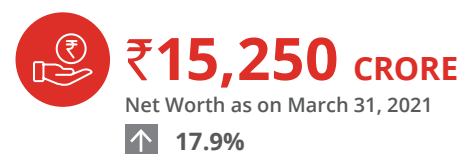
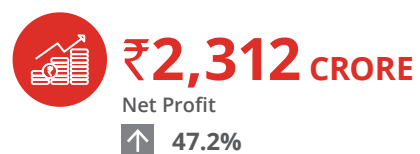
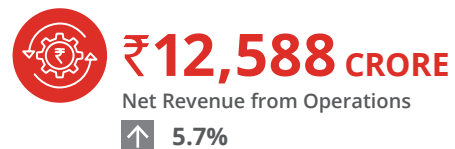




HARD WORK
BEATS TALENT WHEN TALENT DOESN'T
WORK HARD

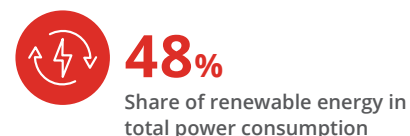
Performance snapshot 2020-21

Key Financial Numbers



↑ growth (y-o-y)

Key Non-Financial Numbers



Growth over 10-year horizon

Parameter	2010-11	2020-21	CAGR
Cement Production Capacity (MTPA)	13.5	43.4	12.39%
Power Generation capacity (MW)	260	752	11.21%
Revenue from operations (₹ Crore)	3,454	12,588	13.81%
Operating Profit (EBIDTA) (₹ Crore)	1,010	4,413	15.89%
Profit After Tax (₹ Crore)	210	2,312	27.13%
Net Worth (₹ Crore) (as at the year-end)	1,986	15,250	22.61%
Market Capitalisation (₹ Crore) (as at the year-end)	7,211	1,06,313	30.87%

Disclaimer

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 2020 - 21.

Your comments and feedback are of great importance to us. We would be glad to address any queries or observations that you may have with regard to our Performance or this Report. You are most welcome to e-mail us at investor@shreecement.com.

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HARD WORK BEATS TALENT WHEN TALENT DOESN'T **WORK HARD**

The Earth's ceaseless motion enables it to sustain life. This rarest of rare phenomenon will not last if the Earth stops rotating and revolving. That's the lesson the Universe teaches us. Like our Mother Earth, talent has to continually work hard to achieve its purpose.

At Shree Cement, we have always counted on our hard work to sharpen our talent and succeed. When we started our journey over three decades ago, we brought the requisite talent on board to make a mark in India's cement sector. Since then consumers' aspirations have evolved, demand-supply dynamics altered and technology is playing an ever more important role in the way we create value. Notwithstanding adversities and challenges

that came our way, we have continued to work hard. We never stopped at any point, neither in achievement nor in failure.

We have grown our market share and brand recall because we have continually honed our capabilities. We ramped up our scale, enhanced supply chain efficiencies, listened to the expectations of our customers and stakeholders, and above all empowered our teams to seek new horizons. The journey continues, with no comfort zone or complacency to create value that lasts.

As we begin our work each day, we are inspired by the belief that talent multiplied by hard work produces the best outcomes in business and in life.

CORPORATE IDENTITY

Steadfast Commitment to Create Value

Shree Cement Limited, incorporated in 1979, is India's third largest cement group today with operations spread across the country. Our network of strategically located integrated units and satellite grinding units across North, East and South India aid us in serving the length and breadth of India, from urban to the rural markets.

There is a part of Shree Cement in the lives of millions of people in India everyday. Our dedicated team is constantly striving to provide quality products to our customers.

We foster a culture that encourages continuous development, innovation, and collaboration leading to an overall operational excellence. We also remain dedicated in our commitment towards sustainability and inclusive growth, being among the industry pioneers in terms of use of renewable energy, alternate fuel & raw materials and energy efficiency in the production of cement. Today we are proud to have the highest installed capacity of Waste Heat Recovery Power plants in the world, excluding China.

