



Shree Cement Limited

Chairman's Speech at the

Forty Third Annual General Meeting on

Thursday, 28th July, 2022

'Rangmanch Auditorium',
Bangur Nagar, Beawar 305 901

Dear members of the Company,

I extend a very warm welcome to all of you to this 43rd Annual General Meeting of your Company. It is an absolute pleasure to meet you in person after two years of virtual interaction.

After a challenging year 2020-21 both in terms of businesses and health & safety of everyone; year 2021-22 was about gathering the momentum back and putting the economy back on growth path. Resilience, agility and sound fundamentals of our economy have ensured that India is back on growth path with FY 2021-22 achieving economic growth of 8.9%.

The ability to focus on positives and seeing bright side of everything have ensured that even during challenging times, your Company continued its journey seamlessly. During year 2021-22, your Company registered all time high turnover and EBIDTA. It achieved net revenue of over ₹14,300 Crore compared to over ₹12,650 Crore recorded during 2020-21. Year 2021-22 was challenging in terms of exponential increase in input costs. Energy costs went up sharply on the back of geo-politics conflict as well as Covid-induced supply side issues. This resulted in contraction in EBIDTA by 5% to ₹4,185 Crore during 2021-22. On account of lower tax expenses, net profit however increased from ₹2,312 to ₹2,377 Crore.

During the year 2021-22, your Company commissioned a new cement grinding unit of 3.0 MTPA in Patas, Maharashtra marking its entry in the Western India. Work on brownfield clinker unit of 4.0 MTPA capacity in Baloda Bazar of Chhattisgarh was also completed. I am happy to share that the work of this unit was completed in 18 months only as against target of 24 months. During the year, the Company commenced work on setting-up integrated unit at Nawalgarh, Rajasthan of 3.80 MTPA clinker capacity and 3.50 MTPA cement capacity. Similarly, work on setting up of cement grinding unit of 3.0 MTPA capacity in Purulia district of West Bengal was also commenced during the year through Company's wholly-owned subsidiary.

Year 2021-22 also witnessed your Company taking its sustainability commitment to next level. Key steps taken in this regard were as below:

1. Our usage of alternative raw materials has grown from 26.01% to 27.23% during FY 22. Similarly, use of alternative fuels also increased from 6.03% to 9.84% during FY 22.
2. Our share of green power in total consumption at 48.2% is amongst the best in the industry.
3. Our water positivity ratio has also grown to over 5 times our consumption.

4. We aim to make meaningful cut in our emission levels by targeting 12.7% reduction in our Scope 1 and 27.1% in Scope 2 emissions vis-a-vis FY 2018-19 by 2030.
5. We participated in project innovandi through our membership with Global Cement and Concrete Association (GCCA) to accelerate development of enabling technologies for Carbon Capture, Usage and Storage.

For year 2021-22, we took our sustainability reporting to a step further by releasing our first integrated report. I am hopeful that shareholders would find our initiatives and disclosures in the field of ESG and sustainability meaningful and useful.

Since inception, your Company has followed the spirit of sharing growth with its stakeholders. In this direction, during year 2021-22, your Company spent over ₹57 Crore on social responsibility initiatives benefitting around 6.27 lakh beneficiaries. Company has continued to work on core areas of education, healthcare, women empowerment, skill development, rural and infrastructure development, promotion of art & culture, etc. to bring meaningful difference in the lives of nearby communities. During the peak of second wave of COVID-19, your Company committed wholeheartedly to tackling the disruption through distribution of oxygen cylinders, providing advanced medical equipment, medicines, supply of beds for COVID patients and providing other necessary items. More about such initiatives have been detailed in the integrated report which is available with you.

Your Company has greatly valued relationship with its employees who remained the most important lever for achieving organizational objective of stakeholder value creation. Your Company's performance in Great Place to Work survey 2021-22 is a testimony to this approach wherein it was recognized one amongst the top 100 companies in India. Also, it rank amongst the top 30 in manufacturing and production sector and best in cement and building material category. I express my sincere appreciation for the untiring efforts of our people in the organisational growth.

At the end, I thank you all shareholders for your 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.

Thank you.
B. G. Bangur