



**Shree Cement Ltd.**

# **Chairman's Speech**

**at**

**38<sup>th</sup> Annual General Meeting**

**on**

**Monday, 31<sup>st</sup> July, 2017**

**'Rangmanch Auditorium',**

**Bangur Nagar, Beawar 305 901**

Dear Shareholders,

I warmly welcome you all to this 38<sup>th</sup> Annual General Meeting of the Company. It is time to take stock of last year's performance and discuss our plans for future.

Your company has yet again delivered a good performance during 2016-17. Company crossed the milestone of 20 million ton in its Cement & Clinker Sales. Total revenue including other Income also traversed the Rs.10,000 Crore mark. Driven by rising sale volumes and continuous focus on cost rationalization, Operating Profit (EBITDA) went up to Rs. 2875 Crore. Its performance on operational parameters is remarkable which gives it the recognition of being one of the most efficient cement producers in the cement industry.

While FY 2017 was a challenging year with stagnant cement demand, FY 2018 has started with the right ingredients that can foster growth in the cement industry. A good monsoon is expected to boost Agriculture and rural economy. Government's focus on increasing investment in road and rail network and other infrastructure projects as well as other initiatives such as 'Affordable Housing', 'Smart City', AMRUT Scheme for Urban Infrastructure Development shall certainly boost cement demand. A benign interest rate environment will help aid consumption across sectors including construction. These developments hold good promise for cement sector in 2017-18.

Company's cement production capacity as on 31<sup>st</sup> March 2017 stood at 29.3 MTPA. It is ramping up its capacity further. I am happy to share that work on clinker capacity expansion project at Baloda Bazar in Chhattisgarh and integrated cement project at Kodla in Karnataka are progressing well and are scheduled to be completed by quarter ending March 2018 and December 2018 respectively. Company is also planning split-grinding units to improve its geographical presence in different part of the country. Entry into Southern market in particular and expansion in its existing geographies will help Company enhance its market share.

Your Company is committed to enhancing shareholder returns. Over the years, Shree has transformed itself into a financially robust Company delivering excellent operating performance in its businesses year after year. The company is among top 100 listed companies in India and also enjoys the highest 'AAA' credit rating by leading rating agencies. This has been possible because of unstinted support of its shareholders. Company has been sharing the fruits of its success with its shareholders with its rising dividend pay-out every year. Additionally, I am very pleased to share that special dividend of Rs.100 per share paid during the year was a measure on the part of Company to share its earnings with the people that made it a reality. With regular dividend of Rs.40 per share, total Dividend for 2016-17 stands at Rs.140 per share.

The Company owes its success to its people whose energy, ideation, talent and result orientation has been so inspiring. I take immense pride in sharing with you all that recently your company has been ranked among India's top 5 companies to work for in the Manufacturing and Production sector by 'Great Place to Work Institute'. The ranking covered assessment of Indian companies on parameters of Credibility, Respect & Fairness of Management and Sense of Pride in the employees. This recognition is a result of our 'Care for People' philosophy whose aim is to ensure holistic happiness and getting the best out of our people.

Sustainability is intrinsic to Shree and is viewed as vital to its long-term growth strategy. It is a moment of pride for me to share that Shree continues to have the largest Waste Heat Recovery Power generation capacity in the world cement industry outside China. On resource efficiency front, be it electrical energy or thermal energy consumption, Shree is one of most efficient cement producers in the world cement industry. During the year; Indian Bureau of Mines, Govt. of India have awarded 5 Star rating to Limestone Mines of the Company which is the highest rating and awarded for Company's exemplary efforts and initiatives toward implementation of the Sustainable Development Framework in its mines. Company has also received Golden Peacock Environment Management Award, 2016 by Institute of Directors, New Delhi in recognition of its efforts towards Environment Management, Natural Resource conservation and emission control.

Shree has always acted as a responsible corporate citizen. It firmly believes that while it grows as an organization, it must make a positive and meaningful difference in the life of communities it operates in. It supports numerous socially worthwhile projects whose details are given in our Annual Report. I am pleased to share that Company has incurred a total of Rs. 19.29 Crore on all its CSR initiatives during 2016-17.

We at Shree know that while the progress Shree has made in its businesses is encouraging, the challenges to sustain the momentum in future are many. We therefore don't believe in resting on our past laurels. We quickly evolve to respond to changing dynamics in the marketplace. We constantly challenge our best practices to ensure that our execution has to be continually elevated to a higher level of efficiency. Continuously setting new benchmarks has to be a habit at Shree. Accordingly, we assure that we will do our best to take Shree's performance to newer heights and continue the momentum of its progress.

I take this opportunity to thank all our customers, vendors, banks, government departments and stakeholders for their continuous support and patronage. I also express my sincere thanks to my colleagues on the Board for their enlightened counsel. Also, my thanks and appreciation to the employees of the Company at all levels for their hard work, dedication and continued commitment. I thank all our shareholders for their continuous faith in our company management.

Thank You,

Benu Gopal Bangur  
31<sup>st</sup> July 2017, Beawar