Robust capacity (As on March 31, 2021)



43.4
MTPA

Total cement production capacity



9

Grinding Units in India



752 MW

Total power generation capacity



4

Integrated Units in India



244 MW

Renewable power generation capacity in total power capacity



4

Integrated Units in India



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.

**AAH NO BHADRA:
KRATAVO
YANTU VISHWATAH**

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

- Rigveda

The Shree Philosophy

At Shree, we believe in imbibing and extending these noble thoughts across all our functions. Our ethos makes us an organisation that is:

- Quality and Energy Conscious
- Customer Responsive
- Socially Responsive
- Investor Rewarding
- Employee and Environment Friendly
- Sustainable Organisation

Our Guiding Principles

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

Our Values, Our Strengths



Passion for Efficiency

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



Trust and Support

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



Creativity and Innovation

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



Simplify

- Extracting the essence and keep communication simple



Dynamism

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



Care

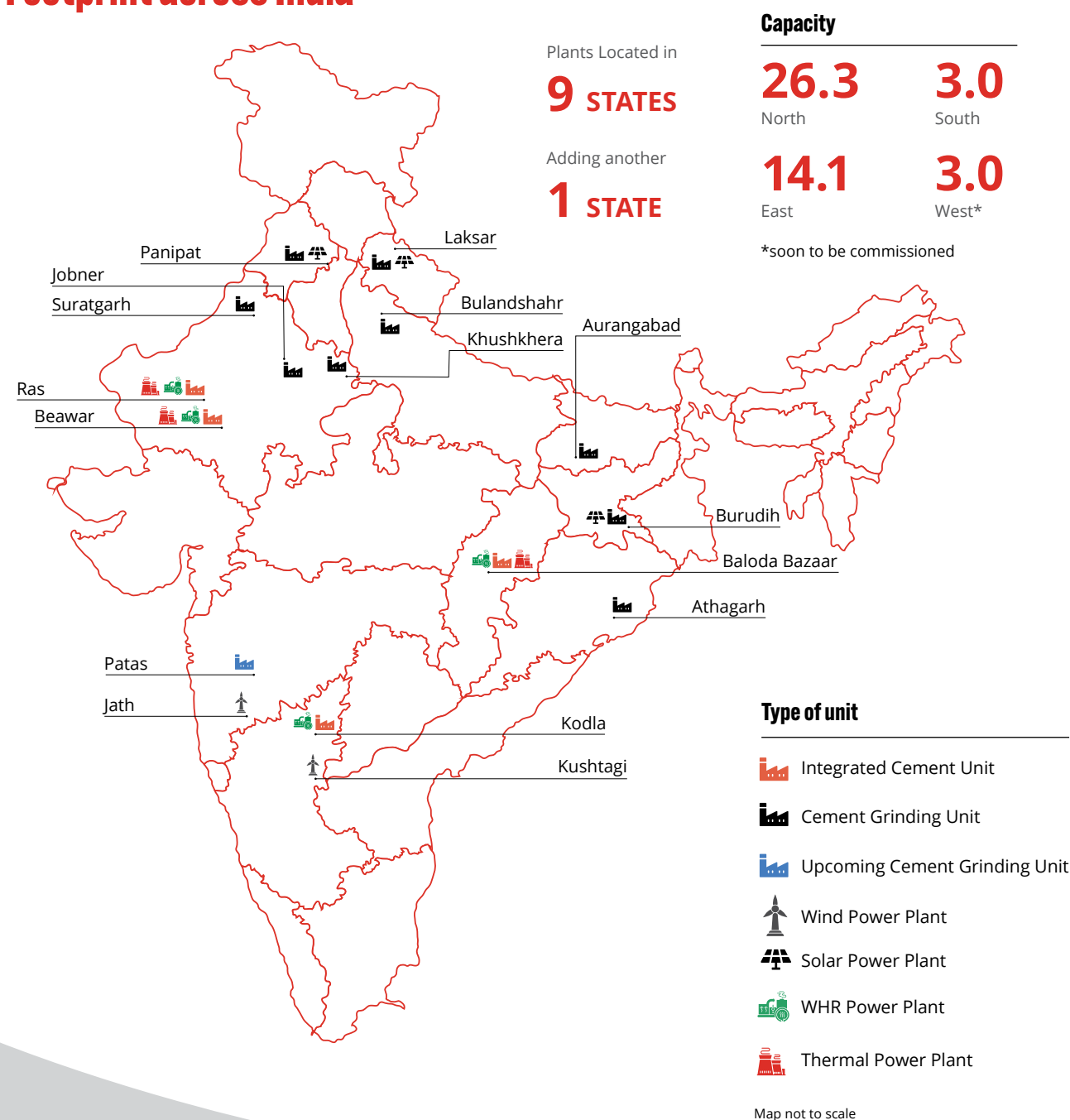
- Being compassionate towards our communities and our environment
- Working together as one family; connect personally with each other
- Demonstrating humane touch in the way we work

