362.68</b>	<b>428.63</b>



NOTE 13 - CURRENT INVESTMENTS (valued at lower of cost or fair market value)

Particulars	Face Value	As at 30.06.2012		As at 31.03.2011	
	Rs. Per Unit	No.	Amount	No.	Amount
CURRENT (OTHER THAN TRADE)					
QUOTED					
In Units of Mutual Fund					
HDFC FMP 370D February 2012 (2) - Series XXI Growth	10	1,00,00,000.000	10.00	-	-
Kotak Mahindra FMP Series 56 - Growth	10	2,00,00,000.000	20.00	-	-
Kotak Mahindra FMP Series 62 - Growth	10	1,00,00,000.000	10.00	-	-
Kotak Mahindra FMP Series 74 - Growth	10	3,99,99,980.000	40.00	-	-
Kotak Mahindra FMP Series 75 - Growth	10	2,99,99,990.000	30.00	-	-
Reliance Fixed Horizon Fund - XX - Series 24 - Growth	10	1,00,00,000.000	10.00	-	-
ICICI Prudential FMP Series 59 - 1 Year Plan B Cumulative	10	1,00,00,000.000	10.00	-	-
DWS Fixed Term Fund - Series 88 - Growth	10	1,00,00,000.000	10.00	-	-
DSP Blackrock FMP - Series 6 - 12 M Growth	10	3,00,00,000.000	30.00	-	-
UTI Fixed Income Interval Fund - Annual Interval Plan Series - II - Institutional Growth	10	2,59,96,759.071	30.00	-	-
Baroda Pioneer 367 Days FMP - Series 2 - Growth	10	1,00,00,000.000	10.00	-	-
Baroda Pioneer 367 Days FMP - Series 3 - Growth	10	1,99,99,990.000	20.00	-	-
DSP Blackrock FMP - Series 16 - 12 M Growth	10	2,50,00,000.000	25.00	-	-
DSP Blackrock FMP - Series 34 - 12 M Growth	10	3,49,99,990.000	35.00	-	-
ICICI Prudential Interval Fund Annual Interval Plan III Institutional Cumulative	10	1,84,45,079.775	20.00	-	-
ICICI Prudential Interval Fund Annual Interval Plan IV Institutional Cumulative	10	1,58,22,651.720	20.00	-	-
Sundaram Fixed Term Plan BN Growth	10	1,00,00,000.000	10.00	-	-
Sundaram Fixed Term Plan CL Growth	10	1,49,99,990.000	15.00	-	-
Sundaram Fixed Term Plan CM Growth	10	99,99,990.000	10.00	-	-
Birla Sun Life Fixed Term Plan Series EI Growth	10	2,49,99,990.000	25.00	-	-

NOTE 13 - CURRENT INVESTMENTS (valued at lower of cost or fair market value)

Particulars	Face Value	As at 30.06.2012		As at 31.03.2011		Rs. in Crore
	Rs. Per Unit	No.	Amount	No.	Amount	
Birla Sun Life Fixed Term Plan Series EM Growth	10	3,49,99,990.000	35.00	-	-	
Birla Sun Life Fixed Term Plan Series EQ Growth	10	1,99,99,990.000	20.00	-	-	
ICICI Prudential FMP Series 61 - 1 Year Plan A Cumulative	10	3,99,99,990.000	40.00	-	-	
IDFC Fixed Maturity Plan - Yearly Series - 48 Growth	10	1,99,99,990.000	20.00	-	-	
UTI Fixed term Income Fund - Series X - VIII (368 Days) Growth	10	49,99,990.000	5.00	-	-	
Birla Sun Life Fixed Term Plan Series FD Growth	10	2,99,99,990.000	30.00	-	-	
Reliance Fixed Horizon Fund - XXII - Series 2 - Growth	10	3,99,99,990.000	40.00	-	-	
Reliance Fixed Horizon Fund - XXII - Series 6 - Growth	10	2,49,99,990.000	25.00	-	-	
DSP BlackRock FMP - Series 47 - 12M Growth	10	2,50,00,000.000	25.00	-	-	
Religare FMP Series XIV Plan E - Growth	10	50,00,000.000	5.00	-	-	
IDFC Fixed Maturity Plan - 366 Days Series 72 Growth	10	2,50,00,000.000	25.00	-	-	
Baroda Pioneer 367 Days FMP - Series 4 - Growth	10	1,00,00,000.000	10.00	-	-	
Taurus Fixed Maturity Plan Series S - Growth	10	99,99,990.000	10.00	-	-	
Birla Sun Life Fixed Term Plan Series FJ Growth	10	2,50,00,000.000	25.00	-	-	
Kotak Mahindra FMP Series - 87 - Growth	10	2,50,00,000.000	25.00	-	-	
ICICI Prudential FMP Series 64 - 367 Days Plan C Cumulative	10	4,00,00,000.000	40.00	-	-	
UTI Fixed Term Income Fund Series XI - X (366 Days ) - Growth	10	2,50,00,000.000	25.00	-	-	
SBI Debt Fund Series - 366 Days - 5 - Growth	10	2,50,00,000.000	25.00	-	-	
Birla Sun Life Fixed Term Plan Series FM Growth	10	3,50,00,000.000	35.00	-	-	
Reliance Annual Interval Fund Series I - Institutional Growth	10	1,81,52,123.797	20.00	-	-	
Birla Sun Life Fixed Term Plan Series FP Growth	10	1,00,00,000.000	10.00	-	-	
UTI Fixed Term Income Fund - Series XII - I (368 Days) Growth	10	4,00,00,000.000	40.00	-	-	
IDFC Fixed Maturity Plan 366 Days Series 79 Growth	10	2,50,00,000.000	25.00	-	-	
Reliance Fixed Horizon Fund - XXII - Series 9 - Growth	10	1,00,00,000.000	10.00	-	-	
Birla Sun Life Fixed Term Plan Series FQ Growth	10	50,00,000.000	5.00	-	-	

NOTE 13 - CURRENT INVESTMENTS (valued at lower of cost or fair market value)

Particulars	Face Value	As at 30.06.2012		As at 31.03.2011	
	Rs. Per Unit	No.	Amount	No.	Amount
DWS Fixed Maturity Plan - Series 9 - Growth	10	1,50,00,000.000	15.00	-	-
ICICI Prudential FMP Series 63 - 378 Days Plan I Cumulative	10	1,99,99,990.000	20.00	-	-
Tata Fixed Maturity Plan Series 39 Scheme H - Growth	10	1,49,99,990.000	15.00	-	-
BNP Paribas Fixed Term Fund Series 23E Growth	10	2,00,00,000.000	20.00	-	-
SBI Debt Fund Series - 366 Days - 7 - Growth	10	5,00,00,000.000	50.00	-	-
Birla Sun Life Fixed Term Plan Series FO Growth	10	3,50,00,000.000	35.00	-	-
IDFC Fixed Maturity Plan 366 Days Series 74 - Growth	10	3,00,00,000.000	30.00	-	-
Peerless Liquid Fund - Super Institutional Growth	10	83,31,319.931	10.00	-	-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Option - Growth	10	37,37,493.413	10.00	-	-
Birla Sun Life Floating Rate Fund - Short Term - IP - Growth	100	10,27,816.131	15.00	-	-
Kotak Floater Short Term - Growth	10	83,36,204.693	15.00	-	-
TOTAL			1,200.00	-	-

AGGREGATE COST AND MARKET VALUE OF CURRENT INVESTMENTS

	As at 30.06.2012		As at 31.03.2011	
	Aggregate Net Cost	Market Value	Aggregate Net Cost	Market Value
Quoted Investment:				
- In Units of Mutual Funds	1,200.00	1,235.91	-	-
Total	1,200.00	1,235.91	-	-

NOTE 14 - INVENTORIES  
(Valued at Lower of Cost and Net Realisable Value)

Raw Materials [Includes in transit Rs. 0.06 crore (Previous year Rs. 1.53 crore)]  
Fuels [Includes in transit Rs. 172.86 crore (Previous year Rs. 59.97 crore)]  
Stores, Spares and Packing Materials  
Work-in-Progress [Includes in transit Rs. 5.31 crore (Previous year Rs. 3.30 crore)]  
Finished Goods [Includes in transit Rs. 12.75 crore (Previous year Rs. 11.95 crore)]

Details of Inventory

Work-in-Progress

Raw Meal  
Clinker  
Synthetic Gypsum

Finished Goods

Cement

Raw Materials

Limestone  
Gypsum  
Fly Ash  
Iron Ore, Laterite and Slag  
Sulphuric Acid  
Others

