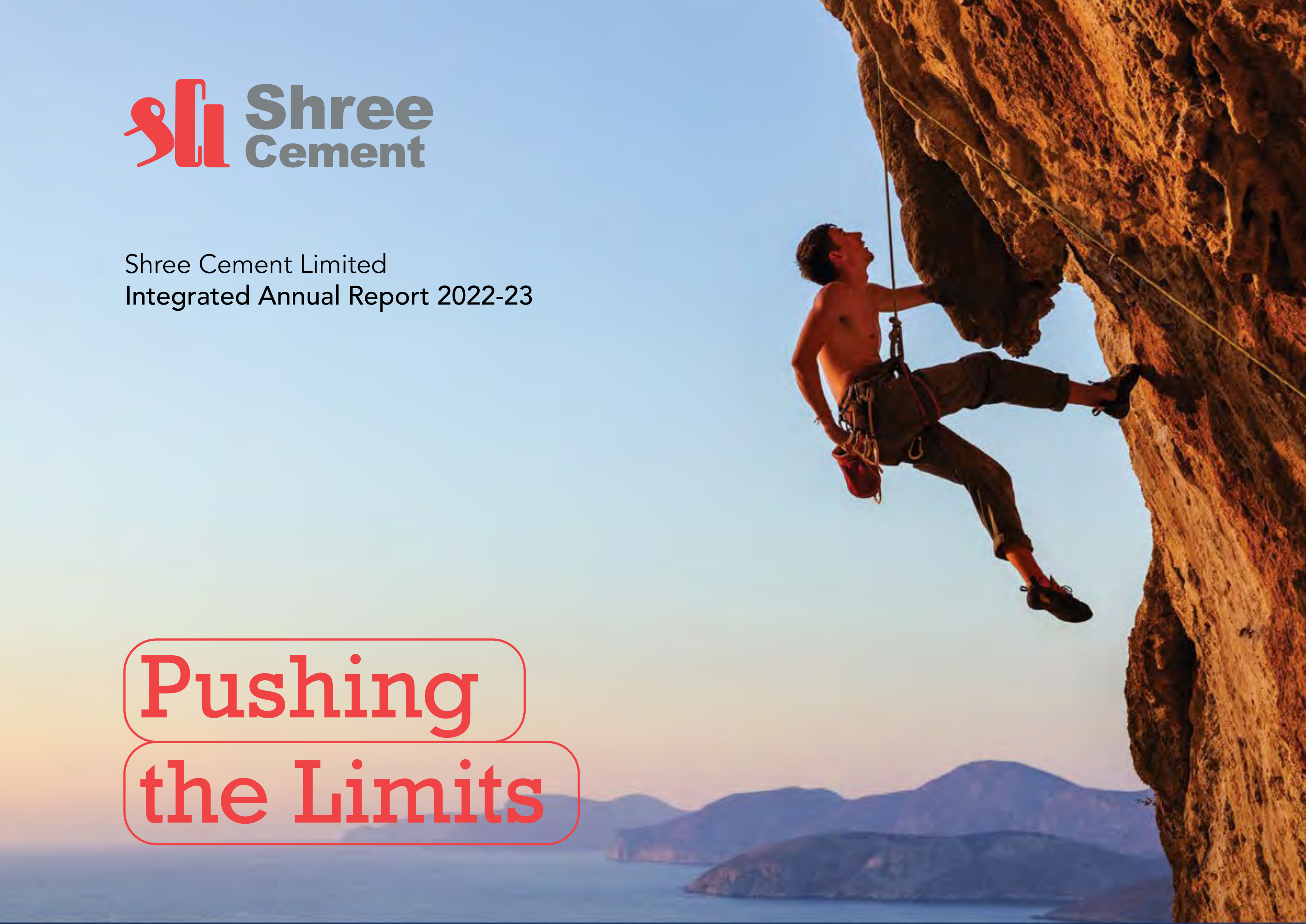
Shree Cement

Shree Cement Limited

Integrated Annual Report 2022-23



Pushing the Limits

Reimagining the Future

Pushing the Limits

It is human to follow the set patterns and practices. This however, is a sure shot way to stagnancy and possible decline. Every great, disruptive innovation has been a result of resolute intent of doing and achieving something unthinkable. The intent that considers limits as opportunities and motivates one to push the limits of existing results in unusual actions. Such actions originate by an unwavering resolve to challenge the existing practices (often perceived as limits), surpass them and keep the goal post moving for newer targets. The history of mankind's progress and achievements is testimony to this principle.

This is equally true for organisations as well. Establishments with strong performance record and legacy of successful achievements tend to breed complacency over the years. This is because, it is very natural to cherish the achievements and become risk averse. A dominant feeling of "if things aren't broken, why to fix it" creeps-in. One tends to stick with what has been working. With this inertia and complacency, people tend to undermine their ability to take risk and tap hidden high potential opportunities.

It is thus, very important for organisations to explore their potential by setting stretched goals to reach greater heights. They need to set goals and targets that are seeming impossible and encourage people to push their limits and unleash the hidden potential. For this to happen, they need to break constancy and complacency, actively seek to disturb the status quo, and imagine new possibilities.

Over the years, Shree Cement has demonstrated a successful track record of consistent high level of operational and financial performance and earned itself a reputation of a highly efficient player in the cement industry. Cognizant of the fact that this may lead to contentment and complacency, we have set out on a transformation journey to reimagine our future course. Where people take a fresh look at the current practices and think about creating a new work environment, setting performance yardsticks to the levels which are truly extra-ordinary. And challenge themselves to take the organisation to incredible peaks.

In this journey, we have set out on a vision of being one of the greenest organisations with industry leading performance benchmarks via strong brands, leading innovation and best-in-class people. We have also set an ambitious target of having beyond 80 million tons of cement production capacity in the coming years. Indeed, this aim of doubling our capacity is a big, audacious leap. We, however, have our eyes set on this goal with an unwavering commitment. Our people are fully geared-up. They are prepared to push their limits to realise the reimagined future.

Reimagining the Future

Shree Cement

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About Shree Cement Limited

Shree Cement Limited is one of India's most sustainable and efficient cement companies. With 4 integrated manufacturing unit locations and 10 grinding unit locations, we have an installed capacity of 46.4 MTPA as on 31st March, 2023.

Scripcode:
BSE: 500387
NSE: SHREECEM

Market capitalisation: ₹ 94,484 Crore as on 31st March 2023

About the Report

We are delighted to present our second Integrated Annual Report, 'Pushing the Limits, Reimagining the Future', showcasing our sustainable value creation efforts. The report is based on the International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting (<IR>) Framework. The <IR> Framework provides a comprehensive and integrated approach to reporting and comprehends value creation beyond just financial performance.

Our qualitative and quantitative performance across the six capitals - financial, manufactured, intellectual, natural, human, social and relationship have been disclosed in this report. We acknowledge the interconnectedness of the capitals we rely on and their impacts, and how we are contributing to sustainable development. Along with highlighting our achievements during the reporting period, the report also outlines our analysis of risks and opportunities and the mitigation strategies in this dynamic external environment.

REPORTING PRINCIPLE

The report is developed in alignment with the International Integrated Reporting Framework (January 2021) of International Integrated Reporting Council (IIRC). The non-financial performance has been reported in accordance with the Global Reporting Initiative (GRI) 2021 Standards. The report is also aligned with Business Responsibility and Sustainability Report (BRSR), United Nations Global Compact (UNGC) principles, Sustainability Accounting Standards Board (SASB) and United Nations Sustainable Development Goals (UN SDGs). The financial and statutory data disclosed are as per the requirements of the Companies Act, 2013 (including the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Secretarial Standards and other provisions of any other applicable Act, Rules and Regulations.

REPORTING PERIOD

The information provided in the report is for the period of 1st April 2022 to 31st March 2023. Through our integrated reporting practice, we aspire to disclose our performance along with the ESG initiatives on an annual basis. The last integrated annual report was published during July 2022.

SCOPE AND BOUNDARY

The Report includes financial and non-financial information about our business operations in ten grinding unit locations and four integrated plant locations in India. Additionally, our consolidated financial statements cover the performance of our subsidiaries, including subsidiaries in the United Arab Emirates (UAE) as disclosed in those statements. We have outlined the historical trends of the data wherever relevant. Exclusions have been provided in the respective sections, if any.

RESTATEMENTS OF INFORMATION

We have recalculated and restated the information wherever applicable for the previous years.

INDEPENDENT ASSURANCE

The standalone and consolidated financial statements of the Company enclosed in the Integrated Annual Report have been audited by statutory auditors of the Company M/s. B. R. Maheswari & Co., Chartered Accountants. The Company's non-financial assurance has been carried out by M/s. Intertek India Private Limited. The assurance is based on International Standard on Assurance Engagements (ISAE) 3000 (Revised). The assurance statement is part of this report and available at page no. 337. The report has also been reviewed by the Company's senior management for clarity, reliability, and accuracy.

FORWARD LOOKING STATEMENT

The report may contain few assertions regarding the Company's operations and results, that constitute forward-looking statements. These assertions represent assumptions that are based on industry trends and projections and are subject to change. All statements other than historical facts, performance snapshots, business strategies, mitigation plans, and operational goals fall under this category.

The Company neither assumes any obligation nor intends to update any forward looking statement, whether as a result of new information, future events or otherwise.

FEEDBACK

The previously published Integrated Annual Report and Sustainability Reports are available on our website www.shreecement.com. We appreciate your feedback, which will help us keep disclosing pertinent information efficiently and transparently. If you have any questions or comments about our performance or this report, you may write to us at investor@shreecement.com.

Shree Cement at a Glance

Transforming business landscape

Over the last four decades, Shree Cement Limited is a profound name engraved in the Indian cement industry. Among the top three cement groups in India, we are one of the fastest growing cement companies in terms of production capacity in the industry. We have strategically positioned our four integrated manufacturing locations and ten grinding unit locations across various states in India along with one integrated manufacturing plant located in the United Arab Emirates (UAE). This not only strengthens our competitive position but also provides opportunities for diversification and resilience in the face of market challenges. In terms of market capitalisation, as of 31st March, 2023, we are ranked at number 52 among the companies listed on National Stock Exchange in India.

We place a strong emphasis on the 'why' element of business. It has been our driving force since inception to create meaningful relations, operational excellence, business growth and sustainable aspirations. We empower our customers to build better, more efficient and resilient infrastructure. Being at the forefront to drive a transformational change in the industry, we aspire to do more, break grounds and create new benchmarks.

SNAPSHOT (AS ON 31ST MARCH 2023)

Total cement production capacity in India
46.4 MTPA

Total power generation capacity in India
888.6 MW

Total green power generation capacity in India (including WHR, wind and solar)
385.6 MW

Number of locations with grinding units in India
10

Number of integrated plant locations in India
4

GROWTH OVER 10-YEAR HORIZON

Particulars	FY 2012-13 (ended on 30th June, 2013)	FY 2022-23 (ended on 31st March, 2023)	CAGR
Cement Production Capacity (MTPA)	13.50	46.40	13.14%
Power Generation Capacity (MW)	570.00	888.57	4.54%
Revenue from operations (₹ Crore)	5,590.25	16,837.49	11.66%
Operating Profit (EBITDA) (₹ Crore)	1,749.25	3,373.77	6.79%
Profit After Tax (₹ Crore)	1,003.97	1,328.13	2.84%
Net Worth (as at year-end) (₹ Crore)	3,843.65	18,288.44	16.88%
Market Capitalisation (as at year-end) (₹ Crore)	16,259.23	94,484.47	19.24%

OUR VISION

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

As an organisation, we aim to be a blue-chip greenest building material solutions company in India with industry leading performance benchmarks via strong brands, leading innovation and best-in-class people. Our vision is to spread happiness amongst everyone connected with our ecosystem and create wealth for all stakeholders where we operate.

THE SHREE PHILOSOPHY

We believe in the teaching of Rigveda 'आ नो भद्रा: क्रतवो यन्तु विश्वत:' which means 'Let noble thoughts come to us from all over the World.' We imbibe and extend all 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

GUIDING PRINCIPLES

Enforce good corporate governance practices

Ensure clarity in communication

Encourage socially responsive behavior

Encourage integrity of conduct

Remain accountable to all stakeholders

Shree Cement at a Glance

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 human touch in the way we work

OUR BUSINESS, OUR PRODUCTS

We have established our presence across building and construction verticals with a wide product range. Our products are classified into four categories based on their properties and usage. Out of these, three categories, PPC, PSC and CC, have been certified under GreenPro Certification by Confederation of Indian Industries (CII) in 2023.

- **Ordinary Portland Cement (OPC) –** OPC is the most widely used form of cement. It has great resistance to cracks and shrinkage. OPC can be used both for structural and masonry applications and in pre-stress concrete structures which are typically used in high-rise buildings, foundation systems, bridge and dam structures, silos and tanks, industrial pavements, and nuclear containment structures.
- **Portland Pozzolana Cement (PPC) –** Pozzolana is pulverised fuel ash, waste material from thermal power plant having reactive silica and alumina. It has excellent tensile strength and is economically reasonable. When clinker is inter-ground and inter-mixed with pozzolana such as fly ash, PPC is formed. PPC is an excellent material for the construction of hydraulic structures such as sewage pipes, marine works, dams, dikes and more owing to its high durability.
- **Portland Slag Cement (PSC) –** PSC is a hydraulic cement that is manufactured by grinding Ground Granulated Blast-furnace Slag (GGBS) with suitable fineness along with clinker in a defined ratio. GGBS is a recovered industrial by-product of Iron and Steel industries. It is resistant to high temperatures and is also used in seawater construction projects as it is resistant to sulphate attack.
- **Composite Cement (CC) –** Composite cement is used in the production of high strength durable concrete. Composite Cement is prepared by inter-grinding clinker with fly ash and GGBS. It possesses high resistance to sulphur and chloride attack in structures.

OUR BRAND PORTFOLIO

We have built a diversified brand portfolio consisting of Shree Jung Rodhak Cement, Roofon Cement, Bangur Cement, Bangur Power Cement, Rockstrong Cement and Rockstrong Premium Cement. By focusing on quality and reliability, we are not only meeting customers' expectations, but also contributing to the development of sustainable infrastructure that can withstand the test of time.

Shree Jung Rodhak Cement
Ghar ki dhaal saalo saal
OPC, PPC and CC

Bangur Cement
Sasta nahi sabse accha
OPC, PPC and CC

Rockstrong Cement
Desh ko banaye Rockstrong
OPC, PPC

Concrete Master Roofon Cement
Har chhat ki khwahish
PPC and CC

Bangur Power Cement
Apno ke liye humesha ke liye
PPC and CC

Concrete Special Rockstrong Premium Cement
PPC

Our Operational Reach

Pushing our presence to new geographies

	Location	Type of Plant(s)
1	Beawar	Integrated Cement Unit, Thermal Power Plant, WHR Power Plant, Solar Power Plant
2	Ras	Integrated Cement Unit, Thermal Power Plant, WHR Power Plant
3	Khushkhera	Cement Grinding Unit
4	Suratgarh	Cement Grinding Unit, Solar Power Plant
5	Laksar	Cement Grinding Unit, Solar Power Plant
6	Jobner	Cement Grinding Unit, Solar Power Plant
7	Aurangabad	Cement Grinding Unit, Solar Power Plant
8	Baloda Bazar	Integrated Cement Unit, Thermal Power Plant, WHR Power Plant, Solar Power Plant
9	Panipat	Cement Grinding Unit, Solar Power Plant
10	Bulandshahr	Cement Grinding Unit
11	Kodla	Integrated Cement Unit, WHR Power Plant
12	Kushtagi	Wind Power Plant
13	Basavana Bagewadi	Wind Power Plant
14	Burudih	Cement Grinding Unit, Solar Power Plant
15	Athagarh	Cement Grinding Unit, Solar Power Plant
16	Jath	Wind Power Plant
17	Patas	Cement Grinding Unit
18	Purulia	Upcoming Plant
19	Nawalgarh	Upcoming Plant
20	Guntur	Upcoming Plant
21	Ras Al Khaimah, UAE	Integrated Cement Unit, WHR Power Plant

Integrated Cement Unit

Cement Grinding Unit

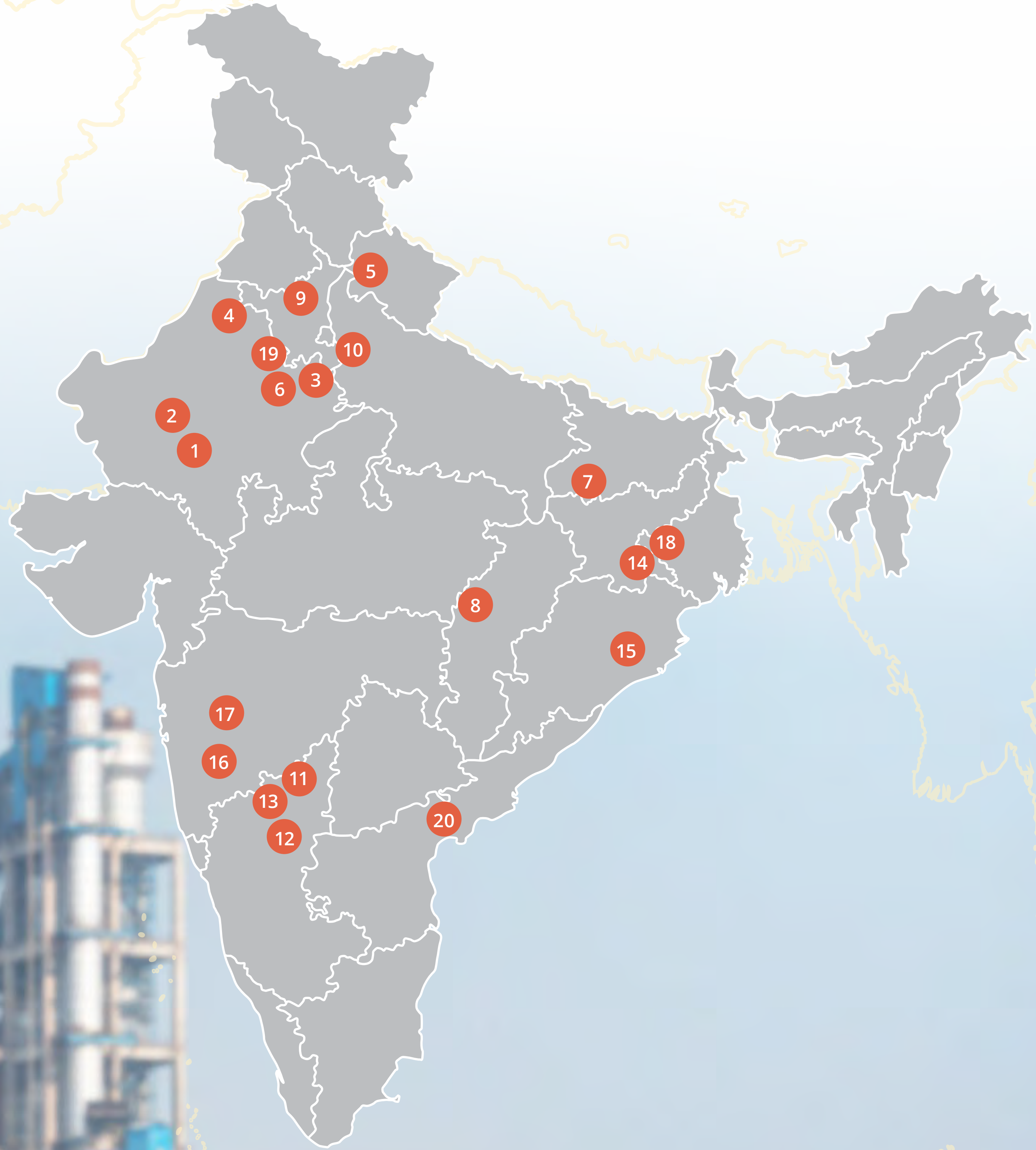
Upcoming Plant

Thermal Power Plant

WHR Power Plant

Wind Power Plant

Solar Power Plant



Map not to scale

Message from Chairman Emeritus

Building Legacy, Crafting the Future

Dear Stakeholders,

It has been four decades of our contribution towards infrastructure development of the country. The journey involved many crests and troughs, testing our endurance and perseverance. Over the years, the business ecosystem has evolved considerably, and we have witnessed various externalities recasting the business environment. As rightly stated by our philosophy, 'आ नो भद्राः क्रतवो यन्तु विश्वतः, we are imbibing noble thoughts from all over the world into our business, bringing in prosperity and excellence as we grow.

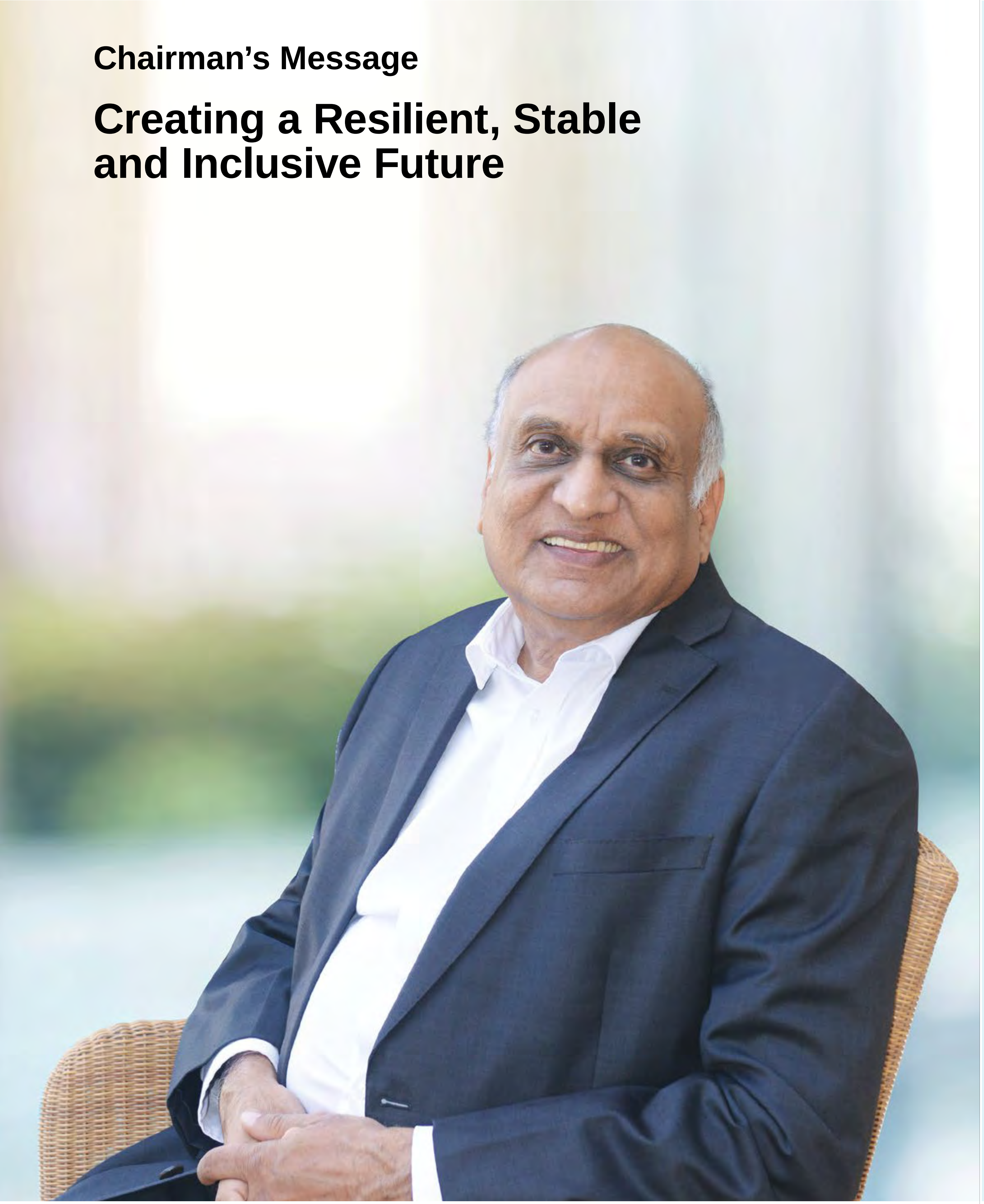
Pushing our limits to reimagine our future, we are growing with a renewed vigour while taking our sustainability and business commitments to greater heights. The purpose of Shree's existence is about shared values. Our spirit of sharing and mutual growth is reflected through relationships we have nurtured with our stakeholders throughout our journey.

Looking forward to a year of well-being, collective growth, and success.

B.G. Bangur
Chairman Emeritus

Chairman's Message

Creating a Resilient, Stable and Inclusive Future



DEAR SHAREHOLDERS,

We are living in a world characterised by heightened volatility. The economic, environmental, geo-political and socio-economic challenges have paved a 'polycrisis' situation in the making. The time demands efforts, resources, talent, and an unwavering commitment to drive growth and create guardrails for businesses. We, at Shree Cement, perceive the challenges as tailwinds for creating new avenues and our actions converge as pathways to create a resilient, rising and rewarding Shree.

With profound and accelerating changes prevailing in the external business ecosystem, we are also on a transformation journey focusing on growth and reinvention across multiple fronts. We regard this as an opportunity to reground ourselves with business goals better aligned with stakeholders' interests and aspirations. With transformation cascading down the governance and seeping into people and process management, we are envisioning a 360° transformation journey supported by our imbibed values of agility, adaptability, and flexibility.

I find that when the challenge is stiff and daunting, potential for advancement will also be big and inspiring. This calls for efforts with a mindset that "there is no limit to what one can do" and guide people to embrace disruptive thinking, challenge traditional assumptions, and seek unconventional solutions. While we are known for making continual incremental improvements; we need to aspire to paradigm-shifting changes as well. So, while we need to continue our practice of making continual betterment; we also need to think whether a particular process or activity can be bypassed altogether or could there be another way to achieve our objective or purpose. For example, we may be using a motor in a process for completing an activity. To think about its energy consumption and optimising it, is incremental betterment. To explore whether we can bypass the motor by change in process or whether a much smaller capacity motor can do the work is transformation. Thus, transformation is forward looking and requires bold, open-ended and courageous mindset. There will be many failures on the way of transformation. People may feel discouraged. Leadership needs to encourage its people to challenge long-held beliefs, systems, and structures for novel and innovative solutions to march on transformation path.

With renewed focus, we are thinking big on our future and setting ambitious and futuristic goals. We have embarked upon an ambitious journey to almost doubling our production capacity to 80 million tons & beyond over the coming years. We have adopted a proactive marketing strategy with the introduction of a dynamic distribution model, unique customer centricity and niche product focus. Likewise, we have also initiated systematic transformation in our other business processes by digital technologies and automation. Gearing up for the future, we are re-positioning ourselves through augmenting our product offerings, integrating technology in our processes, and making our people ready for paradigm shifts. This way, we are working harder than ever, pushing more than ever to reimagine the future, which is stronger, efficient, and sustainable.

> **With profound and accelerating changes prevailing in the external business ecosystem, we are also on a transformation journey focusing on growth and reinvention across multiple fronts. We regard this as an opportunity to reground ourselves with business goals better aligned with stakeholders' interests and aspirations.**

We proactively put our business to work to play our part for a sustainable future. Through delivering low-carbon products, and increasing the use of alternative raw materials, fuels, and green power, we are on an incremental nature-positive journey. Our actions are driven by a heartfelt commitment to our people, suppliers, customers, and communities, aiming for responsive and inclusive value creation.

Our business success is a testimony to our passion and drive to create value. Embracing transformation, integrating sustainability, and reinventing ambitions we are setting greater goals, making bolder bets, and building successes.

H. M. BANGUR
Chairman

Vice-Chairman's Communique

Reimagining a Better Tomorrow

Businesses today face much greater risks emerging from the disruptive nature of new technologies, extremely high volatility in prices of input resources and climate threats. With myriad forces reshaping the business environment, traditional businesses need to break through their existing ways of doing business, reimagine the future course of their actions and completely transform their modus operandi. A combination of new thinking, innovation, and new business models will be critical for businesses to stay competitive.

CHANGE AND TRANSFORMATION

I often find people inter-change the use of word "change" for "transformation" and get puzzled as to whether one is better than the other. I find both have different meanings. Both have their importance and thus are necessary. Change is the desire to improve based on past experiences and act accordingly. It is basically reaction to the past events. On the other hand, in transformation, it is the vision of the future that directs our actions. In transformation mode, only the limitation of our imagination and courage, constrains the possibilities. Change focuses on the execution of a pre-defined shift. Transformation seeks to discover or invent something with an eye towards the future.

In our context, Change is necessary as a measure of learning from past and making constant incrementation improvements. Over the years, we have been able to inculcate change culture in our organisation to grow. Now when we chase 'what next?', we find answers in transformation. In the face of rapid technological advancements and dynamically moving business landscape, it has become necessary to redefine our path and rethink our business model, products, portfolios, and partnerships. We need to look at time ahead, visualise the potential risks and opportunities and make the organisation ready to face the future.

GROWING - BIGGER AND FASTER

India's demand outlook for cement remains strong. In the industry, all the major players are trying to raise the capacity and increase their market share. Competition is intensifying more than ever. Keeping this in mind, we have accelerated our efforts to achieve our target of 80 MTPA capacity. Though, we have a track record of growing faster than the industry, with rising competition, growing bigger on an already higher base is challenging. The task is cut out; difficult; but quite achievable.

We have required capability, adequate limestone mines, skilled team, and financial resources. What is required is aggressive goal setting, meticulous planning, and strong execution on the ground. In this journey, we are bound to come across unexpected challenges. Proper contingency plans and risk management systems have to be made out to ensure continued effectiveness of our strategies and plans. All this will have to be worked upon with novel technological solutions, timely reviews, continuous monitoring and with better work practices.

And above all, a strong commitment, and the will to grow faster. People will have to redefine the ways of executing their tasks. Teams have to re-orient and need to take fresh look at practices as what worked yesterday may have turned redundant today. We have to continually better our record of completing projects before scheduled time, within budgets and at lowest capital costs.

TAKING EXCELLENCE TO NEXT LEVEL

In the ever-changing world, the needs, aspirations, standards, and qualities constantly undergo dynamic progression. Rapid shifts in the operating conditions require redefining the existing paradigm and work on creative and innovative solutions to keep competitive edge. Organisations which embrace creativity and innovation as an essential part of their business and are able to constantly make incremental enhancements in operations develop a quality of excelling. Shree has been at forefront of building excellence in its operations and its people are known for their unique practices of continual improvements.

There is no second thought about our need to continue with our practice of continuous betterment. We, however, must find a way towards taking this to the next level. One that factors in shifts that may come about in times to come, one that looks at things rather radically and one that comes with paradigm shift. Whether a process or activity is needed altogether? Whether we can completely change the way a particular function works? Can a particular work be automated or outsourced for better outcomes?

We have to create a culture of radical thinking and a build mindset of being a reformer.

NURTURING TALENT, UNLOCKING POTENTIAL

The key to unlocking a brighter future lies in an environment of purpose-driven and performance-oriented work culture. The organisation needs to create a climate of spirit and energy where people feel passionate about delivering performance par excellence. With our ambitious growth target, we have to prepare a talent pool that not only serves our current requirement but also deliver on our future needs. This requires that the right talent is sourced and nurtured well in the organisation so that they can be engaged and retained for unlocking their full potential and take important leadership roles. Our current HR processes have to be re-oriented and re-vamped to seek out and nurture the right talent with right set of knowledge, skills and expertise. Part of the work has been done in the year gone by.

I believe putting the right talent in the right roles at the right time will be the key differentiator, where people raise their performance standards on an ongoing basis and contribute towards a high-performance culture in the Company.

At Shree Cement, we believe in ourselves, and our ability to make a difference, even in the face of uncertainty and adversity. We have been able to push the envelope of perceived notions and have been successful in exploring our hidden capabilities to improve, expand, grow, and progress. We are committed to being agile and resilient. We are ready to embrace the rapidly changing dynamics of business and use it as an opportunity for growth and innovation. Digitalisation, decentralisation and decarbonisation are the levers which will propel us on this journey. We are confident that we can continue to succeed and thrive in an ever-changing business environment. At Shree Cement, we perceive pushing the limit as a gateway to the new, the improbable future. Just past those limits lies the new future, which you never imagined.

PRASHANT BANGUR
Vice Chairman

Conversation with Managing Director

Envisioning Growth, Spreading Happiness

Neeraj Akhoury, Managing Director, Shree Cement shares his views on the Company's strategy, outlook for cement demand, capex plans, digitalisation, decarbonisation drive, initiatives to strengthen its brand equity and other initiatives.

Q: WHAT ARE YOUR VISION AND GROWTH PLANS FOR THE COMPANY? WHAT ARE YOUR STRATEGIC PRIORITIES?

We have set a vision of making Shree as a modern and greenest building material company with industry leading performance benchmarks. To realise this vision, we are working on multiple levers and executing systematic interventions to explore the full potential of the Company. While all these interventions are important for us, our foremost priority is to work on increasing our capacity utilisation through improving our sales volumes, increasing our brand equity, and enhancing our premium offerings to the customers. Next, while we are firmly on ground in executing our action plans to go beyond our target of 80 million tons in coming years, we are giving it required momentum to fast-track its achievement. We are also consolidating on our cost leadership standing by focusing on enhancing our manufacturing excellence, strengthening our logistics capabilities, implementing advanced digital solutions, as well as driving decarbonisation thru enhanced focus on green solutions.

We have recently launched an internal campaign "WeLead" which will make sure that our company remains the leader in manufacturing and logistics performance as well as bring about improvements and synergy benefits across different functions. This program has started well, and we expect that it should start giving results from this year. I am confident that these levers will propel our growth journey to a more secure and sustainable path.

Q: PERFORMANCE OF CEMENT INDUSTRY WAS IMPACTED BY HIGH FUEL AND RAW MATERIAL PRICES. WHAT ARE YOUR THOUGHTS ON THE PERFORMANCE IN FY 22-23?

Not just the cement, but the entire business fraternity, across the globe, has felt the pressure of high fuel and input prices resulting from supply chain disruptions and geo-political issues. The cement industry also faced the adverse impact of high fuel prices as most players predominantly use pet coke and imported coal. Yet amidst all these challenges, I believe that in FY 22-23, we delivered a robust set of revenue and EBITDA. Although unpredictable, recently, we have experienced moderation in fuel prices. We expect it should help the industry recover its margins. For us, FY 22-23 has been the year to start the transformation process where we are taking several initiatives to make Shree an organisation with industry leading performance benchmarks.

Q: WHAT INITIATIVES DO YOU PLAN TO TAKE TO INCREASE THE COMPANY'S BRAND EQUITY?

This year, we have embarked upon a journey to further enhance and consolidate our visibility and brand equity position. For this purpose, we have engaged experts and advisors who are helping us in this journey. We are making the required alterations to our brand architecture. With the help of the experts, we are making sure that our brand stories are told well in the market to help us communicate the value that we bring to the customers in a stronger way. Other than the communication, we are also working on to strengthen the connect and impact that we make on the ground to deliver a highly differentiated customer experience. We have created a separate vertical for technical services, enhanced training of our marketing force and upgraded BTL activities to better engage with our customers. Additionally, we have restructured our sales team with sharp and common KPIs so that there is better collaboration, avoidance of cannibalisation and we can create additional value propositions across B2B and B2C segments.

Based on our assessment, we find that the segment of customers who are looking for products with sharper value proposition is increasing in the market. Accordingly, we are also focussing on upgrading our premium category brands to truly put them into top bracket and charting out the ways of how to grow it further.

With all these initiatives underway, I am confident that our brands will gain significant visibility and higher brand equity.