PRESENCE

Building Manufacturing Capabilities with Strategic Focus

Our integrated plants and grinding units help us serve our customers in a cost-efficient manner and at minimal turnaround time.

Footprint across India



UAE subsidiary

We operate our overseas operations through our subsidiary Union Cement Company (PJSC) which manufactures and sells cement in the United Arab Emirates and other international markets.

With debottlenecking and upgradation measures, we have been able to achieve clinker production of around 14,000 tonnes per day against the 10,000 tonnes per day capacity at the time of acquisition in year 2018.

UCC has also enhanced its capacity of Waste Heat Recovery power plant from 13.0 MW to 29.5 MW.



► Union Cement Company, Ras Al Khaimah, UAE

BRAND AND PRODUCT PORTFOLIO

Making Brands Stand Out from the Crowd

Our product portfolio is based on the results of rigorous research of the requirements of our customers. We constantly thrive to provide high quality, reliable and innovative products to our customers across the social pyramid and industries.

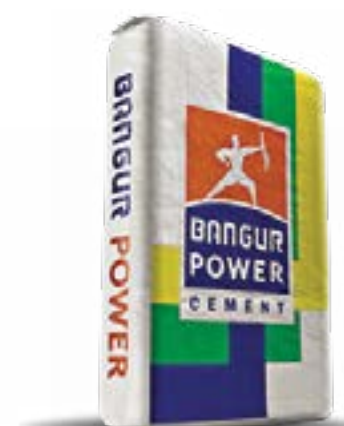


Roofon Concrete Master Cement **Premium**

Har chhath ki khwahish

Launched after extensive research, this innovative product competes with world's best. It is designed to create strong lasting concrete structures with high tensile strength and is used for roofs, foundations, columns and beams to give a denser concrete layer that is crack and rust resistant.

PPC PSC



Bangur Power Cement **Premium**

Apno ke liye, Hamesha ke liye

The range marks an entry to the top most segment of the premium quality products- offering extra finesse, smoothness, high volume, higher strength, and resistance to corrosion. It is a specially formulated cement for the discerning customer, and meets all international standards.

OPC PPC PSC



Shree Jung Rodhak Cement

Ghar ki dhaal, Saalon Saal

An all-purpose cement it is the preferred choice in the segment, for its strong corrosion resistant property prolonging the life and durability of the structure.

OPC PPC PSC



Bangur Cement

Sasta Nahin Sabse Achha

Manufactured using German technology, it can be used for diversified construction purpose. It has been developed for customers looking for superior quality products which meet global standards.