	As at 30.06.2012	As at 31.03.2011
	24.73	19.55
	198.69	118.63
	211.59	179.05
	31.34	43.62
	36.97	43.38
	503.32	404.23
	0.78	1.13
	28.81	40.33
	1.75	2.16
	31.34	43.62
	36.97	43.38
	7.82	6.14
	10.89	9.11
	2.90	2.17
	2.65	1.66
	0.05	0.05
	0.42	0.42
	24.73	19.55

NOTE 15 - TRADE RECEIVABLES

Outstanding for a Period Exceeding Six Months from the Date they are Due for Payment

Unsecured

Considered Good  
Considered Doubtful

Less: Provision for Doubtful Receivables

Others

Secured, Considered Good  
Unsecured, Considered Good  
Unsecured, Considered Doubtful

Less: Provision for Doubtful Receivables

	Non-Current		Current	
	As at 30.06.2012	As at 31.03.2011	As at 30.06.2012	As at 31.03.2011
	-	-	1.97	2.25
	0.21	-	-	-
	0.21	-	1.97	2.25
	0.21	-	-	-
	-	-	1.97	2.25
	-	-	46.39	13.29
	-	-	132.72	92.67
	0.24	-	-	-
	0.24	-	179.11	105.96
	0.24	-	-	-
	-	-	179.11	105.96
	-	-	181.08	108.21

	Rs. in Crore	
	As at 30.06.2012	As at 31.03.2011
<b>NOTE 16 - CASH &amp; BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks	21.30	29.32
Cash on Hand	0.50	0.80
	21.80	30.12
<b>Other Bank Balances</b>		
Margin Money (Pledged with Banks)	1.06	2.69
Earmarked Balance with Banks for Unpaid Dividend	5.42	0.84
Fixed Deposits with Banks		
Maturity less than twelve months (Refer Note 16.1)	309.61	48.50
Maturity more than twelve months	121.08	416.58
	437.17	468.61
	<b>458.97</b>	<b>498.73</b>

**Note**

16.1 Deposits of Rs.13.50 crore (Previous year Rs. 48.50 crore) are pledged with banks against overdraft facilities.

	Rs. in Crore	
	As at 30.06.2012	As at 31.03.2011
<b>NOTE 17 - OTHER CURRENT ASSETS</b>		
<b>Interest Accrued</b>		
On Fixed Deposit	16.92	9.04
On Tax Free and Other Bonds	10.17	13.41
<b>Unamortised Premium on Forward Contracts</b>	11.43	4.85
	<b>38.52</b>	<b>27.30</b>

	Rs. in Crore	
	For the period ended 30.06.2012	For the year ended 31.03.2011
<b>NOTE 18 - REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Cement	5,825.27	3,408.60
Clinker	171.32	213.79
Power	574.53	254.92
	6,571.12	3,877.31
<b>Revenue from Power Trading</b>		
Revenue from Traded Power	205.58	60.48
Less: Purchase of Traded Power	199.50	58.34
	6.08	2.14
Other Operating Revenue	0.17	-
<b>Revenue from Operations (Gross)</b>	<b>6,577.37</b>	<b>3,879.45</b>

**Note**

18.1 Cement sale includes sale from trading activity Rs. 0.18 crore (Previous year Rs. 4.86 crore)

	Rs. in Crore	
	For the period ended 30.06.2012	For the year ended 31.03.2011
<b>NOTE 19 - OTHER INCOME</b>		
Interest Income		
On Fixed Deposits	53.54	45.93
On Tax Free and Other Bonds	26.91	20.75
On Income Tax & Sales Tax Refund	18.30	10.42
Others	1.96	0.42
Dividend from Current Investments (Other than Trade)	0.09	0.23
Profit on Sale of Investments (Other than Trade)		
Long term (Net)	9.94	43.22
Current (Net)	3.17	0.66
Provision No Longer Required (Net)	40.28	2.78
Profit on Sale of Fixed Assets (Net)	1.26	-
Balances Written Back (Net)	6.86	0.28
Miscellaneous Income	0.47	0.41
	<b>162.78</b>	<b>125.10</b>



	Rs. in Crore	
	For the period ended 30.06.2012	For the year ended 31.03.2011
<b>NOTE 20 - COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials Consumed</b>		
Limestone	213.45	157.26
Gypsum	113.26	49.15
Fly Ash	210.47	128.60
Iron Ore, Laterite and Slag	14.65	11.18
Sulphuric Acid	13.40	14.27
Others	13.81	11.88
	<b>579.04</b>	<b>372.34</b>

	Rs. in Crore		
	For the Period ended 30.06.2012	For the year ended 31.03.2011	(Increase) / Decrease
<b>NOTE 21 - CHANGES IN INVENTORY OF FINISHED GOODS AND WORK-IN-PROGRESS</b>			
<b>Closing Stock</b>			
Work-in-Progress	31.34	43.62	12.28
Finished Goods	36.97	43.38	6.41
	68.31	87.00	18.69
<b>Opening Stock</b>			
Work-in-Progress	43.62	22.15	(21.47)
Finished Goods	43.38	30.04	(13.34)
	87.00	52.19	(34.81)
<b>(Increase) / Decrease</b>	<b>18.69</b>	<b>(34.81)</b>	

	Rs. in Crore	
	For the Period ended 30.06.2012	For the Year ended 31.03.2011
<b>NOTE 22 - EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus and Allowances	246.84	150.91
Contribution to Provident, Superannuation and Gratuity Funds	47.56	30.70
Employees Welfare Expenses	25.09	16.93
	<b>319.49</b>	<b>198.54</b>

	Rs. in Crore	
	For the Period ended 30.06.2012	For the Year ended 31.03.2011
<b>NOTE 23 - FREIGHT AND FORWARDING EXPENSES</b>		
On Finished Products	720.78	441.23
On Inter Unit Clinker Transfer	285.57	161.02
	<b>1,006.35</b>	<b>602.25</b>

	Rs. in Crore	
	For the Period ended 30.06.2012	For the Year ended 31.03.2011
<b>NOTE 24 - FINANCE COSTS</b>		
Interest Expense	213.50	170.95
Other Borrowing Costs	21.86	4.40
	<b>235.36</b>	<b>175.35</b>

	Rs. in Crore	
	For the Period ended 30.06.2012	For the Year ended 31.03.2011
<b>NOTE 25 - OTHER EXPENSES</b>		
Stores, Spare & Packing Materials Consumed	343.82	216.06
Mines Reclamation Expenses	2.49	6.90
Excise Duty on Captive Consumption of Clinker	32.68	11.77
Repairs to Plant & Machinery	65.62	43.43
Repairs to Buildings	9.26	7.41
Rent	7.84	5.82
Insurance	2.33	1.65
Rates and Taxes	7.87	5.83
Travelling	18.93	13.55
Commission to Non-executive Directors	0.81	0.60
Directors' Sitting Fees and Expenses	0.24	0.13
Foreign Exchange Rate Differences (Net)	1.23	2.19
Loss on Sale of Fixed Assets (Net)	-	0.52
Publicity & Selling Expenses	110.56	57.24
Rebate & Discount	178.31	115.59
Excise duty variance on Closing/Opening Stock (Refer note 33)	(1.07)	1.21
Provision for Bad and Doubtful Receivables	0.45	-
Miscellaneous (Refer Note 25.1)	52.62	43.59
	<b>833.99</b>	<b>533.49</b>
<b>Note</b>		
25.1 Miscellaneous Expenses includes the payment made to Auditors:		
<b>Statutory Auditors</b>		
Audit Fee	0.22	0.19
Tax Audit Fee	0.03	0.01
Certification / Other Services	0.06	0.04
Reimbursement of Expenses	0.06	0.04
<b>Cost Auditors</b>		
Audit Fee	0.02	0.02
Certification / Other Services	0.01	-
Reimbursement of Expenses [Rs.16333 (Previous year Rs. 13835)]		

26.

The Competition Commission of India (CCI) has, vide its order dated 30.07.2012, alleged contravention of provisions of the Competition Act, 2002 and imposed penalty of Rs. 397.51 crore on the Company. The company is contesting the same & accordingly, no provision has been made as on 30.06.2012.
27.

Hitherto the revenue from Traded Power and corresponding purchase cost of power trading activities was recorded as sales and purchase separately. For better presentation, Company has now shown these sale and purchase with their net result as revenue from power trading operation. Accordingly, the corresponding numbers of previous year have been regrouped and rearranged. There is no effect on the profits of the Company.
28.

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 220.35 crore (Previous Year Rs. 198.18 crore).
29.

Capital Work-in-Progress includes pre-operative expenses of Rs. 17.60 crore (Previous Year Rs. 18.31 crore) which includes depreciation of Rs. 0.36 crore (Previous Year Rs. 0.46 crore) on assets during construction period.
30.

The grants / subsidies given by government for promoting industrialization, being capital in nature, have been credited to capital reserve in the current accounting period (Refer accounting policy on government grants). Consequently, the profit for the period ended 30th June, 2012 is lower by Rs. 210.23 crore.
31.