Q: YOU MENTIONED THAT YOU ARE WORKING ON DIGITALISATION. PLEASE SHARE DETAILS AND HOW DO YOU SEE THESE MEASURES BENEFITTING THE COMPANY.

Digitalisation is increasingly seen as a key business driver across the world, compelling sectors to undergo structural change and alter their existing business

Conversation with Managing Director

model. Therefore, while we have launched several digital initiatives to improve our performance, it is important for us to build a platform on which all the initiatives can be deployed seamlessly so that they are interoperable. Our goal is to become a very modern organisation by deployment of advanced IT and digital tools like SAP S/4 HANA, digital tools like CRM, analytics tools in manufacturing and logistics, and so on. There are many other digital interventions happening across other support functions as well and our people are working around these priorities to make sure that as a company we succeed in the coming years.

Q: CLIMATE CHANGE IS A BIG CHALLENGE AND MORE VISIBLE THAN EVER. AS A PROCESS INDUSTRY, HOW DO YOU PLAN TO REDUCE YOUR CARBON FOOTPRINT?

Shree Cement has been at forefront in taking pioneering initiatives to tackle climate change. We have always considered decarbonisation as a tool for unlocking several value creation opportunities along our entire value chain. We are working on a comprehensive multi-faceted approach covering several areas:

- First is the greening of our electrical energy consumption. We have invested heavily in green power generation which is clearly visible in our rising share of green energy consumption. We take pride in sharing that in FY 22-23, as much as 51.1% of our power needs was met through green power, which is one of the highest in the cement industry.
- Second is reducing the amount of clinker in cement production. We manufacture different variants of blended cement that use lower clinker. We are working on a new variant that is Limestone Calcined Clay Cement (LC3) that saves up to 40% of CO_2 emissions when compared to OPC. With our strong focus on bringing greener products to the market, we have already achieved 77% share of blended cement in FY 2022-23 (increasing from 75% in FY 2021-22). This upward trend shall continue over the coming years as well.
- The third lever is replacing conventional fuel (coal & pet coke) with alternative fuels. We are focusing on integrating circularity into our operations by exploring solutions to use different types of waste as fuel. We have achieved complete replacement of fossil fuel with biofuel in all our grinding units. All these measures have helped us achieve a Thermal Substitution Rate (TSR) of 3.50% in FY 22-23, rising from 2.41% realised during last year. A major challenge in further increasing the TSR ratio is how to feed the alternative fuels, into the calciner or the kiln or even outside. Different fuels have different moisture levels, different composition and other different technical properties so achieving desired outcome consistently is a challenge. We have studied different models and have decided to set up state-of-the-art facilities that would allow us to use different industrial, agricultural, and municipal wastes to the maximum extent possible in our plants. With these facilities, we aim to raise our TSR level to 15% by the end of FY 2023-24.
- On the energy efficiency front, through ongoing operational initiatives, we have been able to further reduce our electricity consumption per ton of cement production from 67.15 kWh in FY 21-22 to 64.93 kWh in FY 22-23. I am happy to share that because of our credible performance in The Perform, Achieve and Trade (PAT) scheme (cycle II) run by the Bureau of Energy Efficiency (India), we have been recognised as a Top Performer Designated Consumer (DC) for Cement Sector under the National Mission for Enhanced Energy Efficiency (NMEEE).
- I am also proud to share that because of our exemplary water management practices, we are 6x water positive.

Because of our multiple initiatives, we consistently reduced our carbon footprint as well. Our Specific Net Scope 1 CO2 emission decreased from 530 kg/ton cementitious material in FY 21-22 to 521 kg during the reporting period. We are also partnering in different collaborative efforts that are underway around solutions for carbon capture, utilisation, and storage (CCUS), electrification of clinkerisation process and associated areas. I sense all these factors will dramatically transform the carbon performance of the cement industry in coming years.

Q: WHAT IS YOUR ASSESSMENT OF THE CEMENT DEMAND GOING FORWARD? WHAT ARE YOUR GROWTH PLANS?

As far as FY 23-24 is concerned, I expect demand to witness another year of high growth. This growth will majorly be led by government's thrust to boost Infra aided by higher spending expected before the General Election in 2024. Housing is also expected to witness healthy growth momentum supported by the government's push to attain the targets of PMAY. The industrial and commercial segments are also on the path of recovery. I expect cement demand to continue this growth momentum on a sustained basis going forward.

Our capacity enhancement programmes which are under implementation are progressing well. By end of Q2 FY25, when the running capex plans are commissioned, we shall be clocking a capacity level of ~56 MTPA. In the past, we have delivered growth better than the industry standards. We aim to make sure that we maintain this momentum. We have a very strong team that is aggressively pursuing work at different sites. Thus, I am very confident that with our foot being firmly on ground, our capacity would be going beyond 80 million tonnes mark well in coming years which will make us a truly pan India company.

Q: WHAT ARE YOUR PLANS TO ENTER OTHER BUILDING MATERIAL SEGMENTS?

In line with our vision of becoming a modern building material company, we are evaluating various propositions to venture into allied segments. We already have a presence in Autoclaved Aerated Concrete (AAC) block segment for the last few years and are also exploring opportunities in the white cement and ready mix concrete space.

Q: WHAT DO YOU MEAN WHEN YOU SAY, 'PUSHING THE LIMITS, REIMAGINING THE FUTURE'?

Pushing the limit and reimagining the future is an embroiled progression of human evolution. No breakthrough achievement is possible without these intertwined processes. In the context of an organisational set-up, 'pushing the limits' means embracing disruptive thinking, challenging perceived beliefs, and seeking unconventional answers. When a group of people aligned to a larger uniform goal, push their limits, extraordinary solutions emerge. Those solutions then reshape our future, the way we function and create an organisation which is more sustainable, equitable and prosperous.

Value Creation Model

Sustainable Value Creation

INPUTS

Financial Capital
- Shareholder's Equity - **₹18,288.44 Crore**
- Net Debt - zero i.e. cash positive

Manufactured Capital
- Integrated Cement Plant locations - **4**
- Grinding unit locations - **10**
- Cement production capacity - **46.4 MTPA**
- Presence in the number of states - **10**
- Total Power generation capacity - **888.6 MW**
- No. of new units under implementation - **3**

Human Capital
- Permanent Workforce Strength - **6,451**
- Investment on Training and Skill Development - **₹82.92 Lacs**
- Robust Health and Safety management system

Natural Capital
- Raw Material consumption - **30.56 MMT** (Conventional), **11.86 MMT** (Alternative)
- Energy consumption - **2.53 GJ/tonne** of cement production
- Water consumption - **2088.5 ML**
- Green energy capacity - **385.6 MW**
- Investments for environment protection - **41%** (out of total Capex)

Intellectual Capital
- Investments in Innovation - **₹37.83 Crore**
- DSIR approved R&D centers - **4**
- Innovation in production and business operation

Social and Relationship Capital
- Dealer Base - **22,161**
- Suppliers Base - **3,191**
- Procurement Spend - **₹5973 Crore**
- Focus on brand architecture
- Suppliers assessed on ESG criteria - **70%** (based on procurement spent)
- Collaborations and Partnerships
- Investment in community development initiatives - **₹69.99 Crore**

VALUE CREATION

The Shree Philosophy

आ नो भद्राः क्रतवो यन्तु विश्वतः

Let noble thoughts come to us from all over the World ~ ***Rigveda***

Vision

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

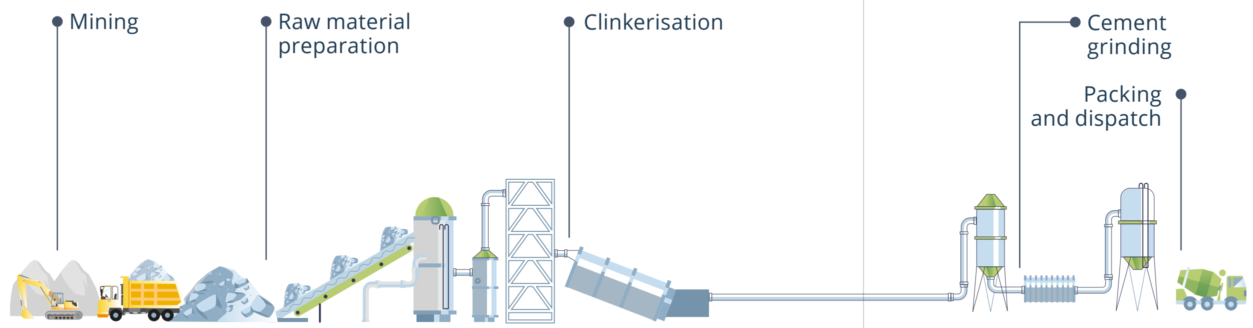
Values

- Care
- Dynamism
- Creativity & Innovation
- Simplify
- Trust and support
- Passion for efficiency

Guiding Principles

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

Manufacturing Process



Strategic Objective

- Cost Optimisation
- Increasing market share and strengthening brand equity
- Sustainable Growth
- Digital Transformation

Risks

- Climate Change
- Consolidation and Intense Competition
- Succession Planning
- IT Data Privacy and Cyber Security
- Fuel Procurement

Opportunities

- Circular Economy
- Adoption of Artificial Intelligence and Industrial Internet of Things
- Transitioning towards bulk and multimodal logistics
- Green Growth Initiatives

Stakeholders

- Investors and Shareholders
- Customers
- Employees
- Suppliers
- Trade Associations
- Media
- Local Communities
- Government and Regulatory Authorities

OUTPUTS

Cement Production
- **312.14 Lac tonnes**
- OPC - **71.88 Lac tonnes**
- PPC - **227.95 Lac tonnes**
- CC - **12.31 Lac tonnes**

Power generation
- Net power generation - **23,677 Lac kWh**
- Net power generated from renewable resource - **10,842 Lac kWh**

Stack Emissions
- NOx - **11,910.3 MT**
- SOx - **64.8 MT**
- PM - **404.1 MT**

GHG Emissions (in '000 tCO_2)
- Scope 1 - **17,465**
- Scope 2 - **438**

Waste Generated and Safely Disposed off
- Non Hazardous: **16,626.89 MT**
- Hazardous: **159.41 MT**

OUTCOMES

Financial Capital
- Revenue - **₹16,837 Crore**
- EBITDA - **₹3,374 Crore**
- PAT - **₹1,328 Crore**
- Net Cash flow from operations - **₹2,704 Crore**
- RoCE - **9.11%**
- Market Capitalisation - **₹94,484 Crore**

Manufactured Capital
- Capacity Utilisation - **70.44%**
- Indirect Economic Impacts (employment generation, environmental conservation)

Human Capital
- Ingrown leadership team
- Employment generation - **786 new hires**
- Employee turnover rate - **12.08%**
- Employee engagement score - **81**
- Average hours of training and skill development - **20.14** per employee
- Safety performance (LTIFR, TRIFR etc.)

Natural Capital
- Enhanced alternative raw material and alternative fuel consumption
- Thermal substitution rate - **3.50%**
- Water Positivity - **> 6 times**
- Biodiversity management
- Reduction in emissions (Scope 1 CO_2 and stack emissions)

Intellectual Capital
- Improved productivity
- Patents granted - **04**

Social and Relationship Capital
- Lives touched - **7.3 Lac**
- Customer satisfaction score - **85**

SDGs

- Financial Capital: 8
- Manufactured Capital: 8, 12
- Human Capital: 4, 5, 8, 10
- Natural Capital: 6, 7, 9, 12, 13, 15
- Intellectual Capital: 9, 12
- Social and Relationship Capital: 3, 4, 5, 6, 8, 10

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Building Lasting Relationships

Our journey for over four decades has been supported by our stakeholders and they play a vital role in multiple aspects of our business. This support has been possible through robust stakeholder engagement with each key stakeholder wherein timely feedback from them has helped us to take informed decisions and correct course, wherever required. It is through the very feedback from our key stakeholder groups that give us confidence to embark on a transformational journey. Our stakeholders continue to keep the central position in the business value proposition while we take on the next phase of our growth journey. We continue to strengthen communication channels with our stakeholders.

STAKEHOLDER ENGAGEMENT PROCESS

Our stakeholder engagement process onsets with planning which involves establishing objectives and scope, allocating resources and deciding the suitable mediums to adopt for the engagement. This is followed by identifying and prioritising the internal and external stakeholders and conducting interaction with various stakeholders' groups. Appropriate measures are taken to ensure documentation of the consultation process thereafter which the responses are analysed to identify the key concerns. The ESG Committee apprise the Board on key concerns raised by the stakeholders on a periodic basis. The Board discusses the relevant topics and provides strategic direction as and when required. Based on the direction, action plans are developed to address the concerns and related goals are identified and tracked.

- Stakeholder Engagement Planning
- Stakeholder Identification
- Stakeholder Prioritisation
- Stakeholder Interaction
- Identification of key concerns
- Development of action plans

Stakeholder Group	Whether identified as vulnerable or marginalised group	Significance of relationship / Purpose and scope of engagement	Channels of Communication	Frequency of Engagement	Key Concerns/ Expectations	Our Approach
Customers	No	• Our products and related value added services help our customers to convert their dreams in reality and support infrastructure development	• Customer satisfaction survey • Customer representative meet-ups • Online communication	Continuous	• Product cost and quality • Timely delivery • Post-delivery concerns • Responsible and sustainable production	• Customer satisfaction score of 85% • Enhanced customer experience
Employees	No	• Holistic development of employees results in improved productivity and business outcomes	• Regular trainings and workshops • Employee feedback • Employee grievance mechanism • Internal communication systems	Continuous	• Career and personal development • Training and development opportunities • Smooth and effective grievance mechanism • Appraisal and compensation	• Robust Employee Engagement Plans • Investments in learning and development: ₹ 82.92 Lac • 100% compliant in terms of payment in minimum wage
Investors and Shareholders	No	• Participates in our growth by providing capital for business development. • Provide business-oriented inputs for achieving goals and targets	• Annual shareholders' meetings • Management of investor relations • Annual and quarterly reports • Corporate filings with stock exchange	Regular Intervals	• Robust corporate governance • Consistent returns including dividend payout • Enhancing revenue and market value	• 18% increase in revenue within the reporting year • Dividend payout ₹ 100 per share against ₹ 90 per share of previous year
Suppliers	No	• Supplier relationship helps in timely and efficient production cycle • Procurement of quality supplies, raw material and services	• Supplier assessment • Meetings with suppliers	Continuous	• Ethical business practices • Contract negotiations and timely payments • Continued business relationship • Prevention of violations of human rights in the supply chain	• Assessment of new suppliers on environment and social parameters • Timely payment initiating mechanisms

Stakeholder Engagement and Materiality Assessment

Stakeholder Group	Whether identified as vulnerable or marginalised group	Significance of relationship / Purpose and scope of engagement	Channels of Communication	Frequency of Engagement	Key Concerns/ Expectations	Our Approach
Government and Regulatory authority	No	• Obtaining necessary licenses and permits for uninterrupted business operations • Maintaining legal compliances	• Meetings with government officials • Regular filings with government	At regular intervals	• Compliance with regulatory requirements • Managing the impacts of social and environmental issues	• Adherence to prescribed regulatory compliance
Media	No	• Helps in appraising company's performance on various parameters to wider range of people	• Meetings with media representatives	As required	• Transparency and relevancy of information • Disclosure of information • Preventing the spread of inappropriate information • Last mile reach of media	• Increased awareness of the product • Increased communication to media on various initiatives
Local Community	Yes	• Partners in development of local community • Provide social license to operate	• Meetings with local communities for CSR interventions • Meeting with local community representatives for collaborative dialogue	As required	• Addressing concerns of local community contributing to local issues	• ₹69.99 Crore spent on community development initiatives • 7.30 lac beneficiaries through CSR interventions
Trade Associations	No	• Help in strengthening industry relationship • Lays benchmark for ethical business practice	• Meeting with representatives of trade associations	As required	• Support for dealing with industry issues	• Support to trade associations as and when required

Materiality Assessment

What matters the Most

As part of our ESG efforts, we focus on multiple aspects related to impact that our business has on the stakeholders. Considering wide nature of ESG aspects, it is important that we focus on aspects which are related to our impact on our stakeholders. A dedicated materiality assessment from time to time helps us re-look and refine our ESG priorities.

During the reporting period, as part of materiality assessment exercise, we identified impacts our business has on respective stakeholders, in alignment with GRI Standards 2021.

During the reporting period, these impacts were evaluated internally, and mapped to respective material topics. As part of the assessment, we identified actual and potential impacts of our operations on the environment and people. Both positive and negative impacts were taken into consideration. The significance of each of the identified impact was assessed based on the severity and likelihood. This exercise was carried out in consultation with relevant internal stakeholders. Further, a quantitative threshold was defined to identify the most significant impacts to our organisation. Impacts similar in nature were grouped together to form the material topics, which were then validated against industry standards to arrive at the topics.

Factors considered in Materiality Assessment

- Impact on Stakeholders
- Guidance from Global ESG Frameworks (such as GRI Standards 2021)
- Industry trends
- Review of Peer Practices

MATERIALITY ASSESSMENT PROCESS

Identify
Identify list of potential impacts on stakeholders with classification into positive/negative and actual/potential.

Prioritise
Prioritise the material topics for the organisation based on the significance of its impact on the business and on stakeholders.

Validate
Validate the identified topics through stakeholder engagement process and internal review.

Integrate
Integrate the identified material topics into business decision making.

Stakeholder Engagement and Materiality Assessment

Governance

Material Topic	GRI Standard	Risk or Opportunity	The rationale for identifying as Risk or Opportunity	Mitigation or adaptation measures for the risks	Financial Implications (Positive or Negative)	SDG Linkage	Impact Identified
Regulatory compliance	GRI 205: Anti-corruption GRI 206: Anti-competitive Behaviour	Risk	• SCL is compliant with applicable legal obligations • Not complying with regulatory requirements can impose fines and cause reputational damage	• Regular monitoring and review of compliances	Negative	-	• Minimise regulatory risks through risk management framework • Non-compliance with the regulations
Cyber security	GRI 418: Customer Privacy	Risk	• Growing cyber and data security breaches across the globe • Increasing insidious erosion of digital autonomy, privacy and cyber-attacks on critical infrastructure	• Cybersecurity framework and Information security policy in place • Conducting an assessment of IT infrastructure followed by cyber security awareness sessions	Negative	-	• Strengthening of IT Infrastructure and cybersecurity framework • Reputational Damage and loss of data
Governance and ethics	GRI 205: Anti-corruption GRI 206: Anti-competitive Behaviour	Opportunity	• Strong ethics and transparent governance system • Acts as guiding pillar for business and supports growth and development	-	Positive	16	• Increased transparency in disclosures and data • Strengthening relationship with Stakeholders
Business performance	Non-GRI	Opportunity	• With a boost overall economy including construction sector growth, cement demand is likely to increase.	-	Positive	8	• Economic/ Business impact due to fluctuation in the fuel price • Capturing market share due to superior quality and competitive pricing

Negative | Positive

Material Topic	GRI Standard	Risk or Opportunity	The rationale for identifying as Risk or Opportunity	Mitigation or adaptation measures for the risks	Financial Implications (Positive or Negative)	SDG Linkage	Impact Identified
Supply chain, Raw material procurement & Procurement Practice	GRI 301: Materials GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	Risk	• Disruptions in the timely procurement of raw materials can halt operations and impact business continuity.	• We have been making all efforts to optimise the usage of limestone and other raw materials, thereby, conserving the deposits and enhancing their life. • Conduct regular supply chain risk assessments and screening of suppliers to identify potential risks. • Onboarding of all O&M suppliers through robust vendor agreements including E&S related requirements.	Negative	8, 12	Supply chain management to minimise the risks
Indirect economic impact	GRI 203: Indirect Economic Impacts	Opportunity	• Indirect economic impacts of operations (through indirect employment generation and economic activity creation) will contribute to positive social relations • This will aid in establishing social cohesion in areas of operation and thus facilitate smooth functioning.	-	Positive	1, 2, 3, 4, 5, 6, 8, 10	Increased impact on the society and economy
Risk management	Non GRI	Opportunity	• A robust risk management framework enables one to anticipate future risks and adopt mitigation measures as required. • This also aids in assessing the opportunities which will enable the organisation to stay ahead of the curve and increase the business value while minimising business disruptions.	-	Positive	-	Business Resilience

Stakeholder Engagement and Materiality Assessment

Environment

Material Topic	GRI Standard	Risk or Opportunity	Rationale for Identifying as Risk or Opportunity	Mitigation or adaptation measures for the risks	Financial Implications (Positive or Negative)	SDG Linkage	Impact Identified
Waste management and Circular Economy	GRI 306: Waste	Opportunity	• We have been making efforts to enhance utilisation of alternative fuel as well as raw material (waste from other industries) in our operations. Further, wastes generated are disposed through authorised/registered recyclers only.		Positive	12	• Hazardous waste generation • Value creation from waste
Water	GRI 303: Water and Effluents	Risk	• Water shortage and availability can hamper operations and business continuity. • Because of stringent norms related to water discharge, water treatment cost is bound to increase manifold.	• Water harvesting, treatment of water and water reuse, awareness sessions to educate people, water audits and regular monitoring of water consumption.	Negative	6, 12	
Energy and Emissions management	GRI 305: Emissions GRI 302: Energy	Risk	• We operate in a hard-to-abate industry with high emission intensity • Regulations woven around emission reduction or caps can bring on legal implications or financial penalties. • Cement manufacturing is an energy-intensive process • Cost of fossil fuels is highly dependent on availability and geo-political conditions, and have a direct impact on the bottom line	• Regular monitoring and robust emission control measures ensure that we are always well within the permissible limit while complying with the rules and regulations. • Usage of alternate fuel • Installation of waste heat recovery plants, increased production of blended cement, increased usage of renewable energy, etc.	Negative	7, 12	• Greenhouse gas emissions contributing to climate change • Reduction of carbon emissions by deployment of latest technologies • Reducing the dependency on fossil fuel-based energy

● Negative ● Positive

Material Topic	GRI Standard	Risk or Opportunity	Rationale for Identifying as Risk or Opportunity	Mitigation or adaptation measures for the risks	Financial Implications (Positive or Negative)	SDG Linkage	Impact Identified
Biodiversity	GRI 304: Biodiversity	Risk	• Our expansion plans could be impacted if we do not comply with biodiversity related regulations • Implementation of biodiversity management plan is critical to limiting the impacts	• Developing biodiversity action plans and not operating in world heritage areas, protected or eco-sensitive zones, high biodiversity value or the International Union for Conservation of Nature (IUCN) category protected areas.	Negative	15	• Loss of biodiversity and change in land use/land cover pattern • Preservation of biodiversity and natural habitat
Low carbon products	Non-GRI	Opportunity	• Availability of blended cement, including PPC, PSC and CC helps us tap into concerned customer segment • Blended cement products help us reduce our carbon emissions	-	Positive	-	Reduction of emissions
Climate Change	Non-GRI	Risk	• Physical impacts/ risks emanating from climate change could act as a threat to physical infrastructure, operations and supply chain	• Climate change mitigation measures include Waste Heat Recovery Plants, renewable energy plants, Air Cooled Condensers in thermal power plants, energy conservation and efficiency measures, enhanced use of biomass and alternative fuels, etc.	Negative	6, 7, 12, 13, 15	• Physical risks of climate change • Reputational damage

Stakeholder Engagement and Materiality Assessment

Social

Material Topic	GRI Standard	Risk or Opportunity	Rationale for Identifying as Risk or Opportunity	Mitigation or adaptation measures for the risks	Financial Implications (Positive or Negative)	SDG Linkage	Impact Identified
Occupational health and safety	GRI 403: Occupational Health and Safety	Risk	• Any Occupational Health and Safety incident has multiple negative impacts both on man and material.	• Implemented Occupational Health and Safety management systems and Hazard Identification and Risk Assessment procedures to minimise OHS incidents and their severity		3	• Occurrence of workplace injuries • Cost associated with accidents and incidents
Employee Relation	GRI 401: Employment	Opportunity	• SCL has strong focus on employee welfare and overall development • This helps in maximising outcome towards meeting the organisational goals.	-		5, 8, 10	Providing benefits and fair wages to employees
Training and development	GRI 404: Training and development	Opportunity	• Well established training and development system, aids in complementing the skillsets of employees and in turn enabling personal and profession growth	-		4, 5, 8	Investing in training and skill development of employees
Customer satisfaction	Non-GRI	Opportunity	• SCL has an established loyal customer base through continuous dialogue • Customer satisfaction will lead to customer retention and repeat business value	-			Customer retention and repeat customer orders

Material Topic	GRI Standard	Risk or Opportunity	Rationale for Identifying as Risk or Opportunity	Mitigation or adaptation measures for the risks	Financial Implications (Positive or Negative)	SDG Linkage	Impact Identified
Community development	GRI 413: Local communities	Opportunity	• SCL develops an intrinsic relationship with community where it operates through its CSR activities. • Community development and wellbeing enables in creating a cordial and harmonious relationship	-		1, 2, 3, 4, 5, 6, 8, 10	Improved relation with the local community
Resettlement and rehabilitation	GRI 411: Rights of Indigenous People	Risk	• Not adopting responsive and good practices towards indigenous communities can risk community support and may lead to reputational damage.	• Support resettlement and rehabilitation as and when required in compliance to applicable regulations.			Recognising and respecting indigenous people's rights
Human rights and Non-discrimination	GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 407: Freedom of Association and Collective Bargaining	Risk	• Human rights violations can cause employee dissatisfaction and lower retention • Risks will also arise from lawsuits, regulatory bodies, media etc and cause financial as well as reputational implications • Instances of discrimination can lower employee morale and affect productivity	• Well established internal control systems to ensure adherence to human rights related regulatory requirements • Conduct regular training and awareness sessions. • Established well defined grievance mechanism to report concerns and timely resolution of the same.		4, 5, 8, 10	• Ensuring equal treatment and opportunities for all • Regulatory compliances

Our Strategic Priorities

Driving Growth, Leading Transformation

We focus on consistent value creation and uninterrupted growth for our business as well as our stakeholders. Our increased revenue year-on-year is supported by our ardent desire to sustain value by building capacity, upskilling people, and conducting extensive research and development. Our strategic objectives are defined keeping in mind our values and business goals. We follow an integrated approach while aligning our business strategy with business functions. Along with business factors, risks and opportunities are also taken into consideration while identifying the focus areas and defining strategic objectives.

Strategic Objective	Description	Focus Area	Achievement
S-1 **Cost Optimisation**	Cost optimisation is an ongoing process and we are focused on achieving that through process improvements, automation, digitalisation and operational efficiency. This makes us one of the most cost-effective cement manufacturers in the Indian cement industry.	• Continue to focus on research and innovation to achieve process optimisation, and efficiency and integrate digitalisation and automation. • To maintain cost competitive advantage over the peers. • Improve the profitability levels.	• Focus on green manufacturing and altering product mix to increase proportion of blended cement. • Increased usage of green energy in cement manufacturing. • Increased consumption of alternate fuels to reduce fuel cost.
S-2 **Increasing market share and strengthening brand equity**	To increase our market share and strengthen brand equity, we have reorganised our Sales team, by separating marketing vertical from sales and overhauled technical services function to increase customer satisfaction.	• Enhance cement production capacity and expand distribution network. • Strengthen our technical function and focus on marketing strategy. • Focus on product development as per changing customer needs. • Improved supply chain strategy for on-time delivery of products to customers.	• Unified Customer Relationship Management (CRM) implementation. • Mapping of influencers with our network through our mobile application - Nirman Mitra. • Improving logistics infrastructure and capability through automation, analytics and performance monitoring.
S-3 **Sustainable Growth**	We have been focusing on growth that is sustainable considering our business functions, environment as well as stakeholders. We have implemented environmentally friendly technologies, use raw material, promote energy management and process efficiency. Changes in our governance structure demonstrate our commitment to accountability and transparency.	• Focus on circular economy. • Enhanced sustainable business performance under the PAT scheme of BEE, Govt of India. • Increased use of alternative fuel consumption. • Judicious use and management of mines and raw materials. • Increasing share of green power in operations.	• Outstanding performance under the PAT scheme of BEE, Govt of India. • 51.1% share of green power in total power consumption. • Increased TSR of 3.50% in FY 2022-23 compared to 2.41% in the previous year. • SCOPE 1 emission 521 kg CO_2/ tonne of cementitious product compared to 530 kg in FY 2021-22.
S-4 **Digital Transformation**	Integrating digitalisation and automation improves the efficiency of business processes, consistency, and quality. We have embarked upon a transformational journey to integrate advance digitalisation tools within our functions and processes to improve efficiency, optimise cost and increase productivity.	• Implement technology to improve efficiency and productivity across operations. • Reduced errors due to manual intervention.	• Installation of a Plant Data Management System to track and monitor the performance of the plants. • Use of AI and robotics across multiple segments of operations. • Adopting mining software like DATAMINE to ensure maximum mining recovery.

Risk and Mitigation Strategies

Guardrails for a Stronger Tomorrow

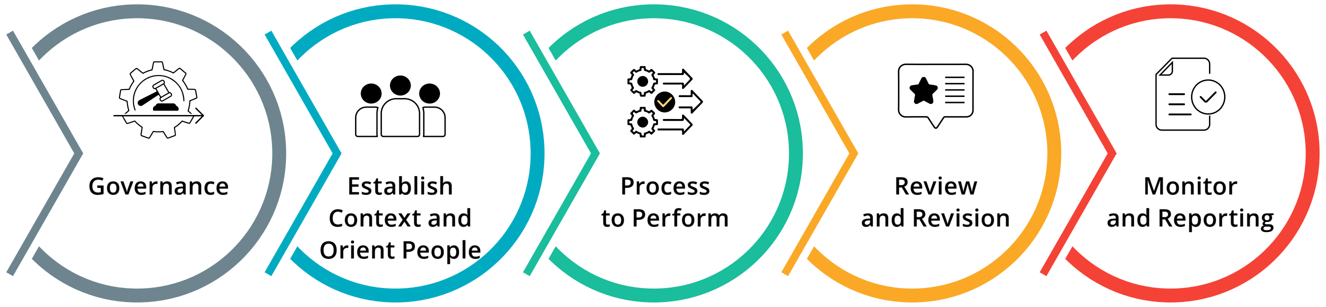
Risks and Opportunities

Businesses are constantly evolving and are facing conventional as well emerging novel risks. We operate in a dynamic market with intense competition from our peers along with the continuously changing business and regulatory landscape and economic conditions. We believe effective risk management is critical to business resilience.

It also helps in identification of business opportunities while analysing our strategy and initiatives at regular intervals.

Our Enterprise Risk Management (ERM) policy formulated in line with regulatory and business requirements guides our risk management approach.

Aligning with the regulatory requirements and long term vision of the company, we conducted a refresher exercise in the reporting year to strengthen our existing risk management framework and identify new and emerging risks to business.



RISK GOVERNANCE

The Board of Directors oversee the ERM of the business.

The Board also reviews the identified risks and mitigation plans. The Risk Management Committee (RMC) overlooks the effective implementation of the ERM policy and reports to the Board. Along with RMC, the ESG Committee consisting of senior executives and functional heads reviews the results of the risk identification, prioritisation and mitigation plans. The Chief Risk Officer (CRO) facilitates the operationalisation of ERM framework and updates the RMC and the ESG Committee on a periodic basis. The identified risks are assigned to an owner, i.e. the Risk Owner (Functional Head)

who in coordination with CRO, periodically reports to the management and prepare mitigation strategies on the identified risk(s).

We have established an operating structure to promote a positive risk culture. We have enabled proper communication channels to create risk awareness among the internal stakeholders.

The risk identification, assessment and prioritisation helps us define an appropriate mitigation plan.

The identified risks are categorised under the buckets of growth, market share, people, efficiency, shareholders' expectation and sustainability. We evaluate and monitor the risk mitigation strategies regularly. We have Business Continuity Management (BCM) plan in place that ensures resilience of business operations through our robust policy, processes and systems.

This section of the report highlights our top five risks based on the impact of the consequence i.e. high-impact risks and the ones that have a higher likelihood of their occurance.

Risk Description	Impact	Mitigation Strategy
R-1 — Climate Change Changing climate and weather patterns manifest as risks to business in various forms including physical risks, transitional risks and regulatory risks etc. Climate Change related risks have potential to disrupt our operations at manufacturing locations, across supply chain etc. impacting the business continuity.	• The shift in climate change-related regulations can directly impact business continuity while the increasing focus of stakeholders (such as investors, analyst agencies etc.), on our exposure as well as mitigation mechanism to deal with these risks, may result into impact on market capitalisation	• Identifying and mapping of climate change related risks as part of ERM framework. • Identifying and implementing energy efficiency projects and initiatives, enhanced usage of renewable energy, waste heat recovery, biomass and AFR in our operations. • Targeting increased usage of AFR up to 15% by FY 2023-24 and aiming to achieve green power consumption up to 55%. • Collaborating with industries and academic institutions to work on low-carbon products.
R-2 — Consolidation and Intense Competition The Indian cement industry has the presence of various players. Over the span of a last few years, supply has outpaced demand in the cement sector and the industry is in a regular expansion mode.	• Due to stiff competition, the product prices may not be sufficient to fund the cost of the capital.	• Identifying strategic locations to further expand capacity to increase market share. • Reviewing and aligning the market strategy to maintain and improve our market share. • Timely project execution to secure competitive advantage over peers.
R-3 — Succession Planning Succession planning helps organisations grow by identifying and building talent.	• Lack of skilled talent at desired levels can negatively affect our business, innovation and production capabilities.	• Fostering and creating a culture of assigning responsibility to groom the right people. • Cross-functional and techno-commercial working experience for employees to develop and enhance business acumen. • Strengthening existing practices, roadmap and framework for identification of critical positions, possible successors, their development plans and gap analysis.
R-4 — IT Data Privacy and Cyber Security The IT systems support our business process, communication, sales, logistics and production. Increasing cases of data breaches and cyber-attacks necessitate having a robust Information Management and data security system at business level.	• Cyberattacks can cause data theft, system collapse, loss of pertinent business and financial information.	• Strengthening the established practices and procedures for IT security and governance across the organisation through regular vulnerability testing. • Regular monitoring and tracking of licensed products, unauthorised software usage, data leakage, etc. across the organisation through best-in-class technology and process. • Cyber security awareness sessions for employees.
R-5 — Fuel Procurement The cement operations are predominantly dependent upon imported coal/pet coke to meet fuel requirements.	• The fluctuation in the fuel price or the availability of fuel at competitive cost can affect our business profitability. • The use of conventional sources can hinder the growth and lead to other risks such as regulatory or market risk.	• Designing of plants to operate on multi-fuels to give the flexibility to choose the type of fuel basis the availability and at a competitive cost. • Replacing the usage of coal and pet coke as fuels with alternative fuels such as industrial waste, biomass, RDF, MSW, etc. • Procuring coal from domestic sources/ linkages to reduce dependency on imported coal. • Regular review of fuel procurement plans.

EMERGING RISKS

Since the external business ecosystem is ever evolving and prone to externalities, new risks keep emerging. Emerging risks are defined in the risk ecosystem as those risks that are newly identified, unprecedented, not materialised and if materialised, should have a long-term impact on the business. In the reporting year, we identified three emerging risks relevant to our business and have devised mitigation strategies.

