



Being **Crazy** is Heavenly

ANNUAL REPORT
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Caution regarding forward-looking statements: This document contains statements about expected future events and financial and operating results of Shree Cement Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the Shree Cement Limited Annual Report 2017 - 18.

CONTENTS

OVERVIEW	Being Crazy is Heavenly - Theme Overview	02
	Introducing Shree	04
	Financial Strength 2017-18	05
	Entrepreneur of the Year	06
	Philosophy, Vision, Values and Guiding Principles	08

VIEWS AND PERSPECTIVES	Chairman's Words	10
	Managing Director's Outlook	12
	Jt. Managing Director's Communication	14
	Message from President (Marketing)	16
	Message from President (Works)	18
	Shree's Growth Story	20
	Employee Speak	22
	Amazing Facts	23

BEING CRAZY IS HEAVENLY	The Underlying Philosophy	24
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WORKING PRINCIPLES	Innovation	28
	Challenges	32
	Excellence	36
	Customer Orientation	40
	Intrapreneurs	44
	Accountable	50
	Sustainability & CSR	54

HALL OF FAME	Awards and Accolades	60
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STRATEGIC THINKERS	Profile of Directors	62
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PERFORMANCE REVIEW	Performance Highlights	66
	Five Years Highlights	70
	Twenty Five Years Highlights	71

STATUTORY AND FINANCIAL SECTION	Board's Report and Management Discussion and Analysis	72
	Annexures to Board's Report	83
	Business Responsibility Report	111
	Report on Corporate Governance	122
	Standalone Financial Statements	142
	Consolidated Financial Statements	194

OTHER INFORMATION	Ratio Analysis	245
	Corporate Information	246
	Company's Plants and Marketing Offices	247

BEING CRAZY
IS GOOD.
WE ARE CRAZY,
BUT WE ARE
NOT STUPID.

Jack Ma



What is crazy? Anything that appears against the norm initially, yet proves beneficial in the end. That is crazy! It is a way of thinking. Thinking Differently, to achieve the unprecedented! Ideas that initially sound crazy or full of risks eventually turn out to be great and game-changing. Thinking Different means looking at the same issue at hand from an entirely new perspective. It also means departing from the past and set patterns.

Ma Yun, to the rest of the world - Jack Ma, is a legend. A global icon, the richest man in China, the founder of the game-changing company Alibaba Group, the Crocodile of the Yangtze River,... are some of the many sobriquets he has earned; but the fittest one is 'The ultimate organisation builder'. The most celebrated entrepreneur of the world today, was once at the receiving-end of people's ridicule. His enormous ambition and unconventional strategies won him the nickname 'Crazy Jack'. Accepting this unusual title with aplomb, he is known to have said, 'Being Crazy is good. We are crazy, but we are not stupid.'

Ma, an English teacher, started a translation service business. A visit to the US in 1995 as translator, he became aware of the Internet. Learning that there is lack of Chinese businesses online, he saw opportunity to facilitate small and medium Chinese enterprises do business online with the rest of the world. Jack Ma founded Alibaba in 1999; making the Internet as the core of his ventures. Traversing through various challenging times, some even threatening its existence, Alibaba is now larger than Amazon and eBay combined. More interesting than the size of the empire is the way in which he built it - by shunning contemporary notions of business strategy.

Ma was so passionate about his platform that he immersed himself in the product in order to better understand the wants and needs of his customers. Putting 'Customers First' he gained customer trust that forms the foundation of

Alibaba's business empire. Despite not having a technology background, he was able to put technology into best use as he had put together a team which not only had the right skills but also the right entrepreneurial attitude. With trust and support, he knew that ordinary people could attain the extraordinary. Doing something new, challenges came up in a regular manner. Failures were part of his journey. Not giving up despite all the challenges and evolving his approach when faced with road-blocks, was what kept him moving ahead. With a team that had fire in its belly, excellence was a but natural result. His online marketplace model was an innovation, which enabled small

Chinese businesses to inexpensively expand their market reach across the domestic and global market. Thus his individual and the company's growth came along with growth of several other members of the overall society. Today, Alibaba's existence contributes to the employment of 10 million Chinese people and the survival of over 10 million small businesses as a result of its customer-



focused philosophy. Embracing change, taking initiatives, risking failure proved to be game-changing. This is the journey of Alibaba and that of Jack Ma. The journey of Shree Cement is similar. Many of the characteristics that this successful entrepreneur embodies are actually in the DNA of Shree Cement.