Till the year ended 31st March 2011, Leasehold Land was shown

- at cost. During the current financial year, the company has changed amortization policy to provide that Leasehold Land not containing mineral reserve is amortized over the period of lease. (Refer Note No. 1 - XIII (b)).

It has been decided to give retrospective effect to this change. Accordingly amortization of Rs. 0.40 crore has been provided during the period. This change will give a systematic basis of amortization charge, representative of the time pattern in which the economic benefits flow to the company. Current period profit is therefore lower by Rs. 0.40 crore, due to this change.
32.

Till the year ended 31st March 2011, Mineral Bearing Land was being shown at cost. During the current financial year the company has changed the amortization policy to provide that "Mineral Reserve" forming part of Land is valued at cost and is amortized over its estimated commercial life based on the unit of production method. (Refer Note No. 1 - XIII (c)).

It has been decided to give retrospective effect to this change also. Accordingly an amortization of Rs. 2.24 crore has been provided during the period. This change will give a systematic basis of amortization charge, representative of pattern of utilization of minerals in which the economic benefits flow to the company. Current period profit is therefore lower by Rs. 2.24 crore due to this change.
33.

Excise duty on sales amounting to Rs. 679.25 crore (Previous year Rs. 425.92 crore) has been reduced from sales in statement of profit and loss and excise duty on increase / decrease in stock amounting to Rs. (1.07) crore (Previous year Rs. 1.21 crore) has been considered as other expenses.

34 - EXPENDITURE ON RESEARCH AND DEVELOPMENT

	Rs. in Crore	
	2011-12	2010-11
Capital	3.83	11.10
Revenue	12.57	8.31
<b>Total</b>	<b>16.40</b>	<b>19.41</b>

35 a) Unhedged Foreign Currency Exposure

	Amount in Crore			
S.N.	Purpose	Currency	As at 30-06-2012	As at 31-03-2011
1	Outstanding creditors for Spares, Capital Goods and Coal	USD	1.10	0.04
2	Interest Payable	USD	0.02	0.01
3	Outstanding creditors for Consultancy {2790 Euro (Previous year Nil)}	-	-	-

b) The details of Derivatives outstanding at the year end are as follows

	Amount in Crore				
	Nature of Contract	Currency	Buy Amount		Purpose
			As at 30-06-2012	As at 31-03-2011	
1	Forward Contracts	USD	8.64	2.99	Hedging of Acceptances
2	Currency and Interest rate Swap	USD	21.53	23.27	Hedging of Loans
3	Currency and Interest rate Swap	JPY	57.43	114.85	Hedging of Loans

36 - EMPLOYEE BENEFITS

a) Contribution to defined contribution plans recognized as expenses are as under:

	Rs. in Crore	
	2011-12	2010-11
Superannuation	14.08	12.21
Employees' Pension Scheme	4.10	3.82
Provident fund	14.00	7.21
<b>Total</b>	<b>32.18</b>	<b>23.24</b>

**b) Defined Benefit Plans**

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:

Rs. in Crore

		Gratuity (Funded Plan)	
		As at 30-06-2012	As at 31-03-2011
<b>I</b>	<b>Change in Obligation</b>		
	1 Present Value of defined benefit obligation at the beginning of the year	53.02	39.14
	2 Current service cost	7.93	4.80
	3 Interest cost	4.24	3.13
	4 Actuarial (gain) / loss on obligation	11.99	7.16
	5 Benefits paid	(5.05)	(1.21)
	6 Present value of defined benefit obligation at the end of the year	72.13	53.02
<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	52.23	38.92
	2 Expected return on plan assets	5.84	4.50
	3 Contributions by employer	18.90	10.02
	4 Actuarial gain / (loss) on plan assets	-	-
	5 Benefits paid	(5.05)	(1.21)
	6 Fair value of plan assets at the end of the year	71.92	52.23
<b>III</b>	<b>Expenses recognized in Statement of Profit and Loss</b>		
	1 Current service cost	7.93	4.80
	2 Interest cost	4.24	3.13
	3 Expected return on plan assets	(5.84)	(4.50)
	4 Net actuarial loss / (gain) recognized in the current year	11.99	7.16
	5 Expenses recognized in Statement of Profit and Loss	18.32	10.59
<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	72.13	53.02
	2 Fair Value of plan assets at the end of the year	71.92	52.23
	3 Funded status [ Surplus / (Deficit)]	(0.21)	(0.79)
	4 Net assets / (liability) as at the end of the year	(0.21)	(0.79)
<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	5.84	4.50

(c) 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.

(d) In terms of the Guidance Note on implementing the Accounting Standard 15 (revised 2005), issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, the provident fund set up by the company is treated as defined benefit plan since the Company has to meet the interest shortfall, if any. However, as at the end of the year no shortfall remains unprovided for. As advised by an independent actuary, it is not feasible to

actuarially value the liability considering that the rate of interest as notified by the Government can vary annually. Further the pattern of investments for investible funds is as prescribed by the Government. Accordingly other related disclosures in respect of provident fund have not been made.

(e) 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.

**(f) Amount for the current and previous four years are as follows**

Rs. in Crore

Gratuity-Funded plan	As at 30-06-12	As at 31-03-11	As at 31-03-10	As at 31-03-09	As at 31-03-08
Defined benefit obligation	72.13	53.02	39.14	23.53	18.59
Plan assets	71.92	52.23	38.92	23.53	18.59
Surplus / (deficit)	(0.21)	(0.79)	(0.22)	-	-

(g) Amount recognized as an expense in respect of leave encashment and compensated absences is Rs. 11.08 crore (Previous Year Rs. 6.17 crore).

**37 - SEGMENT REPORTING**

The Company has two primary business segments, namely Cement and Power. There is no reportable secondary segment as the Company operates only in one geographical area.

**Revenue, Results and other information**

Rs. in Crore

Particulars	2011-12				2010-11			
	Cement	Power	Inter-Segment Eliminations	Total	Cement	Power	Inter-Segment Eliminations	Total
Revenue								
External Sales	5317.34	580.78	-	5898.12	3196.47	257.06	-	3453.53
Inter Segment Revenue	-	546.71	(546.71)	-	-	350.24	(350.24)	-
Total Revenue	5317.34	1127.49	(546.71)	5898.12	3196.47	607.30	(350.24)	3453.53
Results								
Segment Results (Profit before Interest, Exceptional items & Tax)	1099.95	(278.41)	-	821.54	228.14	(15.60)	-	212.54
Add: Un-allocated Income	-	-	-	113.91	-	-	-	121.63
Less: Interest and Financial Expenses(Net)	-	-	-	235.36	-	-	-	175.35
Profit before exceptional items & Tax	-	-	-	700.09	-	-	-	158.82
Less: Exceptional Items	-	-	-	12.34	-	-	-	48.47
Profit before Tax	-	-	-	687.75	-	-	-	110.35
Less: Tax Expenses	-	-	-	69.25	-	-	-	(99.35)
Profit after Tax	-	-	-	618.50	-	-	-	209.70
Segment Assets	2130.91	639.89	-	2770.80	1845.52	1051.08	-	2896.60
Un-allocated Assets	-	-	-	3201.80	-	-	-	2043.78
Total Assets	-	-	-	5972.60	-	-	-	4940.38
Segment Liabilities	614.69	78.08	-	692.77	524.00	87.65	-	611.65
Un-allocated Liabilities & Provisions	-	-	-	697.60	-	-	-	296.74
Total Liabilities	-	-	-	1390.37	-	-	-	908.39
Depreciation & Amortization	191.69	681.40	-	873.09	359.36	316.40	-	675.76
Capital expenditure	199.28	399.51	-	598.79	587.59	564.03	-	1151.62
Significant Non Cash Expenses other than Depreciation & Amortization	-	-	-	-	-	-	-	-



### 38 - Related Party Disclosure (AS-18)

#### Relationships:

- (a) Party where control exists:  
 (i) Raipur Cement Company Private Limited      Subsidiary Company (From 04.05.12 to 21.06.12)
- (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 Project Limited      (iv) Shri Venkatesh Ayurvedic Aushadhalaya  
 (v) Asish Creations Pvt. Ltd.      (vi) Alpha Buildhome Pvt. Ltd.
- (c) Key Management Personnel  
 (i) Shri B.G. Bangur      Executive Chairman (upto 23-01-2012)  
 (ii) Shri H.M. Bangur      Managing Director  
 (iii) Shri Mahendra Singhi      Executive Director
- (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:

Rs. in Crore

	2011-12	2010-11
(a) Enterprises where KMPs have significant influence:		
Usage charges of common facilities		
- The Kamla Company Limited	0.39	0.25
- Aqua Infra Project Limited	0.06	
Purchase of Stores & Spares		
- Aqua Infra Project Limited	0.06	
Payment for office rent		
- Shree Capital services Ltd.	0.08	
Sale of Goods		
- Aqua Infra Project Limited		2.78
- Alpha Buildhome Pvt. Ltd.	0.04	0.07
Reimbursement of Expenses		
- Alpha Buildhome Pvt. Ltd.	0.39	
Reimbursement of Expenses Received		
- Shri Venkatesh Ayurvedic Aushadhalaya	0.11	0.11
Receiving of Services		
- Asish Creations Pvt Ltd.	0.81	0.67
(b) Key Management Personnel:		
Remuneration		
- Shri B.G. Bangur (upto 23-01-2012)	13.73	12.86
- Shri H.M. Bangur	13.66	4.36
- Shri Mahendra Singhi	5.57	3.57
Total	32.96	20.79
(c) Relatives of Key Management Personnel:		
Remuneration		
- Shri Prashant Bangur	1.73	1.06

There is no outstanding balance in receivable/payable and in loan account of the above parties at the end of the year.