Risk Description	Impact	Mitigation Strategy
E-1 — Natural resource crises The rising difference between demand and supply of natural resources such as coal and water is an area of concern. The geopolitical tension around the globe is disrupting the supply chain operations. Resources are being exploited and this can create business disruptions which hinder growth.	• Since cement production is highly dependent on fuel such as coal, its unavailability directly impacts the production capability. • Further, water is used in operations as well as other activities in plants and offices. We have our operations located in water-stressed areas also. Water being a shared resource, a shortage of water can increase the risks of conflict with the community.	• To reduce our dependency on conventional fuel (coal and pet coke), we are transitioning to alternative fuel sources. • We have implemented water conservation measures across our facilities to reduce fresh water consumption. Additionally, rain water harvesting measures are taken within our facilities and within the community. All these measures helped us achieve more than six times water positivity within FY 2022-23.
E-2 — Natural disasters and extreme weather events Extreme weather events or natural disasters may impact business continuity or the external environment in which we operate.	• The increasing effects of the global rise in temperature are leading to disruptions in operations and supply chain. Further, our operations are located in drought-prone areas.	• We are strategically expanding our operations in newer geographies to retain our market share during any extreme weather event.
E-3 — Evolving stakeholder expectations to achieve decarbonisation There has been a push from investors as well as other stakeholders to disclose our progress on decarbonisation since cement sector is considered as hard to abate sector.	• Companies not meeting the expectations of the stakeholders related to decarbonisation may face lower acceptability in comparison to the peers who follow the same. This can impact product demand, profitability and market capitalisation.	• We aim to reduce our Scope 1 GHG emissions by 12.7% per tonne of cementitious material by 2030 from the base year of 2019. Also, we have set a goal to reduce our Scope 2 GHG emissions by 27.1% per tonne of cementitious material by 2030. These targets have been validated by Science Based Target initiatives (SBTi).

OPPORTUNITIES

While the cement industry is constantly evolving, new opportunities in the sector also continue to emerge. Cement production in India is expected to increase because of rise in the rural housing demand and the government's focus on infrastructure development through introduction of various schemes. Significant opportunities remain untapped in the areas of circular economy, resource conservation, digitalisation, artificial intelligence and the growth of the real estate sector, particularly green buildings.

Opportunity	Description	Resource Allocation
O-1 — Circular Economy	There is a growing opportunity in our industry to integrate a circular economy in business operations through minimising waste, maximising resource efficiency and recycling wherever possible.	• Collaborating with other industries for using waste as a source of input material to reduce our cost and dependency on conventional raw materials. • All the waste generated within our facilities is reused/recycled/disposed in compliance with the applicable regulatory requirements.
O-2 — Adoption of Artificial Intelligence and Industrial Internet of Things	Industry 4.0 is revolutionising the automation, monitoring, and analysis of manufacturing and supply chains through smart technology. The adoption of technology brings in resiliency, improves accuracy, reduce costs, and enhances efficiency among others.	Promoting digitalisation in the areas of manufacturing, logistics and sourcing as well as sales and marketing. Software and platforms developed are being used to monitor and track information seamlessly.
O-3 — Transitioning towards bulk and multimodal logistics	Transitioning towards bulk and multimodal logistics can unlock an environment-friendly, energy-efficient and economically optimised mode of moving raw material and products.	• Developing railway sidings at new project sites as well as at existing locations to augment road transportation • Reviewing our warehousing requirements with an aim to establish larger warehouses serving the market in place of multiple smaller warehouses
O-4 — Green Growth Initiatives	Cement companies can leverage levers such as energy efficiency, clinker substitution and decarbonisation of the power making their operations sustainable.	• Continuously optimising processes by implementing efficiency measures, upgrading existing technology and innovation. • Increasing green power capacity by setting up additional solar, wind and WHR. In addition to this, we have been reducing the clinker factor by utilising alternative raw material for cement production.

FY 22-23 Value Creation Highlights

Breaking Grounds, Inspiring Greatness

Financial Capital

₹16,837 Crore
Revenue from operations

₹3,374 Crore
EBITDA

₹1,328 Crore
PAT

₹8,181 Crore
Investments (excluding investment in subsidiaries)

₹100/ share
Dividend

₹94,484 Crore
Market Capitalisation (as on 31st March’2023)

Manufactured Capital

4
Integrated Manufacturing Unit locations

10
Grinding unit locations

10 States
Our presence across India

46.40 MTPA
Cement production capacity

888.6 MW
Total Power Generation Capacity

70.44%
Capacity Utilisation

3
New cement grinding/ integrated cement projects under implementation

Human Capital

6,451
Workforce Strength (including employees and permanent workers)

Ranked among ‘Best Companies to Work At’ by GPTW (within the cement and building material sector)

1,29,911
Hours of Training and Skill Development

Great Place To Work® Certified MAR 2023 – MAR 2024 INDIA

Natural Capital

51.1%
Share of green power consumption in total power consumption

385.6 MW
Total green power capacity (including Waste Heat Recovery, Wind and Solar)

>6 times
Water Positivity

>14%
Alternative fuel consumption (in terms of fuel quantity)

>27%
Alternative Raw Material Consumption

77%
blended/ green cement production

Intellectual Capital

04
Innovation Centres (R&D labs)

04
Patents granted

Social and Relationship Capital

7.30 lacs
Lives impacted

₹69.99 Crore
Spending on community development projects

98%
Revenue from repeat customers

85
Customer Satisfaction Score

798
New suppliers onboarded

Introducing Our Capitals

The legacy that we build, each day, every year

At Shree Cement, we are propelled by our commitment to achieve excellence in everything we do by seeking to improve every day. This has inter-alia resulted in consistent financial performance, continuous reduction in our carbon footprint and value creation for our stakeholders. To measure the impact of our value creation, we are continuing our journey of Integrated Reporting whereby we present to our stakeholders our performance on wide range of aspects and describe how the same has resulted in creation of value for them.

FINANCIAL CAPITAL

Represents financial resources that we use to manufacture and develop our products. This capital is the backbone for sustaining value across all capitals.

INTERLINKAGE WITH
Capital

Strategic Priorities | Opportunities

Risk and Emerging Risks

MANUFACTURED CAPITAL

Comprises of processes, technologies including machinery, equipment and supporting infrastructure that we use at our mines, cement plants, power plants and grinding units. We strive to boost operational excellence, considering health and safety of the workforce.

INTERLINKAGE WITH
Capital

Strategic Priorities | Opportunities

Risk and Emerging Risks

HUMAN CAPITAL

Includes our people with diverse skill sets and expertise, their motivation to innovate, their alignment to organisation's vision and objective and competence to execute the business strategy. Through training and development programmes, we upskill our workforce and enhance their productivity and overall happiness. health and safety of the workforce.

INTERLINKAGE WITH
Capital

Strategic Priorities | Opportunities

Risk and Emerging Risks

NATURAL CAPITAL

Represents all the natural resources that we utilise to produce our goods. It includes air, water, land and fuel & minerals. We strive to make rational use of the natural resources to minimise impact on the environment. knowledge to develop our products.

INTERLINKAGE WITH
Capital

Strategic Priorities | Opportunities

Risk and Emerging Risks

INTELLECTUAL CAPITAL

Signifies our innovative thinking and R&D capabilities. It includes knowledge based intangible assets and systems, procedures, protocols, knowledge to develop our products.

INTERLINKAGE WITH
Capital

Strategic Priorities | Opportunities

Risk and Emerging Risks

SOCIAL AND RELATIONSHIP CAPITAL

Includes our relationship with a diverse group of stakeholders including investors and shareholders, suppliers, trade associations, local communities, dealers, customers, and employees to enhance individual and collective well-being, which is based on the principles of transparency and equity.

INTERLINKAGE WITH
Capital

Strategic Priorities | Opportunities

Risk and Emerging Risks

Strategic Priorities
S1 S2 S3 S4

Risk
R1 R2 R3 R4 R5

Emerging Risks
E-1 E-2 E-3

Opportunities
O-1 O-2 O-3 O-4

Financial Capital

Pushing Limits through Ambitious, Progressive and Consistent growth

Revenue from Operations
₹16,837 cr

Market Capitalisation (as on 31st March, 2023)
₹94,484 cr

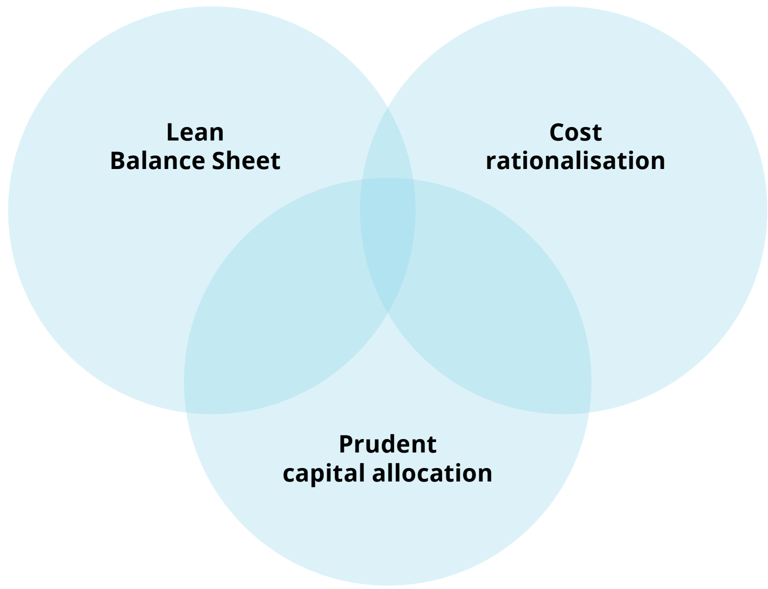
EBITDA
₹3,374 cr

Investments (excluding investment in subsidiaries)
₹8,181 cr

PAT
₹1,328 cr

Dividend
₹100/ share

FOCUS AREAS



At Shree Cement, we are committed to create superior stakeholder value through the efficient management of financial capital. This capability has been derived from disciplined financial management with optimal & efficient use of resources, adoption of unique practices enabling faster project completion and prudent capital allocation. This approach has enabled us to create long-term value for all our stakeholders.

As we set sight on our ambitious target of attaining beyond 80 MTPA capacity in coming years, the focus is on formulating innovative measures to maintain our cost leadership, utilising the operating cashflow and maintaining a strong Balance Sheet with a minimum leverage. We continue to work on our path of prudent capital allocation with financial discipline for expanding cement capacity and clean energy initiatives to achieve sustainable growth for all our stakeholders.

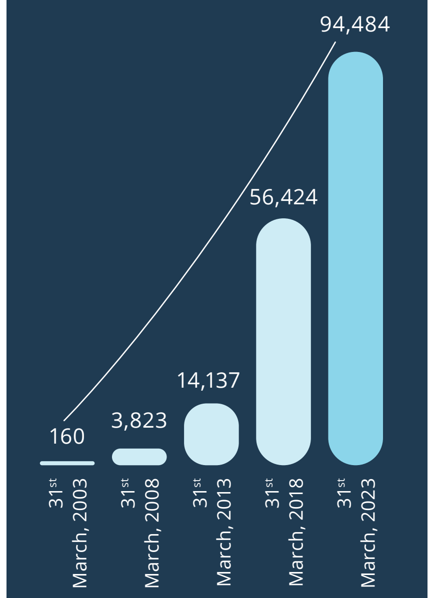
SHAREHOLDER VALUE CREATION

We are obliged to our shareholders for having believed in us and supporting us consistently in our growth journey. Our Market Capitalisation growth from ₹160 Crore as on 31st March 2003 to ₹94,484 Crore as on 31st March 2023 (implying a CAGR of 37.6% over 20 years) is a testimony to our strong emphasis on creating long-term value for all our stakeholders.

Financial Capital

Market Capitalisation

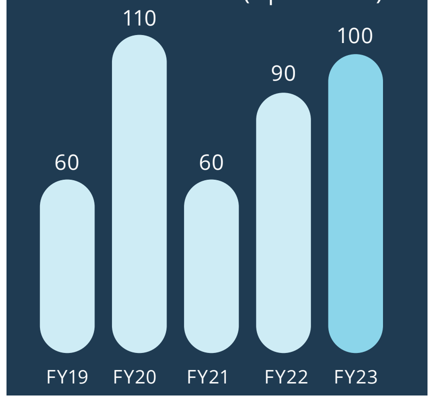
(₹ in Crore)



DIVIDEND

FY 2023 has turned out to be a volatile year impacted by geo-political situations and the soaring inflation. Despite this volatile external environment and our aggressive expansion projects in-place, we have declared a healthy amount of dividend of ₹100 per equity share for our shareholders. This is a testimony of our approach of continuously rewarding and sharing the profits of the company with our shareholders by maintaining a healthy dividend payout ratio.

(₹ per share)



ECONOMIC VALUE CREATION* (STANDALONE NUMBERS)

Amount in ₹ Crore

Particulars	FY 2021-22	FY 2022-23
Adjusted Revenues	16,692	19,424
Revenues from Financial instruments and other sources	537	432
Total Value Added**	**17,230**	**19,856**
Operating costs	9,071	12,151
Employee wage and benefits	807	866
Payment to providers of funds	593	590
Payments to government	3,551	3,493
Community investments	58	70
Reinvested to maintain and develop operations	3,150	2,686
Total Value Retained and Distributed	**17,230**	**19,856**

*Numbers have been regrouped/rearranged wherever necessary
**Revenue includes goods and service taxes (net of inputs availed).

REVENUE AND VOLUME GROWTH

During the year, our revenue from operations in FY 2022-23 increased by 18% to ₹ 16,837 Crore compared to ₹ 14,306 Crore in FY 2021-22. We also registered total sales volumes of 31.82 MMT, a growth of 15% over the previous financial year. Led by increased government spending, better housing demand as well as our renewed focus on improving our brand equity, we expect a healthy growth in our revenue in the coming years as well.

Our proven track record of timely payments have lent required comfort and confidence to our vendors of timely meeting our financial obligations to them. This ensures that they focus on quality execution of the work at hand rather than worrying about the payments and arranging financial resources.

Strong project execution capabilities

We are one of the fastest and most efficient cement companies, when it comes to setting- up of greenfield projects within the announced timelines and at a lower capex per tonne than the industry. This has helped us earn a higher return on our capital employed over long periods of time. Such efficiency has been achieved by adopting unique project implementation practices which create a win-win situation for both the company and the stakeholders involved. These unique practices include incentivising and not penalising the vendors. We extend financial as well as technical help to our vendors, contractors, suppliers, etc. to expedite the implementation of project. This, apart from creating trust with the vendors, also helps them speed up their activities. At times, the decision to air-lift the materials or supporting our suppliers in expediting the deliveries are taken. These, though appear costly, help us cut down on overall project execution schedule which in turn saves us on project costs as well as enable faster commencement of production.

In a difficult year when high volatility was prevalent all across, our sound financial discipline and prudent financial management have helped us sail through the periods of uncertainty. We will continue to maintain our zero net debt status, fund our expansions through internal accruals and deploy surplus funds in secured instruments."

Mr. Subhash Jajoo
Chief Finance Officer

PRUDENT CAPITAL ALLOCATION AND FINANCIAL DISCIPLINE

Over the years, we have practiced a policy of prudent capital allocation and financial discipline. We have been conservative in adopting leveraged means to fund our expansion plans and endeavored to utilise operational cash flows / internal accruals for all capex projects. While adopting an inorganic growth path, we ensured that we were not swayed away by the lure of pricy acquisitions and evaluated/ grabbed the opportunities on their merit only which fit within the overall growth plan and vision of the company.

In fact, this approach has earned us the trust of our shareholders as funds retained and invested in the business have garnered higher return than market. This is clearly visible and reflected in the Internal Rate of Return of 25.15% since our Initial Public Offer in the year 1984.

Financial Capital

STRONG BALANCE SHEET AND ROBUST CASHFLOW

Cash and cash equivalents (including liquid investments) in our Balance Sheet were ₹ 8,187 Crore as on 31st March, 2023, mostly invested in liquid debt mutual funds. Our gross debt stood at ₹1,568 Crore, majority of which is in the form of USD denominated External Commercial Borrowing. We ended FY 2022-23 as a net debt free company with positive cash of ₹ 6,619 Crore.

Net cash inflow from Operating activities were flattish in FY 2022-23 at ₹2,704 Crore as compared to ₹2,723 Crore last year. The same is expected to increase in the coming years, as we start accruing revenues from our new plants and rising fuel cost impact getting subdued.

Net cash outflow from financing activities stood at ₹315 Crore during FY 2022-23 against ₹858 Crore in the previous year.

Effective use of digitalisation

Long before digitalisation mode of banking became a norm, we started using digitised banking channels for all our transactions with vendors, suppliers, customers, contractors, etc. We made it mandatory for all our customers and vendors to make payment through on-line means only. This despite the fact that some of our associated stakeholders, particularly the smaller ones, were not adequately equipped for such modes. We encouraged them, hand-held and ultimately successfully migrated them to such means for overall benefit.

CREDIT RATING

We endeavor to create prosperity and happiness for all the stakeholders through our ability to 'walk the talk.' The faith entrusted by our stakeholders has pushed us to accomplish projects within/ ahead of time and budget. This has augmented in delivering high return on investment for our stakeholders. On such performance, CRISIL, India's top rating agency has reaffirmed its highest rating of CRISIL AAA/Stable for our long-term bank facilities and CRISIL A1+ for our short-term bank facilities as well as Commercial Paper Issuance. Similarly, CARE, another rating agency has also reaffirmed its highest issuer rating of CARE AAA (Stable) for our long-term bank facilities and CARE A1+ for our short-term bank facilities as well as Commercial Paper Issuance.

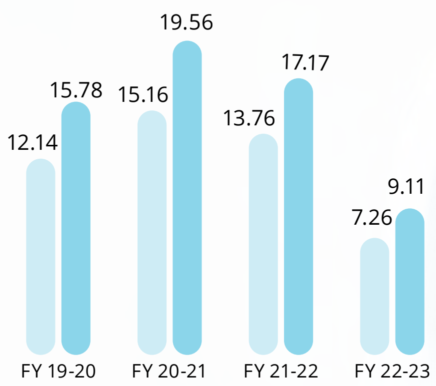
RETURN RATIOS

Our continued focus on faster project execution at the lowest capex cost coupled with cost leadership qualities results in a healthy returns on capital employed. However, during the year, our profitability and consequent returns on assets have been severally impacted by unprecedented rise in fuel and input costs. Despite the same, we managed to earn RoCE of 9.11% and Return on Equity of 7.26% in FY 2022-23.

With the normalisation of fuel prices and impact of measures to optimise costs and operational efficiency, we expect that these return ratios will see upward improvement in coming year(s).

Given our strong operational capabilities, experienced management team and a lean Balance Sheet, we are on track to achieve our goal of reaching capacity beyond 80 MTPA in coming years.

Return Ratios (%)



Return on average Capital Employed

Return on Equity

Manufactured Capital

Driving growth through augmented capabilities

4
Integrated Cement Manufacturing Unit locations

10
Cement Grinding Unit locations

10
States Our presence across India

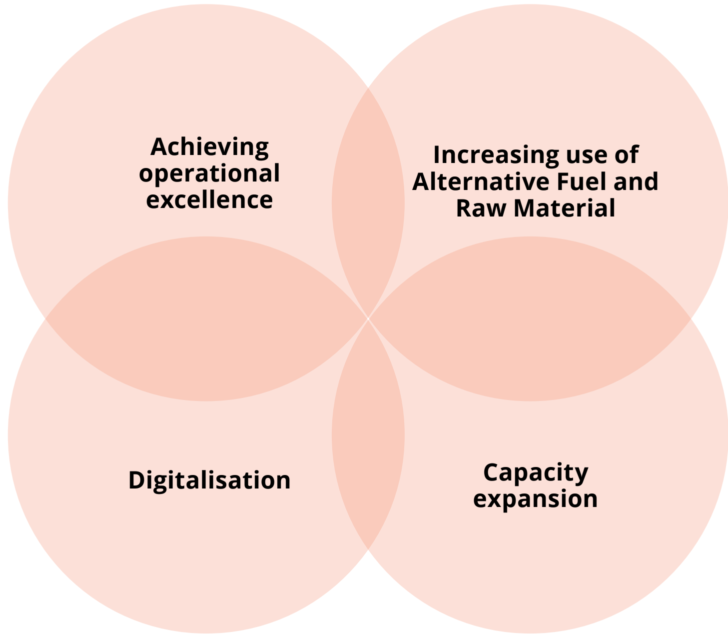
46.40 MTPA
Cement production capacity

888.6 MW
Total Power Generation Capacity

70.44 %
Capacity Utilisation

3
New cement grinding/ integrated cement projects under implementation

FOCUS AREAS



With a legacy spanning around four decades of cement manufacturing, we take pride in contributing towards growing infrastructural and development aspirations of the country. As we continue this legacy, we are broadening our presence across geographies, enduring to remain one of the key cement manufacturers in the country. We are at the forefront of using innovative manufacturing solutions, adopting cutting-edge technologies and sustainable manufacturing practices to enhance our operational efficiency.

Our push to explore the unchartered territories and challenge our limitations is channeled into bringing in the best manufacturing capabilities. This has helped in delivering quality products to customers, thereby enriching our brand reputation. Furthermore, with digitalisation and Industry 4.0 at the core, we are reimagining future prospects, capabilities and opportunities.

OUR MANUFACTURING CAPACITY

Our manufacturing operations span across 14 locations in India having a total cement production capacity of 46.4 MTPA. All our plants are strategically positioned to have close proximity to raw material sources and key service markets.

Our subsidiary in Ras Al Khaimah, UAE has cement production capacity of 4 MTPA and caters to our customers in the Middle East, Southeast Asia and other nearby markets.

Manufactured Capital

North Region

- **2** Integrated Cement Units
- **6** Cement Grinding Units
- Cement Production Capacity **26.3 MTPA**

East Region

- **1**Integrated Cement Unit
- **3** Cement Grinding Units
- Cement Production capacity: **14.1 MTPA**

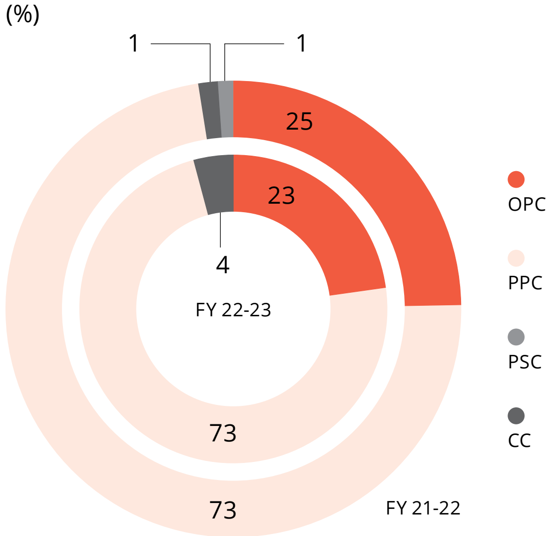
West/ South Region

- **1** Integrated Cement Unit
- **1** Cement Grinding Unit
- Cement Production Capacity: **6 MTPA**

Our manufacturing facilities allow us to be flexible and responsive to market needs. We have a variety of product categories and brands, which cater to different customer needs and requirements. Our products include Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement (CC). We have also developed capability to produce three more types of cements viz, Rapid Hardening Portland Cement (RHPC), Oil Well Cement (OWC) and Hydrophobic Cement (HC) which will be introduced in the market at suitable times.

Category-wise cement production

(%)



Apart from cement products, we have also broadened our building solutions portfolio through the production of Autoclaved Aerated Concrete (AAC) blocks. AAC blocks are environment-friendly precast building materials providing high thermal insulation and durability. The heat insulating properties of AAC blocks prevent outside heat and keeps the building cooler resulting in a substantial reduction in air conditioning costs.

At Shree Cement, we have set an ambitious target of going beyond 80 million tons of cement production capacity. Indeed, this aim of doubling our capacity is a big, audacious leap. We perceive this as an opportunity to push our limits to explore our strengths and redefine our business. We are the makers of cement, a product of tomorrow and we are here to stay strong, generations from now.

Mr. Sumeet Chadha
Manufacturing Cluster Head - South & West Operations

STRENGTHENING OUR PRESENCE

We have a proven track record of project implementation ahead of schedule and within budgeted cost. We invest in building new manufacturing facilities and adding more state-of-the-art technologies to our existing facilities. Status of existing projects under implementation is as below:

Upcoming unit	Type of Unit	Scheduled Timeline	Revised Timeline
Purulia, West Bengal	Cement Grinding Unit	Q4 of FY 2022-23*	Q1 of FY 2023-24
Nawalgarh, Rajasthan	Integrated Cement Unit	Q4 of FY 2023-24	Q3 of FY 2023-24
Guntur, Andhra Pradesh	Integrated Cement Unit	Q3 of FY 2024-25	Q2 of FY 2024-25

*Plant commissioning was delayed due to certain clearances

46.4 MTPA Cement capacity as on 31st March, 2023

~56 MTPA by calendar year 2024

>80 MTPA in coming years

Apart from upcoming projects, during the reporting period, we initiated the work of capacity upgradation of Cement Grinding Unit in Jharkhand with an aim to enhance the cement capacity from 2.50 MTPA to 3.00 MTPA. Once we complete all our above capacity expansion projects as planned, our capacity will increase to ~56 MTPA by end of calendar year 2024.

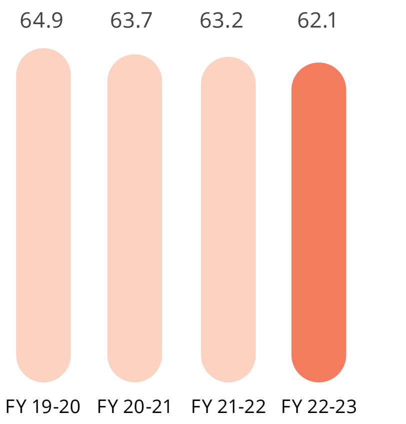
We plan to enhance our cement manufacturing capacity across various locations within an aggressive timeline and aim to take the same beyond 80 MTPA in coming years. To meet our goal, we have acquired limestone mines at several locations and are developing various sites for setting up greenfield cement projects across the country. Our rich and vast project experience has proven track record of setting up new projects in record time and helped us transpire above aggressive timeline.

Manufactured Capital

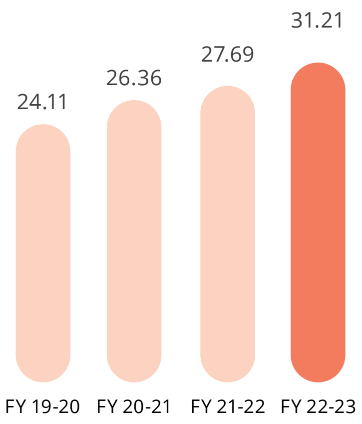
OPERATIONAL TRENDS

At Shree Cement, we are committed to enriching our manufacturing processes while consistently building our capabilities. Our growth trajectory reflects our efforts to expand our production capacity and strengthen our market share.

Clinker Cement Ratio (%)



Cement Production (million tons)



GREEN POWER CAPACITY CREATION

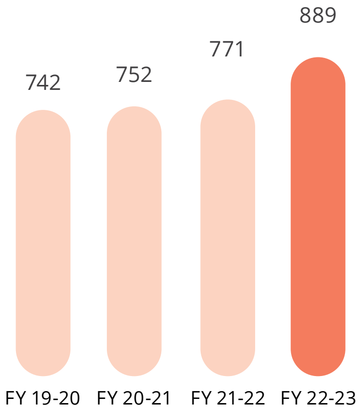
We have created a robust in-house power generation facilities and infrastructure to fulfil the electricity requirements of our manufacturing facilities. Our power plants include Thermal Power Plants, Waste Heat Recovery Systems, Wind Energy and Solar Power Plants. These facilities have helped us optimise our power cost, build self-sufficiency and in greening our operations. The experience of operating variety of power plants gained over last three decades has also helped us achieve one of the highest efficiency levels in running of these power plants.

A significant portion of the power requirement at our manufacturing units is met through green power, and we are continually striving to increase it.

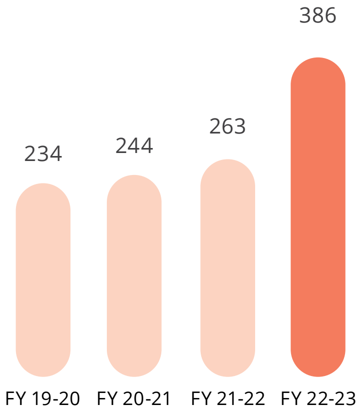
Power is an essential component for cement manufacturing. In our transformation journey of becoming a world class company with minimal environmental footprints, we target to increase our share of renewable power in energy mix to attain self-sufficiency, resilience and sustainability in our operations.

Mr. M. M. Rathi
Jt. President (Power Plant)

Total Power Generation capacity (MW)



Green Power Generation Capacity (MW)



The share of our green power consumption has improved from 48.3% in the last fiscal year to 51.1% in the current year. We are in the process of setting-up another 83 MW of green energy capacity which will further augment our green energy share in our total power consumption.
During the reporting period, our estimation methodology was revised for calculating percentage of green power consumption in total power consumption. We have recalculated and restated data for these parameters for previous financial year (s)

OPERATIONAL EXCELLENCE

We continuously strive to achieve operational excellence within our processes and have taken multiple measures towards the same. Some of the measures include:

AI Based Process Optimisation:
We have adopted Artificial Intelligence (AI) based cement specific process optimisation packages. Different process variables are controlled in a closed-loop system like multi loop PID (Proportional, Integral and Derivative) controllers. This system imitates best operator, helps identify error signals and alters the system output till the error reaches zero. This has resulted in production optimisation, reduction in fuel consumption, increased energy savings, improved quality and efficiencies.

Upgrading OITDS
We have upgraded our Operator Independent Truck Dispatch System (OITDS) with AI facility at Ras and we are further installing the same at our Raipur plant. OITDS helps enhance raw material transportation efficiency at our mines by ensuring dynamic allocation of mine dumpers and excavators by optimising their routes and utilisation with respect to requirement while maintaining desired quality of limestone. This also helps in real time monitoring of operator and equipment performance, complete digitalisation of mine processes, monitoring of operating behaviour to enhance safety and performance.

ENHANCING QUALITY AND EFFICIENCY IMPROVEMENT

Customer satisfaction is of utmost importance to us. We continually strive to deliver quality products to our customers and meet their requirements. We have established state-of-the-art facilities at our manufacturing locations including Cross Belt Analyser (CBA), Particle Size Analyser (PSA), automatic hot mill sampling and X-Ray Diffraction (XRD) analysis, full-fledged alternative fuel testing laboratory, including equipment like Inductive Couple Plasma (ICP). We have also adopted Quality Management Systems (ISO 9001:2015) to ensure quality output of our products and processes.

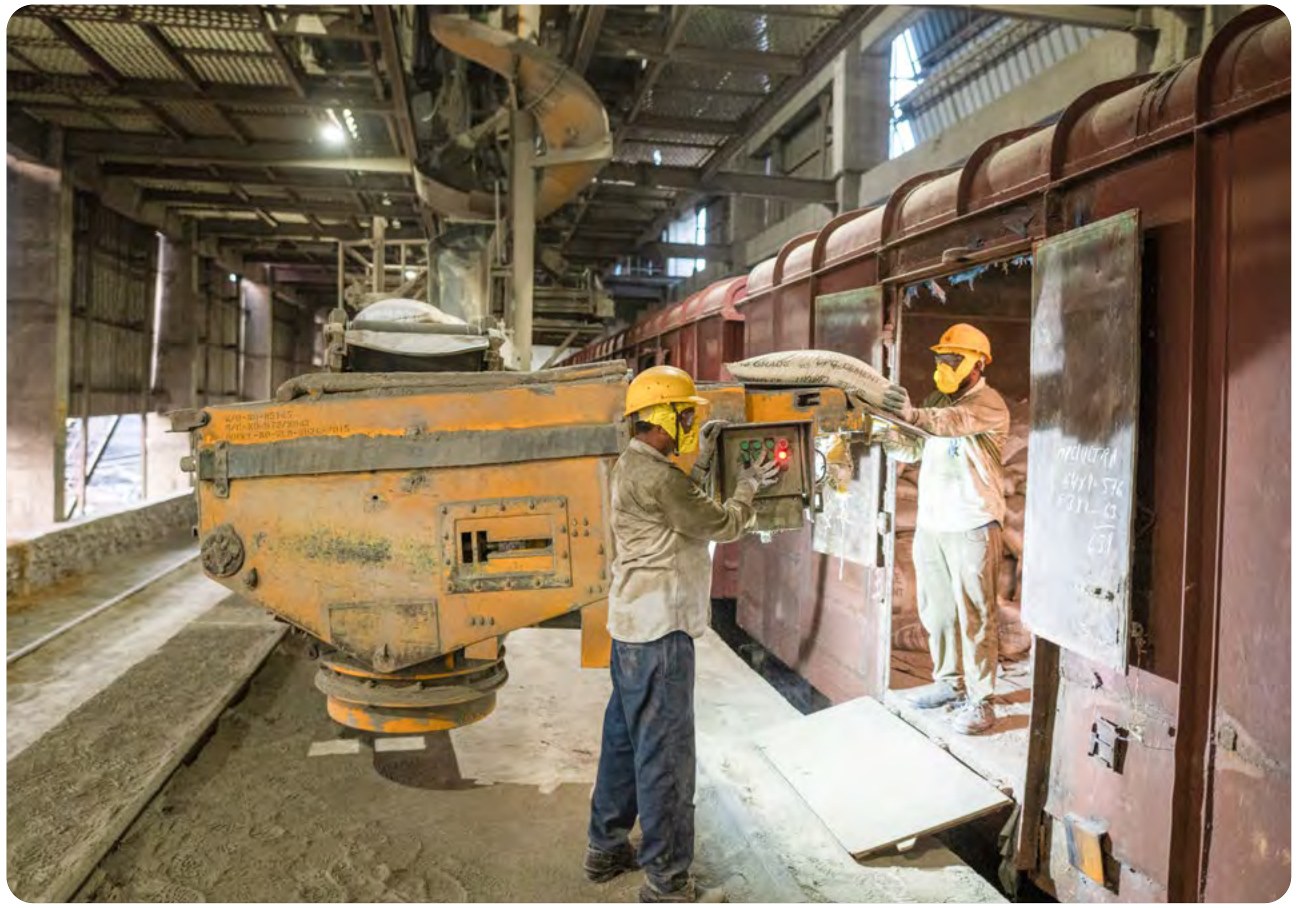
Manufactured Capital

RAILWAY SIDINGS

We are striving to increase our rail dispatches from the current rate of 12% through multiple efforts. Working in this direction, we are setting up railway sidings across most of our new units as well as existing locations. In the reporting year, we undertook cement loading and clinker loading/unloading through following railway sidings across our facilities. Railway siding facility has enhanced bulk transportation and logistics capability, thereby contributing to cost optimisation, fuel savings and improved time efficiency.

Railway Sidings at our Locations

Railway Siding Locations	State	Cement Loading	Clinker Loading/ Unloading	Siding
Beawar	Rajasthan	Mechanised	Mechanised loading	Own
Ras	Rajasthan	Mechanised	Mechanised loading	Own
Burudih	Jharkhand	Mechanised	Mechanised unloading	Own
Panipat	Haryana	Manual	Manual unloading	Public
Kodla (Sulehali)	Karnataka	Manual	Mechanised Loading	Own
Baloda Bazar (Hathband)	Chhattisgarh	Manual	Mechanised Loading	Own
Patas	Maharashtra	-	Mechanised unloading	Own
Aurangabad	Bihar	Manual	Manual unloading	Public
Bulandshahar	Uttar Pradesh	-	Manual unloading	Public



DIGITALISATION

We leverage digital tools to enhance our operational capabilities and ensure consistent quality. These digital tools have been implemented in various aspects of cement manufacturing such as mining, plant operations, quality control and cement dispatches.