Being Crazy is Heavenly. For it builds Performance culture, accepts that Challenges are fundamental to running a business, creates an innate organisation-wide trust and belief in Innovations and fosters team spirit. Then the onus is not on passing the buck but working with responsibility. This acceptance of what is prima facie 'Crazy' is actually 'Heavenly' and 'Good' has served as a roadmap at Shree. This Annual Report underscores the point with vivid examples drawn from various locations, functions, departments at Shree.

INTRODUCING SHREE

CEMENT PORTFOLIO

Cement Production Capacity

34.9 Million Tons
Per Annum

MULTIPLE LOCATIONS

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

POWER PORTFOLIO

Total Power Generation Capacity

639.7 MW

**Largest Waste Heat Recovery
Based Power Plants (WHRP)**
in the global Cement Industry
excluding China

AMONG THE TOP

3 CEMENT GROUPS IN INDIA
(IN TERMS OF CEMENT CAPACITY)

AMONG THE TOP

100 LISTED COMPANIES IN INDIA
IN TERMS OF MARKET CAPITALISATION

**MARKET
LEADER**

IN NORTH INDIA WITH
HIGHEST MARKET SHARE

Brand Showcase



FINANCIAL STRENGTH 2017-18



GROWING STRENGTH TO STRENGTH

Growth on 10 Years' Horizon

Parameter	UoM	2017-18	2007-08	CAGR
Cement Capacity	MTPA	34.9	9.1	14.39%
Power Capacity	MW	639.7	101.5	20.21%
Revenue from Operations (Net)	₹ in Crore	9,833	2,109	16.64%
Operating Profit (EBIDTA)	₹ in Crore	2,862	939	11.79%
Net Profit	₹ in Crore	1,384	260	18.20%
Net Worth	₹ in Crore	8,897	673	29.46%

OVERVIEW

ENTREPRENEUR OF THE YEAR

Forbes Leadership Award 2017 to Shri H. M. Bangur, Managing Director of the Company



Shri H. M. Bangur, Managing Director of Shree Cement, accepts the Entrepreneur of the Year Award from Joy Chakraborty, CEO – Forbes India and President – Revenue, Network18



The crème de la crème of the business world came together at The Trident, Nariman Point, Mumbai on 14th November, 2017 to celebrate excellence in business, innovation and transformational leadership at the gala awards ceremony.

Shri H.M. Bangur, Managing Director of the Company has been awarded with the prestigious 'Entrepreneur Of the Year' Award at the seventh Forbes India Leadership Awards (FILA) 2017.

The awards were instituted by Forbes India magazine to recognise the outstanding contributions of CEOs, entrepreneurs and business leaders who have built enterprises that have had a deep and enduring impact on the wider society. FILA 2017 Awards span across ten categories, with the nominees and winners representing diverse backgrounds - from startups and mid-sized firms to the more mature organisations of a global scale.

PHILOSOPHY, VISION, VALUES AND GUIDING PRINCIPLES

THE SHREE PHILOSOPHY

॥ Aah No Bhadra:
Kratavo Yantu Vishwatah ॥

- Rigveda

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

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



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

Quality and Energy Conscious
Customer Responsive

Socially Responsive
Investor Rewarding

Employee and Environment Friendly
Sustainable Organisation

OUR VISION

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

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

OUR GUIDING PRINCIPLES

Enforce good corporate governance practices

Encourage integrity of conduct

Ensure clarity and unambiguity in communication

Remain accountable to all stakeholders

Encourage socially responsible behaviour