### 39 - EARNINGS PER SHARE (EPS) (AS-20)

		2011-12	2010-11
Profit attributable to Equity shareholders	Rs. in Crore	618.50	209.70
Equity share capital	Rs. in Crore	34.84	34.84
Weighted average number of Equity shares outstanding (Face value of Rs. 10/- per share)	Nos.	34837225	34837225
Earnings Per Share - Basic and Diluted	Rs.	177.54	60.19

### 40 - MOVEMENT OF PROVISIONS DURING THE YEAR AS REQUIRED UNDER ACCOUNTING STANDARD -29

#### Mines Reclamation Expenses:

Rs. in Crore

	2011-12	2010-11
Opening Provision	16.50	10.93
Add: Provision during the year	2.49	6.90
Less: Utilization during the year	0.70	1.33
Closing Provision	18.29	16.50

### 41 - Purchase of Stock-in-trade represents cement

### 42 - THE FOLLOWING EXPENSES ARE INCLUDED IN THE DIFFERENT HEADS OF EXPENSES IN STATEMENT OF PROFIT AND LOSS :

Rs. in Crore

Particulars	2011-12			2010-11		
	Raw Materials Consumed	Power and Fuel	Total	Raw Materials Consumed	Power and Fuel	Total
Salaries, Wages, Bonus and Allowances	12.00	12.20	24.20	9.52	8.29	17.81
Contribution to Provident, Superannuation and Gratuity Funds	1.44	1.55	2.99	1.19	1.34	2.53
Employees Welfare Expenses	1.06	1.18	2.24	0.74	0.79	1.53
Stores and Spares consumed	20.51	12.01	32.52	14.29	7.40	21.69
Repairs to Plant & Machinery	6.25	7.07	13.32	3.17	3.18	6.35
Repairs to Buildings	0.01	0.42	0.43	0.07	0.66	0.73
Insurance	-	0.27	0.27	-	0.19	0.19
Rates & Taxes	0.01	0.10	0.11	0.05	0.08	0.13
Royalty and Cess	107.40	-	107.40	73.23	-	73.23
Miscellaneous	0.61	1.70	2.31	0.57	2.22	2.79

### 43 - OTHER NOTES

#### a) Value of imports during the year calculated on CIF basis:

Rs. in Crore

	2011-12	2010-11
(i) Raw Materials	-	4.70
(ii) Fuel	765.85	321.70
(iii) Stores, Spare parts and components	17.27	26.62
(iv) Capital Goods	17.99	175.84

#### b) Expenditure incurred in foreign currencies:

Rs. in Crore

	2011-12	2010-11
(i) Foreign Travel	0.50	0.36(#)
(ii) Consultancy charges	0.41(#)	0.51
(iii) Interest	4.09	-
(iv) Others	1.00	0.50

(#) For Capital Projects Rs. 0.13 crore (Previous Year Rs. 0.05 crore)

c) Value of imported and indigenous raw materials, stores, spare parts and components consumed and their percentage to total consumption:

	2011-12		2010-11	
	Value	%	Value	%
(i) Imported	6.63	1.15	9.96	2.67
(ii) Indigenous	572.41	98.85	362.38	97.33

	2011-12		2010-11	
	Value	%	Value	%
(i) Imported	13.78	6.47	11.97	8.17
(ii) Indigenous	199.16	93.53	134.55	91.83

d) Net dividend remitted to non-resident shareholders in foreign currency:

	2011-12	2010-11
(i) No. of non-resident share holders	2	2
(ii) No. of shares held	3600500	3600500
(iii) Year to which dividend relates	2010-11	2009-10
(iv) Amount remitted (Rs. In crore)	2.88*	2.88

\* It does not include Rs. 1500 paid in the year 2011-12 for final dividend of Year 2003-04 which was lying in unpaid dividend account.

	2011-12	2010-11
(i) No. of non-resident share holders	2	2
(ii) No. of shares held	3600500	3600500
(iii) Year to which dividend relates	2011-12	2010-11
(iv) Amount remitted (Rs. In crore)	4.32	2.16

44. Previous year figures have been regrouped and rearranged wherever necessary as also to bring the same in conformity with the current year classification under Revised Schedule VI.

45. In view of extended financial year, the figures for the current year are for fifteen months period.

46. 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 46

As per our report of even date  
For **B. R. Maheswari & Co.**  
Chartered Accountants  
Registration No. 001035N

**Sudhir Maheshwari**  
Partner  
Membership No. 81075

**B. G. Bangur**  
Chairman

**H. M. Bangur**  
Managing Director

**O.P. Setia**  
Director

**Shreekant Somany**  
Director

**Dr. Y.K. Alagh**  
Director

**Place:** Kolkata  
**Date:** 23<sup>rd</sup> August, 2012

**Nitin Desai**  
Director

**Mahendra Singhi**  
Executive Director

**Ashok Bhandari**  
Chief Finance Officer

**S.S. Khandelwal**  
Company Secretary

FINANCIAL PERFORMANCE RATIOS

	2011-12*#	2010-11*	2009-10*	2008-09*	2007-08
RAW MATERIAL COST/TOTAL TURNOVER (%)	11.88	11.22	8.43	8.35	8.90
POWER COST/TOTAL TURNOVER (%)	4.79	5.55	4.10	5.56	5.19
FUEL COST/ TOTAL TURNOVER (%)	18.13	17.62	11.11	14.03	9.86
MANPOWER & ADMIN COST/ TOTAL TURNOVER (%)	6.14	6.63	5.18	4.65	4.46
INTEREST /TOTAL TURNOVER (%)	2.05	2.48	1.91	1.08	2.18
PRE-INTEREST PROFIT/ TOTAL TURNOVER (%)	25.97	23.68	39.32	32.11	38.49
POST-INTEREST PROFIT/ TOTAL TURNOVER (%)	23.92	21.19	37.41	31.03	36.30
DEPRECIATION / TOTAL TURNOVER (%)	13.27	17.16	14.21	6.64	19.62
TAX/ NET PROFIT (%)	11.20	-47.38	28.37	25.08	35.71
TAX/ TOTAL TURNOVER (%)	1.05	-2.52	4.78	4.69	4.42
NET PROFIT/ TOTAL TURNOVER (%)	9.40	5.33	16.84	18.69	10.67
CASH PROFIT/ TOTAL TURNOVER (%)	22.72	20.97	31.00	25.60	29.69
ROCE (PBIT/AVERAGE CAPITAL EMPLOYED) (%)	14.51	5.09	28.42	32.12	24.88
TURNOVER / AVERAGE CAPITAL EMPLOYED (%)	116.07	96.27	120.80	131.29	144.00
EARNING PER SHARE (RS.)	177.54	60.19	194.07	165.91	74.74
CASH EARNING PER SHARE (RS.)	428.88	236.99	369.77	227.18	207.94
BALANCE SHEET RATIOS					
DEBT -EQUITY RATIO(TIMES)	0.56	0.84	0.89	0.88	1.73
DEBTORS TURNOVER (DAYS)	12.55	10.03	7.49	6.89	7.39
INVENTORY TURNOVER ( DAYS)	34.89	37.47	32.56	18.24	26.41
CURRENT RATIO (TIMES)	1.35	1.58	1.64	2.09	2.28
QUICK RATIO (TIMES)	1.10	1.14	1.27	1.86	1.92
BOOK VALUE PER SHARE (RS)	784.77	570.13	526.23	347.33	193.13

\*Turnover includes Cement as well as Power  
# Figures for 2011-12 has been annualised wherever necessary in view of 15 months period

Board of Directors

Shri B.G. Bangur	- Chairman
Shri H.M. Bangur	- Managing Director
Shri R.L. Gaggar	
Shri O.P. Setia	
Shri Shreekant Somany	
Dr. Y.K. Alagh	
Shri Nitin Desai	
Shri Prashant Bangur	- Whole Time Director (w.e.f. 23.08.2012)
Shri Mahendra Singhi	- Executive Director