Digital tools to optimise limestone mining

- To ensure maximum mineral recovery, we are using a mining software name 'DATAMINE' for reserve estimation and day-to-day planning.
- We are the only cement company to use structural mapping for planning minimum wastage and maximum recovery of limestone.

Real Time Compliance Management

We have implemented real time compliance management to streamline compliance processes by automating compliance monitoring, tracking, and reporting activities. It helps us to proactively manage compliance risks, detect potential violations, and take corrective actions in a timely manner, thereby helping to avoid costly penalties and reputational damage.

Plant Data Management System (PDMS)

The Plant Data Management System helps automatically gather plant and equipment related information and provides insights to aid quick decision making. The system enables us track and monitor in real time the performance and health of the plant by reporting on key performance indicators and different plant metrics.

Shree Power Live (SPLIV) –

SPLIV tool helps collect, analyse and report various performance parameters for different categories of power plants including thermal, WHR, solar and wind power. The tool aids in automated monitoring of these performance parameters through real-time data capturing, thereby enabling data-driven decision-making for improving operational and cost efficiency.

Enterprise Contract Labour Management System

We have also installed an Enterprise Contract Labour Management System known as "Scrum" at all our locations to fully automate our worker attendance processes. The real time automated attendance management helps ensure zero errors and thus no non-compliance in the system.

The software provides automated alerts and notifications at the beginning and end of shift. It also utilises data analytics and reporting to help us identify compliance trends and areas of improvement. This allows us to identify patterns and potential risks and make informed decisions to improve compliance and mitigate risks. The system has contributed towards effective management of contract labourers at our plants.

Human Capital

Propelling transformation through strong workforce

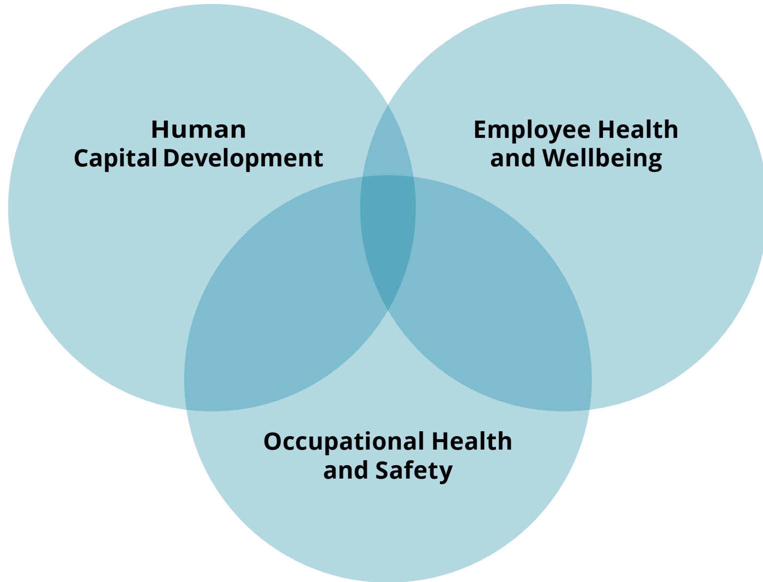
Ranked Among 'Best Companies to Work for' by GPTW

within Cement and Building Material Sector

6,451
Workforce Strength (including employees and permanent workers)

1,29,911
Hours of Training and Skill Development

FOCUS AREAS



The strength of our human capital lies in understanding the uniqueness of each employee and investing in their potential. Driven by the purpose of creating a healthy work culture, our policies, and programmes are developed to promote employee well-being and ensuring safe work practices.

We have adopted strategic workforce planning to facilitate aspirational growth and imbibe agility in workforce. We have redesigned and restructured our people management process driving transformative changes across all verticals. Along with the operational plan, we have a people caliber plan to focus on human capital development by providing skill training and attracting best in class talent from the industry.

Streamlining business functions, we are in the process of appointing head of departments who will act as data and process owners at each department and oversee seamless functioning and other specifics pertaining to their respective department. This, we believe, will further accelerate cross connecting and collaboration between our departments, thus promoting integrated growth in addition to single person accountability.

We are proud to be a Great Place to Work (GPTW)-Certified™ organisation. GPTW recognised us among 'Best companies to work at' in cement and building material sector. We also ranked among Top 25 companies in manufacturing and production sector and we are the very first and only cement company to receive the "India's Best Workplaces for building a culture of innovation for all".

Human Capital

OUR WORKFORCE

We believe in fostering a culture of 'Care for our People' driven by action, trust, dedication and inclusion. Our workforce with diverse skillsets has always been the pillar and support for our growth journey. With varied perspectives and backgrounds forming an essential building block for shaping our future, we are committed to providing equal opportunity and safe work environment. Our workforce include a total of 6,310 permanent employees, 924 other than permanent employees, 141 permanent workers and 12,566 contractual workers.

All our permanent and contractual workforce are of Indian origin only. Our workforce consists of 5 differently abled employees and all our plant locations and corporate offices are accessible for differently abled.

Ratio of basic salary of women to men for employees in senior management is 0.24, in middle management it is 1.26 while in junior management it is 0.98 across all locations.

Our senior management consists of General Manager (GM) and above, middle management consists of Manager to Additional General Manager (GM) whereas, our junior management consists of employees below Manager designation.

Our manpower strength

Parameter	Male	Female	Total
(i) Permanent Employees	6,269	41	6,310
(ii) Other than permanent Employees	924	-	924
(iii) Permanent Workmen	141	-	141
(iv) Contractual workmen	12,385	181	12,566

Age-wise break up of permanent employees

Year	>50 years	30-50 years	<30 years
FY 2020-21	651	4,355	1,080
FY 2021-22	695	4,434	1,157
FY 2022-23	684	4,457	1,169

The history of mankind's progress and achievements is the result of intent to challenge and surpass existing practices, thereby moving the goal-post towards newer peaks. At Shree Cement, we nurture our workforce to push their limits and unleash their hidden potential, imagine new possibilities and create new growth avenues. We are evolving stronger together, for a better tomorrow in a safer workplace with unlimited opportunities, pushing the limits and moving ahead.

Mr. Behram Sherdiwala
Chief Human Resources Officer

STRENGTHENING OUR WORKFORCE: NEW HIRES

We believe in hiring the right talent and molding them to our values and company culture. We are actively working towards the infusion of new talents with substantive expertise and are increasingly focusing on talent retention. Our people hiring strategy is designed to build a strong workforce and support long-term business strategy catering to varying market conditions. During the reporting period, we hired 786 new employees. The average hiring cost per employee during the reporting period was ₹63,750. The employee turnover rate was recorded at 12.1% while the worker turnover rate was 12.8%.

New Hires

Parameter	Male	Female
<30 years	389	2
30-50 years	365	4
>50 years	26	-

Turnover rate	FY 2020-21			FY 2021-22			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.32%	3.03%	5.31%	9.87%	2.70%	9.83%	12.12%	4.88%	12.08%
Permanent Workers	5.78%	-	5.78%	8.18%	-	8.18%	12.77%	-	12.77%

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EMPLOYEE WELL-BEING

Employee wellbeing is a critical pillar for our people management strategy. We consider holistic well-being, cohesion and growth opportunities of great significance for our people. Our employee engagement practices enable us to create an environment for our employees to flourish, feel valued and achieve their full potential. We are building an agile workspace which supports adapting to changing circumstances and creating new opportunities at an individual as well as organisational level. We regularly conduct workspace assessments to identify factors affecting employee turnover and actively work towards improving employee retention. Our employee engagement score for FY 2022-23 was 81.

At SCL we believe communication is the key to establishing stronger relationships. We acknowledge that conversations matter, they set the tone and facilitate in building a culture. Hum log, literally translating to 'We the people', is our internal social platform and aims to foster open communications. Owing to employee acceptance, the platform was later extended to online town halls conducted by the Managing Director and in person conversations in smaller groups.

Hum Log is a step towards building a culture where people discuss, debate, ask questions and bring forth their ideas. A work place where people can talk without hesitation, where every person is equally invested in the larger purpose, is the one that grows and evolves to greater heights.

Safety & Environment Day

The first day of every month is observed as 'Safety & Environment Day'. The Senior Management and Factory Manager addresses employees on the importance of safety and environmental awareness in the work premises. This has served as an integral factor in improving workplace safety and environment.

We engage and promote employee wellbeing and support them with various benefits. Our permanent employees are covered under Employees' Pension Scheme (EPS), Employees' Provident Fund Scheme (EPFS), and Employees' Deposit Linked Insurance Scheme (EDLIS) as a part of PF. The employees are provided bonus in alignment with the Bonus Act as applicable. We ensure that the contractors engaged by us for providing services of contract workers have necessary arrangement for deposition of provident fund for such workers deployed at our premises.

We have an ERP (oracle) system which helps in capturing and reporting employee details, salary payments, production, sales and material distribution, accounting, logistics etc. Apart from this, a Contractor Labour Management System (CLMS) is implemented which is integrated with ERP for services like attendance approval, wage calculation and payments.

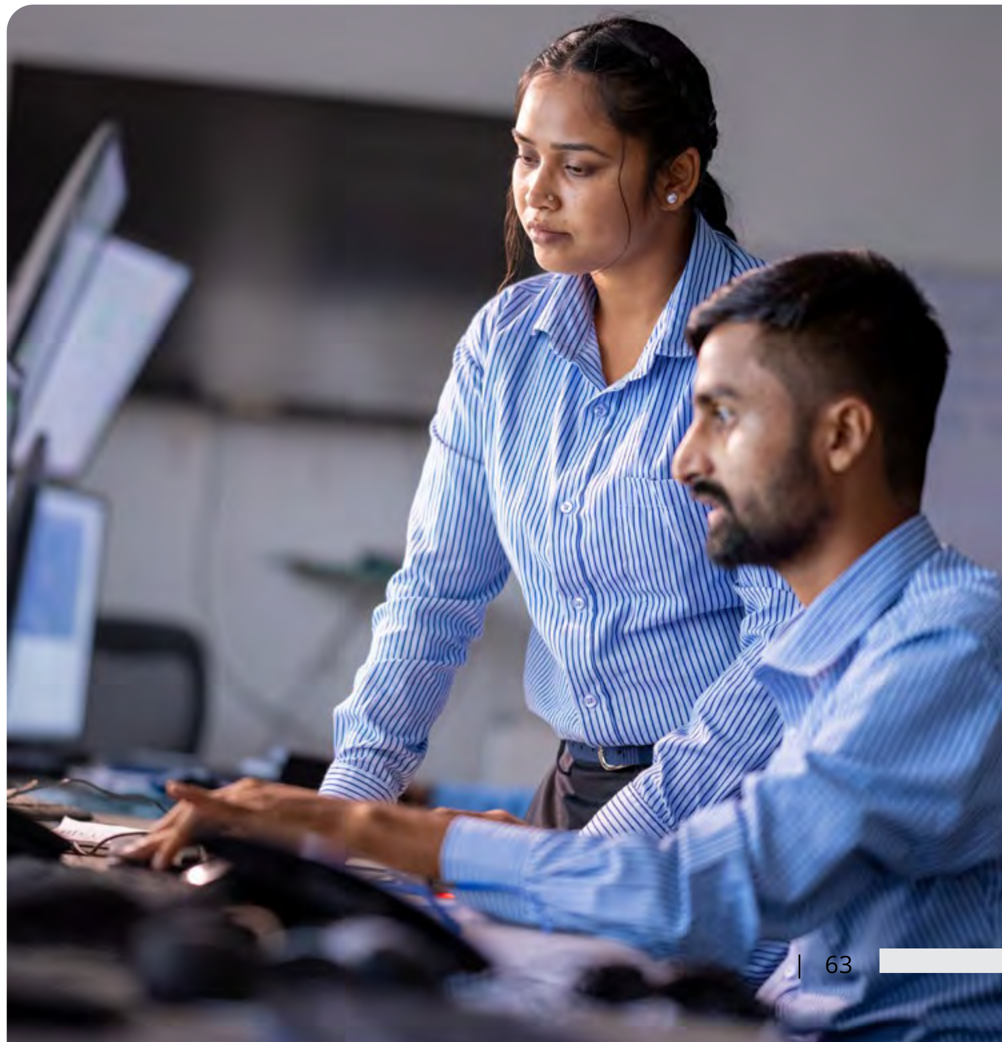
To ensure a healthy workforce, we provide various health benefits as well. Our permanent and contractual employees are covered under 'personal accidental cover'. Our Health Insurance plan covers employees as well as their families.

Our female employees are eligible for availing maternity benefits as applicable. One of our female employees availed maternity leave and returned back to workforce after parental leave ended . Our conducive work environment and employee support programmes ensured 100% return to work rate and retention rate during the reporting year. Health facilities are available at our workplaces and townships for staff as well as local community. Our locations are equipped with qualified healthcare professionals at our Wellness Management Centers (WMC) for annual health checkups and care facilities.

OUR DIVERSE WORKFORCE

We believe that diversity and inclusion are essential values that drive our success. A diverse and inclusive workforce brings together unique perspectives, experiences, and ideas that lead to innovation, creativity, and better decision-making. Committed to creating an environment that fosters diversity at all levels of our organisation, our workspace is designed to make everyone feels valued, respected, and empowered to contribute their best. Our people management strategy is designed with an aim to attract, retain, and develop a workforce that reflects the diversity of our communities, customers, and stakeholders.

We ensure that there is no discrimination prevalent based on race, creed, caste, colour, religion, age, sexual orientation, gender identity, disability or any significant distinguishing factors.



Human Capital

PROTECTING HUMAN RIGHTS

We respect human rights of our people based on values of justice and equity. This is ensured through our stringent Human Rights Policy. The policy helps in upholding the fundamental human rights in line with our business practices. Respecting human rights is not only a moral obligation but also a critical component of our business agreements and contracts. Our policy is reviewed on regular basis for suitability, adequacy and effectiveness.

We adhere to the principles of providing equal opportunities, safe work culture and right to freedom of association and collective bargaining. We address all human right related risks and take proactive measures to prevent and mitigate any adverse impacts. We have strict compliance against the practices of child and forced labour. 2.2% of our employees are covered by collective bargaining agreements . Further, 100% of permanent workers are members to recognised trade unions. Our concerted efforts translated into no violations of collective bargaining rights in the reporting year.

Our Chief Human Resource Officer looks after the human rights impacts and issues contributed by our business.

To raise awareness among employees about their responsibilities and our commitment to respect human rights, we regularly conduct human rights trainings for our employees and workforce. The training modules are designed to provide employees with the knowledge and skills they need to identify and prevent human rights abuses and create a culture of respect and inclusion in the workplace. All our plants and offices were assessed during the reporting period for human rights aspects such as child labour, forced labour, sexual harassment, discrimination at workplace and wages. We did not identify any instances of breach of significant human rights in our operations. Therefore, there was no requirement to modify the business process as a result of addressing human rights issues.

We are planning to conduct human rights due diligence for our plant and office locations . The results of the due diligence will be exercised to develop action and mitigation plans as applicable.

As an equal opportunity employer, we ensure that our rewards and compensation policies reflect our values of fairness, transparency, and meritocracy. We offer competitive salaries that are in line with market trends and based on the skills, experience, and performance of each employee. We believe that compensation should be determined solely on the basis of merit and performance, and we do not consider any differentiating factors that could lead to discrimination or bias. Owing to our concerted efforts, 100% of our employees and workers receive more than minimum wages standard set by the government. Moreover, there were no complaints raised by employees or workers on Sexual Harassment, Discrimination, Child and Forced labour in the current and previous reporting year.

HUMAN RIGHTS TRAINING

Category	FY 2021-22			FY 2022-23		
	Total	No. employees / workers covered	%	Total	No. employees / workers covered	%
Permanent Employees	6,286	3,458	55.01%	6,310	3,864	61.24%
Permanent Workers	159	110	69.18%	141	75	53.19%

Contract workers are made aware about the human rights principles and health and safety requirements before commencing their work at site.

GRIEVANCE MECHANISM

A well-designed grievance redressal mechanism is essential to address and resolve complaints promptly, prevent issues from escalating into larger problems, and foster a positive workplace culture where employees feel valued, respected, and supported. We have a 'Whistle Blower Policy' in place to facilitate our employees, customers or any of our stakeholders to raise their concerns without any feelings of retaliations. The stakeholders can refer to the grievance mechanism provided in the policy and raise their concerns. In the reporting year, there were 5 grievances raised on wages which were resolved to the satisfaction of all the parties.

We have set up an internal complaints committee to redress complaints related to sexual harassment and discrimination at workplace. The committee consists of 5 members and is chaired by the senior most woman member of organisation. All complaints can be registered by writing a letter to the compliance officer, and are then investigated promptly and thoroughly. We comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there were zero cases of discrimination reported.

PERFORMANCE EVALUATION

We value the efforts taken by our employees for the growth and progress of our organisation. To engage and motivate them to achieve their targets we provide them with regular performance reviews. For ease of tracking their progress throughout the year, we encourage our employees to set Specific, Measurable, Achievable, Relevant and Time bound (SMART) goals. Focusing on comprehensive development of workmen, we conduct annual performance and career development reviews with 100% of our employees and 100% of our permanent workers covered under the performance review.

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LEARNING AND DEVELOPMENT

Average training hours

Category	Male	Female
Senior Management	24.03	17.04
Middle Management	49.53	48.18
Junior Management	15.65	18.53
Workers	3.95	--

We understand that growth and development are ever-evolving processes. Our training programmes are designed to upskill our employees with the evolving market trends. We have an annual training calendar focusing on various training programmes planned for employees throughout the year. We provide training on topics such as compliance, technical/functional/ upskilling training, behavioural training, etc.

A thorough training needs assessment is carried out across our workforce to identify and provide tailored training module. This is to ensure that the trainings are relevant to the business operations along with skill development. While identifying focused areas for functional trainings, we take into consideration employee interest and capability.

Behavioural trainings are identified based upon our leadership framework focused on following 8 traits:

- Analytical Thinking and Decision Making,
- Financial Acumen
- Outcome Orientation
- Creativity and Innovation
- Collaborative Thinking
- Impact and Influence
- People Development
- Business Awareness

Learning targets are provided to employees to promote learning culture across the organisation. We have developed training platform 'Steps' which includes modular approach for learning and development. Trainings are conducted by internal or external trainers depending upon the feasibility. After each training, employees are requested to provide feedback to assess the efficiency of trainer. We have allocated budget for learning and development of our employees.

Training coverage on skill upgradation and H&S

Category	FY 2021-22					FY 2022-23				
	Total	On Health and Safety Measures		On skill upgradation		Total	On Health and Safety Measures		On skill upgradation	
		No.	%	No.	%		No.	%	No.	%
Permanent Employees										
Male	6,249	2,648	42.37%	3,476	55.62%	6,269	1,350	21.53%	4,719	75.28%
Female	37	15	40.54%	20	54.05%	41	9	21.95%	28	68.29%
Total	**6,286**	**2,663**	**42.36%**	**3,496**	**55.62%**	**6,310**	**1,359**	**21.54%**	**4,747**	**75.23%**
Permanent Worker										
Male	159	8	5.03%	28	17.61%	141	22	15.60%	53	37.59%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total	**159**	**8**	**5.03%**	**28**	**17.61%**	**141**	**22**	**15.60%**	**53**	**37.59%**

Human Capital

Details of Safety Performance

Safety Statistics	Category	FY 2021-22	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.09	0.1
	Workers	0.56	0.11
Total recordable work-related injuries	Employees	1	1
	Workers	14	3
No. of fatalities	Employees	1	0
	Workers	1	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	1
	Workers	14	3

Number of employees and workers affected and rehabilitated

	Total number of affected employees / workers having suffered high consequence work-related injury / ill-health / fatalities		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23
Employees	2	1	0	0
Workers	15	5	0	2

OCCUPATIONAL HEALTH AND SAFETY

We believe that each employee and worker have the right to safe working environment. We invest in technologies and processes to create safe workplaces for all our permanent and contractual employees as well as for the community around us . Our framework integrates disciplined processes for identifying job-related hazards and our manufacturing facilities are ISO 45001 certified.

Our Operational Health and Safety (OHS) Policy promotes adoption of robust health and safety measures to prevent accidents and any identifiable health risks. All the employees, workers, suppliers, third-party agencies, contractors, and visitors are covered under this Policy. We have also established Hazard Identification and Risk Assessment (HIRA) that helps us to identify potential risks, thereby preventing disruption in operations.

Safety Committee has been set up to monitor health and safety for all the employees and workers at each operational location. OHS related details are submitted to the Board members, and they form a part of discussion in Board meetings on quarterly basis. To raise awareness about health and safety among workers and employee, we utilise combination of frameworks, protocols, trainings, toolbox talks and mock drills. Safety inspections and joint safety audits are conducted across all plants once every 6 months, covering each area of the plant. 100% of our plants and offices were assessed for health and safety practices and working conditions during the reporting period. We received one complaint regarding working conditions during the reporting period which was resolved. Based on significant concerns identified, the following corrective actions were adopted

- Proper isolation of the electrical equipment under shade to protect from rain water.
- Ensure the tripping system is properly working with proper body earthing.
- Avoid attending the electrical equipment when the body and clothes are in wet condition and surface in wet condition.
- Use proper working platform, do not use temporary structure for height work.
- Ensure adequate illumination to be provided in open area and more number of CCTV camera to be installed.

With our approach based on prevention and collaboration, we are creating a zero-harm work environment. We are committed to achieve goal of 'Zero Injury'. To achieve this goal, we have carried out programmes like imparting safety trainings, safety inspections and audits.

We provide medical benefits such as annual health checkups and health insurances to employees and their families. They also have access to medical dispensary equipped with a pathological lab. Regular medical check-ups are conducted for all the employees and workers and records of the health results are maintained.

We have developed an onsite emergency control plan prepared in accordance with the Factories Act, 1948. This plan acts as an SOP for emergency procedures to prevent any accidents and minimise the damage to property and the environment . In case of an incident occurence, we review the incident to enhance our emergency management response in the future. In case of any unfortunate incident, appropriate action is taken to prevent such future occurrence.

> **Safety and well-being of our people are amongst our first and foremost priorities. In line with our goal of 'Zero Harm, ', we are committed to provide safe work environment to our employees and contractors. Through our established Safety Management system , regular trainings and a proactive safety culture, we ensure no stone is unturned in ensuring workplace safety.**
>
> **Mr. Satish Maheshwari,**
> North Cluster Head (Operations)

Natural Capital

Planet, Purpose & Progress: Our pillars of action

51.1%
Share of Green power consumption in total power consumption

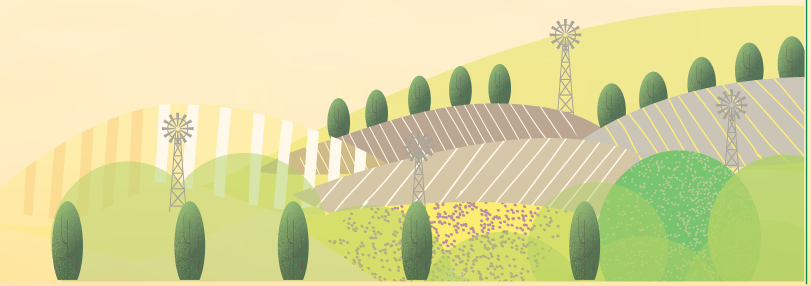
385.6 MW
Total green power capacity (including Waste Heat Recovery, Solar and Wind)

>6X
Water positivity

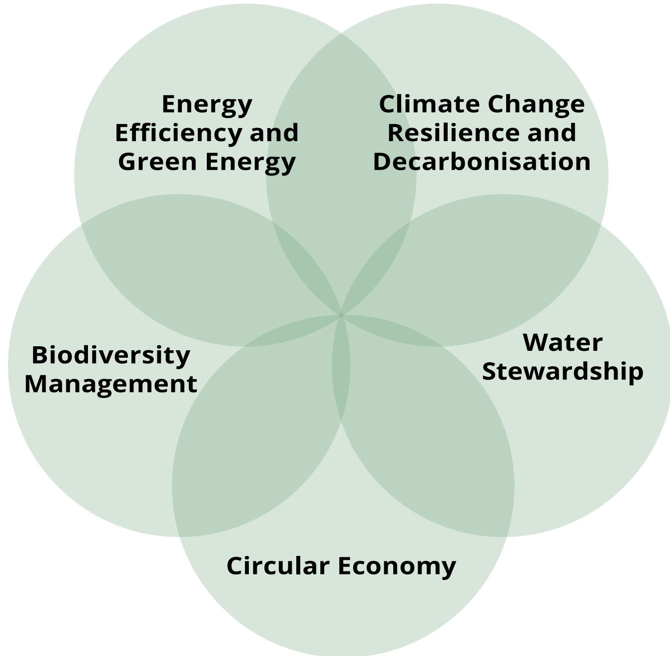
77%
Blended/ Green Cement Production

>14%
Alternative fuel consumption
(in terms of fuel quantity)

>27%
Alternative Raw Material Consumption



FOCUS AREAS



Dedicated budget allocation for critical infrastructure such as roads, housing etc., is pushing Indian cement industry to grow at a rapid pace. We are cognisant of the impacts it can have on people and environment. While we focus on leveraging the high growth phase for our business, we intend to do so in a socially responsible and environmentally sustainable manner. We are dedicatedly working towards giving the society green building materials while also aiming to increase the share of low carbon products.

Our focus on sustainable growth is also reflected through the best-in-class operational performance. Our efforts towards decarbonising our operations is reflected through adoption of initiatives such as Waste Heat Recovery (WHR) as well as renewable power. We not only have the largest capacity of WHR plant in the world after China, but also have one of the best Plant Load Factor (PLF) in the industry. We are implementing sustainable production techniques and adopting circular economy to deliver low carbon products.

As a responsible business, we believe in creating value by ideating and implementing innovative solutions. These measures helped us in reducing our natural resource consumption, improving energy efficiency in the processes, and reducing our negative operational impacts. We place great emphasis on utilising waste to create low-carbon products, thereby reducing the consumption of natural resources.

Our Environmental Management System is certified through international standards such as ISO 14001 covering 76% of our operations. Further, remaining 24% of our operations are audited on environment management through various regulatory agencies. Environmental risks are duly considered and evaluated at the time of any new expansion. We have developed an in-house checklist to ensure compliance with various environmental requirements. Owing to our strong emphasis on environment related compliances, during the reporting period, there were no instances of any fines / penalties imposed with reference to environmental laws and regulations.

Natural Capital

EXHIBITING CLIMATE RESILIENCE

At SCL, we strive to respond to climate change related concerns by anticipating and preparing for the risks identified in our value chain. Our risk management framework identified climate change risk as one of the top risks and we have been working towards mitigating these by taking various initiatives and measures.

Decarbonisation is one of our key focus areas and we have made significant developments towards the same in the reporting year. We are consistently increasing the share of green power and alternative fuels including biomass and exploring the usage of electric vehicles in our operations.

These developments contribute towards our commitment to reduce Green House Gas (GHG) emissions in alignment with the targets validated by Science Based Target initiatives (SBTi). Moreover, we aim to follow sectoral roadmap to achieve Net zero concrete by 2050 and we regularly review and monitor our progress to achieve set targets.

We have also registered few of our GHG emission reduction projects under Clean Development Mechanism (CDM) with the United Nations Framework Convention on Climate Change (UNFCCC) and various standards. We were the first cement company in India to register our project - The 'Optimal Utilisation of Clinker' under CDM. For this project, the UNFCCC awarded us 4,50,000 units of

Certified Emission Reductions (CERs). At present, we have following projects registered:

- Waste heat recovery-based power generation at Ras registered with Clean Development Mechanism (CDM)
- Generation of power through wind power plant at Kodla registered with Gold standard.

ENERGY MANAGEMENT

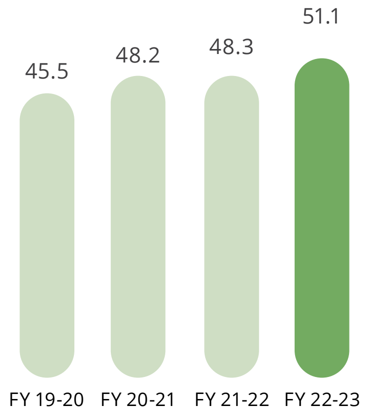
Cement manufacturing is an energy and emissions intensive process. Therefore, we are making constant efforts to improve energy efficiency across our operations by upgrading existing technology and deploying energy efficient processes. Our policies showcase our commitment towards limiting the global temperature rise to 1.5°C by reducing our energy consumption and GHG emissions. We regularly track and monitor our carbon footprint and look for ways to encourage a low carbon culture through our systems and data tracking mechanism. We also conduct energy audits regularly to identify improvement opportunities and take actions accordingly.

Parameter	Unit	FY 2021-22			FY 2022-23		
		Renewable Source	Non-Renewable Source	Total	Renewable Source	Non-Renewable Source	Total
Electricity consumption	TJ	3,367.07	3,616.58	**6,983.65**	3,892.02	3,725.34	**7,617.36**
Fuel consumption	TJ	104.69	6,4057.04	**64,161.73**	1,629.672	69,646.71	**71,276.38**
Energy consumption through other sources	TJ	-	-	**-**	-	-	**-**
Total energy consumed	TJ	3,471.76	67,673.62	**71,145.38**	5,521.69	73,372.05	**78,893.74**

We have set out on a vision of being one of the greenest organisations with industry leading performance benchmarks. We are consistently increasing the share of green power, implementing waste heat recovery mechanism, use of alternatives and transitioning to electric vehicles. Our actions are strongly backed by our focus on sustainability, optimum resource utilisation and efficient waste management practices.

Mr. Arvind Khicha,
Jt. President (Commercial)

Share of Green power in total power consumption
(%)



Saving emissions through enhanced Green Power Production

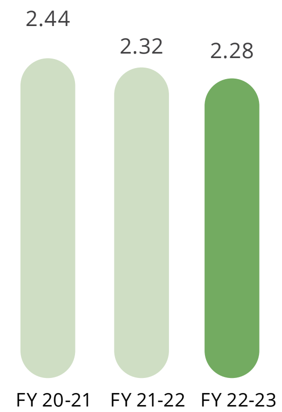
Green Power production during FY 22-23 made up more than 51% of our total power consumption. This in turn helped us to avoid more than 7.7 lac tons of CO_2.

INCREASING SHARE OF GREEN POWER

Our green power constitutes of solar, wind and waste heat recovery. Our green power capacity has been increasing year on year with addition of around 122 MW of solar and wind power, making our cumulative capacity as 385.6 MW in the reporting year. The share of green power in the total power consumption increased from 48.3% in FY 2021-22 to 51.1% in FY 2022-23.

Specific Energy Consumption
(in GJ/ tonne of cement)

Specific Thermal Energy Consumption*
(in GJ/ tonne of cement)



*Including thermal energy consumption by Captive Thermal Power Plants (less electricity generation), Kilns, Furnaces and onsite equipment and vehicles.

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LOW CARBON PRODUCTS

The blended cement is a part of our product portfolio that helps in making concrete stronger and durable, reducing consumption of natural resources such as limestone, reducing green house gas emissions, and promotes circular economy by utilising wastes from other industries including thermal power, and iron and steel industry. These are available under categories of PPC, PSC and CC and are certified by GreenPro Ecolabel by CII. During the reporting period, we achieved 77% share of blended cement production. This resulted in avoidance of 6.86 million tonnes of CO_2 emissions . The percentage of revenue from such products during the reporting period was 76%.

OUR PAT PERFORMANCE

Our units are notified under the "Perform, Achieve & Trade" (PAT) scheme of the Government of India under PAT cycles I, II, III, VI and VII. PAT assessments have been completed for cycles I, II and III and we have continuously exceeded our targets in each of these cycles. We received the best performer award within the Indian Cement Industry by Bureau of Energy Efficiency (BEE) for PAT I as well as PAT II cycles exemplifying our noteworthy energy conservation efforts and performance. The company is encashing the ESCerts from PAT cycle I and II by selling the same on Energy Exchange trading platform.

PAT Cycle	Sites included	Targets Achieved	Energy saving certificates (ESCerts) Issued
PAT Cycle I	Ras and Beawar	Yes	86,117 for Beawar and 72,140 for Ras
PAT Cycle II	Ras, Beawar and Shree Mega Power	Yes	22,042 for Beawar, 60,636 for Ras and 18517 for SMP Site
PAT Cycle III	Shree Raipur Cement	Yes	12,222 (Audit completed and entitled to claim)
PAT VI	Integrated Grinding units- RGU, KKGU JGU, PGU, UPGU, BGU	In progress	-
PAT VII	Ras, Beawar and Shree Mega Power	In progress	-

EMISSIONS MANAGEMENT

In alignment with the national objectives, we have established GHG emission reduction goals. From a base year of 2019, we aim to lower our Scope 1 GHG emissions by 12.7% per tonne of cementitious material by 2030. Also, we have set a goal to cut our Scope 2 GHG emissions by 27.1% per tonne of cementitious material by 2030. These targets have been validated by Science Based Target initiatives (SBTi). IEA 2DS scenario has been considered while setting our Scope 1 and Scope 2 targets. During the reporting period, our total Scope 1 and Scope 2 emission intensity reduced to 1.06 thousand tons CO_2 per INR Crore turnover compared to 1.12 during FY 21-22. Our Scope 3 emission during FY 21-22 was 264 thousand tons which increased to around 280 thousand tons for FY 22-23. The Scope 3 emission intensity stood at 0.02 thousand tons CO_2 per INR Crore turnover for the reporting year as well as previous year. Further, the energy consumption outside the organisation stood at approximately 5 million GJ.

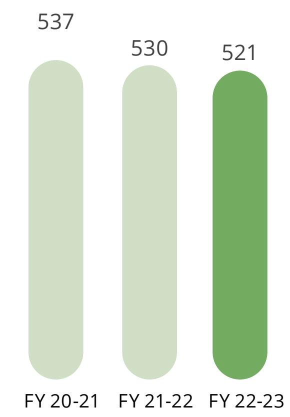
Parameter	Unit	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Gross Scope 1 emissions*	000'tonnes CO_2	15,055	15,465	15,735	17,465
Net Scope 1 emissions**	000'tonnes CO_2	14,139	14,334	14,776	16,700
Scope 2	000'tonnes CO_2	254	241	331	438

Note: Figures conforming to Global Cement and Concrete Association (GCCA) CO_2 emissions guidance, World Business Council for Sustainable Development (WBCSD) GHG Protocol and CDP Climate Change Reporting Guidance.
* Due to raw materials, kiln fuels and non-kiln fuels, including CO_2 from onsite power generation (all fossil sources)
**Due to raw materials, kiln fuels and non-kiln fuels, excluding CO_2 from onsite power generation and excluding CO_2 from alternative fuels

Scope 3 emissions

Category	Description	CO_2 Emissions (Tons) FY 2022-23
Category 3	Fuel and Energy Related (transport and distribution of fuel)	18,932
Category 4	Upstream Transportation and Distribution (transport and distribution of Raw material)	96,730
Category 6	Employee Business Travel (Air and Rail Travel)	699
Category 7	Employee Commute (Employee personal commute to office)	637
Category 8	Upstream Leased Assets (Pool Vehicle)	3,372
Category 9	Downstream Transportation and Distribution (Cement Transport)	1,57,931
Category 13	Downstream Leased Assets (Guest House Fuel and Electricity)	1,569
Total		**2,79,871**

Specific Net Scope 1 Emissions
(in kg CO_2/tonne of cementitious product)



Our specific net scope 1 emissions for FY 2022-23 stood at 513 kg CO_2/ton cement equivalent* compared to 529 kg CO_2/ton cement equivalent for FY 2021-22.

* Cement equivalent stands for estimated cement production from actual clinker produced. It is based on total clinker produced and clinker/cement ratio.