OPC PPC

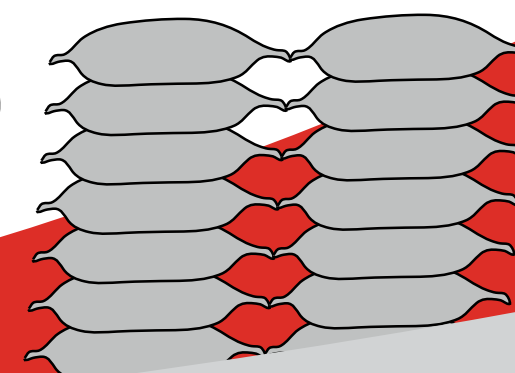
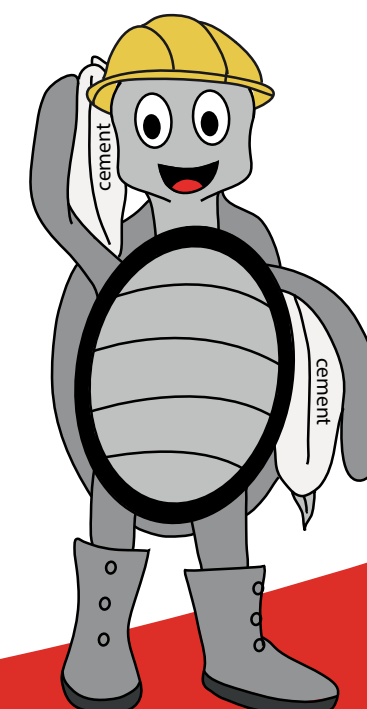


Rockstrong Cement

Desh Ko Banaye Rockstrong

An extensively used cement offering excellent value at competitive pricing. It is known for its strength and low setting time, enabling construction option in exceptionally harsh environmental conditions.

OPC PPC



CHAIRMAN SPEAKS

Sustained Growth through Hard Work



We had the talent to be in this field, but we also had the motivation to combine talent with untiring efforts to survive and succeed. The Shree of today is the result of continual efforts of our people over the years. People who, at each newer challenge, worked harder.

What separates a diamond from another piece of carbon is the undeterred motivation to tolerate the heat expanding over thousands of degrees and to keep shouldering calamities inside the earth's core. Those which cannot withstand the pressure remain a piece of carbon. Depending, however, upon how it copes with the challenges, as every piece of carbon has the property to turn into a diamond someday.

What this underlies? That inherent quality or Talent, unless nurtured with hard work, would remain an unutilised potential. It is true that every human being possesses some ability or talent. However, no one can attain destiny with talent alone. Only those who never give up realise their true potential.

Shree started in 1985 with less than one-million-tonne of cement making capacity. We had the talent to be in this field, but we also had the motivation to combine talent with untiring efforts to survive and succeed. The Shree of today is the result of continual efforts of our people over the years. People who, at each newer

challenge, worked harder. They remained committed to their goals and undaunted in the face of upheavals in the external environment. Every achievement, big or small, continued strengthening our belief, not just in the talent of our people, but in their motivation to keep growing.

As we continue to seek newer horizons of success, we are aware of the need to keep refining and redefining our practices and proficiency. And we remain passionate and motivated to continue our hard work.

B.G. Bangur



Every achievement, big or small, kept on strengthening our belief, not just in the talent of our people, but in their motivation to keep growing further

MANAGING DIRECTOR'S PERSPECTIVE

A Culture of Fostering
Hard Work

Having the ability and having results are actually two different things. Having the requisite talent is basic. For achieving results, one must put in efforts.



**Work gets accomplished
by effort and industry,
not merely by wishing.
The animals don't enter a
sleeping lion's mouth.**

A perennial question that people keep seeking an answer to is whether sustainable success is an interplay of various factors of fate, luck, talent and hard work. Our ancestors, in their continual pursuit of enlightenment, generated unlimited knowledge. This ancient knowledge bank, compiled and disseminated in the form of shlokas, contains key to guide us in our innumerable quests in life. One such compilation, Hitopadesha, provides an answer to the above query as contained in following Shloka:

**उद्यमेन हि सिध्यन्ति कार्याणि न मनोरथैः ।
न हि सुप्तस्य सिंहस्य प्रविशन्ति मुखे मृगाः ॥**

Work gets accomplished by effort and industry, not merely by wishing. The animals don't enter a sleeping lion's mouth.