Management Team

Shri Ashok Bhandari	- Chief Finance Officer
Shri Diwakar Payal	- Joint President (Marketing)
Shri P.N. Chhangani	- Joint President (Works)
Shri Kuldeep Verma	- Senior Vice President (Marketing)
Shri Arun Bhalla	- Chief Executive (Power Business Development)
Shri Shrinath Savoor	- Senior Vice President (Strategy)
Shri Gopal Daga	- Senior Vice President (Project Management)
Shri Sanjay Mehta	- Senior Vice President (Commercial)
Shri K.C. Gandhi	- Senior Vice President (Material Management)
Shri Ramakant Sharma	- Senior Vice President (PR)
Shri Vikas R. Bhatnagar	- Chief People and Wellness Officer
Shri Arvind Khicha	- Vice President (Commercial)
Shri S.C. Suthar	- Vice President (Mines)
Shri P.C. Jhawar	- Vice President (P&A)
Shri M.M. Rath	- Joint Vice President (Power Plant)
Shri Gajraj Jain	- Joint Vice President (Power Project)
Shri Narip Bajwa	- Joint Vice President (Marketing)
Shri Himanshu Dewan	- Joint Vice President (Marketing)
Shri R.K. Manawat	- Joint Vice President (Operation)
Shri Rakesh Bhargava	- Joint Vice President (R&D)
Shri R.K. Agarwal	- Joint Vice President (Project)
Shri Vinay Saxena	- Joint Vice President (Operation)
Shri Manoj Kumar Mahla	- Joint Vice President (P&A)
Shri Sharad Rajvanshi	- Joint Vice President (Marketing)
Shri S.R. Singhvi	- Joint Vice President (HR)
Shri R.K. Tiwari	- Joint Vice President (PR)
Shri Vijay Barthwal	- Assistant Vice President (Power Business Development)
Shri Rakesh Dalmia	- Assistant Vice President (Corporate Comm.)
Shri N.C. Jain	- Assistant Vice President (Finance)
Shri S.K. Soni	- Assistant Vice President (ERP &IT)
Shri K.K. Jain	- Assistant Vice President (Accounts)
Shri A.K. Srivastav	- Assistant Vice President (Project)
Shri S.C. Maheshwari	- Assistant Vice President (Taxation)

Shri G.L. Nandwana	- Assistant Vice President (Land acquisition)
Shri K.K.Talwar	- Assistant Vice President (Marketing)
Shri Yogesh Mehta	- Assistant Vice President (Logistics)
Shri Anil Kaushik	- Assistant Vice President (Marketing)
Shri S.L. Bhansali	- Assistant Vice President (Legal)
Shri P.S. Sharma	- Assistant Vice President (Marketing)
Shri S.K.Gupta	- Assistant Vice President (Commercial)
Shri R.N. Dani	- Assistant Vice President (Costing & MIS)
Shri A.K. Gupta	- Assistant Vice President (Project)
Shri Anand Kumar Jain	- Assistant Vice President (Civil)
Shri R.K. Srivastava	- Assistant Vice President (IT)
Shri Vivek Mathur	- Assistant Vice President (Marketing)

Company Secretary

Shri S.S. Khandelwal

Bankers

State Bank of Bikaner & Jaipur  
State Bank of India  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Axis Bank Ltd.  
Standard Chartered Bank  
HDFC Bank Ltd.  
DBS Bank Ltd.  
BNP Paribas  
The Bank of Tokyo-Mitsubishi UFJ Ltd.  
J P Morgan Chase Bank N.A.

Advertising Consultant

Shri Alyque Padamsee

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

Plants

Units I & II, 300MW Shree Mega Power Plant and Other Power Plants

Bangur Nagar, Beawar - 305 901 Distt.: Ajmer, Rajasthan (India)  
Phone: (91) 1462-228101-06 | Fax: (91) 1462-228117 / 228119  
Email shreebwr@shreecementltd.com

Unit III to VIII and Power Plants

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

Cement Grinding Unit(s)

**Khushkhhera:** Plot No SP 3-II, A-1, RIICO Industrial Area, Khushkhhera (Bhiwadi), Distt.: Alwar, Rajasthan - 301707

**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

Marketing Offices

Shree Ultra Cement

122-123, Hans Bhawan  
1 Bahadur Shah Zafar Marg, New Delhi - 110 002  
Phone: (91) 11-23370828, 23379448  
Fax: (91) 11-23370499

Bangur Cement

6B, 6 Floor, Hansalaya Building,  
15, Barakhamba Road, New Delhi - 110 001  
Phone: (91) 11-23736753-754  
Fax: (91) 11-23702796

Rockstrong Cement

10-A, DCM Building, 16-Barakhamba Road,  
Connaught Place, New Delhi - 110 001  
Phone: (91) 11-23731084-85  
Fax: (91) 11-23731084

A-6 Yudhisther Marg, Opp. Yojana Bhawan,  
C Scheme, Jaipur - 302 005, Rajasthan  
Phone: (91) 141-2223917, 2223918, 2382340  
Fax: (91) 141-2224841

91, Dulheshwar Garden,  
C Scheme, Sardar Patel Marg, Jaipur - 302 001, Rajasthan  
Phone: (91) 141-2360063, 2361696  
Fax: (91) 141-2360891

Plot No 17, Flat No. 101, Ground Floor, Jeevan Enclave,  
Mission Compound, Ajmer Road, Jaipur - 302 001 (Rajasthan)  
Phone: (91) 141-2371477, 2379141, 2379198  
Fax: (91) 141-2371477



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SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, BEAWAR-305 901, Distt. Ajmer (Rajasthan)

NOTICE

NOTICE is hereby given that the Thirty Third 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 Tuesday, 16th October, 2012 at 11:30 A.M. to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the Audited Accounts for fifteen months period ended 30th June, 2012 and the Reports of the Directors and Auditors thereon.
2. To confirm the payment of Interim Dividends on equity shares for fifteen months period ended 30th June, 2012
3. To declare final dividend on equity shares for fifteen months period ended 30th June, 2012
4. To appoint a Director in place of Shri O.P. Setia who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri R.L. Gaggar who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. B. R. Maheswari & Company, Chartered Accountants, New Delhi (Registration No.: 001035N) be and is hereby reappointed as Auditors of the Company, to hold office from conclusion of the Thirty Third 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

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as **Ordinary Resolution:**  
“RESOLVED THAT Shri Prashant Bangur, who was appointed as an Additional Director of the company by the Board and holds office up to the date of this meeting under Section 260 of the Companies Act, 1956 and in respect of whom, the Company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed a Director of the Company.”
8. To consider and, if thought fit, to pass with or without modification, the following Resolutions as **Special Resolutions:**  
“RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being in force) read with schedule XIII of the said Act, the consent of the Company be and is hereby accorded to the appointment of Shri Prashant Bangur as Whole-time Director of the Company for a period of 5 years w.e.f. 23rd August, 2012 on the terms and conditions as to remuneration, allowances, perquisites and other benefits as specified and set out in the annexed Explanatory Statement, with the authority to the Board to alter or vary the same from time to time with effect from such date or dates as may be decided by it and agreed to by Shri Prashant Bangur”.

“RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Shri Prashant Bangur shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement, subject however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof)”.

9. To consider and, if thought fit, to pass with or without modification, the following Resolutions as **Special Resolutions:**

“RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being in force) read with schedule XIII of the said Act, the consent of the Company be and is hereby accorded to the appointment of Shri Mahendra Singhi as the Executive Director of the Company for a period of 3 years w.e.f. 1st April 2013 on the terms and conditions as to remuneration, allowances, perquisites and other benefits as specified and set out in the annexed Explanatory Statement, with the authority to the Board to alter or vary the same from time to time with effect from such date or dates as may be decided by it and agreed to by Shri Mahendra Singhi”.

“RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Shri Mahendra Singhi shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement, subject however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof)”.

10. To consider and, if thought fit, to pass with or without modification, the following Resolutions as **Special Resolutions:**

“RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being in force) read with schedule XIII of the said Act, the consent of the Company be and is hereby accorded to revision in terms and conditions as to remuneration as specified and set out in the annexed Explanatory Statement in respect of Shri H.M. Bangur, Managing Director for the period commencing from 1st April, 2012 for the remaining period of his present tenure of appointment as Managing Director i.e. upto 31st March, 2016.”

“RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Shri H.M. Bangur shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement, subject however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof)”.