Cementitious product is total clinker produced plus mineral components consumed for blending and production of cement substitutes, including clinker sold, excluding clinker bought.

Energy Conservation Initiatives

Initiative Description	Annual Electrical Energy Savings (Lac KWH)	Annual Fuel Savings (TJ)
Deployment of EE Equipment	3.70	-
EE Lighting	5.04	-
Equipment modification	78.80	-
Optimisation	25.71	-
Renewable Energy Project	68.71	-
AFR Feeding System	-	2,327
Grand Total	**181.96**	**2,327**

Approx 64,000 tonnes CO_2 avoided annually from energy conservation initiatives taken during FY 2022-23

Our capital expenditure on energy conservation initiatives during the reporting period was ₹4,254.63 Lac. Further, the annualised savings achieved on account of such initiatives were ₹2,809.4 Lac.

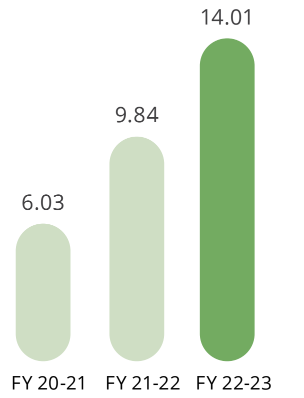
Natural Capital

ALTERNATIVE FUEL

We have been increasingly substituting fossil fuel with alternative fuel in our operations, as a part of our climate change mitigation strategy. We have enhanced the share of Refuse Derived Fuel (RDF) in our operations by utilising municipal solid waste from the municipalities and Urban Local Bodies (ULBs). The segregated waste which is received is pre-processed to be used in co-processing in cement Kilns. We have also achieved 100% replacement of coal with biofuel (crop residue) in all our grinding units. Further, the industrial hazardous waste from pharmaceutical, chemical, textile, automobile, refineries, and other industries is also being used as alternative fuel in our operations.

To improve the alternative fuel share, we are in process of implementing state of the art shredding and feeding equipment for using different types of waste more efficiently. Our initiatives to enhance the alternative fuel rate has lead to achieve 14.01% share of alternative fuel (in terms of quantity) within total fuel consumption during FY 2022-23 compared to 9.84% in FY 2021-22.

Share of alternative fuel in total fuel consumption in terms of quantity (%)



The Thermal Substitution Rate (TSR) increased to 3.50% during the reporting period as against 2.41% during FY 2021-22 and we aim to improve the same to 15% by end of FY 2023-24.

STACK EMISSIONS

Parameter	Unit	FY 2021-22	FY 2022-23
NOx	MT	10,720.8	11,910.3
SOx	MT	57.4	64.8
Particulate matter (PM)	MT	395.1	404.1
Persistent organic pollutants (POP)	ng TEQ / Nm3, corrected to 10% O2	0.016	0.021
Volatile organic compounds (VOC)	Mg/Nm3	0	0.0004

We keep a track of our air emissions by regular stack monitoring. We comply with all the applicable rules and regulations. The stack emissions are regularly monitored through Continuous Emission Monitoring System (CEMS) as well as through NABL accredited laboratory.

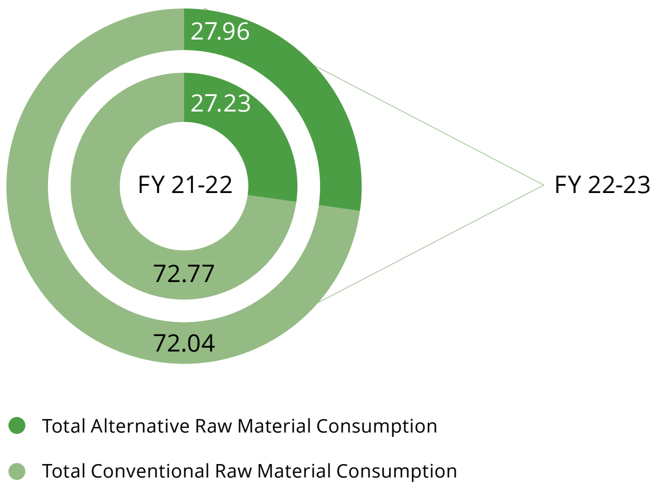
Our Ozone Depleting Substance (ODS) emissions during the reporting period were 0.13 MT of CFC11 eq.

GROWING RESPONSIBLY: ADOPTING CIRCULAR ECONOMY

Raw Material Consumption

Cement manufacturing requires closed controlled chemical reaction of various raw materials such as limestone, sand, iron ore and others. Using other industry's waste, increasing alternate raw material and thereby reducing conventional raw material has been our primary area of focus over the years to transition towards low carbon circular economy. Further, we are in the process to conduct Life Cycle Assessment for our products-OPC, PPC, PSC and CC in the upcoming years.

Raw Material Consumption (%)



The consumption of the conventional raw materials during the reporting period is provided in the table below:

Conventional Raw Material	Unit	FY 2020-21	FY 2021-22	FY 2022-23
Limestone	MMT	25.55	26.54	29.96
Additives (Red ochre, red mud, murrum, laterite etc.)	MMT	0.35	0.41	0.51
Natural gypsum	MMT	0.30	0.13	0.09
Total Conventional Raw Material Consumption	MMT	26.20	27.08	30.56

We have reduced the consumption of natural gypsum by increasing our consumption of alternative gypsum such as in-house manufactured synthetic gypsum, chemical gypsum, FGD gypsum and others.

Manufacturing of Synthetic Gypsum

SCL pioneered in in-house manufacturing of synthetic gypsum using waste from other industry (spent acid) and low grade limestone. We have setup manufacturing facilities for synthetic gypsum at our Ras and Beawar locations, enhanced the production up to 4,910 tonnes per day and are exploring to setup such plants at other integrated unit locations as well.

Production and use of synthetic gypsum help us reduce the reliance on external gypsum sources, reduce consumption of natural gypsum thereby enhance life of natural resources, utilise hazardous waste of other industries, thereby enhancing circular economy.

Natural Capital

Our alternative raw material consumption has been increasing over the years. We contribute towards minimising impact on the environment by using waste from other industries in our processes thereby reducing the waste going for incineration or landfills. The alternative raw material consumption during the reporting period was 27.96% of our total raw material consumption.

Major alternative raw material consumption	Unit	FY 2021-21	FY 2021-22	FY 2022-23
Bed ash	MMT	0.02	0.02	0.02
Fly ash	MMT	6.52	7.11	8.12
GBFS slag	MMT	0.48	0.31	0.54
Low grade limestone	MMT	0.37	0.36	0.36
Marble slurry	MMT	0.19	0.07	0.24
Sludge	MMT	0.01	0.02	0.01
Sulphuric acid	MMT	0.25	0.26	0.13
Spent sulphuric acid	MMT	0.08	0.18	0.18
Alternative gypsum (including chemical, FGD and others)	MMT	1.29	1.81	2.25
Total Alternative Raw Material Consumption	MMT	9.21	10.14	11.86
Total Raw Material (conventional + alternative)	MMT	35.41	37.22	42.42
% Alternative Raw Material (within total raw material consumption)	%	26.01%	27.23%	27.96%

Utilisation of agricultural waste

Crop burning impacts the ambient air quality significantly. We are collaborating with farmers and aggregators to address this issue to use the waste from the agricultural sector. This not only reduces the impact on the air quality but also replaces the fossil fuel in our operations creating a positive impact on the environment and the society. Such collaboration is a win-win situation to both the farmers as well as the Company.

As per Mr. Dungar Ram, farmer from village Rupnagar, selling the mustard crop residue to SCL helped him secure an additional income, while ensuring that the field is available for cropping.

Bamboo Plantation

During the year, we commenced bamboo plantation across 243 acres of our existing land area at our Karnataka, Chhattisgarh and Rajasthan facilities. The plan involves planting approximately 1,000 bamboo plants/acre. The aim of this bamboo plantation is to act as additional carbon sink and enhance the biodiversity within our mining areas. Bamboo have a better carbon sequestration potential compared to other plants. Bamboo plants at this scale have a potential to sequester approximately 6,000 tonnes of CO_2 per annum.

WASTE MANAGEMENT

We are aware of the impacts waste has on the people and the planet and hence, we ensure proper storage, collection and timely disposal of waste from our premises. We deal with various kinds of non-hazardous and hazardous wastes. We have structured policies and Standard Operating Procedures to ensure the waste is managed properly.

The E-waste, battery waste and biomedical waste generated from our premises are disposed through authorised vendors as per the local regulatory norms.

Hazardous and Non Hazardous Waste

Type	Unit	FY 2020-21			FY 2021-22			FY 2022-23		
		Generation	Reuse/ Recycle	Landfill/ Incineration	Generation	Reuse/ Recycle	Landfill/ Incineration	Generation	Reuse/ Recycle	Landfill/ Incineration
Used oil*	MT	97.31	97.31	-	125.85	125.85	-	118.37	118.37	-
Biomedical waste#	MT	1.18	-	1.18	1.19	-	1.19	0.85	-	0.85
E-waste^	MT	21.20	21.20	-	19.8	19.8	-	4.24	4.24	-
Batteries^	MT	21.67	21.67	-	26.84	26.84	-	35.95	35.95	-
Total Hazardous waste	**MT**	**141.36**	**140.18**	**1.18**	**173.68**	**172.49**	**1.19**	**159.41**	**158.56**	**0.85**
Scrap filter bags	MT	18.6	18.6	-	19.7	19.7	-	26.3	26.3	-
Inert Scrap	MT	-	-	-	194.3	194.3	-	7.2	7.2	-
Cardboard/paper scrap	MT	7.8	7.8	-	8.6	8.6	-	22.8	22.8	-
Mixed metal scrap	MT	10,230.0	10,230.0	-	12036.3	12036.3	-	14,954.4	14,954.4	-
Mixed plastic scrap	MT	391.5	391.5	-	604.7	604.7	-	895.3	895.3	-
Rubber scrap	MT	236.4	236.4	-	315.5	315.5	-	638.9	638.9	-
Wooden scrap	MT	25.2	25.2	-	1.6	1.6	-	82.0	82.0	-
Total Non-hazardous waste	**MT**	**10,909.5**	**10,909.5**	**-**	**13,180.7**	**13,180.7**	**-**	**16,626.9**	**16,626.9**	**-**

*Used oil is either co-processed (reused) or given to recyclers for further processing and use.
#Bio-medical waste is given to authorised vendors for incineration.
^Ewaste and Batteries are given to authorised recyclers for further processing

Additionally, all non-hazardous waste is sold to registered vendors for reuse/recycling.

FOOD WASTE

To manage the food waste from our facilities, we have been undertaking initiatives such as generating awareness among employees to minimise food wastage and to ensure proper waste segregation. We generated 13.25 MT of food waste during the reporting period which was either fed to animals or composted through compost pits, organic waste composting systems and pipe composting. The manure generated from waste is then used within our campuses for horticulture purpose.

PLASTIC WASTE MANAGEMENT

The end of life phase of the product life cycle is considered as a part of product strategy. All our cement product categories are used as raw material for various construction activities by mixing with aggregates and other material to produce concrete and mortar. Thus, It is not possible to reclaim cement products at end of life. The Extended Product Responsibility (EPR) is applicable to our activities as we use flexible plastic recyclable bags for cement packaging and distribution to end customers. We have submitted action plans in line with EPR guidelines to Central Pollution Control Board (CPCB). As a part of our waste management practice, we use RDF (which contains plastic) for co-processing in kilns, thereby contributing to circular economy. Further, use of our cement products do not lead to generation of e-waste or hazardous waste.

Natural Capital

WATER RESOURCE MANAGEMENT

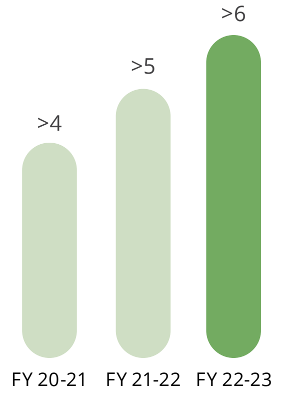
Prudently managing the water resources is a business priority to ensure water availability, especially as some of our facilities are located in water stress regions of the country. Water stewardship plays a significant role in enhancing water security for our facilities, to ensure that any existing or future risks on operations are minimised.

Our approach towards stewardship includes identifying and managing water-related risks, understanding and mitigating the adverse impacts on environment and the community around us, and contributing to more sustainable management of shared resources. We regularly track and monitor water related data. Regular water audits are conducted through third party to identify avenues to conserve water and improve water availability. Our Water Management Cell keeps a track of real time data on water withdrawal, which is captured by meters installed at the inlets of the distribution networks.

Our water withdrawal was 2,096.4 ML during the reporting period which was withdrawn from ground water sources, rainwater harvested in reservoirs, municipal STP treated water and water from river/dams. 272.2 ML of industrial and domestic waste water was treated to be reused within the premises for various activities. All our facilities are zero liquid discharge. Further, the total water consumption was 2,088.5 ML. During the reporting period, our estimation methodology was revised for total power consumption. We have recalculated and restated data for this parameter for previous financial year(s)

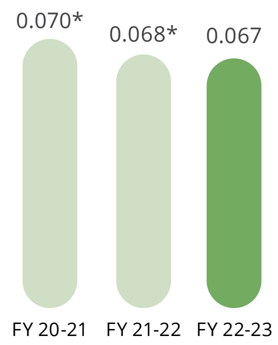
1,224.8 ML was the quantity of water withdrawal from water stressed areas (Beawar, Ras, Jobner, Khushkhera, Panipat and UPGU).

Water positivity status
(Times)



Parameter	Company Level		Water Stess Area	
	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23
Watter withdrawal by source (in kilolitres)				
(i) Surface water	5,23,716	5,68,104	1,74,307	2,18,867
(ii) Groundwater	13,37,058	14,62,577	9,38,787	9,40,134
(iii) Third party water	-	65,768	-	65,768
(iv) Seawater / desalinated water	-	-	-	-
(v) Others	-	-	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	18,60,774	20,96,449	11,13,094	12,24,769
Total volume of water consumption (in kilolitres)	18,74,225	20,88,551	11,26,545	12,20,352
Water intensity (Water consumed in kilolitres / INR Cr. turnover)	131	124	79	72

Specific water consumption
(m^3/MT of cement produced)



*Specific water consumption for FY 20-21 and FY 21-22 has been restated by removing the colony water consumption within our manufacturing facilities.

Rainwater harvested

Over the years, we have been able to increase the quantity of water harvested from the pits and reservoirs. Water harvesting pits have been developed at all our mines. Additionally, various interventions are undertaken to harvest rainwater within the villages around our operations in order to enhance the water table as well as increase the availability of rainwater. The rainwater harvested during the reporting period was 13,742.4 ML. In addition to this, we have also excavated rainwater harvesting ponds which helps in storing the water from the mining process. The combined efforts helped us achieve water positivity of more than six times within FY 2022-23.

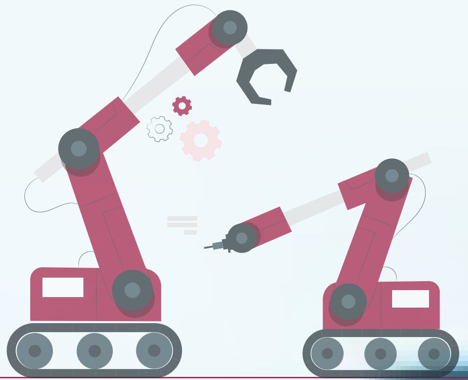
BIODIVERSITY MANAGEMENT

Our Corporate Environmental Policy covers our commitments towards biodiversity. We make consistent efforts across our manufacturing locations with an aim to achieve 'No net deforestation'. We undertake large scale tree plantation activities as well as biodiversity conservation initiatives. This improves the land value while ensuring we are doing our bit to protect and conserve the environment. We have implemented a robust mitigation strategy of avoiding, minimising, restoring and offsetting any negative impacts our projects may have on biodiversity and aim to create a 'Net Positive Impact'. We ensure that we do not operate or set up any project within world heritage areas, ecologically sensitive and protected areas, eco sensitive zones or high biodiversity value areas. We take necessary steps to avoid negative impact on national conservation list species and have also developed conservation plans in collaboration with regional forest authorities for improving habitats of native biodiversity, as applicable.

As a part of process, we carry out Environmental Impact Assessment (EIA) before commencement or expansion of any project covering various environment related risks such as biodiversity, water and others as required. This is a location specific assessment that has been carried out for all our operational sites including adjacent areas (~10 km radius) to our own operations. Further, any risks identified during the assessment is addressed by developing conservation plans. Out of 12 sites assessed on biodiversity as part of EIA, we have developed wildlife conservation plans for 3 sites.

Intellectual Capital

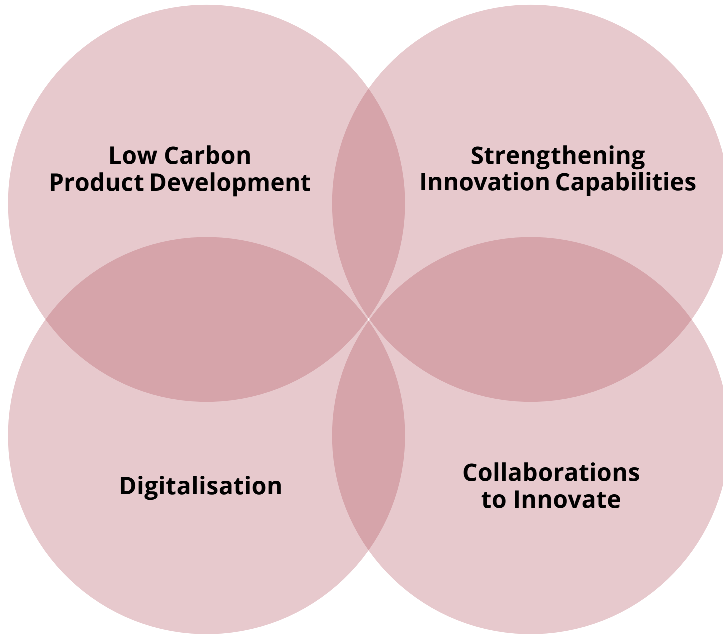
Accelerating Innovation and Pushing Boundaries



04
Patents granted

04
Innovation Centres (R&D Labs)

FOCUS AREAS



Research and Development (R&D) fosters our spirit of innovation. Our R&D efforts seek to create a distinct brand image and contribute to increased value creation for our business and stakeholders. Innovation for us is a catalyst for pushing growth through new product developments and resource optimisation. Our R&D acts as a lever to explore and reinvent, thereby reimagining and reshaping the future prospects. We have incorporated a research-driven culture and envisioned in-house innovations to support our sustainability strategy.

Considering the rapid pace of technological advancements, one of our key priorities is optimising our R&D efforts, either on our own or through collaborative partnerships. We have augmented our R&D capabilities by partnering with renowned agencies, Government and academic institutions. We have bolstered our capabilities with highly skilled professionals and state-of-the-art infrastructure.

Our R&D efforts led to developing different cement categories enhancing usage of Alternative Fuels and Raw Materials (AFR), driving energy efficiency, reducing CO_2 emissions, and increasing profitability. Our recent developments of Robo Analysis and Auto-Sampling for product consistency testaments our avidity for innovation and digitisation.

Intellectual Capital

OUR INNOVATION CAPABILITY

Innovation is growth, growth is evolution and evolution paves the way for the better. Our strong focus on bringing in innovation is reflected through our product and process developments, patents and well-equipped labs. Our R&D investments stood at ₹ 37.83 Crores, corresponding to 0.2% of our revenue in the reporting year, and demonstrating a significant increase vis-à-vis the previous financial year.

We continue to strengthen our research capabilities through best-in-class labs and facilities for achieving operational excellence and bringing in product and process innovations. We have four state-of-the-art research and development centres spread across the north, east and south zones.

Our first R&D lab was established in Beawar in 1997 and the latest lab was set up in Baloda Bazar in Chhattisgarh in 2021. Further, all our R&D centres have been recognised by the Department of Scientific and Industrial Research (DSIR), under the Ministry of Science and Technology, Government of India.

Our R&D Centers

Location/State	Zone	Year of Establishment	DSIR Accreditation Year
Beawar, Rajasthan	North	1997	1997
Ras, Rajasthan	North	2012	2012
Baloda Bazar, Chhattisgarh	East	2021	2021
Kodla, Karnataka	South	2021	2021

Our R&D had a high focus on improving the environmental and social impacts of our products.

	FY 2021-22	FY 2022-23	Details of improvements in environmental and social impacts
R&D	8.6%	4.5%	• Environmental monitoring equipment and monitoring expenses. • Energy and water audits.
Capex	29.06%	40.56%	• Alternative fuel • Energy saving devices • Pollution control devices • Rainwater harvesting • Plantation

Inductively Coupled Plasma Technology in Ras

To increase the thermal substitution rate and supporting the green economy, we have a full-fledged Alternate Fuels and Raw Materials (AFR) laboratory at Ras wherein we are continuously carrying out testing using major technologies like Inductively Coupled Plasma (ICP).

ICP supports in carrying out elemental composition analysis of waste material including hazardous waste. It also facilitates measuring the concentration of all waste to ppm/ppb level. This has helped maintain the fuel consistency by ensuring optimum fuel usage.

Patents

We are the pioneers in the cement industry to replace natural gypsum with the production of synthetic gypsum. We have received patents on improved processes and plant developments for preparing synthetic gypsum. We were also granted two more patents for the technologies we developed for WHR-based power plants and the multi-dynamic separator developed for cement mill operations. Additionally, one more patent application has been registered for the first of its kind installation of an innovative de-duster system in the WHR power plant before the AQC boiler which has helped us in overcoming challenges of particle erosion and pressure drop reduction.

Our spirit of innovation is fostered by Research and Development efforts. With industry 4.0 reshaping the business ecosystem, we are vigorously adapting ourselves to novel developments and advancements. Our strong research driven culture, and in- house capabilities, we believe, will bring in breakthrough products meeting the market demands and evolving global ambitions for a sustainable future.

Dr. Abhishek Kumar Rai
Head - Quality Assurance and R&D

Product and Process Innovation

Limestone Calcined Clay Cement (LC3)

Stemming from the growing demands for low-carbon cement alternatives, we developed Limestone Calcined Clay Cement (LC3) from clay in mining deposits in Rajasthan at lab scale. This was carried out in partnership with Technology and Action for Rural Advancement (TARA) and the Indian Institute of Technology (IIT), Delhi for enhancing our R&D. The main components of LC3 are clinker, calcined clay, limestone and gypsum. It is a ternary cement where the synergy between the calcined clay and limestone allows the reduction of clinker factor and makes LC3 less porous and provides equal strength as other cements. Being a low-carbon alternative to OPC, LC3 demonstrates the huge potential to reduce CO_2 emissions related to cement manufacturing.

Rapid Hardening PORTLAND Cement (RHPC)

The rapid growth in the construction sector has set a new demand for increased time efficiency. This has led us to the development of Rapid Hardening Portland Cement (RHPC), a special-purpose cement used to achieve a higher early strength development in concrete. While conventional cement takes seven days to achieve strength, RHPC attains the same in three days. The pertinent difference between RHPC and OPC is the quantity of limestone used as raw material, which gives the high early strength to the cement.

RHPC is an efficient choice in constructions where high early strength is required and where formwork needs to be removed early for reuse.

Intellectual Capital

DIGITALISATION: SEIZING THE FUTURE

Industry 4.0 is redesigning manufacturing processes across the globe. Adhering to our aspirations to create future-ready plants, we are in the process of streamlining our operations digitally. This will make our processes and operations more efficient and resilient, giving us a competitive advantage. We have initiated a suite of advanced analytics and automated interventions in our manufacturing process, which are focused towards reducing human intervention and improving time efficiency.

AUTOMISATION OF QUALITY CONTROL PROCESS

Shree Cement is a brand associated with providing best-in-class products at the optimum cost. Quality is one significant parameter that we have never compromised. The desired product quality is achieved through our stringent quality control measures at all stages of cement production. This was made possible through a systematic approach for raw material sampling and selection.

Keeping up with our commitment to quality, we have introduced an advanced, fully integrated and automated quality control system. It has streamlined and digitised the sampling process ensuring safe, efficient and accurate analysis. We have adopted the Auto-Sampling and Robo-Analysis Solution in the suite to improve the efficiency of sampling and analysis in our process.

Robo Analysis Solution

Robo Analysis includes a comprehensive software package for automatic sample preparation, sample analysis, and automated Quality Analysis (QA) and Quality Check (QC) procedures. The software ensures documented QA by enabling duplicate or triplicate sample preparation and analysis or introducing blank samples at predefined intervals. It provides a practically unmanned sample preparation, ensuring optimum quality.

Key Benefits

- Minimal cross-sample contamination through integrated cleaning
- Dedicated equipment for preparation of special samples
- Automated QA/QC procedures
- Uniform equipment KPIs resulting in efficient preventive maintenance
- Seamless integration to the AutoSampling system

Auto-Sampling

The Auto-Sampling solution provides accurate sampling, including fast, automated sample transport to the laboratory with documentation of sample origin and timestamp. The way samples are taken and the sampling frequency, eliminates sampling bias.

Key Benefits

- Correct sampling, including the right location and timestamp
- Consistent sampling quality, eliminating sampling bias
- Fast turnaround time – the sample reaches the laboratory within minutes
- User-friendly system information available in the laboratory
- Improved maintenance data reduces the number of potential equipment stops and maintenance

In our transformation journey, we are supporting our innovation and strong research capability through advance digitalisation and analytical tools to achieve breakthrough in processes, systems and delivery of business objectives.

Mr. Soma Sekhara Rama Kali Prasad Maddi
Chief Digital & Information Officer

Plant Data Management Systems

It is imperative to set up a standard and efficient data collection system to record plant data and information in a periodic manner to improve operational efficiency and optimise resource consumption. We use Plant Data Management System (PDMS) system which is a comprehensive Information Management System that makes critical plant data related to plant process, energy and quality available in real-time to all relevant stakeholders. An efficient PDMS system uses it effectively and captures and stores data to provide a valuable bedrock. This helps optimise specific heat consumption, specific power consumption, cement quality and production efficiency.

Power Projects (SPLIV)

Shree Power Live (SPLIV) is plant data centralisation tool that helps collect, analyse and report various performance parameters for different categories of power plants including thermal, WHR, solar and wind power. Various functionalities available within the tool include data management, dashboard and reports. The tool aids in automated plant performance calculations, prediction, downtime, alarms and events, KPI analysis, trends, auto-email, and web and mobile applications by ensuring seamless and real-time data capturing from each site. Some of the technical parameters captured using SPLIV includes gross power generation, heat rate, wind mass, solar radiation, etc. Such reporting enables data-driven decision-making for improving operational and cost efficiency.

Social and Relationship Capital

Empowering people, Spreading Happiness

₹ 69.99 Crores
Spending on Community Development Projects

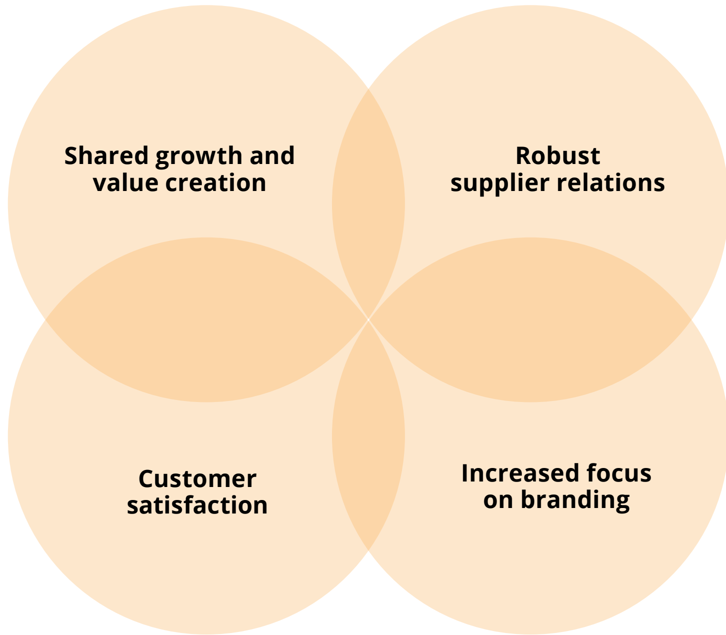
85
Customer Satisfaction Score

7.30 Lac
Lives impacted

98%
Revenue from Repeat Customers

798
New suppliers onboarded

FOCUS AREAS



At Shree Cement, we perceive business and stakeholder values as mutually reinforcing and productive partnerships as the key to operating in harmony. As we are embarking on a new journey of transformation and change, we seek to integrate our social relations as an integral force to drive us forward. Looking at our business through a transformational lens, we are reimagining a new reality by expanding our horizons and challenging our limitations.

By focusing on best-in-class products, community initiatives, supplier management systems, and external partnerships, we have been built a strong foundation of social and relationship capital. This has helped us create a positive impact on all our extended relations including customers, employees, suppliers, communities, and society at large.

Social and Relationship Capital

CREATING VALUE, SPREADING HAPPINESS

It is engraved in our value system to be responsible and accountable for the wellbeing of the community in which we operate. This had been a part of our culture, long before the Corporate Social Responsibility (CSR) concept was mandated through the regulatory framework of Companies Act, 2013. Through multiple efforts and engagements over four decades, we have been able to harmonise people, planet and prosperity in the formulations and execution of our programmes.

We have adopted a strategic Corporate Social Responsibility (CSR) practice, guided by Shree Samaj Seva Policy (CSR Policy) and implemented through Shree Foundation Trust. The Policy is approved by the Board and provides an overall framework, principles and guidelines for conducting CSR activities.

CSR GOVERNANCE

The CSR and Sustainability Committee of the Board headed by an Independent Director, oversees the CSR activities and their implementation. Along with project overview and implementation, the Committee also allocates budget, reviews policies, strategies, and project progress and sets direction for the future. Further, we have dedicated CSR teams that work in tandem with the local communities to monitor CSR activities at the ground level and maintain social harmony.

Board	CSR and Sustainability Committee	CSR Team
Reviews, ammends and approves CSR Policy	• Review of Annual Action plan and budget allocation • Overview and implementation of CSR activities • Monitor CSR programmes	Implementation of CSR Activities by Shree Cement, Shree Foundation Trust and other implementation agencies

COMMUNITY ENGAGEMENT PROCESS

Community Interaction → Need assessment and identifiaction → Programme design aligning with need assessment results → Programme implementation → Programme monitoring and feedback → Programme impact assessmnet

Our community engagement process is guided by the Community Consultation Framework and starts with community interactions through focused group discussions and other means. This helps us to conduct a detailed need assessment study to understand the community aspirations before designing and implementing CSR programmes. We also conduct regular monitoring and take feedback on the implemented programs. The impact assessments are also carried out to identify the socio-economic impacts of the programmes.

Our CSR focus areas are aligned with Schedule VII of Companies Act 2013, as well as based on need assessment study conducted during community consultation. This includes thematic areas such as health care, Water, sanitation and hygiene, community infrastructure and rural development, educational initiatives, environmental protection, social welfare and promotion of art and culture, women empowerment and skill development, sustainable livelihood, support to senior citizens, support to dependents of martyred soldiers and sports promotion. Along with upliftment and well-being of socially and economically disadvantaged sections of the community, our actions also contribute to the global agenda of meeting UN Sustainable Development Goals (SDGs). The programmes are aligned with our business drivers, allowing us to leverage our strengths, brand and our employees to maximise the reach and impact of our CSR initiatives. All our operations have implemented local community engagement with defined impact assessment and development programmes.

None of our operations had a significant negative impact on local communities during the reporting year. Furthermore, we were not required to conduct Social Impact Assessment (SIA) for any of our projects as per the requirement of applicable regulations. Also, none of our projects during the reporting period involved Rehabilitation and Resettlement of neighbouring communities.

Emphasising on the socio-economic upliftment of our communities our CSR projects are also undertaken in the designated aspirational districts as identified by Government of India.

> **The wellbeing of communities is of utmost priority to our business. Focusing on shared value creation, we aspire to create an ecosystem of harmony, upliftment, and resilience - contributing to a vibrant development opportunity for all.**
>
> **Mr. Manoj Kumar Srivastava**
> Manufacturing Cluster Head - East Operations

ASPIRATIONAL DISTRICTS

S. No.	State	Aspirational District	Amount spent (In ₹ Lacs)
1	Uttarakhand	Haridwar	16.89
2	Bihar	Aurangabad, Gaya	18.44

CSR THEMATIC AREAS

- Women empowerment and skill development
- Community infrastructure and rural development
- Support to dependents of martyred soldiers
- Social welfare and promotion of art and culture
- Sustainable Livelihood
- Support to senior citizens
- Health care, hygiene, cleanliness and arranging drinking water
- Educational initiatives
- Sports promotion
- Environmental Protection

Social and Relationship Capital

WOMEN EMPOWERMENT AND SKILL DEVELOPMENT

Empowered women play a catalytic role in bringing about transformational economic, emotional and social change and will pave way for a better world. Thus we have designed initiatives around three focus areas to improve the status of women in society.

Shree Shakti Project
The vocational training initiative was developed to facilitate a means of income creation for rural women. We provided trainings on livelihood development activities that are in demand among communities like sewing, tailoring, and beauty parlor courses. These supported in establishing a source of income, thus helping them to be independent.

Shree Balika Samriddhi Yojna:

- Shree Balika Samriddhi Yojna (SBSY) was initiated to improve the lives of girls from under privileged families.

  SBSY provides a Marriage Support Gift (MSG) to girls legally eligible for marriage (18+). The gift contains an array of household items including sewing machines.

  The programme had a direct impact on the lives of the beneficiaries and an even deeper impact on the village community. It has successfully spread awareness against child marriage and supported child education. It has also helped them establish a means of income and inculcates a sense of self-worth and importance to the girls.
- We also provide a Rs. 5,000 Fixed Deposit at the time of birth of a girl child which they can encash on attaining the age of 18 years.

COMMUNITY INFRASTRUCTURE AND RURAL DEVELOPMENT

Infrastructure development acts as a cornerstone in bringing in growth opportunities. This is highly significant to rural regions and communities as it will open avenues for connectivity, higher living standards, employment opportunities and better quality of life. On this front, we had been undertaking community and rural infrastructure development in the vicinity of our operations.

- We carry out construction, repair and upgradation of community assets such as Gram Panchayat building, drains, community centers, community toilets, stages, waiting stands and sheds, etc.
- Rural Connectivity is a critical component in the socio-economic development of rural people by providing access to amenities like education, health, and job opportunities. We have constructed and repaired roads in nearby villages, thereby facilitating smooth and safe commute.

Social and Relationship Capital

SUPPORT TO DEPENDENTS OF MARTYRED SOLDIERS

Project Naman is a token of respect to martyred soldiers from armed and para milatary forces who sacrificed their lives for the nation. The programme supports the dependents for building homes.

SOCIAL WELFARE AND PROMOTION OF ART AND CULTURE

Preserving the local arts, heritage and crafts is an integral component for development of local culture. To support endangered art forms, connect younger generation to India's rich culture and provide a means of sustainable livelihood to artists, we have undertaken the following projects:

- Support to institutions for organising events that enable artists to showcase their talent in the field of painting, music, theatre, local folk, literature, poetry etc. and promote the same in masses.
- Providing support in organising fairs, festivals and events that will showcase Indian traditional art forms and promote social harmony.
- Assisted with preservation, construction, maintenance and upgradation of sites, monuments and structures of historical importance/ local history and ancient tradition.

SUSTAINABLE LIVELIHOOD

Working with a sense of responsibility towards our community, we aspire to make them self-reliant. With most of our community deriving income from farming and agricultural-related activities, our programmes are designed to aid in enhancing their means of sustenance. We undertake both agricultural and non-agricultural initiatives for improving the livelihood of the local communities.

