



Shree Cement Limited

The Chairman's Speech at the

Forty Second Annual General Meeting

Monday, 9<sup>th</sup> August, 2021 – 3:00 PM

Through

Video Conferencing

Dear Shareholders,

I welcome you all to this 42<sup>nd</sup> Annual General Meeting of your Company. The year 2020-21 was an unprecedented and tough one for everyone including businesses. COVID-19 induced lockdowns and restrictions disrupted the lives and livelihood of millions of people and changed the ways we live. But what did not change for people at Shree is their commitment to work hard and create value for its stakeholders.

Amidst these challenging times, I am pleased to share that your Company registered all time high turnover and EBIDTA during year 2020-21. Your Company attained Net Sales of around ₹12600 Crore in 2020-21 as compared to around ₹11900 Crore recorded during 2019-20. Its strong focus on operational efficiency, cost optimization together with superior product quality helped in EBIDTA increasing by 12% to over ₹4,400 Crore during 2020-21. Net Profit also jumped by 47% to over ₹2,300 Crore. Your Company's balance sheet continues to be robust with zero debt and highest credit rating of AAA.

The year 2021-22 has started with deadly second wave of COVID-19. The Government has, however, taken several initiatives to address the situation. Ongoing vaccination drive gives confidence that the country is not likely to face the catastrophic effects of the pandemic anymore. High tax revenues, both direct and indirect, together with high fiscal space are likely to help the Government raise its spending with specific impetus on infrastructure. This apart, prevalence of low interest rates, Government's focus on low cost housing and re-emergence of realty demand are likely to boost demand in general and cement in particular. Thus, the outlook for the cement industry appears to be positive.

During the year 2020-21, your Company commissioned a new clinker grinding unit of 3.0 MTPA capacity in Odisha which will help it consolidate its presence in the Eastern market. Completion of clinker grinding unit in Maharashtra has however got delayed due to COVID-19 and now is expected to be commissioned in the current quarter. Work on brownfield expansion of clinker unit in Baloda Bazar is progressing well and expected to be completed as per schedule. It is taking all necessary steps to expand its capacity further, both organically and inorganically.

Your Company has embedded sustainability in the core of its business. It is recognized as one of the most efficient and environment friendly organization in the global cement

industry. It's relentless focus on raising the share of green energy, use of alternative raw materials & fuels and minimizing the use of natural resources have helped it contain its emission levels which compare favourably with the best in the industry. Company is now working on setting ambitious climate goals with ultimate net zero target. The same shall be communicated in due course.

Your Company has always considered sharing its growth with stakeholders as a core business principle. During year 2020-21, Company spent around ₹46 crores in social responsibility initiatives. Apart from ongoing initiatives in the field of education, healthcare, women empowerment, skill development, rural and infrastructure development, etc., your Company committed wholeheartedly to tackling the health disruption caused by COVID-19 through distribution of oxygen cylinders, providing advanced medical equipment, medicines, supply of beds for COVID patients and providing other necessary items to nearby communities. More of this is elaborated in the Annual Report which is with you.

People at your Company continue to remain its key strength to achieve its business objectives. We emphasise on the principles of accountability and ownership to encourage the employees to be partners in every step of your Company's journey. Your Company's people friendly initiatives were appreciated in Great Place to Work survey 2020-21 where it was chosen amongst India's 30 work places in manufacturing category. Employee friendly initiatives also reflect in staggering performances of your Company year after year. I express my sincere appreciation for the efforts and hard work of our people and wish them very best in the times to come.

At the end, I thank you all shareholders for their continuing faith in the Company. I would also like to thank Company's valued stakeholders including customers, dealers, suppliers, transporters, advisors, local communities, government departments and bankers for their continued cooperation and support.

Please stay safe and stay healthy.

Thank you.

B. G. Bangur