11. To consider and, if thought fit, to pass with or without modification, the following Resolution as **Special Resolution**:  
“RESOLVED THAT subject to the provisions of the section 198 & 309 of the Companies Act, 1956 and other applicable provisions, if any, (including any statutory modifications and re-enactments thereof for the time being in force) the Non Executive Directors of the Company be paid in addition to the sitting fee for attending the meeting of the Board or Committee thereof, and out of pocket expenses, a commission not exceeding 1% of the net profit of the Company computed under section 349 of the Companies Act, at such rate or amount or in such proportion as may be determined by the Board of Directors of the Company from time to time payable on annual basis, for further period of 5 years w.e.f. 1st April, 2013”.

By order of the Board

Place: Kolkata  
Date: 23<sup>rd</sup> August, 2012

**S. S. Khandelwal**  
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of item No 7, 8, 9, 10 & 11 of the Notice convening the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 10th October, 2012 to Tuesday, 16th October, 2012 (both days inclusive).
4. **(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)** The Company has transferred all unclaimed dividend declared for the years 1995-96, 2000-01, 2001-2002, 2002-03 and 2003-04 to Investors Education and Protection Fund.
- (C)** The members who have not yet encashed the dividend warrant(s) for the years 2004-05, 2005-06, 2006-07 (Interim Dividend), 2007-08, 2008-09 (Interim and Final Dividend), 2009-10 (Interim Dividend and Final Dividend) and 2010-11 (Interim Dividend & Final Dividend) & 2011-12 (first & second interim Dividend) are requested to approach the Company with their warrants for revalidation. Dividend for these years, which remain unclaimed for a period of 7 years, will be transferred by the Company to Investors Education and Protection Fund. The last date upto which claim for unpaid dividend which can be lodged with the Company is given hereunder:

Financial Year	Date of declaration of Dividend	Last date for transfer of unpaid dividend in Investors' Education and Protection fund	Dividend Amount Unpaid as on 30.6.2012 (Rs.Lac)
2004-05	16.8.2005	19.9.2012	6.45
2005-06	31.7.2006	5.9.2013	7.44
2006-07(Interim Dividend)	13.3.2007	18.4.2014	8.76
2007-08	18.7.2008	23.8.2015	10.36

Financial Year	Date of declaration of Dividend	Last date for transfer of unpaid dividend in Investors' Education and Protection fund	Dividend Amount Unpaid as on 30.6.2012 (Rs. Lac)
2008-09 (Interim Dividend)	28.4.2009	3.6.2016	7.21
2008-09 (Final Dividend)	24.7.2009	29.8.2016	6.78
2009-10 (Interim Dividend)	21.1.2010	26.2.2017	6.76
2009-10 (Final Dividend)	14.8.2010	19.9.2017	11.09
2010-11 (interim Dividend)	31.1.2011	6.3.2018	8.27
2010-11 (Final Dividend)	1.8.2011	6.9.2018	10.97
2011-12 (first Interim Dividend)	23.1.2012	28.2.2019	225.64
2011-12 (second Interim Dividend)	15.5.2012	20.6.2019	232.56

5. M/s Karvy Computer share Pvt. Ltd. is acting as Share Transfer Agent for both manual and electronic form of shareholdings. All communications relating to shares should be addressed to:  
**M/s. Karvy Computershare Pvt. Ltd.**  
Unit: SHREE CEMENT LTD.  
Plot No.17-24 Vittal Rao Nagar, Madhapur,  
**HYDERABAD - 500081**  
Attn: Mr. K.S. Reddy, Asstt. General Manager
6. The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the members' bank account through NECS wherever complete core banking details are available. In cases where the core banking details are not available, dividend warrants will be issued to the members with bank details printed thereon as available in the Company's records.
7. Members, who are holding physical shares in identical order of names in more than one account, are requested to intimate to the Share Transfer Agent, the Ledger Folio of such accounts and send the Share certificate(s) to enable the Company to consolidate all the holdings into one account. The Share Certificate(s) will be returned to the members, after making the necessary endorsements, in due course.
8. Shareholders holding shares of the company in physical format are requested to convert their holding to Demat through a Registered Depository Participant. Benefits of Dematerialization are:
- No risk of loss misplacement/theft/damage of share certificate(s)
  - No risk of bad deliveries
  - Shorter settlement thereby enhancing liquidity
  - No stamp duty on transfer of securities held in Demat form
  - No concept of market lots
  - Change of name, address, dividend mandate, registration of power of attorney, transmission etc can be effected across companies held in Demat form by a single instruction to the DP.
9. **Ministry of Corporate Affairs (MCA) has permitted paper less compliances by the Companies, vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents on Members e-mail will constitute sufficient compliances with Section 53 of the Companies Act 1956, provided that Members are given an advance opportunity to register their e-mail address or changes, if any, therein with the company.**

**Members who have not registered their Email address so far are requested to register their Email address, by logging onto our website <http://www.shreecement.in/>.**

10. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days except Sunday and public holiday, between 10.30 hours and 12.30 hours up to the date of meeting.
11. The Members desiring any information as regards financial statements of the Company are requested to write to the

Company at an early date, so as to enable the Company to keep information ready.

12. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the meeting.
13. 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.

S.No	Nature of Information	Item No. 4 of Notice	Item No. 5 of Notice	Item No. 7&8 of Notice	Item No. 9 of Notice
1	Name	Shri O.P. Setia	Shri R.L. Gaggar	Shri Prashant Bangur	Shri Mahendra Singhi
2	Age	74 years	80 years	32 years	60 years
3	Nationality	Indian	Indian	Indian	Indian
4	Qualification	M.Com, CA.I.I.B	B.A. (Hons), L.L.B.	B.Sc., M.B.A.	B.Sc., L.L.B., F.C.A.
5	Expertise in specific functional area	Vast experience in banking field at all levels.	Solicitor & Advocate	Business Planning & Corporate Management	Company Executive
6	Director of Company since (date)	31.7.1999	25.1.1995	23.8.2012	26.4.2002
7	Directorship in other Companies		Somany Ceramics Ltd. Sarda Plywood Industries Ltd. TIL Ltd. Peria Karmalai Tea & Produce Co. Ltd. Paharpur Cooling Towers Ltd. International Combustion India Ltd. SMPL Infra Ltd. (Formerly Subhash Projects & Marketing Ltd.) Machino Plastics Ltd. Sumedha Fiscal Services Ltd. Machino Polymer Ltd.	Khemka Properties Pvt. Ltd.	Shree Cement Marketing Ltd.
8	Member of Committees of Board	<b>Shree Cement Limited</b> - Audit Committee - Selection Committee - Shareholders' & Investors' Grievances Committee - Nomination cum Remuneration Committee	<b>Shree Cement Limited</b> - Audit Committee - Shareholders' & Investors' Grievances Committee - Nomination cum Remuneration Committee  <b>Somany Ceramics Ltd.</b> - Audit Committee - Shareholders' / Investors' Grievances Committee - Remuneration Committee  <b>TIL Ltd.</b> - Audit Committee - Remuneration Committee - Share Transfer Committee  <b>Paharpur Cooling Towers Ltd.</b> - Audit Committee  <b>International Combustion India Ltd.</b> - Audit Committee - Remuneration Committee  <b>Sarda Plywood Industries Ltd.</b> - Audit Committee - Shareholders' / Investors' Grievances Committee - Remuneration Committee		<b>Shree Cement Limited</b> - Selection Committee
9	Nature of Directors' Interest, in any of the resolution(s)	Except Shri O.P. Setia himself, none of the remaining Directors is concerned or interested in the resolution.	Except Shri R.L. Gaggar himself, none of the remaining Directors is concerned or interested in the resolution.	Except Shri Prashant Bangur himself and Shri H.M. Bangur and Shri B.G. Bangur being relatives, none of the remaining Directors is concerned or interested in the resolution.	Except Shri Mahendra Singhi himself, none of the remaining Directors is concerned or interested in the resolution.
10	Number of shares held in the Company	Nil	Nil	57475	4451



# ANNEXURE TO THE NOTICE

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED HERETO AND FORMS PART OF THE NOTICE DATED 23RD AUGUST, 2012

### Item No. 7 of Notice

Shri Prashant Bangur has been appointed as an Additional Director of the Company by Board w.e.f. 23.8.2012 under Section 260 of the Companies Act, 1956 and holds office up to the date of the Thirty Third Annual General Meeting of the Company.

As required under Section 257 of the Companies Act, 1956, Notice has been received from a member proposing the name of Shri Prashant Bangur for the Office of Director of the Company.

Board of Directors recommends the passing of the Ordinary Resolution at Item No. 7 of the Notice.

None of the Directors, except Shri Prashant Bangur being appointee and Shri B.G. Bangur and Shri H.M. Bangur as relative, is interested or concerned in the proposed resolution.