Agricultural initiatives

These initiatives include organising local farmers visit to nearest Krishi Vigyan Kendra for their skill and knowledge building. We also support the farmers in obtaining agricultural tools, high-quality seeds and fodder cultivation seeds for improved yield and productivity. We also organised vaccination camps and provided support in constructing mangers to promote cattle farming.

Non-agriculture initiatives

- We organise vocational training programmes for ITI passed out students in our mines to provide them with on the job experience . The project along with giving them a window for employment, polishes their practical skillset and employability.

Social and Relationship Capital

SUPPORT TO SENIOR CITIZENS

We support a joint initiative of the Kolkata police and The Bengal, an NGO for providing varied support services to senior citizen of Kolkata. This aims to enhance the physical, mental, social, cultural, and economic wellbeing of the elderly as well as support senior citizens, in availing legal, security and medical assistance. He initiative also organises socio-cultural and sports activities for the elderly on timely basis.

HEALTHCARE, HYGIENE, CLEANLINESS AND ARRANGING DRINKING WATER

A healthy growing community is vital for a healthier tomorrow. We strive to provide the best-in-class healthcare infrastructure to the people of our local communities. We position our efforts to promote equal distribution and increased access to healthcare facilities through our Wellness Management Centers (WMC) as well as through health camps.

- Under project 'Mamta', we organise regular health checkups for pregnant women, new mothers and infants.
- Medical camps are organised to support expecting mothers and guide them on medicines, diet and vaccination during pregnancy.
- Through our 'Shree Swachhata' project, we try to increase awareness about cleanliness and hygiene through awareness campaigns. We also observed cleanliness weeks and distributed dustbins and diaries with cleanliness slogans on it to promote good health and hygiene.
- We have undertaken water supply activities by constructing public water huts, bore wells and distribution of RO water facility to remote villages during peak summers.

EDUCATIONAL INITIATIVES

Education is a prime focus area as it not only equips people with knowledge but also empowers them to lead a decent life, helping in the holistic development of an individual. Our efforts to make quality education affordable and accessible have been materialised through a multitude of involvements spanning primary to senior secondary levels and vocational education to digital literacy.

- To improve the quality of education in government schools, we create/ improve basic infrastructure facilities such as construction of classrooms, and distribution of study materials, uniforms, etc. We also deploy additional teaching staff in schools based on assessment of student teacher ratio.
- To improve the digital hold of the local communities, we have established computer learning centers wherein students and local youth can enrol for upgrading their digital knowledge.
- We partner with specialised implementing agencies to popularise heritage literature and culture among young children. This is done in collaboration with nationwide network of schools, educational and art institutions. The initiative supports cultural programmes, story telling, theatre, dance and music etc.
- Under Shree Ki Pathshala initiative, we provide tuition classes to students of nearby communities appearing for board exams.
- We also support the Bangur Public School run by Shree Foundation Trust, our CSR arm.
- We organise vocational training and skill development of local youth to increase their employability.

Social and Relationship Capital

SPORTS PROMOTION

We consider sports as an essential medium for overall development of the youth of the country. When children play and learn, the communities grow, and countries prosper. We undertook the following initiatives for promoting sports activities.

- Supported in organising sporting events in schools for students and distributing sports equipment.
- Aided in construction and renovation of sports clubs, stadiums and sporting facilities.
- Supported sports clubs, associations and other bodies to undertake activities and initiatives to encourage sports persons.

ENVIRONMENT PROTECTION

Greencover development along with protection and restoration of our operational environment is of foremost priority to us. We have undertaken the following initiatives in this regard:

- Distribution of plant saplings to farmers to develop green belt and plantation cover in open areas.
- Supporting school plantation programmes by distribution of tree guards for protection of saplings/grown plants.

CREATING CUSTOMER CONTENTMENT

'Unparalleled value creation across B2B and B2C'

At Shree Cement, we seek to amplify customer experience by providing the best quality product in terms of strength, durability and cost-efficiency. Our efforts are channelised to pass on the best value of our product portfolio to our customers.

CUSTOMER FOCUS AREAS

- Ontime delivery and product quality
- Assistance to consumer in home building
- Enabling use of green products
- Timely acknowledgment and resolution of grievances
- Safe use of products
- New specialised product offering to customer
- Skill upliftment of our stakeholders

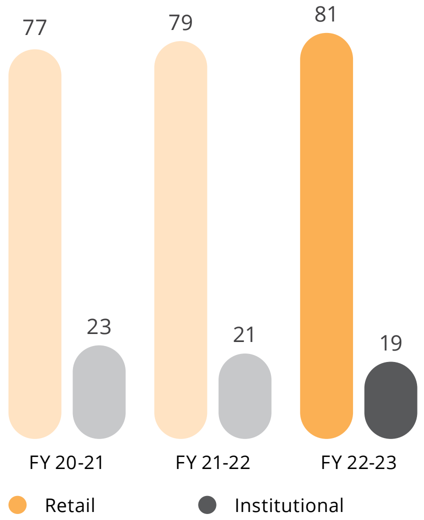
At SCL, we strive to establish a strong brand identity, with an emphasis on "service and quality making the difference". We look beyond product quality and innovation to persistently deliver more value to customers. We are actively seeking to develop business in a comprehensive way and foster engagement with customers through multiple platforms. Our focus is to be in proximity to our customers, thus enabling us to understand their needs and develop our products and services accordingly.

We ensure our customer alliances stretch more than just offering products and include providing expert advice and support on product usage as well. This support is materialised by our technical sales team who provides customer assistance as and when required to pre and post a sales engagement. We believe this will create higher customer value which will in turn manifest into greater customer loyalty, advocacy and product differentiation. With our continuous effort over the past decades on assured quality and timely delivery, today we can proudly endorse our consistent customer base who choose us year after year for the excellent product and service that they receive.

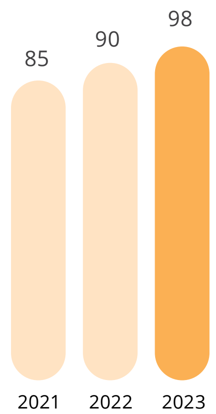
OUR CUSTOMER SEGMENTS

Our customer footprint is spread across the retail and institutional sectors with a higher footprint amongst the retail customers.

Customer Segment
(% quantity share)

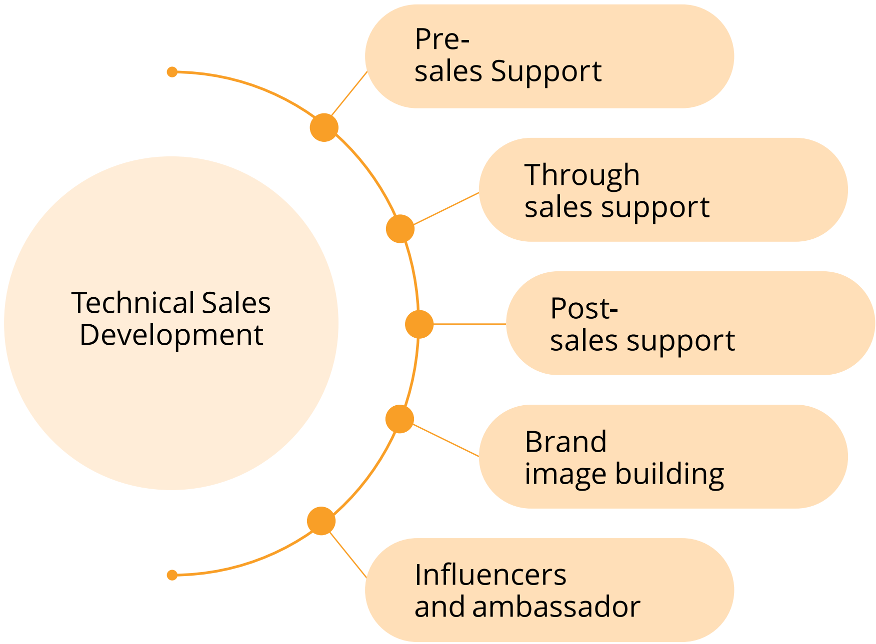


Revenue from repeat customers (%)



Social and Relationship Capital

Technical Sales Development



During the pre-sales process, technical support team members bring in their expertise through in-depth understanding of the potential client's needs to every step of the sales process. This, in-turn ensures that salespeople have more time to focus on the commercial side of the sales process. This division of responsibilities provides accuracy when qualifying leads and deals. We have identified influencers and brand ambassadors within the customer community to increase our market accessibility.

Understanding customer expectations enables us to handcraft solutions creating greater customer satisfaction.

With all our products being GreenPro certified, we endeavor to cater the increasing customer sensitisation towards sustainable products and facilitate transition to an eco-friendly business. This has in turn materialised into increased brand loyalty and contentment which is well depicted in our customer satisfaction survey. Our customer satisfaction measurements include indicators like customer conversion rate, new sites, and influencer additions along with other KPIs. We covered multiple parameters in the survey including overall product quality, strength, fineness, dealer service, customer complaints/ grievance etc. Our surveys cover representative sample of our customer base. We aspire and work to achieve 100% customer satisfaction within upcoming years.

Customer Satisfaction score

We regard our customers as one of the key drivers of our growth. We create and amplify customer contentment through our superior quality products. As we embark on the transformation journey, we shall continue to serve our customers with best in class products, well timed delivery and value-added technical services.

Mr. Shailesh Ambastha
President (Sales)

Creating Right Quality Perception
To further boost our brand equity among institutional and retail customers and to improve company product and quality perception, we have reorganised our sales team. Instead of one person in-charge of both sales and marketing, we now have two dedicated heads spearheading these two verticals.

In addition, we also have set-up technical service teams in our sales department. The team will help build awareness among dealers, masons, and other users on unique qualities of our products and their effective usage. This will help in significantly augmenting Below the Line (BTL) sales along with sale of our premium brands and in turn, contributing to our sales realisation.

CUSTOMER FEEDBACK AND COMMUNICATION

We believe communication is the key towards an effective symbiotic relationship. The system will serve as a single channel to raise concerns, feedbacks and queries and equip us to deliver fast response and actions. It will also serve as a medium to inform customers on any disruption of services.

Currently all the customer complaints are reported through dealers, and we follow a time-bound structured process for grievance redressal. As soon as a complaint is reported, we analyse the issue and the same is handled effectively by field staff with total satisfaction to the customers.

We provide in-person support at site from a qualified civil engineer for complaint redressal, as this allows for a more personalised and comprehensive approach to addressing complaints. Depending on the nature of the complaint, they are evaluated based on various parameters of construction practices including material quality, proportion of aggregates, water used etc . This leads to faster resolution of complaints and increased customer satisfaction.

All complaints received related to product quality (slow setting, seepage, cracks, etc.), upon enquiry, are attended on priority. Furthermore, we have a stringent data management system and internal controls in place for customer data management. Owing to this, there were no instances of data breach involving personally identifiable information of customers or any other significant parameters in the reporting year.

CONSUMER COMPLAINTS

	FY 2021-22		FY 2022-23	
	Received During the year	Pending Resolution at the end of the year	Received During the year	Pending Resolution at the end of the year
Data Privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive Trade Practices	0	0	0	0
Unfair Trade Practices	0	0	0	0
Other (Product quality, supplies, printing related)	218	0	671	0

Social and Relationship Capital

OUR SOCIAL MEDIA OUTREACH

To establish strong close-knit connections, constant communication with our customers and stakeholder is a necessity. The emergence of new-age social media has leveraged communication avenues for everyone. We have smoothly positioned ourselves in the social media platforms like Twitter, Instagram, LinkedIn and Facebook by regularly sharing our achievements, our ideologies and business updates through these platforms to our stakeholder groups. Our Sustainability and ESG related initiatives are also highlighted through these platforms, emphasising our commitment towards responsible business.

PRODUCT SAFETY AND QUALITY

Our passion for finding new ways to inspire and delight our customers are rooted in the principles of quality and safety. Through innovative products and solutions, we help chart a path forward for resilient, energy-efficient and sustainable infrastructure, meeting the global needs. There is nothing that we value more than being able to support growth while ensuring the best-in-class quality. All our products match the quality standards set by the Bureau of Indian Standards (BIS). Product information is displayed on the bag/ packaging as per the BIS requirements laid down by Government of India. The details such as name of product, its quality, category, its BIS code, composition / specifications are clearly mentioned as per the norms and requirement of BIS. Also we promote the use of mineral admixtures in our product as per BIS guidelines and reduce natural resource consumption.

Our Material Safety Data Sheet (MSDS) has set indicators of health and safety related aspects to mitigate any potential negative impact of the product on customers.

Further, all the information can also be accessed by the customers through our website. As a testament to our stringent adherence to all mandated standards of quality, there were no instances of product recalls during the reporting period. Additionally, there were no cases of non-compliance related to marketing communication and product labelling.

MASON TRAINING PROGRAMME

We identify the safe and responsible use of products as our extended responsibility. This has led to the development of Mason Training Programme, which is targeted at the masons, who are the primary users of cement since they are working on the ground. This in-person training and assistance delivered by certified engineers focus on judicious cement utilisation and avoiding any product wastage.

Social and Relationship Capital

> We are embarking on a transformation journey and our stakeholders are an integral force driving us forward. Reimagining the future together, we place great emphasis on all our social relations including value chain. We identify green procurement practices as our future proof strategy for building a resilient supply chain.
>
> **Mr. Sanjay Mehta**
> President – Procurement & Corporate Affairs

CYBER SECURITY

Cyber security is a material issue, which needs to be diligently managed for ensuring business continuity. We had no instances of non-compliance or penalties related to advertising, customer data privacy, product recalls and product safety. During the reporting year, an incident related to cybersecurity occurred, which was duly contained and addressed and there were no material impacts. Owing to the learning through this incident, we have implemented the following measures to enhance our existing practices:

- Multifactor authentication actions taken or are in pipe line
- Making various security zones like DMZ (De-Militarised Zone) and MZ (Militarised Zone)
- Logical segmentation of network for Information Technology as well as Operational Technology
- Strict firewall policies

RESPONSIBLE SUPPLY CHAIN PRACTICES

Building a responsible and transparent supply chain is central to our business and sustainability ambitions. The goal of our supply chain model is to ensure uninterrupted supply of high-quality raw material along with supporting our value chain partners. At Shree Cement, supply chain management commences with supplier selection and continues through evaluations and building supplier capabilities along the journey.

Our Sustainable Procurement Policy lays down the principles and values that guide our decisions on efficient supply chain management. The said policy also covers various environmental and social parameters including human rights, health and safety, business ethics etc. All our suppliers are expected to adhere to the policy while we also conduct periodic assessments to evaluate conformity of supply chain partners for the same. All our value chain partners are expected to adhere to the legal requirements, and we ensure that such requirements are also a part of their contractual obligations with us. As an integral component to compliance, we encourage our value chain partners to collect and deposit the statutory dues on time.

FOCUS AREAS OF SUSTAINABLE PROCUREMENT POLICY

Human Rights	Forced Labour
Safe and Hygienic Work Conditions	Child Labour
Fair Competition and ant-corruption	Compliance with laws
Maintaining value and integrity	Corporate social responsibility

OUR PROCUREMENT PRACTICES

We are keen on developing efficient and long-term partnerships which are guided by our vision of integrating sustainability across all our business areas. We have established procedures in place for sustainable sourcing practices. During the reporting year, 73.1%* of our total inputs were sourced sustainably. Further, Additionally we support local suppliers by procuring directly from local businesses including Micro, Small and Medium Enterprises (MSME). Through this, we are seeking to bring in additional investments to the local economy, facilitate uninterrupted supply and maintain cordial community relations. This mutual upliftment and growth objective of ours materialised into 96% of our O&M and raw material budget being spent on local suppliers. Local procurement of fuel, raw material and O&M made up to 36.7% of total procurement value. Through our Sustainable Procurement Policy, we also assert our preference to purchase from suppliers comprising vulnerable groups.

*Based on assessment of raw material suppliers, critical suppliers from O&M stores category, fuel manufacturers (excluding fuel traders)

Social and Relationship Capital

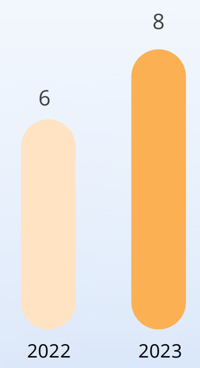
SUPPLY CHAIN RISK ASSESSMENT

With a diverse supply chain in place, and with new dependencies arising, the exposure to value chain risks have significantly increased. Adding to this, geo-political tensions, rising inflation and other external factors poses a critical threat to streamlining supply chain and thus reducing operational efficiency. Addressing this, we have established a formalised process to identify potential risks in the supply chain. We select, assess and on-board suppliers with prudence, managing business risk, while creating opportunity for mutual sustainability.

All new suppliers are required to meet our robust onboarding requirements including the requirements related to compliance with various applicable environmental and social regulations. Our Sustainable Procurement Policy also establishes our commitment to further Sustainability within Supply Chain and lays down a code of conduct that our suppliers are expected to adhere to. Further, we screen selected new suppliers through a third party before onboarding based on various business, environmental and social parameters. All these measures help us identify, foresee and manage any potential risk that can arise in the value chain. We did not identify any significant negative social and environmental impact of our supply chain in the reporting year.

New Suppliers Onboarded*

New Suppliers screened through ESG parameters



*O&M store category vendors

Logistics Management through Telematics

SCL is using telematics for fleet management within eastern locations. We further plan to extend usage at all other locations within the upcoming year. Telematics involves use of a variety of electronic devices, such as GPS receivers and cellular phones, to collect and transmit data about the vehicle's location, speed, and status. By using telematics real time tracking and monitoring of fleet, tracking of driver behavior and habits impacting fuel consumption and safety etc. is carried out. This helps in efficient route planning, reducing idle time and improved scheduling of deliveries, optimisation of fuel consumption and enhanced safety.

SUPPLIER SPENDING

	FY 2021-22	FY 2022-23
Directly sourced from MSMEs/small producers	6.08%	5.59%
Sourced directly from within the district and neighbouring districts	Company is having Pan India operations to ensure sourcing of all raw material locally wherever feasible	

We take pride in our diversified supplier base as it facilitates increased flexibility in business operations, but it also leads to risk of becoming less apparent and management becoming more difficult. Thus, it is critical to identify risks and dependencies from a holistic point of view.

Cognizant of this, we have identified our significant suppliers to aid us in narrowing the risk assessment process and take actions as required. We identify high volume suppliers, suppliers of critical components and non-substitutable suppliers as significant suppliers. We are also in the process of developing an integrated and comprehensive sustainability monitoring mechanism for our supply chain partners. The mechanism will have a comprehensive assessment component, post which suppliers identified in high-risk category will be supported with a corrective action plan.

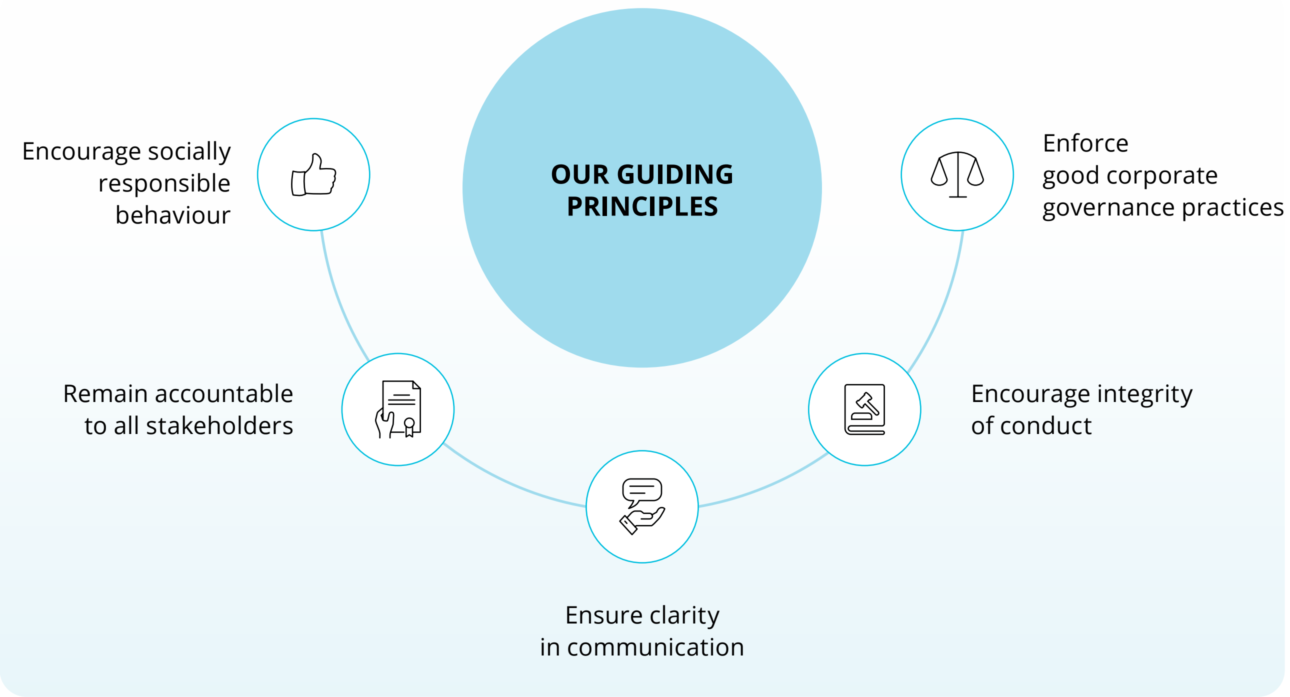
Supplier ESG Assessment

Type of supplier	Absolute number of suppliers	Number of suppliers assessed in FY 2022-23	% Of suppliers in that category	Share of total procurement spent (%)
Total tier 1 suppliers*	3,191	145	5%	26.20%
Significant tier 1 suppliers	23	23	100%	100%

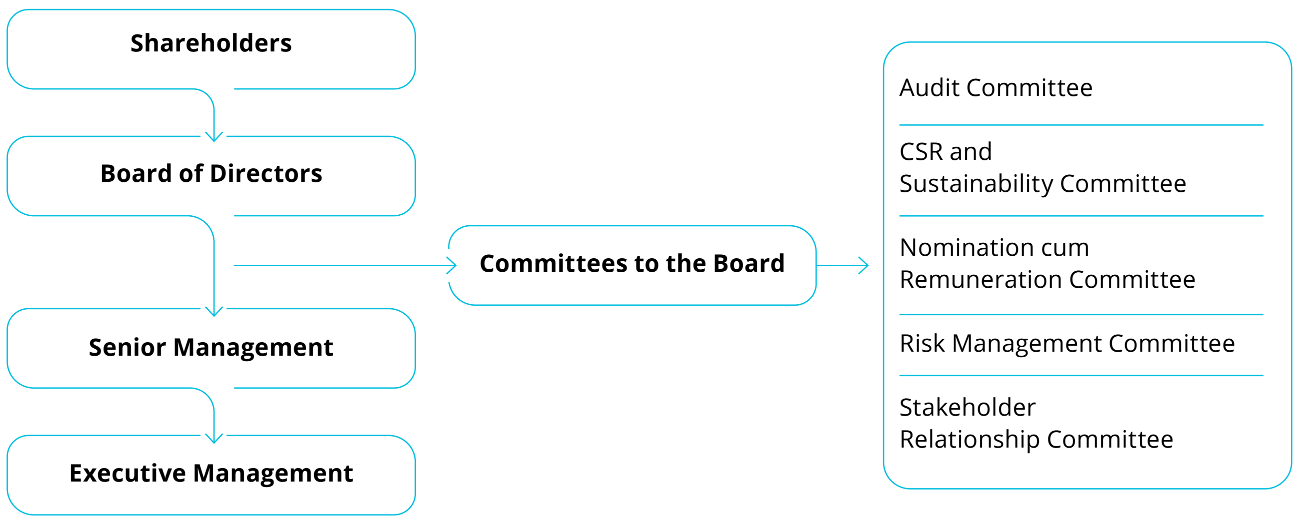
Corporate Governance

Building Resilience

We believe in building strong and effective corporate governance and cultivating a culture of integrity, accountability, transparency, fairness and responsibility. Good governance is instrumental in realising our goal of sustainable business while also giving us a competitive advantage. Our strong corporate governance framework supports in maintaining stakeholder confidence and contributing to the sustainable growth of the wider economy.



GOVERNANCE STRUCTURE



Our governance structure is designed to ensure a steady flow of decisions and to oversee consistent implementation of action plans at all levels. Our top-down approach, with the Board of Directors at the helm of the governance structure, effectively ensures that our vision is clear and the business is guided in the right direction. The senior management includes the core leadership team consisting of Heads of Departments / Functions, headed by the Managing Director. The executive management are officials that are second in command below the core leadership team. The Board also plays a crucial role in setting the tone for governance and overseeing the implementation of policies and procedure along with promoting accountability and transparency in our business operations.

Name of the Director	Category	Designation	Tenure on the Board	% attendance in FY 2022-23	No. of other Directorships held
Mr. Benu Gopal Bangur (Note 1)			42 Years 11 Months	75	N.A.
Mr. Hari Mohan Bangur	Executive	Chairman	30 Years 8 Months	100	NIL
Mr. Prashant Bangur	Executive	Vice Chairman	10 Years 7 Months	100	4
Mr. Neeraj Akhoury	Executive	Managing Director	5 Months	50	NIL
Mr. Prakash Narayan Chhangani		Whole-Time Director	4 Years 8 Months	75	N.A.
Mr. Shreekant Somany	Non-Executive	Independent Director	22 Years 5 Months	100	4
Ms. Uma Gurkha	Non-Executive	Independent Director	3 Years 4 Months	100	5
Mr. Nitin Dayalji Desai	Non-Executive	Independent Director	11 Years 10 Months	100	1
Mr. Sanjiv Krishnaji Shelgikar	Non-Executive	Independent Director	7 Years 7 Months	100	5
Mr. Zubair Ahmed	Non-Executive	Independent Director	10 Months	75	Nil
Mr. Ratan Lal Gaggar*		Independent Director	27 Years 10 Months	50	N.A.
Dr. Yoginder Kumar Alagh		Independent Director	17 Years 9 Months	50	N.A.

* Tenure upto the date of directorship or 31st March, 2023 whichever is earlier

Note: 1. Mr. Benu Gopal Bangur ceased as Director and Chairman of the Company w.e.f. 14th October, 2022

2. Change in designation of Mr. Hari Mohan Bangur from Managing Director to Chairman of the Company w.e.f. 15th October, 2022

3. Change in Designation of Mr. Prashant Bangur from Joint Managing Director to Vice Chairman of the Company w.e.f. 14th October, 2022

4. Mr. Neeraj Akhoury joined as Managing Director of the Company w.e.f. 14th October, 2022

5. Mr. Prakash Narayan Chhangani ceased as Whole Time Director of the Company w.e.f. 13th February, 2023

6. Mr. Ratan Lal Gaggar ceased as Independent Director of the Company w.e.f. 15th December, 2022

7. Dr. Yoginder Alagh ceased as Independent Director of the Company w.e.f. 10th August, 2022

Our Board has an appropriate balance of independent and non-independent directors from diverse background, to ensure appropriate independence in functioning. This also ensures that the Board is able to make objective, informed decisions focused on value creation. The target share for the Independent Directors on the Board is more than 60%. The Board's diverse experience, and expertise helps in providing a holistic perspective for decision making. Moreover, we expect our Board of Directors to attend minimum 50% of the Board meetings.

Corporate Governance

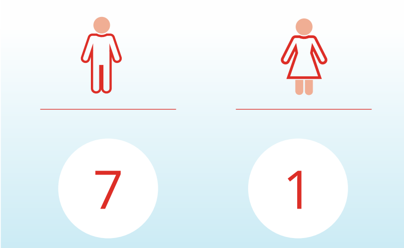
BOARD DIVERSITY

The importance of Board diversity and inclusion is well-founded in business excellence. We embrace a diverse Board to enhance effectiveness, build an inclusive culture and augment decision-making focused on value creation for stakeholders.

Our Board Diversity Policy serves as a guiding document to determine composition and nomination of Directors while ensuring appropriate diversity across the Board. The Policy aims to leverage diversity of thought, experience, knowledge and skill, race, gender, age, ethnicity, nationality, country of origin or cultural background to attain our strategic goals and objectives.

Seven of our Board of Directors are above 50 years of age whereas one of our directors is in the age group of 30-50 years.

Diversity of Board by Gender



CEO-TO-EMPLOYEE PAY RATIO

Salary of CEO (MD) is ₹ 2126.86 lac (annualised). The ratio between the total annual compensation of the Chief Executive Officer and the median employee compensation (excluding Board of Directors and Key Managerial Personnel (KMP)) is 321. The variable compensation for the Managing Director is based on performance of the company including performance of ESG factors. The median of the Board, KMP and other employees is as follows.

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) (See Note 1)	3	₹ 2,951.98 Lac	-	-
Key Managerial Personnel (See Note 2)	2	₹ 183.33 Lac	-	-
Employees other than BoD and KMP	6,264	₹ 6.61 Lac	41	₹ 12.17 Lac
Workers	141	₹ 5.51 Lac	-	-

Note 1: For the purpose of Board of Directors, only Working Directors have been considered
Note 2: For the purpose of Key managerial Personnel, Working Directors have been excluded.

ESG GOVERNANCE

The principles of sustainability are imbibed in our vision, policies, and business, and this ensures a culture of inclusive value creation. We have established an ESG Governance Framework to steer our sustainability initiatives in line with our business aspirations.

The Board shoulders the overall responsibility of guiding and steering our sustainability vision through our CSR and Sustainability Committee. The Committee reviews our performance across environmental, social, and governance pillars. ESG performance is also one of the factors considered under the Remuneration Policy to determine the remuneration of Directors, Key Management Personnel and Senior Executives.

ESG Committee

The Environmental, Social and Governance (ESG) Committee has been primarily constituted to monitor and review our corporate ESG performance at a functional level. The Committee is headed by the Managing Director and supported by functional heads to effectively monitor our actions and ensure their alignment with ESG objectives. The Committee reviews, approves and facilitates the communication of the sustainability report/integrated report to all our stakeholders. The Committee monitors our ESG performance, and scores assigned by rating agencies, such as S&P Dow Jones Sustainability Index (DJSI) and CDP. It also reviews multiple compliance requirements specified under various legislations and take actions as required and applicable.

ESG Policies

Policies play an important role in setting foundation of our governance structure. Our ESG policies lays down the guidelines for systems and processes governing activities on a regular basis. The policies are guided by ESG principles and facilitate the implementation of our vision into value. Our policies are regularly revised to accommodate the requirements of national and international frameworks.

Our business philosophy and ethos drive us to strike a fine balance between achieving business objectives while considering our environmental impact. Our Environmental Policy exhibits our commitment to environmentally responsible behaviour and lays down guidelines to minimise the adverse impacts of our operations.

Our social policies drive a diverse and inclusive culture and facilitate the social well-being of all our stakeholders. Our governance policies account for maintaining transparency, accountability and trust in our stakeholders. We follow with the highest standards of business ethics and imbibe the principles of anti-bribery, anti-corruption, non-discrimination, anti-harassment, diversity, and information security.

Environment	Social	Governance
• Environmental Policy • Sustainable Procurement Policy	• CSR Policy • Non-Discrimination and Anti-Harassment Policy • Human Rights Policy • Occupational Health and Safety Policy • POSH Policy • Product Quality and Customer Satisfaction Policy • Stakeholder Engagement Policy	• Anti-Bribery and Anti-Corruption Policy • Board Diversity Policy • Code of Conduct • Information Security Policy • Related Party Transaction Policy • Remuneration Policy • Tax Policy • Whistle-blower Policy • Archival Policy of Website Content

Corporate Governance

CODE OF CONDUCT

We believe in building trust, transparency and accountability for all our stakeholders. We ensure compliance with all the applicable laws and regulations through the promotion of ethical behaviour. The Code of Conduct acts as a guiding document for our Board of Directors, senior management officials and all other employees to act and behave in an ethical, responsible, and sustainable manner.

All our operations and activities are conducted adhering to our Code of Conduct (CoC). The CoC is communicated to all the internal and external stakeholders and is also accessible on our Company's website. All the employees, including Directors and KMPs, are mandated to adhere to the CoC by signing an annual compliance letter. Any violations to CoC can be brought to immediate notice through our grievance mechanism.

The Code of Conduct governs our business activities in the areas of:

- Conflict of Interest
- Personal Conduct
- Workplace conduct and conduct with external stakeholders

We are committed to principles of transparency and accountability in all our business operations. We do not tolerate unethical practices and uphold all laws concerning bribery, fraud, and corruption in all forms. Our Anti-Bribery and Anti-Corruption Policy communicates our stance on anti-corruption to all the directors, employees, workers, and third parties. The policy is available on the internal portal as well as corporate website to facilitate accessibility to all stakeholders. During the reporting period, we recorded zero cases of non-compliance against corruption, bribery, and anti-competitive behaviour. Further, there were no charges of bribery, corruption and conflict of interest against any of our directors, KMPs or employees in the current year.

WHISTLEBLOWER POLICY

Our Whistleblower Policy provides a vigil mechanism for employees, directors, customers, shareholders, and vendors to report their concerns about unethical business practices. This shall include but not be limited to actual or suspected fraud, violations of the Code of Conduct or instances of leakage of unpublished price-sensitive information. The Policy also protects against reprisals and retaliations. The Policy offers necessary safeguards against the victimisation of whistleblowers using the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Policy is available on our website and can be accessed by all stakeholders at any given point of time.

PUBLIC POLICY ADVOCACY

The Shree Philosophy lies in the idea of imbibing and sharing noble thoughts. We have been engaging with Government and other organisations think tanks to promote learnings, thoughts, developments and actions relevant to the business. Our policy advocacy strives to bring solutions to drive critical decision-making through exchange of knowledge and expertise. We responsibly engage with agencies and use collective platforms like trade and industry chambers to undertake policy advocacy. Some of our key associations are as follows:

- Cement Manufacturing Association (CMA)
- National Council for Cement and Building Materials (NCCBM)
- Global Cement Concrete Association (GCCA), India
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Technology and Action for Rural Advancement (TARA)
- Indian Institute of Technology (IIT) Delhi
- Confederation of Indian Industry (CII)

Through above associations, we are actively advocating low carbon products contributing to the development of sectoral low carbon roadmap and communicating our stance related to concerned national policies on environmental improvement as and when required.

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board
Low carbon emission roadmap for India cement sector	Inputs provided to GCCA, India as and when needed through emails, working group meetings etc.	Yes	As and when required
Enhancing use of blended cement	Advertisement, marketing strategy and disclosure through IR releted to blended cement	Yes	As and when required
Waste utilisation (AFR, fly ash, slag), environment Law related to water, emissions, Environment Clearance etc.	Inputs provided to CMA as and when needed through emails, working group meetings etc.	Yes	As and when required

GRIEVANCE MECHANISM

We have established a grievance mechanism that is accessible to all our stakeholder groups. All concerns and grievances can be raised through the 'Contact Us' section on our website or through our dedicated email ID: grievance@shreecement.com. Further, local communities or the local stakeholders can directly connect with human resources / CSR representatives at respective locations for reporting any concerns.