Emphasis here is clearly on making efforts to achieve results. A lion is born with a natural ability to hunt. Is that enough for it to survive? No. To actually feed itself, the lion has to go into the forest and do the hard grind. No amount of inborn ability, even of the king of jungle, can substitute the efforts.

Having the ability and having results are actually two different things. Having the requisite talent is basic. For achieving results, one must put in efforts. Ordinary efforts will bring ordinary results. Hard work on a sustained basis produces success which is durable and takes one to greater heights. Thus, it is only continuous toiling with the same level of commitment on an ongoing basis that brings sustainable success. Below quote from Bhagwat Gita aptly describes the importance of consistent hard work -

**दुर्लभान्यपि कार्याणि सिध्यन्ति प्रोद्यमेन हि ।
शिलापि तनुतां याति प्रपातेनार्णसो मुहुः ॥**

Impossible things can be accomplished with efforts. Like a hard rock gets thinner with repeated fall of water.

Sportsmen like Sachin Tendulkar or Vishwanathan Anand have achieved amazing success in their sporting endeavour. It is very tempting to consider them 'naturally gifted and talented'. No doubt they had enormous ability or talent. But what made them great was their years of dedication and commitment towards their goal. What comes across as their talent is actually years of hard work. In fact, they had many contemporaries who were equally or more talented than them. But what made them stand out was their consistent hard work to improve their skills, no matter what the outcomes were.

Thus, what is more important is continuity of effort to sustain the positive outcomes. This can be explained arithmetically in the form of an equation where Result = Talent x [Hard Work]. Hard work has a domino effect. As the value of hard work expands, it also expands the value of talent thereby amplifying the figure on the LHS of above equation.

Some people achieve initial success, as in the case of lower hanging fruits. It, however, soon brings with it the temptation to get carried away and succumb to the lure of resting on achievements. Sustainable success accrues to those who get the complete equation right

i.e. those who continue their run and don't stop. In the long-term, success is more dependent on the disciplined hard grind with perseverance. With similar talent, those who work hard are the one who triumph against all impediments. It means to say that if talent does not work hard, hard work beats talent.

At Shree, we have strived hard to create a work environment seeped in continually seeking action. Focus of the team is on regular betterment of existing practices. People are encouraged to look for opportunities in anything they do and to work as hard as they can. Talent is merely considered as allowing entry to an individual to the club of continual improvement. This is because in business, Status Quo is unsustainable. Change, fast or slow, is always happening in the external environment. Failing to take action to guard against it is costly. The only way is to keep sharpening your axe continually.

If one considers himself as owner, then instead of considering his daily activity as mundane and monotonous, he would relish the challenge of making it interesting by finding ways to improve on the same. Every such single innovation or improved daily practice contributes to the overall growth of the organisation, albeit through the same mundane task. When one is sure of the target and puts his efforts into action, every task becomes another arrow towards the target rather than a monotonous activity.

We have been growing at a brisk pace setting footprints in newer markets, embracing newer technologies and reaching newer horizons. As we expand our sphere of working, each attempt brings with it hitherto unseen challenges in terms of customers, environment, people and resources. We are prepared as we are practicing daily. Each one of our team, when he goes out to work, he is not merely doing his daily task, he is taking the small step towards the giant leap.

At Shree, we realise the importance of getting the entire equation right. Each and every member is inclined towards harnessing abilities as a daily routine to keep ticking the equation to a value, higher than yesterday. In fact, they work towards converting the equation where Hard work remains the only Talent we have!!

H. M. Bangur

A Q&A SESSION WITH JOINT MANAGING DIRECTOR



? You have been growing consistently. What is the secret behind your success? Is it that you have more talent than others?