### Item No 8 of Notice

Shri Prashant Bangur has been appointed as Whole-Time Director of the Company by Board in its meeting held on 23.8.2012 for a period of 5 years on terms & conditions as recommended by Nomination cum Remuneration Committee subject to approval of members. Shri Prashant Bangur, preceding to appointment as Whole-Time Director, was acting as Executive President of the Company. Over the years, Shri Bangur has gained sound knowledge and experience in cement and power sectors. Shri Bangur is engaged in all strategic, policy and operational matters of the Company and provides critical insight and direction in management of all such matters. Shri Bangur has well demonstrated his administrative capability in handling various diverse issues relating to project implementation and operations. The terms and conditions as to remuneration approved by Board are as under:

(a) Salary: Rs. 1125000/- per month (w.e.f. 23.8.2012)

(b) Perquisites / Allowances / Benefits:

1. House Rent Allowance: Rs. 60000/- per month.
2. Retaining Allowance: Rs. 550000/- per month.
3. Uniform Maintenance Allowance: Rs. 3000/- per month.
4. Education Allowance: Rs. 200/- per month.
5. Medical Reimbursement: All expenses incurred for self and family in India and / or abroad including hospitalization, nursing home and surgical treatment shall be reimbursed.
6. Attendant Allowance: Rs. 13000/- Per month
7. Leave Travel Concession: Reimbursement of leave travel expenses for self and family for proceedings on leave in accordance with the rules of the Company.
8. Reimbursement of Books & periodicals: As per rules of the Company.
9. Company's contribution to Provident fund, Superannuation Fund or Annuity Fund as per rules of the Company.
10. Gratuity: As per rules of the Company but not exceeding half a month's salary for each completed year of service.

11. Encashment of leaves accumulated and not availed of as per rules of the Company.
12. Re-imbursement of Conveyance / Conveyance Allowance: As per rules of the Company.
13. Other allowances as may be applicable to the similarly placed employees of the Company.

(c) Commission :

Such commission on net profits as may be decided by the Board of Directors in its absolute discretion for each financial year or part thereof.

Explanation:

“Family” means the spouse, dependent children and dependent parents of such director.

[The Board of Directors of the Company are further authorized to fix the Annual increase in the salary and other variation as are considered appropriate in the remuneration of Shri Prashant Bangur subject however, to a ceiling of Rs. 600 Lac per annum. First increase to be effective from 1.4.2013.]

Overall remuneration:

The total remuneration payable to Shri Prashant Bangur by way of salary, commission, perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 198 and 309 and other relevant provisions of the Companies Act, 1956 or any statutory modification or re-enactments thereof.

Minimum Remuneration:

In the absence or inadequacy of profits in any year, Shri Bangur shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisite and other benefits as stated above in that year, subject, however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof).

Board of Directors recommends the passing of the Special Resolution at Item No. 8 of the Notice.

None of the Directors, except Shri Prashant Bangur being appointee and Shri B.G. Bangur and Shri H.M. Bangur as relative, is interested or concerned in the proposed resolution.

### Item No 9 of Notice

Shri Mahendra Singhi was re-appointed as Executive Director for 5 years by members of the Company vide their Annual General Meeting held on 18th July, 2008. His current term of appointment shall expire on 31st March, 2013. The Board of Directors of the Company in their meeting held on 15th May, 2012 had re-appointed Shri Mahendra Singhi for a period of 3 years w.e.f. 1st April 2013 on terms & conditions as recommended by Nomination cum Remuneration Committee subject to approval of members. The terms and conditions as to remuneration approved by Board are as under:

(a) Basic Salary:

- (i) 2013-14 (1st April 2013 to 31st March, 2014) - Rs. 30,00,000 per month
- (ii) 2014-15 (1st April 2014 to 31st March, 2015) - Rs. 40,00,000 per month
- (iii) 2015-16 (1st April 2015 to 31st March, 2016) - Rs. 50,00,000 per month

(b) Perquisites / Allowances:

1. Retaining Allowance :
  - (i) 2013-14 (1st April 2013 to 31st March, 2014) - Rs. 13,80,000 per month
  - (ii) 2014-15 (1st April 2014 to 31st March, 2015) - Rs. 15,00,000 per month
  - (iii) 2015-16 (1st April 2015 to 31st March, 2016) - Rs. 19,00,000 per month
2. Leave Travel Concession: Reimbursement of leave travel expenses for self and family for proceeding on leave subject to a ceiling of Rs. 5,00,000/- Per Year.
3. Club Fees: Reimbursement of fees of Clubs subject to the maximum of Two Clubs including admission and life membership fees.
4. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund: As per the rules of the Company.
5. Reimbursement of Medical Expenses: All expenses incurred for self and family in India and/or abroad including hospitalization, nursing home and surgical treatment shall be reimbursed at actual.
6. Attendant Allowance : Rs. 50,000/- Per Month
7. Gratuity: As per the rules of the Company.
8. Leave Entitlement and Encashment of earned leave: As per rules of the Company.
9. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites.
10. Other perquisites / benefits / allowances: As allowable to other employees of the Company as per rules of the Company including which may become applicable in future. Any other allowances (including HRA in case his services are placed at any other place other than Registered Office of the Company), benefits and perquisites as the Board may from time to time decide.

The Board is empowered to increase/make variation in terms & conditions as to remuneration of Shri Singhi. However, the annual increase in remuneration as may be determined by Board for the year 2014-15 (April -March) and 2015-16 (April-March) shall not exceed 30% of the total Remuneration (which includes

Basic Salary and all other allowance and perquisites) of the previous year.

Explanation:

“Family” means the spouse, dependent children and dependent parents of such director.

Overall remuneration:

The total remuneration payable to Shri Mahendra Singhi by way of salary, perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 198 and 309 and other relevant provisions of the Companies Act, 1956 or any statutory modification or re-enactments thereof.

Minimum Remuneration:

In the absence or inadequacy of profits in any year, Shri Singhi shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisite and other benefits as stated above in that year, subject, however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof).

The Board of Directors recommends the passing of the Special Resolutions at Item No. 9 of the Notice.

None of the Directors, except Shri Mahendra Singhi being an appointee, is interested or concerned in the proposed resolution.

### Item No 10 of Notice

Shri H.M. Bangur was re-appointed as Managing Director of the Company w.e.f. 1st April, 2011 for 5 years. Under the stewardship of Shri H.M. Bangur, the Company has scaled great heights and has expanded its operations significantly and also undertaken several new initiatives. Keeping in view the above, it is proposed to revise his remuneration w.e.f. 1st April, 2013 onwards suitably. Board of Directors of the Company in their meeting held on 15th May, 2012 had approved the revision in terms and conditions as to remuneration as recommended by Nomination cum Remuneration Committee w.e.f. 1st April, 2013 subject to approval of members in ensuing Annual General Meeting. The terms & conditions approved by the Board are as under:

(a) Basic Salary:

- (i) 2013-14 (1st April 2013 to 31st March, 2014) - Rs. 40,00,000 per month
- (ii) 2014-15 (1st April 2014 to 31st March, 2015) - Rs. 50,00,000 per month
- (iii) 2015-16 (1st April 2015 to 31st March, 2016) - Rs. 65,00,000 per month

(b) Commission :

Such commission on net profits as may be decided by the Board of Directors in its absolute discretion for each financial year or part thereof.

(c) Perquisites / Allowances:

(1) Retaining Allowance : As per rules of the company

(2) House Rent Allowance :

He shall be entitled to and be paid House Rent Allowance @ 60% of the salary.

Explanation:

The expenditure incurred on gas, electricity, water and furnishings shall be reimbursed and borne by the Company upto a limit of 10% of the salary.

(3) Medical Reimbursement :

All expenses incurred for self and family in India and / or abroad including hospitalization, nursing home and surgical treatment shall be reimbursed at actual.

(4) Leave Travel Concession :

Reimbursement of leave travel expenses for self and family, once in a year for proceeding on leave at actual.

(5) Club Fees :

Reimbursement of fees of Clubs including admission and life membership fees.

(6) Personal Accident Insurance :

As per rules of the Company.

(7) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund:

As per the rules of the Company.

(8) Gratuity :

As per the rules of the Company but not exceeding half a month's salary for each completed year of service.

(9) Encashment of leaves accumulated and not availed of:

As per rules of the Company.

(10) Provision of car for use on Company's business and telephone at residence wil not be considered as perquisites.

(11) Other Perquisites :

Subject to overall ceiling on remuneration as prescribed under Schedule XIII or other provisions of Companies Act, 1956 or such higher ceiling as may be applicable from time to time during his tenure, he may be given any other allowances, benefits and perquisites as the Board of Directors may from time to time, decide. However the aggregate amount of such allowances, benefits (excluding commission) and perquisites (excluding items at serial nos. 7 to 9) will not exceed 150% of salary of that year.

The Board is empowered to make variation in terms & conditions as to remuneration of Shri Bangur. However amount of total remuneration payable to him shall remain unchanged.