We have initiated systems to ensure fast redressal of queries within a specified duration from the receipt of the complaint. If the complaint remains unresolved, it will be escalated to the respective local point of contact. The contact details of the officers are available with the concerned departments at each unit. If stakeholders are not satisfied with the response received from the local point of contact, then the grievance can be escalated to the Concerned Unit Heads or Department Heads. In cases where the complaint is still unresolved, the stakeholder can write directly to our Senior Management explaining the details of the issue concerned. In the reporting year, no concerns were raised by any stakeholder that could be regarded as critical in nature.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2021-22			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Please refer to Stakeholder Engagement Policy at web-link https://www.shreecement.com/investors/policies	NIL	NIL	NIL	21	NIL	NIL
Investors (other than shareholders)		NIL	NIL	NIL	NIL	NIL	NIL
Shareholders		9	NIL	NIL	10	NIL	NIL
Employees and workers		NIL	NIL	NIL	7	NIL	NIL
Customers		218	NIL	NIL	671	NIL	NIL
Value Chain Partners		3	NIL	NIL	15	NIL	NIL
Other (please specify)		NIL	NIL	NIL	NIL	NIL	NIL

USHERING IN TRANSPARENCY

We endeavour to create value for all our stakeholders through our philosophy of 'walk the talk.' The faith entrusted by our stakeholders has pushed us to accomplish projects within time and budget and deliver a high return on investment. CRISIL, India's top rating agency has reaffirmed its highest rating of 'CRISIL AAA/Stable' for our long-term bank facilities and 'CRISIL A1+' for our short-term bank facilities as well as Commercial Paper Issuance. Similarly, CARE, another rating agency has also reaffirmed its highest issuer rating of 'CARE AAA; Stable' for our long-term bank facilities and 'CARE A1+' for our short-term bank facilities as well as Commercial Paper Issuance.

We also participate in various benchmarking and rating exercises such as Carbon Disclosure Project (CDP) and S&P Global Dow Jones Sustainability Indices (DJSI).

We are proud to share that we received an 'A-' in Climate Change Assessment and 'B' in Water Security in CDP, ranking among the top performers in the industry. We are consistently working to further improve our ESG performance. The ratings are testimony to our sound business principles and our financial capability.

Profile of Directors

Mr. H. M. Bangur is a Chemical Engineer from IIT Bombay. He brings to the Board technical insights, which are the driving force of the technical excellence achieved by the Company. He is President of Rajasthan Foundation, Kolkata Chapter. He was the President of the Cement Manufacturers' Association (CMA) between 2007 and 2009 and Ex-executive Member of FICCI. He has been awarded with the prestigious "Ernst & Young Entrepreneur of the Year Award 2016" and "Forbes Leadership Award 2017". He is also Chairman of "The Bengal" an NGO actively engaged with Kolkata Police to provide all possible help to the old age people living alone.

Mr. H.M. Bangur
Chairman

Mr. Prashant Bangur is a MBA in Finance from the Indian School of Business, Hyderabad. He joined Shree Cement in 2004 and since then has been involved in all strategic, policy and operational matters of the Company. He has been providing critical insight and direction in all management decisions in the Company. He joined the Board of the Company in 2012. Mr. Bangur is a Committee Member of Indian Chamber of Commerce, Kolkata and also Member of Managing Committee of Bharat Chamber of Commerce & Industry, Kolkata and of Indian School of Business, Hyderabad. He is member of National Management Committee of Cement Manufacturers' Association (CMA), which is the prime body for policy advocacy for Cement Industry in India. He is a strong proponent of sustainable development, considering his contribution and role in sustainable development initiatives. He is also Director in Khemka Properties Pvt. Ltd., Ragini Properties Pvt. Ltd., Marwar Textile (Agency) Private Limited, Indian Chamber of Commerce and SCL Investment Corp Pte. Ltd.

Mr. Prashant Bangur
Vice Chairman

Mr. Neeraj Akhoury is a graduate in Economics from Allahabad University and MBA from the University of Liverpool. He has also studied one-year General Management Program at XLRI Jamshedpur and is an alumunus of Harvard Business School. He began his career in 1993 at Tata Steel, working in sales, marketing and logistics in both cement and steel division. He joined the Holcim Group in 1999 and worked as member of the Executive Committee responsible for corporate affairs followed by sales. In 2011, he moved to Nigeria as CEO & Managing Director of Holcim AshakaCem PLC. Thereafter, he was appointed as Strategy & Business Development Director for the Middle East & Africa at the Holcim headquarters in Paris. He has worked in leadership roles in India and other emerging markets. He was MD & CEO of ACC Ltd from 2017- 2020 and Ambuja Cements Ltd. from February 2020- September 2022. He is having around 28 years of rich experience in the steel and cement sector.

Mr. Neeraj Akhoury
Managing Director

Mr. Shreekant Somany is an industrialist who holds a Bachelor of Science degree from Calcutta University and is currently on the Board of Somany Ceramics Limited, SR Continental Limited, Somany Bathware Limited (formerly known as Somany Global Ltd.) and JK Tyre & Industries Limited. He is also the President of Indian Ceramic Society and Member of National Council - Confederation of Indian Industry (CII).

Mr. Shreekant Somany
Independent Director

Profile of Directors

Mr. Nitin Desai is a graduate from London School of Economics and a well-known Economist and has had a long and distinguished career with the Government of India and United Nations. Mr. Desai is the Chairman of the Governing Council of The Energy and Resources Institute (TERI), Honorary Professor at the Indian Council for Research in International Economics Relations (ICRIER), and Honorary Fellow of the London School of Economics and Political Science, UK. He is connected with the Governing Bodies of several NGOs and Research Institutions. Mr. Desai has worked at senior levels in the Planning Commission from 1973 to 1987. From 1988 to 1990, he was the Chief Economic Advisor and Secretary in the Department of Economic Affairs in the Ministry of Finance. In 1990, he joined the United Nations as Deputy Secretary General of the 1992 Rio Summit on Environment and Development and later served as Under Secretary General dealing with economic and social affairs from 1993 to 2003. He is also on the Board of Shakti Sustainable Energy Foundation.

Mr. Nitin Desai
Independent Director

Mr. Sanjiv Krishnaji Shelgikar is a veteran Chartered Accountant and has been practicing his profession since 1978. He has also contributed as Special Editor to the book 'The Companies Act' written by A. Ramaiya. He has worked with Videocon Group, handling all local IPOs, international mobilisation of debt and equity, global and local mergers and acquisitions and domestic and international structured financial products for the Group's finances. He is on the Board of Magrolia Leasing and Infotech Pvt. Ltd., Archangel Leasing and Infotech Pvt. Ltd., Microcredit Initiative of Grameen, Joy Holdings Private Limited, Taegutek India Private Limited, Shree Global FZE and Shree International Holding Limited.

Mr. Sanjiv Krishnaji Shelgikar
Independent Director

Mr. Zubair Ahmed is a senior business leader with outstanding credentials of over 40 years in managing businesses across Asia, Middle East and Africa. He started his career with Unilever International in their Middle East Operations. After 15 years with Unilever across countries he joined as Managing Director of Gillette India Ltd and then moved to GSK Consumer Healthcare India Ltd as Managing Director. Thereafter, moved on to Singapore in 2015 as Head of GSK Consumer Health Care businesses across countries of Asia, Middle East and Africa and then subsequently was appointed Chairman of GSK Consumer Health Care India. Post retirement in 2018, he worked as advisors to some of the leading private equity and consumer companies in India. His key strength lies in putting together strategic high growth plans to unlock the true value of companies and their brands through successful execution based on a clear understanding of the category, competition, organisational structure, culture and competencies required for success. He is on the Board of Shaafi Naturcure LLP (Designated Partner) and part of Advisory Board of Group SNS, Dubai, UAE.

Mr. Zubair Ahmed
Independent Director

Ms. Uma Ghurka graduated with a B. Tech degree in Electrical Engineering from IIT, Madras in 1975. She is a seasoned technocrat and a renowned entrepreneur. With a penchant for developing innovative products, she founded Thermo Group - Thermopads Pvt. Ltd, Thermo Cables Ltd, and Thermosystems Pvt. Ltd. Their wide range of products have reached up to over 50 Countries across the globe and provide solutions to both, major industries & for domestic applications. With over 40 years of experience in building and leading business, She brings with her a rich repertoire of technical and business acumen. She has also been an active member of various professional, entrepreneurship and social organisations. Among several eminent positions held by her, she has also been a Non-Executive Director in State Bank of Hyderabad. She was also honored with "Best Woman entrepreneur of the year -1984" by President of India; One of the 50 leading Women Entrepreneurs globally(being the only one from India) in 1999, and received the Distinguished Alumni Award from IIT Madras in 2012. She is currently Managing Director of Thermosystems Pvt. Ltd. and Director in Thermo Cables Ltd., Thermo Polymers Pvt. Ltd., Thermo Capital Private Limited & Confederation of Women Entrepreneurs of India.

Ms. Uma Ghurka
Independent Director

Awards & Accolades FY 2022-23

Unleashing the Potential for Accomplishment

Five Star Rating to Nimbeti Limestone Mine by Ministry of Mines for FY 2021-22

Climate Leaders 2022 Award from CDP India

Platinum Award in Environment Sustainability by Sustainable Development Foundation

Second Position for excellence in Cost Management – Private Manufacturing (Mega) by Institute of Cost Accountants, India

Among Top 50 Best Places to Work across all sectors by Great Places to Work Institute ®, India

Outstanding Performance in Environment Protection Award by Greentech Environment Awards 2022

National Awards by NCCBM for Total Quality Excellence

Golden Bird Environmental Excellence (Platinum) – UPGU, Bihar Cement Plant

Among the Best places to work within the industry by Great Places to Work Institute ®, India

Lowest Frequency Accident Rate Plant Award to Kodla Unit by KRISC

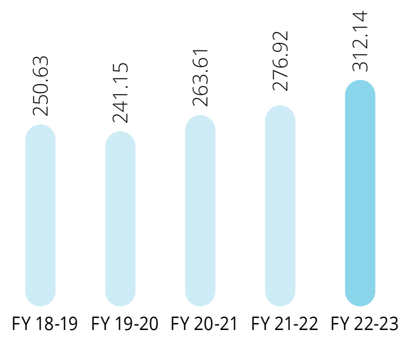
Supply Chain and Logistics Excellence (SCALE) Award - 2022 - by Confederation of Indian Industry (CII) for 7th consecutive year

Top Performer Designated Consumer for Cement Sector of PAT Cycle II under NMEEE by BEE

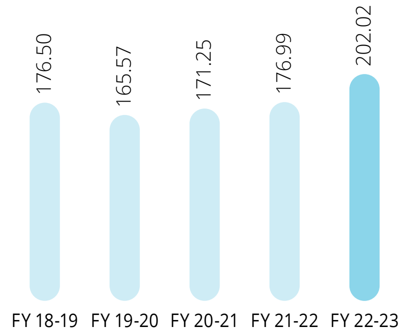
Performance Highlights

Operational Metrics

Cement Production
(Lac ton)

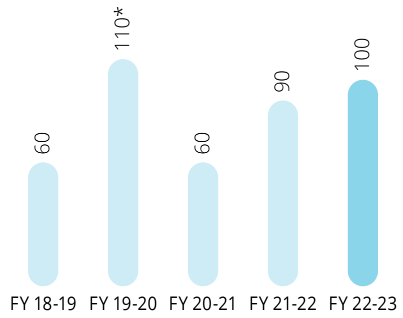


Clinker Production
(Lac ton)



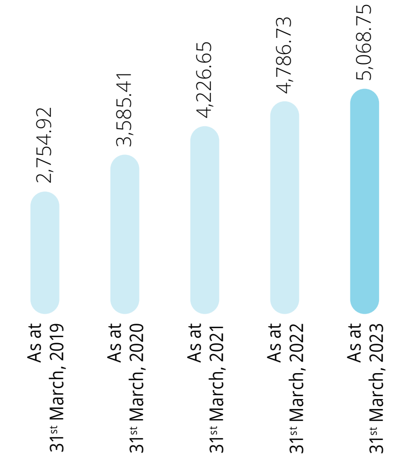
Shareholder Value Creation

Dividend
(₹ per Share)

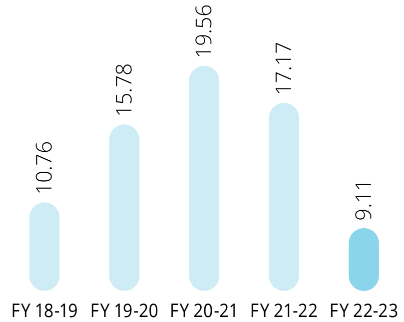


*Includes additional dividend of ₹ 40 per share

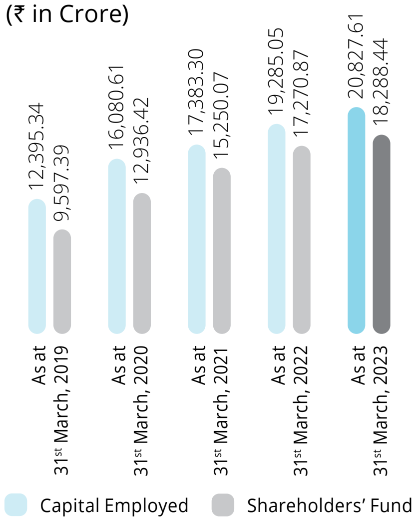
Book Value
(₹ per Share)



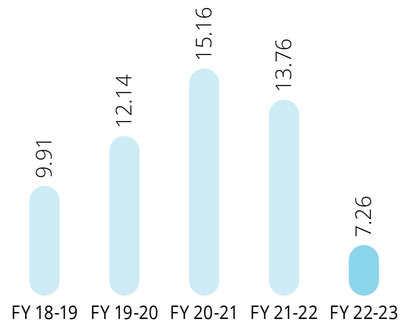
Return on Average Capital Employed
(%)



Capital Employed and Shareholders' Fund
(₹ in Crore)

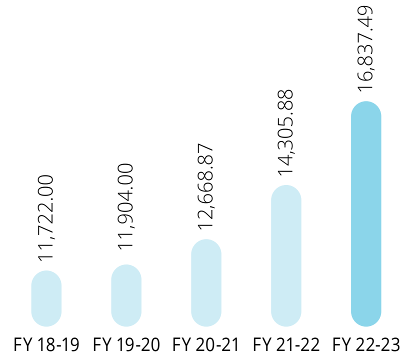


Return on Net Worth
(%)

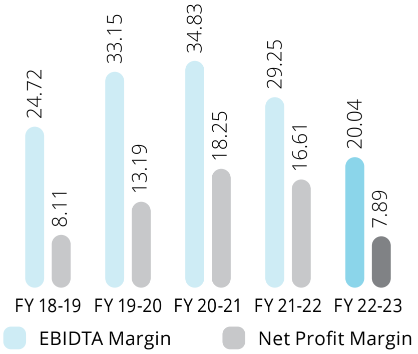


Financial Operations

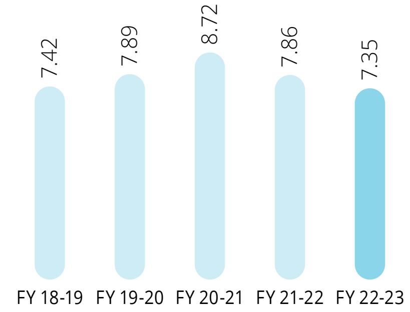
Revenue from Operations
(₹ in Crore)



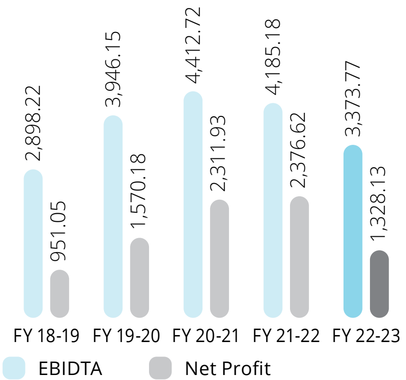
EBIDTA Margin and Net Profit Margin
(%)



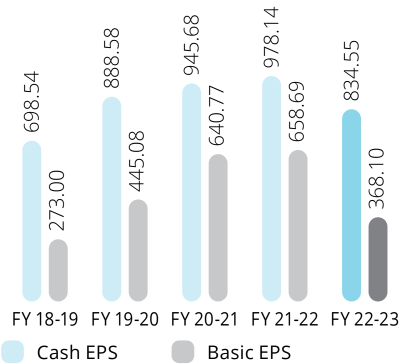
Inventory Turnover
(Times)



EBIDTA and Net Profit
(₹ in Crore)

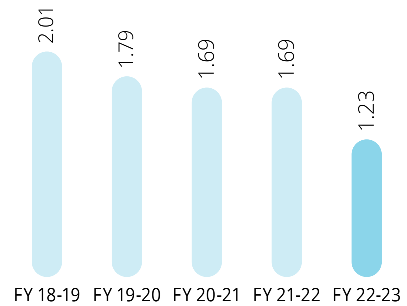


Cash and Basic EPS
(₹ per Share)

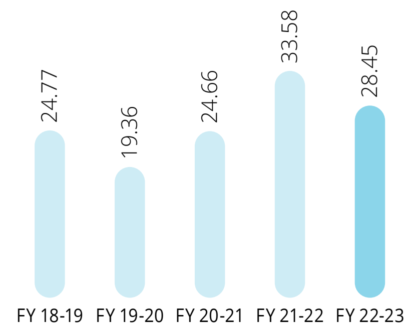


Key Ratios

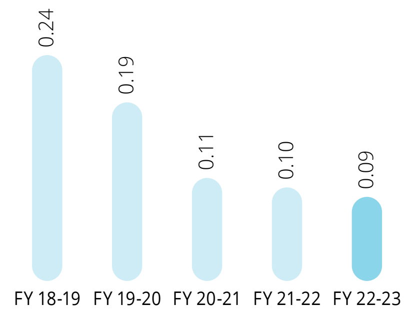
Current Ratio
(Times)



Debtors Turnover
(Times)



Debt Equity Ratio
(Times)



FIVE YEARS HIGHLIGHTS

OPERATIONAL PERFORMANCE

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Cement Production (Lac MT)	250.63	241.15	263.61	276.92	312.14
Cement and Clinker Sales (Lac MT)	258.61	249.24	268.41	277.37	318.17
Net Power Generation (Lac Kwh)	32,536	26,600	16,185	19,108	23,677
Power Consumption (Kwh/Tonne of Cement)	69.05	70.54	68.65	67.15	64.93
Fuel Consumption (Kcal/ kg of Clinker)	719	721	727	733	751

FINANCIAL PERFORMANCE

Profit & Loss Statement (₹ in Crore except per share data)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Net Revenue from Operations	**11,722.00**	**11,904.00**	**12,668.87**	**14,305.88**	**16,837.49**
Other Income	245.40	271.62	432.89	537.34	431.51
Total Net Revenue	**11,967.40**	**12,175.62**	**13,101.76**	**14,843.22**	**17,269.00**
EBIDTA	**2,898.22**	**3,946.15**	**4,412.72**	**4,185.18**	**3,373.77**
Finance Costs	246.98	286.52	247.10	217.78	268.93
Depreciation and Amortisation	1,391.68	1,699.42	1,139.90	1,036.48	1,546.20
Exceptional Items	178.13	-	-	-	-
Profit before Tax	**1,081.43**	**1,960.21**	**3,025.72**	**2,930.92**	**1,558.64**
Tax Expense	130.38	390.03	713.79	554.30	230.51
Net Profit	**951.05**	**1,570.18**	**2,311.93**	**2,376.62**	**1,328.13**
Cash EPS (in ₹)	698.54	888.58	945.68	978.14	834.55
Basic and Diluted EPS (in ₹)	273.00	445.08	640.77	658.69	368.10

Balance Sheet (₹ in Crore)

Particulars	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2023
Net Block of Fixed Assets	4,475.67	3,978.67	3,817.71	4,738.48	4,637.39
Shareholders' Fund (Net Worth)	9,597.39	12,936.42	15,250.07	17,270.87	18,288.44
Total Capital Employed	12,395.34	16,080.61	17,383.30	19,285.05	20,827.61

Key Ratios

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
EBIDTA to Net Revenue from Operations (%)	24.72	33.15	34.83	29.25	20.04
Return on Net Worth (%)	9.91	12.14	15.16	13.76	7.26
Return on Average Capital Employed (%)	10.76	15.78	19.56	17.17	9.11

PERFORMANCE HIGHLIGHTS (SINCE BEGINNING)

Year			Clinker Production (Lac MT)	Cement Sales (Lac MT)	Net Revenue (₹ in Crore)	Shareholders' Fund (₹ in Crore)	Book Value (₹ per Share)
1985		(8 months)	2.60	2.67	22.01	15.46	10.11
1997-98			14.36	16.62	280.59	190.57	54.70
1998-99			19.45	20.91	372.76	196.54	56.42
1999-00			22.85	23.10	409.68	219.39	60.82
2000-01			21.13	24.00	466.85	247.06	66.61
2001-02		(9 months)	16.25	18.02	333.51	215.61	57.58
2002-03			22.85	27.25	455.69	222.40	63.84
2003-04			22.94	28.41	473.23	251.38	72.16
2004-05			24.83	30.61	582.08	289.49	83.10
2005-06			27.71	32.03	669.39	296.30	85.05
2006-07			35.06	48.33	1,367.98	454.55	130.48
2007-08			46.23	63.34	2,109.12	672.81	193.13
2008-09			64.18	77.36	2,710.63	1,210.02	347.33
2009-10			80.45	92.71	3,632.12	1,833.24	526.23
2010-11			74.65	93.38	3,453.53	1,986.18	570.13
2011-12		(15 months)	102.88	142.06	5,799.52	2,733.93	784.77
2012-13			86.82	122.77	5,590.25	3,843.65	1,103.32
2013-14			98.62	140.66	5,887.31	4,710.87	1,352.25
2014-15			113.18	157.45	6,453.57	5,276.40	1,514.59
2015-16		(9 months)	96.83	141.08	5,513.64	6,845.53	1,965.00
2016-17			136.82	200.73	8,594.30	7,698.14	2,209.74
2017-18			151.34	220.18	9,833.10	8,896.83	2,553.83
2018-19			176.50	248.76	11,722.00	9,597.39	2,754.92
2019-20			165.57	239.46	11,904.00	12,936.42	3,585.41
2020-21			171.25	263.18	12,668.87	15,250.07	4,226.65
2021-22			176.99	275.60	14,305.88	17,270.87	4,786.73
2022-23			**202.02**	**309.59**	**16,837.49**	**18,288.44**	**5,068.75**
GROWTH	**Absolute No. of Times**	Since Beginning	51.80	77.30	510.00	1182.67	501.19
		25 Years	14.07	18.62	60.01	95.97	92.66
		20 Years	8.84	11.36	36.95	82.23	79.40
		10 Years	2.33	2.52	3.01	4.76	4.59
		5 Years	1.33	1.41	1.71	2.06	1.98
	CAGR	Since Beginning	11.26%	12.47%	18.35%	21.07%	18.30%
		25 Years	11.16%	12.41%	17.80%	20.03%	19.86%
		20 Years	11.51%	12.92%	19.78%	24.67%	24.45%
		10 Years	8.81%	9.69%	11.66%	16.88%	16.47%
		5 Years	5.95%	7.05%	11.36%	15.50%	14.69%

Note: Figures have been annualised for calculation of Absolute No. of Times and CAGR, wherever required.

Board's Report and Management Discussion and Analysis

Dear Members,

The Directors take pleasure in presenting their 44th Report and Audited Financial Statements of the Company for the financial year 2022-23. Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL PERFORMANCE

A brief of financial performance for the year gone by and its comparison with previous year is given below: -

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	**16,837.49**	**14,305.88**	**17,852.33**	**15,009.56**
Other Income	431.51	537.34	459.08	545.89
Total Income	**17,269.00**	**14,843.22**	**18,311.41**	**15,555.45**
Total Expenditure	13,895.23	10,658.04	14,892.83	11,301.63
Profit Before Interest, Depreciation and Taxes (PBIDT)	**3,373.77**	**4,185.18**	**3,418.58**	**4,253.82**
Finance Costs	268.93	217.78	262.87	216.12
Depreciation and Amortization expenses	1,546.20	1,036.48	1,660.67	1,145.88
Profit Before Tax	**1,558.64**	**2,930.92**	**1,495.04**	**2,891.82**
Tax Expense	230.51	554.30	225.90	555.21
Profit After Tax	**1,328.13**	**2,376.62**	**1,269.14**	**2,336.61**
Profit attributable to Owners of the Company	**-**	**-**	**1,270.70**	**2,331.94**
Profit attributable to Non-Controlling Interest	**-**	**-**	**(1.56)**	**4.67**

Key highlights of the year (Standalone performance):

- Sale volume (cement and clinker) witnessed a healthy increase of 15% from 27.74 million tons in FY 2021-22 to 31.82 million tons in FY 2022-23. Company's Eastern and Southern India operations led the increase with significant growth in YoY sales volumes.
- Net revenue from operations grew by 18% from ₹ 14,306 Crore in FY 2021-22 to ₹ 16,837 Crore in FY 2022-23.
- **Key cost components:** Overall input costs remained high during FY 2022-23 significantly led by fuel cost inflation. Key cost details for FY 2022-23 were as below:

  (a) **Raw material cost:** There was steep rise observed in Fly Ash and Slag prices during the year which led to overall increase in raw material cost. Resultantly, overall raw material cost increased by 30% from ₹ 1,002 Crore in FY 2021-22 to ₹ 1,300 Crore in FY 2022-23.

  (b) **Power & Fuel:** Elevated prices of pet coke and imported coal as a result of geo-political events adversely impacted the entire cement industry. As a result, the power and fuel cost shot up significantly during 2022-23 compared to the previous year. The impact was mitigated to some extent by enhanced sourcing of domestic linkage coal, higher consumption of alternate fuels and augmentation of fuel supply sources. Company's focus on energy management practices helped reduce power consumption per ton of cement from 67.15 kWh in FY 2021-22 to 64.93 kWh in FY 2022-23. It also increased its share of green power in total power consumption from 48.3% in FY 2021-22 to 51.1% in FY 2022-23.

  (c) **Logistics cost:** Company has been able to contain increase in its transportation costs during 2022-23 through route rationalization efforts, digitalization measures and other efficiency improvement initiatives. The Company also stepped up its efforts towards developing rail connectivity for its cement plants which will augment its bulk transport capacity and help contain transportation cost.

- Overall during FY 2022-23, owing to higher fuel costs, Earnings Before Interest Depreciation and Tax (EBIDTA) for the FY 2022-23 came down 19% to ₹ 3,374 Crore from ₹ 4,185 Crore of previous year 2021-22.

Key Financial Ratios

Key financial ratios showing the financial performance of the Company are as under: -

Particulars	2022-23	2021-22	% Change	Remarks
Operating Profit Margin (without other income) (%)	17.47	25.50	(31.47)%	Increase in Power & Fuel Cost
Net Profit Margin (%)	7.89	16.61	(52.52)%	Increase in Power & Fuel Cost and Depreciation
Return on Net Worth (%)	7.26	13.76	(47.23)%	
Interest Coverage Ratio (Times)	12.55	19.22	(34.72)%	Decrease in EBIDTA & increase in Finance Cost
Debtors Turnover (Times)	28.45	33.58	(15.29)%	Increase in Trade Receivables
Inventory Turnover (Times)	7.35	7.86	(6.58)%	Increase in Inventory
Current Ratio (Times)	1.23	1.69	(26.90)%	Increase in Current Borrowings
Debt-Equity Ratio (Times)	0.09	0.10	(12.56)%	Repayment of Long-Term Debts

2. DIVIDEND AND RESERVES

During the FY 2022-23, the Board of Directors declared Interim Dividends of ₹ 45/- and ₹ 55/- per share. The total dividend for FY 2022-23 aggregates to ₹ 100/- per equity share amounting to ₹ 360.81 Crore. During the year 2021-22, the Company had paid dividend of ₹ 90/- per share (Interim & Final) amounting to ₹ 324.73 Crore. The Board has not recommended any final dividend for the FY 2022-23.

The Board of Directors do not propose to transfer any amount to the Reserves for the year 2022-23.

The Board of Directors of the Company in line with provisions of Regulation 43A of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) had approved Dividend Distribution Policy on 12th August, 2016. The policy is uploaded on Company's website and can be accessed at https://www.shreecement.com/investors/policies.

3. MANAGEMENT OUTLOOK OF MACRO ECONOMY AND INDUSTRY

I. Indian Economy-Developments and Outlook

In the face of global headwinds, there is one bright spot - India. By most standards, India sailed through 2022-23 relatively unscathed and has really come out as a clear outperformer. Measured in dollars at current prices, India is now the world's fifth biggest economy surpassing United Kingdom.

Gross Domestic Product (GDP) as per the Second Advance Estimates for the year 2022-23 is estimated to have grown at 7.0 percent on top of 9.1 percent achieved in 2021-22. Apparently, it may look muted. Keeping, however, the global uncertainties and high commodity prices in perspective, this is considered commendable. Growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption. High GST and direct tax collections have provided the government with necessary ammunition to step up its capital expenditure, cushion the impact of the impending global slowdown and keep the economy buoyant. The credit growth also saw revival as a result of improvements in asset quality of the banks and other financial intermediaries. RBI played a key role in tackling the risks arising because of capital flight and mounting inflation. It took measured increase in the key interest rates to continue growth momentum simultaneous to tackling the inflation.

Going forward, with geopolitical uncertainties continuing unabated, there's wide consensus among economists that the global economy is on the verge of entering a phase of slowdown. Amid this uncertain environment, with rate hiking cycle almost coming to an end, softening commodity prices, high tax collections and overall buoyancy in domestic demand, India's GDP growth is expected to remain resilient. It is expected to post a growth of around 6.5 percent in the FY 2023-24. The general election next year and State elections in some of the major States are expected to provide necessary impetus to the economic activities in the current challenging environment.

II. Cement Industry – Development and Outlook

Cement industry continued with its growth momentum this year as well and cement demand estimated to have reached 393-398 Mn Tons level showing a healthy growth of ~11-12% in FY 2022-23. The solid growth is attributed mainly to the tailwinds observed in demand from infrastructure and rural housing segments.

Demand from infrastructure segment maintained its strong undertone as a result of higher government spending across different infra segments. Within infrastructure, demand from roads segment was the highest contributor followed by railways, irrigation and urban infrastructure. In fact, over the years, there has been a steady rise in share of infrastructure in total cement demand. Its share, which was around 11-13% in FY 13 has risen to 26-28% in FY23.

Rural housing segment witnessed improved demand owing to higher rural incomes resulting from better yields and rise in crop prices. Also, there was strong demand observed from "Pradhan Mantri Awas Yojana – Gramin" as well as "Pradhan Mantri Awas Yojana – Urban" which are part of GOI's "Housing for All by 2022" mission. In FY 2022-23, housing construction from PMAY-G witnessed construction of around 40 lakh dwelling units while that in PMAY-U witnessed the same at around 16 lakh units.

On the supply side, industry is estimated to have added ~30 MTPA of new cement capacity during FY 2022-23. The overall capacity utilization levels are estimated to be around 68-69% for year 2022-23. As regards, industry margins, the same saw contraction on account of elevated power & fuel costs.

Going forward, in FY 2023-24 the cement demand is expected to maintain its healthy momentum. The demand growth is expected to be majorly led by Government's thrust on Infra spending and its flagship housing schemes under PM Awas Yojana. Demand is also likely to witness enhanced government spending before the Lok Sabha election in 2024. Infrastructure segment, as a result of ~24% enhanced outlay in budgeted spending of central government on key infra sectors, shall be main demand driver. New projects and capacity expansion plans announced by players in capital intensive sectors such as steel and start of work in PLI led projects & Data Centers, are likely to spur demand from the industrial and commercial segments. Expectation of normal monsoon and muted impact of El Nino along with continuation of healthy prices for farm produce suggests that overall demand in general and rural cement demand in particular should be healthy. Industry margins are also expected to improve because of softening of international coal prices and declining crude oil prices. All in all, FY 2023-24 is expected to witness continuation of healthy cement demand.

4. NEW/EXPANSION PROJECTS

As part of its aim of enhancing its market share across markets, Company has been continually expanding its capacity. During the year, while it continued its work on setting-up its ongoing projects at Nawalgarh in Rajasthan and at Purulia in West Bengal (through its Wholly-owned subsidiary), it also started work of setting up integrated unit in Guntur district of Andhra Pradesh. Continuing with its proven track record of completing its project ahead of schedule and within budgeted cost, Company has expedited project work and preponed scheduled commissioning of its projects. Status of projects under implementation is as below:

Upcoming unit	Type of Unit	Scheduled Timeline	Revised Timeline
Nawalgarh, Rajasthan	Integrate Cement Unit	Q4 – FY 2023-24	Q3 – FY 2023-24
Purulia, West Bengal (through WOS)	Clinker Grinding Unit	Q4 – FY 2022-23*	Q1 – FY 2023-24
Guntur, Andhra Pradesh	Integrate Cement Unit	Q3 – FY 2024-25	Q2 – FY 2024-25

*Plant commissioning got delayed due to certain clearances.

Also, the Company undertook capacity upgradation work of cement grinding unit in Saraikela Kharsawan district of Jharkhand to enhance its capacity from 2.50 MTPA to 3.00 MTPA and completed the same in April 2023 through process optimization, de-bottlenecking and productivity enhancement initiatives. With this initiative along with new projects, the capacity of the Company (including Subsidiary) within India shall increase to ~56 MTPA by end of calendar 2024.

5. RISK MANAGEMENT

Company's risk management process is designed to identify and mitigate risks that have the potential to materially impact its business objectives and maintains a balance between managing risks and making most of the opportunities. The Board is responsible for overseeing the overall risk management framework of the Company. Risk Management Committee of Board keeps an eye on execution of the risk management plan of the company and advises the management on strengthening mitigating measures wherever required. The actual identification, assessment and mitigation of risks are however done by respective management teams of the company in a systematic manner. The risks are prioritised according to significance and likelihood. Risks having high likelihood and high significance are classified as 'key risk'.

The key risks identified by the Company and their mitigation measures are as under:

Risk title	Risk Description	Impact	Mitigation Strategy
Climate Change	The rising temperature as a result of high GHG emissions is the biggest threat humanity is currently facing. Many countries across the globe are working on reducing these emissions. India has committed to be carbon neutral by 2070. Cement production being regarded as carbon intensive process faces risks of restrictions and penal consequences from regulatory bodies.	While we have taken carbon reduction targets and initiatives, not meeting the targets imposed by regulatory bodies may be a risk for us. This also includes the shifts in climate change related regulations impacting business continuity and the focus of investor community, proxy firms including shareholders over climate change action impacting market capitalization.	• Identifying and implementing energy efficiency projects and initiatives, enhanced usage of renewable energy and waste heat recovery power generation. • Targeting increased usage of AFR. • Collaborating with industries and academic institutions to work on carbon capture, usage and storage (CCUS) and low carbon products. • Defining roles and responsibilities including monitoring framework for achievement of ESG related targets.
Consolidation and Intense Competition	The Indian cement industry has presence of several large players medium and small players. Over the years, supply has outpaced demand in the cement sector. Further, the industry is on a regular expansion mode. This has led to intense competition and affected capacity utilization across the industry.	The continuous expansion and consolidation in the industry might impact our market share. Additionally, lower capacity utilization and margins because of intense competition also poses risk to our profitability.	• Expanding capacity regularly at strategic locations to increase market share. • Reviewing and aligning the market strategy to maintain and improve our market share.
Succession Planning	Succession planning helps organizations identify required talent necessary for sustaining operations and achieving future growth	To maintain business continuity, we need to ensure continued availability of right talent to address the risk of disruption in operational activities due to loss of talent.	• Fostering and creating a culture of assigning responsibility to younger talent to groom as future leaders. • Regular trainings for succession planning. • Cross functional and techno-commercial working experience for employees to develop & enhance business acumen for taking leadership roles. • Strengthening existing practices and building roadmap for identification of critical positions, possible successors, their development plans.