Colin Powell, American politician and General, described secret of success as 'There are no secrets to success. It is the result of preparation, hard work, and learning from failure'. And this is what our culture is all about.

We have an open, a 'secret-less' culture where everyone's view aimed at improving any existing process or practice is encouraged and empowered. Our talent lies in scouting for little improvements in everything we do. We have always measured growth in terms of improving upon the existing. We keep our benchmarks significantly higher which requires continual pushing yourself to the maximum. Thus, even if we fail to achieve the target, we are substantially better than where we were earlier. This requires a culture of ownership in the team which becomes self-sustaining when you give people freedom and allow mistakes in the pursuit of continual improvement. The team then builds up new capabilities and remains motivated to keep delivering, every day, with hard work and dedication. What is important is that we keep learning, even in failures, to optimise the approach next time.

? The world was faced with unprecedented disruption during 2020-21. How did it impact Shree Cement?

The pandemic disrupted economy and lives globally and we were not an exception to it. However, after unlocking began, the economy witnessed a gradual recovery with ease of restrictions and opening up of various sectors. There was a substantial demand surge in the second half of the year from the rural regions. Additionally, increased prevalence of work-from-home in semi-urban regions led to enhanced demand for real estate space. Higher government spending also contributed to demand recovery from infrastructure segment.

It was important for us to remain prepared. Our deep-rooted presence and dealer network, continuous focus on cost optimisation and product servicing capability placed us in perfect position to capitalise on the demand surge and helped us recover much faster than our peers. In statistical terms, we reported 35.4% growth in the revenue and 30.4% growth in EBITDA during the second half of the FY 2020-21 compared to first half of the year, leading to our overall annual revenue growth of 5.7% and EBITDA growth of 11.8% vis-à-vis previous year.

? How are you continuously de-risking yourself from the vagaries of the market while continuing your growth?

In business, risk is unavoidable and what one needs is to remain prepared to respond effectively. An airplane is always at risk while flying, but it is of no use staying on the ground. The biggest risk for an organisation is staying content within their set boundaries or to grow with excessive leverage. At Shree, our approach has been to grow sensibly.

We consolidate our market presence in a geography and then expand in newer markets. After establishing a strong presence in the northern market, we moved to the eastern market in 2014, and have been continuously consolidating our presence there. In 2018, we moved to southern markets by establishing 3 MTPA integrated unit in Karnataka. De-risking is also present at operational level. Even in high growth, we have remained flexible in our practices. We have built our systems to ensure that our product delivery can cater to the largest as well as smallest customers with equal efficiency, our plants can run on multiple fuels and ramp up or ramp down as per requirement, and our people have access to all levels of management at all times. Strong focus on cost optimisation through sustainable practices, processes and resource efficiency have helped us insulate ourselves to market vagaries to a great extent. Innovation is our key differentiator and as an organisation we encourage exploring newer ideas every day. This helps us stay ahead of our competitors in the market and achieve newer benchmarks.

? How are you reducing your environment footprint?

Our innovation has far reaching impact on the way we take care of our environment. We have taken a number of innovative initiatives as a result of which our emission levels are one of the lowest and comparable with the best in the industry globally. Our WHR based power generation capacity is largest in world outside of China. We are steadily adding solar and wind energy plants to raise our green energy portfolio. In fact, I take pride in saying that our share of green energy, which is 48% of our total power consumption, is the highest in the industry. We produce synthetic gypsum to conserve natural gypsum using patented process. From continuously increasing share of green energy, to usage of alternative raw material, implementing energy efficiency measures and optimal use of natural resources, our sustainability interventions have been an integral part of our growth story and have become a guiding light for sustainable future.

? How do you plan to grow in the coming years?

Our capacity and volume have grown at double digit CAGR over last two decades. We expect to continue this momentum and look forward to take our next leap of growth to achieve 80 MTPA capacity by 2030. In this process, we continue to explore newer geographies across the country and adopt both organic and inorganic ways.