Explanation:

"Family" means the spouse, the dependent children and dependent parents of such director.

The total remuneration payable to Shri H.M. Bangur by way of salary, commission, perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 198 and 309 and other relevant provisions of the Companies Act, 1956 or any statutory modification or re-enactments thereof.

Minimum Remuneration:

In the absence or inadequacy of the profits in any year, Shri H.M. Bangur shall be entitled to receive and be paid the above remuneration as minimum remuneration in that year by way of salary, allowances, perquisite and other benefits as stated above in that year, subject, however, to the necessary approvals and ceiling specified under the Schedule XIII of the Companies Act, 1956.

Board of Directors recommends the passing of the Special Resolutions at Item No. 10 of the Notice.

None of the Directors, except Shri B.G. Bangur, Shri Prashant Bangur and Shri H.M. Bangur being relative, is interested or concerned in the proposed resolution.

Item No 11 of Notice

The members of the Company vide their Annual General Meeting held on 18th July, 2008 had authorized the Board of Directors of the Company to make payment of commission to non executive directors for a period of 5 years commencing from 1.4.2008. The same was in line with the provisions of section 309 of the Act which limits payment of commission to non executive director's upto maximum 1% of net profit computed under section 349 of the Companies Act. The said authorization is applicable for payment of commission to Non-executive directors upto the year 2012-13. Further authorization for a period of 5 years to the Board of Directors of the Company commencing from 1.4.2013 is hereby sought.

The Board of Directors recommends the passing of the special resolution at item No. 11 of the Notice.

All the Non-executive directors of the Company are interested in the resolution to the extent of commission payable to them.

By order of the Board

Place: Kolkata  
Date: 23<sup>rd</sup> August, 2012

S. S. Khandelwal  
Company Secretary

NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM

Karvy Computershare Pvt. Ltd.  
Unit - Shree Cement Ltd.  
Plot No.17-24, Vittal Rao Nagar,  
Madhapur,  
Hyderabad-500 081

← 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 .....  
  
• Mention the 9 digit-code number of the bank and branch appearing on the MICR cheque issued by the bank.  
  
.....  
(Please attach 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 appearing on the cheque book) .....  
  
5. 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

07

## SHREE CEMENT LIMITED

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

### Payment of Dividend through National Electronic Clearing Service (NECS)

Dear Shareholder(s),

You might be aware that Company had provided the facility to directly receive dividend payments to your bank account through Electronic Clearing Service (ECS) mechanism. ECS provided adequate protection against fraudulent interception and encashment of dividend warrants apart from eliminating loss/damage of dividend warrants in transit and the correspondence with the Company on revalidation / issuance of duplicate dividend warrants.

Now RBI has directed banks to move to NECS platform for centralized processing of inward instructions and handling of bulk transactions. National Electronic Clearing Service (NECS) is a centralized version of ECS facility. It takes advantage of 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. Thus contrary to ECS facility which was available for some selected locations, NECS has no restrictions of centres or of any geographical area inside the country.

This facility is available subject to Reserve Bank of India's guidelines.

In order to take advantage of this facility, 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. The form is also available for download on Company's website [www.shreecement.in](http://www.shreecement.in) under the 'investor centre' section.

However, if the shares are held in dematerialized 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 information should be accurate and complete in all respect so that you get the credit of dividend in time. Please note that NECS essentially 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 R&TA or DP, as the case may be.

The shareholders opting of this facility have the right to withdraw from NECS mode of payment by giving 30 days notice before the due date of payment.

We recommend that you should avail the same.

Yours faithfully,

**For SHREE CEMENT LIMITED**

**S. S. KHANDELWAL**  
COMPANY SECRETARY



### SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, BEAWAR-305 901 Distt: Ajmer (Rajasthan)

Dear Shareholder(s),

### Sub: Nomination facility for shares

You may be aware that the Companies Act, 1956 provides nomination facility to members / debenture holders of the Company for shares / debentures of the Company registered in their name. Nomination enables smooth inheritance of ownership of the shares / debentures to Nominee without any procedural difficulties. Therefore, we would recommend you to avail this facility in respect of your holding of equity share(s) in the Company. For this purpose, you may fill in the prescribed Form No. 2B and send it to Registrar and Share Transfer Agent of the Company at following address:

**M/s. Karvy Computershare Pvt Ltd,**  
**Unit: SHREE CEMENT LIMITED**  
**Plot No.17-24, Vittal Rao Nagar,**  
**Madhapur, Hyderabad – 500 081**  
**Contact person: Mr. K. S. Reddy, Asstt. General Manager**  
**Phone No.: (91) 040-44655000**  
**Fax No. : (91) 40 -23420814**  
**E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)**

Investors holding share(s) in electronic form should contact their concerned Depository Participant (DP) directly for registering nomination.

Yours faithfully,

**S. S. Khandelwal**  
Company Secretary



Form No. 2B

(See rules 4CCC and 5D of the Companies (Central Government's) General Rules and Forms, 1956)

NOMINATION REQUEST FORM

(To be filled by individual(s) holding shares in physical form – singly or jointly)

To,  
M/s. Karvy Computershare Pvt. Ltd.,  
Unit: Shree Cement Limited  
Plot No.17-24, Vittal Rao Nagar,  
Madhapur,  
Hyderabad-500 081

From: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
  
Folio No.: \_\_\_\_\_  
No. of shares held: \_\_\_\_\_

I am / we are the holder(s) of shares of the Company as mentioned above. I / we nominate the following person(s) in whose favour all rights of transfer and/or amount payable in respect of equity shares shall vest in the event of my / our death.

Nominee's name: \_\_\_\_\_

Age

Date of Birth

(To be furnished only in case the nominee is minor)

Address of the nominee: \_\_\_\_\_

\_\_\_\_\_

Pin code

Telephone No(s): \_\_\_\_\_

Fax No(s) \_\_\_\_\_

Email Address: \_\_\_\_\_

Mobile No(s): \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

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

Kindly take the aforesaid information on record.

Thanking you,

Yours faithfully,

Name of all the holder(s) (as appearing on the Certificate(s))	Signature as per specimen recorded with the Company	Date

Signature of two witnesses

Name and address of witness	Signature	Date



SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar – 305901 Dist: Ajmer (Rajasthan)

Members Feedback Form for Shree Annual Report 2011-12

Name: ..... email id\*: .....

Address: .....  
.....  
.....

Pin: .....

DP ID: ..... Client ID: .....

Folio no. (In case of physical holding): .....

No. of Equity Shares held: .....

Signature of Member

\* for updating records of the Company

	Excellent	Very Good	Good	Satisfactory	Needs improvement
Directors' Report and Management's Discussion and Analysis					
Report on Corporate Governance					
Reporting of Annual Financial Statements (Financial information)					
Quality of Non-financial information (Chairman, MD, ED Messages & Deptt. Highlights)					
- Contents					
- Presentation					

Suggest what other issues should be covered in the Report  
.....  
.....

Suggest the areas, if any, where more details should be reported?  
.....  
.....

Please mail your feedback to:

S.S. Khandelwal  
Company Secretary  
Shree Cement Limited,  
Bangur Nagar,  
Beawar - 305 901, Distt: Ajmer, Rajasthan  
Ph: (91) 1462-228101-06 Fax: (91) 1462-228117/119  
E-mail: khandelwalss@shreecementltd.com



SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, BEAWAR-305 901 Distt: Ajmer (Rajasthan)

ATTENDANCE SLIP

THIRTY THIRD ANNUAL GENERAL MEETING

D.P. ID\* .....

Folio No. ....

Client ID\* .....

No. of shares held: .....

NAME OF THE  
SHAREHOLDER/PROXY .....

ADDRESS .....

I hereby record my presence at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 16th day of October, 2012 at 11:30 A.M. at the Registered Office of the Company at Bangur Nagar, Beawar - 305 901 Distt: Ajmer (Rajasthan).

SIGNATURE OF THE SHAREHOLDER/PROXY

Note: Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

\*Applicable for holding in electronic form.



SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, BEAWAR-305 901 Distt.: Ajmer (Rajasthan)

PROXY

THIRTY THIRD ANNUAL GENERAL MEETING

D.P. ID\* .....

Folio No. ....

Client ID\* .....

No. of shares held: .....

I/We .....being a member/members of

**SHREE CEMENT LIMITED** hereby appoint .....

of .....

or failing him/her .....

of .....

as my/our proxy to vote for me / us and on my/our behalf at the 33rd ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 16th day of October, 2012 at 11:30 A.M. and at any adjournment thereof.

Affix  
Revenue  
Stamp here  
& Sign

Signed this .....day of .....2012

\*Applicable for holding in electronic form.

SIGNATURE OF SHAREHOLDER(S)

Note: The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be member of the Company.