We are mindful of fulfilling the aspirations of all our stakeholders and directing all our energies to realise the goals. There is no dearth of talent in our team and nor will be in our hard work. I have all the reasons to be optimistic and creating greater value for our stakeholders.

Prashant Bangur

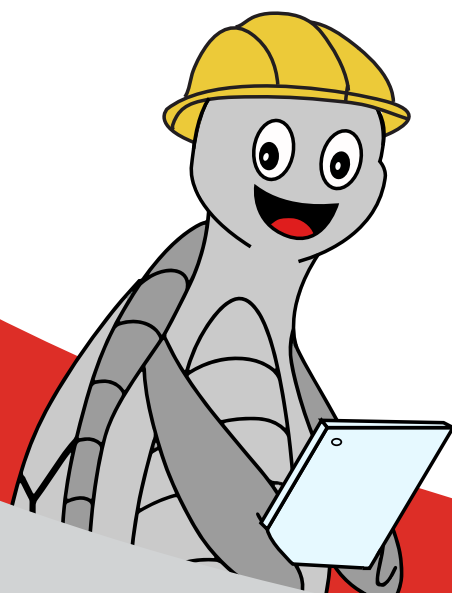
STRATEGIC ROADMAP

Achieving Seamless Growth

We strategically leverage our business model to improve our operating efficiencies and consolidate our market position to maximise long-term value creation for our stakeholders.

Our value-creation model is in line with our strategic goals of engraining ESG principles, expanding and upgrading capacity, and reimagining business process by embracing innovative and disruptive technologies. The strategy is framed to deliver strong returns to shareholders and also create sustainable value for our communities and employees.

Focus Area	Strategic Objective	Process and Achievement for FY 2021
 Employee Safety & Health	<ul style="list-style-type: none"> It is of paramount and foremost importance to ensure the safety of our people, partners and communities, while providing required support to remain productive during the pandemic and maintaining business continuity 	<ul style="list-style-type: none"> Remained in constant touch with our stakeholders inquiring about their well-being Increased expenditure for enhanced medical and life policy support during unforeseen event Virtual trainings conducted for continued employee growth
 Cash Flow Management	<ul style="list-style-type: none"> Judicious management of inventories and receivables for increased cash generation Careful use of surplus cash flow in secured investments 	<ul style="list-style-type: none"> Increased net cash flow from operations for the year Investment of ₹8,389 Crore maintained in safe govt. and high rated instruments



Efficiency Enhancement

- Be amongst the lowest cost manufacturer in the industry in terms of logistics cost, energy costs, raw material costs
- Continue exploring digital transformation and innovation for cost optimisation across logistics
- Continued optimisation in mining operations and higher in-house production of gypsum
- Continued exploring digital transformation and innovation for cost optimisation across logistics
- Increase in share of renewable energy and efficient energy management practices
- Efficiency improvement initiatives, rationalising routes and lead distances, enhancing direct dispatches and raising use of technological tools in supply management



Expanding and upgrading capacities

- Upgrade existing facilities with contemporary technology and new processes
- Planned expansion to increase capacity to capitalise on growing markets
- Capacity expansion is largely on track
- Adoption of automated technology driven monitoring system across units leading to reduced shutdown time, increasing safety and efficiency
- Exploring both organic and inorganic expansion to increase capacity



Market Consolidation

- Strengthening market reach by expansion of distribution network and increase in retail sales with a focus on growing smaller towns and rural area
- Continue to enhance our existing brands and introduce new brands as per changing customer needs
- Continuous increase in dealers
- Increase in sales of premium category brands
- Increase in market share



Sustainability Growth

- Be amongst the sustainable leaders in the industry with strong practices for waste, water, energy, and emission management
- Conscious use and management of mines and raw material
- Continue to increase share of renewable power in total power consumption
- Continuous increase in usage of alternative raw materials & fuels to conserve natural resources
- Focus on energy efficiency and conservation

● Immediate to short-term - ongoing

● Mid to Long-Term