Risk title	Risk Description	Impact	Mitigation Strategy
IT Data Privacy and Cyber Security	The IT systems play an important role in providing support to business processes including sales, logistics and production. Therefore, cyber security forms an integral part of the group wide IT security strategy.	To gain competitive edge, robust and advanced IT systems are essential part of the business. Further, in order to maintain business continuity, it is important to have robust IT systems and prevent data breaches as well as the risk of cyber-attacks.	• Periodic review of ERP and key software to meet current and future needs. • Strengthening the established practices and procedures for IT security and governance across the organisation. • Regular monitoring and tracking of licensed products, unauthorized software usage, tracking of data leakage, etc. across the organisation through best-in-class technology and process. • Assessment of IT infrastructure (e.g. Vulnerability Assessment and Penetration Testing - VAPT) followed by cyber security awareness sessions for employees.
Fuel Procurement	The cement operations are predominantly dependent upon coal/ petcoke to meet fuel requirement. Being dependent on conventional source, can hinder the growth and create business continuity risks as well.	Abrupt movements in fuel prices and abrupt changes in its availability due to geo-political reasons affect our business. Continued usage of conventional fuels pose regulatory risks.	• Designing plants and processes allows us to operate on multi-fuels and give flexibility to choose type of fuel basis the availability and at competitive cost. • Enhancing share of alternative fuels to replace the usage of coal and petcoke. • Procuring coal from domestic sources (linkage and captive coal block) to reduce dependency on imported coal.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems includes the policies, processes, tasks, behaviors and other aspects of the Company, which when combined, facilitate effective and efficient operation, quality of internal and external reporting, compliance with applicable laws and regulations.

The Company's objectives, its internal organisation and the environment in which it operates are constantly evolving and as a result, the risks it faces are continuously changing as well. To make its internal controls effective and sound, the Company thoroughly and regularly evaluates the nature and extent of such risks to which the Company is exposed.

The Company has put in place adequate internal control systems commensurate with its size of operations. Company's internal control systems include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework, etc. Company has laid down internal financial controls and systems with regard to adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The framework is in compliance with the requirements of the Companies Act, 2013. The Company periodically assesses design as-well-as operational effectiveness of its internal controls across multiple functions and locations through extensive internal audit exercises.

For carrying out internal audit, Company has an experienced in-house team manned by professionals who collectively possess the necessary skills, technical knowledge, objectivity, and understanding of the Company, industries and markets in which it operates, Further, to improve and strengthen processes, finding opportunities for automation and optimizing costs, the Company has appointed different external agencies for conducting internal audit of different geographical locations of the Company. For this purpose, three renowned independent audit firms have been engaged. These audit firms bring in their domain expertise for optimization and improvement of various business processes which can then be replicated throughout the organization.

Based on the assessment and observations of internal audit, process owners undertake corrective action in their respective areas of operations, and thereby strengthen the processes and controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board on the periodical basis. The Audit Committee evaluates the adequacy and effectiveness of internal financial control systems periodically.

7. HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Business environment is constantly evolving. In order to build a resilient organization that continues to succeed in the new world order, businesses need to build a management system that is flexible and responsive, built around four interrelated trends – more connection, high automation, lower transaction costs and demographic shifts. This requires revisiting the basic tenets of an organization to build models that are creative and adaptable. Models that enable business moves defined by corporate purpose, network of teams instead of hierarchies and where talent is the only differentiator.

To usher in this new evolving world order, Company has undertaken an organization wide transformation powered by smart technology and the three words that defined all its processes including the people processes this year are – Performance, Effectiveness and Optimization.

Key initiatives and achievements for the year are as under:-

Project ARISE: HR Transformation is enabled by smart technology. With the help of a renowned consulting partner and unicorn HR technology platform darwinbox, Company has undertaken HR transformation with objective of reviewing its existing HR processes and policies, benchmarking them with the best in industry and implementing policies most suited to our context. This project is aimed at building an organization that is Agile, Revolutionary, Innovative, Simple and Empowered (ARISE).

India's Best Workplaces for Building a Culture of Innovation for All: Great Place to Work India released a new category of awards to recognize organizations that have built a culture of innovation, and the Company has been awarded and recognized as the only one in cement and building materials sector in this category.

Among India's Top 50 Best Places to Work: During the year, the Company was certified as a Great Place to Work, consequently for the 4th year. Apart from this, the Company also featured among India's Top 50 Best Places to Work for, an upgrade from previous Top 100 league, across all sectors by the "Great Place to Work India". Additionally, it featured among India's Top 25 employers in the Manufacturing Sector for the 4th consecutive year and among the best companies in Cement and Building Materials under Great Place to Work India survey.

Significant Achievement in HR Excellence: The Confederation of Indian Industries (CII) recognized the Company under category 'Significant Achievement in HR Excellence', for the second consecutive year. This recognition is based on a detailed examination of the Company's policies and practices as per the framework designed by CII followed by an onsite audit by senior members of the industry.

Industrial Relations: Company considers its employees as its biggest asset. We, therefore, always strive to build a healthy relationship with them and resolve issues through dialogue and discussions. As a result, employee relations remained cordial during the year.

Total number of employees as on 31st March, 2023 were 6,451.

8. OCCUPATIONAL HEALTH AND SAFETY

Following a 'Safety First' approach, health and safety is a top priority area of the Company. Company has built a robust safety management system based on the globally recognized and practiced OHSAS 18001 standard to institutionalize the organisation-wide focus on Occupational Health and Safety.

Safety Committees' have been formed at all manufacturing units with equal representation from both management and non-management categories. These committees play a pivotal role in achieving the objective of 'Safety First' by undertaking assessment of safety issues on an ongoing basis and implementing suitable initiatives and programs for the same. To transform the way workers' look at safety and make them aware and adopt best practices related to safety, these Committees periodically organise online and offline trainings, mentoring and coaching with the help of internal and external safety experts. This has helped bringing about a consistent positive change to the workers' safety performance. Such interactions are also helping the plant level safety committees get feedback from workers and thereby identifying hazards and minimise the recurrence of the same. The Company has established a structured hazard identification and risk assessment process which helps it to identify potential risks which could have resulted in production disruptions and liabilities.

To provide its employees and contractual workers access to quality and instant healthcare services, Company has established 'Wellness Management Centres' (WMC) at all its major plant locations. WMCs are equipped with qualified doctors and facilities which help carry out day to day health-care services and also conduct annual health check-ups for employees & contract workers. Health talks by experts and specialists are also organised to propagate awareness on chronic and lifestyle diseases.

All safety initiatives and employee engagement programs have been designed to ensure their continuous review and monitoring. Through a regular internal audit protocol, the Company assesses the overall safety performance and examines the existing procedures, systems and control measures for fire & safety hazards. Observations and recommendations are implemented by concerned departments within set timelines. As part of the process, monthly safety performance of all grinding units are reviewed and discussed with all safety professionals for implementation of common safety system and practices.

9. SUSTAINABILITY

The Company has imbibed Sustainability as a core element in its business model. It primarily focuses on conservation of environment, natural resources and energy efficiency. For this purpose, it promotes experimentation and implementation of new ideas for improving efficiencies, optimizing the use of input resources and promote circular economy in the process. Over the past year the role of the cement industry in carbon emissions has received a lot of attention in public discourses. The Government of India is also considering the introduction of setting carbon standards and carbon trading. Our company has taken this into account from an early stage and the details of its work on this issue are given in the key initiatives / developments as mentioned below: -

a) **Increasing use of power from green resources:** Company continued with its leadership position with regard to use of green power (WHR, wind and solar) in its total power consumption. It substantially enhanced its green power capacity to 385.6 MW in FY 2022-23 from 263.1 MW during FY 2021-22. As a result, Company has been able to increase share of green energy in total energy consumption to 51.1% from 48.3% during the previous year. It is in process to set up additional green power capacity of 83 MW at different locations to further enhance its share of green power for meeting its captive requirement. The Company continues its recognition of having the largest WHR capacity in World Cement Industry excluding China. This apart, in terms of operational efficiency of WHRP, Company is regarded as one of the best in the industry.

b) **Energy Conservation:** Energy conservation is at the extreme focus of the Company and has seen numerous innovations and initiatives over the years ranging from shop-floor experiments to large capex. This has yielded multiple benefits including reduction in carbon intensity and rationalization of production costs. More details on initiatives taken in the area of energy conservation are given in **Annexure – 3** to this report. Company's performance in energy conservation is getting exemplified at public forums like "Perform, Achieve & Trade" (PAT) scheme of the Govt. of India wherein the Company overachieved its targets in PAT Cycle I, II and III continuously. The Company was awarded the 'Best Performer' award for obtaining maximum number of energy saving certificates under PAT Cycle I as well as PAT cycle II by Bureau of Energy Efficiency.

c) **Alternative Fuels and Raw Materials:** Company is constantly working on to increase usage of alternative raw materials and fuels in its operations. Company uses wastes of various industries such as Pharma, Chemical, Sponge Iron, fertilizer, thermal power plant and others as alternative raw materials and alternative fuels. Company is also utilizing MSW (Municipal Solid Waste), RDF (Refused Derived Fuel) and Agriculture Crop Residue as alternate fuel to conserve fossil fuel. These measures have helped the Company to improve its Thermal Substitution Rate to 3.50% in FY 2022-23 from 2.41% in FY 2021-22. Company's share of alternate raw material consumption in total raw material consumption stood at 27.96% in FY 2022-23.

d) **Green products:** The Company has been producing blended cement in the category of Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement (CC) conforming strictly to the specified BIS norms. Blended cement contributes to sustainable design by making concrete stronger and durable, reducing consumption of natural resources such as limestone, lowering greenhouse gas emissions, and contributes to a circular economy by utilizing wastes from power, iron and steel plants. Use of blended cement also has cost benefits for Company's customers. The share of blended cement in total cement production is 76.97% in FY 2022-23. During the year, Company's blended cement products manufactured at all its locations have been certified under renowned Greenpro certification by Confederation of Indian Industry (CII). We are also exploring feasibility of another sustainable alternative to OPC i.e., Limestone Calcined Clay Cement (LC3).

e) **Carbon reduction:** Company has been constantly working upon ways to reduce its carbon emissions. Over the years, measures such as installation of waste heat recovery plants, increased production of blended cement, increased usage of renewable energy, etc. have been taken by the Company in this direction. Its Specific Net Scope 1 emissions (kg CO_2/ton of cementitious material) has come down from 530 during FY 2021-22 to 521 during FY 2022-23. As part of Science based targets (SBTi), the Company has committed to reduce Scope 1 GHG emissions by 12.7% per ton of cementitious materials by 2030 from a 2019 base year and scope 2 GHG emissions by 27.1% per ton of cementitious materials within the same timeframe. The company is progressing well on the path to achieve its GHG emission reduction targets.

f) **Water Conservation:** Water is a precious natural resource. The Company has been working on two-pronged approach of optimising its water consumption as well as increasing availability of water through water harvesting and recharging. Company's initiatives in this regard such as installation of Air Cooled Condensers in all its thermal power plants and setting-up Waste Heat Recovery based power plants have been a great success. Other initiatives include construction of rain water harvesting structures around operating sites and mining area, installation of Sewage Treatment Plants for treating domestic waste water, use of recycled water in operations, online monitoring of ground water level, installation of water sensors & fixtures, etc. which help in reducing water consumption, increase water availability and reduce dependence on ground water. To augment the water supply from natural sources, the company also obtained treated sewage water from municipalities at few of its locations which was then further treated and used for manufacturing and other purposes. As a result, Company is more than six times water positive.

g) **Environment, Social and Governance Reporting:** Company released its first Integrated Annual Report in FY 2021-22 including ESG disclosures based on GRI and other relevant guidelines. The Company also published its 18th annual Corporate Sustainability Report for the reporting period 2021-22, prepared in accordance with the "GRI Standards – Comprehensive Option" assured by an independent certifying agency.

The Company has also issued its Business Responsibility Report as part of Annual Report since year 2012-13 disclosing its performance with respect to various Business Responsibility principles. This apart, it has been consistently participating in various benchmarking and rating exercises such as Dow Jones Sustainability Index, CDP Climate Change and CDP Water Security, etc. to gauge and improve its ESG performance.

10. CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, Company was in compliance with the provisions relating to corporate governance as provided under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The compliance report is provided in the Corporate Governance section of this Annual Report. The Auditor's Certificate on Corporate Governance is enclosed at **Annexure - 1.**

11. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with relevant SEBI Circulars, Company is also releasing Business Responsibility and Sustainability Report ('BRSR') as part of this Annual Report covering new reporting requirements on ESG parameters. The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct' ('NGRBCs'). As per the SEBI Circulars, effective from the financial year 2022-23, filing of BRSR is mandatory for the top 1000 listed companies by market capitalisation. Accordingly, for the financial year ended 31st March, 2023, Company is publishing BRSR instead of Business Responsibility Report.

12. CORPORATE SOCIAL RESPONSIBILITY

As part of its triple bottom-line approach to its business, Company has always considered the community as its key stakeholder. It believes that the community around its operations should also grow and prosper in the same manner as does its own business. Accordingly, Corporate Social Responsibility forms an integral part of the Company's business philosophy. To oversee all its CSR initiatives and activities, the Company has constituted a Board-level Committee - CSR and Sustainability Committee. The major thrust areas of the Company include healthcare, education, women empowerment, infrastructure support, integrated rural development, etc. which are aligned to the areas specified under Schedule VII to the Companies Act, 2013. The Annual Report on CSR activities of FY 2022-23 with requisite details in the specified format as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) is enclosed at **Annexure – 2** and forms part of this report. The CSR Policy of the Company may be accessed on website of the Company at https://www.shreecement.com/investors/policies.

13. SUBSIDIARY COMPANIES

The Company has following subsidiaries:

S.No.	Name of Subsidiaries	Nature of Interest
1	Shree Global FZE	Wholly Owned Subsidiaries
2	Raipur Handling and Infrastructure Private Limited	
3	Shree Cement East Private Limited	
4	Shree Cement North Private Limited	
5	Shree Cement South Private Limited	
6	Shree Enterprises Management Ltd	Step-down Subsidiaries
7	Shree International Holding Ltd	
8	Union Cement Company PrJSC	
9	U C N Co. Ltd LLC (earlier Union Cement Norcem Co. Ltd. LLC)	
10	Shree Cement East Bengal Foundation	Subsidiary Company (Incorporated under section 8 of the Companies Act, 2013)

Audited financial statements of the subsidiaries of the Company are available on the website of the Company. The shareholders, who wish to receive a copy of Annual Accounts of the Subsidiary Companies, may request the Company Secretary for the same. The policy for determining material subsidiaries as approved by the Board can be accessed on the website of the Company at https://www.shreecement.com/investors/policies.

Pursuant to section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiary companies in prescribed Form AOC-1 is given in the Consolidated Financial Statements of Company and forms part of this Annual Report.

14. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company have been prepared as required in terms of provisions of Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) by following the applicable Accounting Standards notified by the Ministry of Corporate Affairs and forms part of this Annual Report.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors of the Company, to the best of their knowledge and belief and according to the information and explanations obtained by them, state that:

- In the preparation of the annual accounts for the year ended 31st March, 2023 the applicable accounting standards have been followed and there are no material departures from the same;
- They have selected such accounting policies, judgments and estimates that are reasonable and prudent and have applied them consistently so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the statement of Profit and Loss as well as Cash Flow of the company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis;
- Necessary internal financial controls have been laid down by the Company and the same are commensurate with its size of operations and that they are adequate and were operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES & INDIVIDUAL DIRECTORS

In terms of requirements of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and provisions of Companies Act, 2013, Nomination cum Remuneration Committee of the Board of Directors of the Company specified the manner for effective evaluation of performance of Board, its Committees and Individual Directors.

Based on the same, the Board carries out annual evaluation of its own performance, performance of its Committees, Individual Directors including Independent Directors. Company adopted the evaluation parameters as suggested by the Institute of Company Secretaries of India and Securities and Exchange Board of India with suitable changes from Company's perspective. The performance of the Board is evaluated by the Board on the basis of criteria such as Board composition and structure, effectiveness of Board processes, information flow to Board, functioning of the Board, etc. The performance of Committees is evaluated by the Board on the basis of criteria such as composition of Committees, effectiveness of Committee working, independence, etc. The Board evaluates the performance of individual Director on the basis of criteria such as attendance and contribution of Director at Board/Committee Meetings, adherence to ethical standards and code of conduct of the Company, inter-personal relations with other Directors, meaningful and constructive contribution and inputs in the Board/ Committee meetings, etc.

Company appoints an External Facilitator for the purpose of carrying out the performance evaluation in a fair and transparent manner.

Structured questionnaires are circulated to Board Members for providing feedback on various parameters (as stated above) including on performance of Board / Committees / Directors, engagement levels, independence of judgment and other criteria. This is followed with review and discussions at the level of Board.

In a separate meeting of the Independent Directors, performance evaluation of Non-Independent Directors, the Board as a whole and performance evaluation of Chairman is carried out, taking into account the views of Executive and Non-Executive Directors. The quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties are also evaluated in the said meeting.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year:-

(i) The Board of Directors of the Company in its meeting held on 21st May, 2022, on the recommendation of Nomination cum Remuneration Committee appointed Mr. Zubair Ahmed (DIN: 00182990) as an Independent Director of the Company w.e.f. 21st May, 2022 for a term of 5 (five) years, subject to approval of the members. Approval of Members was obtained at the 43rd Annual General Meeting held on 28th July, 2022.

(ii) Mr. Benugopal Bangur (DIN: 00244196) resigned as Chairman and Director of the Company from the close of Business Hours on 14th October, 2022.

(iii) The Board of Directors of the Company in its meeting held on 14th October, 2022, on the recommendation of Nomination cum Remuneration Committee, subject to the approval of members:-

(a) appointed Mr. Neeraj Akhoury (DIN: 07419090) as Managing Director of the Company w.e.f. 14th October, 2022, for a period of 5 (five) years;

(b) changed the designation of Mr. Hari Mohan Bangur (DIN: 00244329) from "Managing Director" to "Chairman" effective from 15th October, 2022;

(c) changed the designation of Mr. Prashant Bangur (DIN: 00403621) from "Joint Managing Director" to "Vice Chairman" effective from 14th October, 2022;

Approval of Members for the above was obtained by passing of Resolution(s) through Postal Ballot on 7th December, 2022.

(iv) Dr. Yoginder K. Alagh (DIN: 00244686) and Mr. Ratan Lal Gaggar (DIN: 00066068) resigned from the position of the Independent Directors of the Company effective from the close of Business Hours on 10th August, 2022 & 15th December, 2022 respectively, due to their personal reasons. Further, at the time of resignation, they had confirmed that there were no material reasons for their decision to resign.

(v) Mr. Prakash Narayan Chhangani (DIN: 08189579), Whole Time Director of the Company resigned as Director of the Company from the close of Business Hours on 13th February, 2023.

In accordance with section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), each Independent Director has given a declaration to the Company confirming that he/she meets the criteria of independence as specified under section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). They have also confirmed the compliance of Rule 6 of the Companies (Appointment and Qualification of Directors) Rule, 2014 regarding inclusion of their names in the data bank of Indian Institute of Corporate Affairs (IICA).

The Board is of the opinion that the Independent Directors of the Company including those appointed during the year, possess requisite qualifications, expertise and experience and they hold highest standards of integrity.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Hari Mohan Bangur (DIN: 00244329), Director ['Chairman' of the Company (in whole time capacity)] of the Company will retire by rotation in the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. Hari Mohan Bangur. His re-appointment at the 44th AGM as a director retiring by rotation would not constitute break in his tenure of appointment.

18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In order to acquaint the new directors with the Company, a detailed presentation is given to them at the time of their appointment which covers their role, duties and responsibilities, Company's strategy, business model, operations, markets, organizational structure, products, etc. A detailed presentation along similar lines is sent to existing Independent Directors every year to keep them apprised of the above details.

As part of Board discussions, presentation on performance of the Company is shared with the Board during its meeting(s). Plant visits are also arranged for Independent Directors from time-to time for better understanding of the Company's operations. The details of such familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at link https://www.shreecement.com/investors/disclosure-regulation.

19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at **Annexure - 4**.

In terms of the provisions of section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during such working hours as are provided under the Articles of Association of the Company and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

20. AUDITORS

I. Statutory Auditors

M/s. B R Maheswari & Co LLP, Chartered Accountants (Firm's Registration No. 001035N/N500050) were appointed as Statutory Auditors of the Company, in the Annual General Meeting held on 28th July, 2022, for a consecutive term of five years from the conclusion of 43rd Annual General Meeting till the Conclusion of 48th Annual General Meeting. They have given their report on the Annual Financial Statements for Financial Year 2022-23.

The Audit Report does not contain any qualification, reservation or adverse remark.

II. Secretarial Auditors

The Board had appointed M/s. Pinchaa & Co., Company Secretaries as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2022-23. They have submitted their report in prescribed format and the same is enclosed at **Annexure - 5**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

III. Cost Auditors

The Cost Auditors are in process of conducting the audit of cost records for year 2022-23 and shall submit their report in due course.

In terms of the provisions of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of the Company have appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur (Firm Registration No. 000024) to conduct the cost audit for the financial year ending 31st March, 2024 at a remuneration as stated in the Notice convening the 44th Annual General Meeting of the members. As required under the Companies Act, 2013, the remuneration payable to cost auditors has to be placed before the Members at the general meeting for ratification. Hence, a resolution seeking ratification of remuneration by the Members, payable to the Cost Auditors, forms part of the Notice of the ensuing 44th AGM.

21. OTHER DISCLOSURES

(a) Composition of Audit Committee: The Audit Committee comprises of Mr. Shreekant Somany as Chairman, Mr. Nitin Desai, Mr. Sanjiv Krishnaji Shelgikar and Mr. Zubair Ahmed as other Members. More details are given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

(b) Details of Meetings of Board and its Committees: The Board of Directors of your Company met 4 times during the year to deliberate on various matters. The meetings were held on 21st May, 2022, 28th July, 2022, 14th October, 2022 and 8th February, 2023. Further details are available in the Corporate Governance Report forming part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

(c) Annual Return: In terms of section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at link https://www.shreecement.com/investors/shareholder-information.

(d) Particulars of Loans, Guarantees or Investments: Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in Notes to the standalone financial statements.

(e) Related Party Transactions: All Related Party Transactions during the financial year 2022-23 were on arm's length basis and in ordinary course of business. They were all in compliance with the applicable provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). All such transactions are placed before the Audit Committee for review/approval. The necessary omnibus approvals have been obtained from Audit Committee wherever required. There were no material Related Party Contracts/Arrangements/Transactions made by the Company during the year 2022-23 that would have required Shareholders' approval under provisions of section 188 of the Companies Act, 2013 or of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The Company has adopted a Related Party Transactions Policy duly approved by the Board, which is uploaded on the Company's website & may be accessed at https://www.shreecement.com/investors/policies.

Further, in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the transactions with person/entity belonging to the promoter/promoter group holding 10% or more shareholding in the Company are as under:

Name of the Entity	% Holding in the Company	Amount (₹ in Crore)	Nature of Transaction
Shree Capital Services Ltd.	24.90%	0.50	Payment of Office Rent

(f) Deposits from Public: The Company has not accepted any deposits from public covered under Chapter V of the Companies Act, 2013 during the year and as such, no amount on account of principal or interest on deposits from public was outstanding.

(g) Managing the Risk of Fraud, Corruption and Unethical Business Practices

Vigil Mechanism/Whistle Blower Policy: The Company has adopted a whistle blower policy and established the necessary vigil mechanism for employees and Directors to report concerns about unethical behaviour. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The whistle blower policy may be accessed on the website of the Company at https://www.shreecement.com/investors/policies.

Code of Conduct: Company believes in the principle of trust which can be derived through ethical practices, transparency and accountability to stakeholders. Keeping the same into account, Company has in place a "Code of Conduct". Every director and employee is required to adhere to the same. The details of the code of conduct can be accessed on the website of the Company at https://www.shreecement.com/investors/policies.

Anti-Bribery and Anti-Corruption Policy: To conduct the business in an ethical, honest and transparent manner, the Board of Directors of the Company has adopted Anti- bribery and Anti-Corruption Policy. Company has zero tolerance approach toward bribery and corruption. The Policy applies to all the directors and employees of the Company and its subsidiaries including third parties who are working on behalf of Company/its subsidiaries. The details of the policy can be accessed on the website of the Company at https://www.shreecement.com/investors/policies.

(h) Remuneration Policy: Company firmly believes in nurturing a people friendly environment which is geared to drive the organisation towards high and sustainable growth. Each and every personnel working with Company strives to achieve the Company's vision of being the best in the industry. Its remuneration policy is therefore designed to achieve this vision. The policy has been approved by the Board on the recommendation of Nomination cum Remuneration Committee. The policy is applicable to Directors, Key Managerial Personnel and other employees. The policy provides that while nominating appointment of a Director, the Nomination cum Remuneration Committee shall consider the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate the Directors for delivering high performance. The Remuneration Policy can be accessed on the website of the Company at https://www.shreecement.com/investors/policies.

(i) Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace: The Company has complied with the provisions of the constitution of the 'Internal Committee' as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"), Company is having "Prohibition of Sexual Harassment Policy" which provides the mechanism to redress complaints reported under the said Act. As provided by the POSH Act, Company has formed Internal Complaints Committees (ICC) at all work places to cover all Units, Sales offices, Regional office and Corporate offices. The Internal Committee (IC) comprises of internal members and external member who has an extensive experience in the field. Company has not received any complaint of sexual harassment during the financial year 2022-23.

(j) Material Changes after the Close of Financial Year: There have been no material changes and commitments which have occurred after the close of the year till the date of this report, affecting the financial position of the Company.

(k) Significant and Material Orders passed by the Regulators or Courts: No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

(l) Maintenance of Cost Records: Company is required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013. Accordingly, such accounts and records are made and maintained by the Company.

(m) Compliance with Secretarial Standards: Company has complied with the Secretarial Standards issued by Institute of Companies Secretaries of India (ICSI) on Board Meetings (SS- 1) and General Meetings (SS-2).

(n) Adoption of new set of Articles of Association : During the year 2022-23 company has adopted new set of Articles of

Association of the Company in substitution, and to the entire exclusion of the Articles contained in the existing Articles of Association of the Company, to make it consistent and align it with the provisions of the Companies Act, 2013 and the Rules made thereunder.

(o) **Alteration in the Object Clause of the Company :** The Board of Directors of the Company through circular resolution passed on 4th March, 2023, approved alteration of Clause Ill. (A) of the Objects Clause of the Memorandum of Association of the Company by inserting clause 2 & 3 for covering the mining of coal and other minerals/ materials and commercial activities related thereto that are not specifically covered under the Main Objects. Approval of Members was obtained by passing of Resolution through postal ballot on 9th April, 2023.

(p) **Cyberattacks and Cybercrime :** On 28th March, 2023, Company had detected an incident of breach of its IT security on its IT assets. Company's IT team with the help of team of external consultants immediately took all the necessary measures to prevent damage to the IT systems of the Company. The Company's production facilities were not affected by the incident. However, the dispatches faced some difficulty, which were normalized in a day's time. All the critical data have since been recovered and restored. Company has taken all necessary initiative to further strengthen its measures to deal with risks arising out of cyber security related incidents.

22. ACKNOWLEDGEMENT

The Directors take this opportunity to express their deep sense of gratitude to its Central and State Governments and local authorities for their continued co-operation and support. They also would like to place on record their sincere appreciation for the commitment, hard work and high engagement level of every member of the Shree family without which the exemplary performance of the Company year after year, would not have been possible. The Directors would also like to thank various stakeholders of the Company including customers, dealers, suppliers, lenders, transporters, advisors, local community, etc. for their continued committed engagement with the Company. The Directors would also like to thank the Members of the Company for confidence and trust reposed in them.

For and on behalf of the Board

H. M. Bangur
Chairman
DIN: 00244329

Date: 22nd May, 2023
Place: Gurugram

Annexure-1 to the Board's Report

Independent Auditors' Certificate on Corporate Governance

To,
THE MEMBERS OF
SHREE CEMENT LIMITED

1. We, B.R. Maheswari & Co. LLP, Chartered Accountants, the Statutory Auditors of Shree Cement Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing (Obligation and Disclosure requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This Responsibility includes the Design, implementation and maintenance of internal controls and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2023.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No.: 001035N/N500050

Sudhir Maheshwari
Partner
Membership No.: 081075

Date: 22nd May, 2023
Place: Gurugram
UDIN: 23081075BGQYRL7021

Annexure-2 to the Board's Report

Annual Report on Corporate Social Responsibility Activities for year ended 31st March, 2023

[Pursuant to section 135 of the Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended)]

1. **Brief outline on CSR Policy of the Company**

The Company follows community development strategy with initiatives interlinked to its long-term objectives for sustainable development. Its business and economic growth has always been underlined/ complimented by adherence to environmental preservation, societal upliftment and financial prudence. Accordingly, the Company has made social development an integral part of its business objectives to bring about a meaningful change in the lives of people/ communities associated with it. The projects / activities/ interventions undertaken by the Company in the field of corporate social responsibility fall within the broad framework of Schedule VII to the Companies Act, 2013 which interalia include wide range of areas aligned to national priorities and sustainable development such as education, healthcare, sustainable livelihood, women empowerment, rural and infrastructure development, environment protection, supporting widows/ dependents of martyrs of armed forces and promotion of art, culture & sports, epitomizing a holistic approach to inclusive growth.

2. **Composition of CSR Committee**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Nitin Desai	Chairman, Independent Director	1	1
2.	Mr. Prashant Bangur	Member, Vice Chairman	1	1
3.	Mr. Sanjiv Krishnaji Shelgikar	Member, Independent Director	1	1
4.	Ms. Uma Ghurka	Member, Independent Director	1	1
5.	Mr. Prakash Narayan Chhangani *(ceased w.e.f. 13th February, 2023 consequent upon cessation of office of Director)*	Member, Whole Time Director	1	1
6.	Mr. Neeraj Akhoury *(inducted as member w.e.f. 14th October, 2022)*	Member, Managing Director	1	N.A.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

Composition of CSR Committee is available on Company's website at following link: https://www.shreecement.com/investors/disclosure-regulation
CSR policy of the Company is available at its website at https://www.shreecement.com/investors/policies
Details about CSR activities of the Company are available at https://www.shreecement.com/sustainability#community

4. **Provide the executive summary alongwith web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable**

In line with sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company carried out impact assessment through an independent agency in the financial year 2022-23 for the applicable projects.
These projects pertained to thematic areas of rural development, promotion of art & culture and renovation of sites of historical importance, helping elderly people, promotion of education, etc. The impact assessment reports for these projects have been uploaded on website of the Company at https://www.shreecement.com/sustainability/sustainability-reports.

5.	**(a) Average net profit of the company as per sub-section 5 of section 135**	₹ 3,072.37 Crore
	(b) Two percent of average net profit of the company as per sub-section 5 of section 135	₹ 61.45 Crore
	(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	NIL
	(d) Amount required to be set off for the financial year, if any	₹ 5.42 Crore
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	₹ 56.03 Crore
6.	**(a) Amount spent on CSR Project (both Ongoing Project and other than Ongoing Project).**	₹ 66.88 Crore
	(b) Amount spent in Administrative Overheads	₹ 3.11 Crore
	(c) Amount spent on Impact Assessment, if applicable	NIL
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 69.99 Crore

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ Crore)	Amount Unspent (in ₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
69.99	NIL	NA	NA	NIL	NA

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ in Crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135 [Refer point 5(e) above]	56.03
(ii)	Total amount spent for the Financial Year	69.99
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	13.96
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	13.96

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years**

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ Crore)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹ Crore)**	**Amount Spent in the Financial Year (in ₹ Crore)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in ₹ Crore)**	**Deficiency, if any**
					Amount (₹ Crore)	**Date of Transfer**		
1	FY-1	NIL	NIL	NIL	NIL	NA	NIL	NA
2	FY-2							
3	FY-3							

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

☐ Yes	☑ No
If Yes, enter the number of Capital assets created/ acquired	NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl No.	**Short particulars of the property or asset(s) [including complete address and location of the property]**	**Pincode of the property or asset(s)**	**Date of creation**	**Amount of CSR Amount spent**	**Details of entity/ Authority/ beneficiary of the registered owner**		
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**		
					CSR Registration Number, if applicable	**Name**	**Registered address**
NIL							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section(5) of section 135** — Not applicable

Date: 22nd May, 2023
Place: Gurugram

Neeraj Akhoury
Managing Director
DIN: 07419090

Nitin Desai
Chairman – CSR and Sustainability Committee
DIN: 02895410

Annexure-3 to the Board's Report

[Pursuant to section 134 (3) (m) of The Companies Act, 2013 read with Rule 8 (3) of The Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of Energy

- Installation of VFD and MVD at various drives
- Installation of Delta Star Converter & conversion to Permanent Star Connection of Motors
- Installation of latest design new energy efficient fans in place of existing inefficient fans
- Optimization of pumping system by changing pipe layout and replacement of old pumps with energy efficient pumps
- Installation of Occupancy/Motion sensors at various locations to reduce idle running of lights
- Installation of IE4 Motors to reduce line losses
- Replacement of conventional light (CFL, Tube lights, HPSV) with LED & Solar lights at various locations
- Idle belt conveyor running optimization by providing interlock with conveyor unload current
- Installation of Screw Compressor with VFD for plant air in place of reciprocating compressors at Grinding Units
- Installation of LP Screw Compressor in place of HP compressor for bulker unloading
- Feedback to bag filter fans from bag filter suction pressure to vary fan RPM
- Floor wise distribution of lighting circuit to avoid idle Light illumination of complete building against the light required at work place
- Run bag filter fans in Differential pressure mode to avoid excess purging which leads to pressure drop
- Modification in hopper feeding system to replace feed belt conveyors by diverting gates
- Small blower installed in packing plants for cleaning purpose to avoid compressed air usage for cleaning
- Optimization of Bucket Elevators Capacity to reduce power consumption
- Modification in Solid AFR Feeding Circuit to increase consumption of AFR
- Modification of venting line of B/F fan in packing plant to optimize power
- Bag filters from old and new slag BRUs removed from the circuit
- Coal hopper top reversible belt conveyor completely removed and chute provided for hopper feeding
- Coal mill stack canopy removed to avoid pressure drop
- Insulation at HAR duct to avoid heat loss
- Air GI line replaced with SS line to minimize air leakages
- Installation of guide vanes in Air cooled condenser to counter lateral wind effect on Fans
- Installation of Low pressure boiler feed pump for LP steam generation in green power plant.

(b) Steps taken by the company for utilising alternate sources of energy

- Installed Renewable Energy Power Plants at various locations
- Use of Alternative fuels for clinker production and power generation
- Increase in capacity of waste heat recovery power plants.

(c) Capital investment on energy conservation equipment: ₹ 596.26 Crore

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

- Industrial waste utilization to increase thermal substitution rate
- Adoption of Centrifugal Compressor technology first time in Indian Cement Industry with waste heat recovery system
- Adoption of PXP (Auto Intelligence system) to enhance productivity
- Thermal scanning of Ducts and electrical equipment

- Company has leading research & development centres at Beawar and Ras, both of which are recognized by Department of Science & Industrial Research (DSIR), Government of India. It makes continuous efforts towards adoption and implementation of new technologies, which assist in reducing the Company's carbon footprint
- Company's officials participate in various national and international seminars on technology up-gradation, adaptions & innovation and share knowledge at various global forums at National & International platforms

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

- Energy conservation
- Emission reduction
- Conservation of natural resources
- Improvement in equipment efficiency and productivity
- Cost reduction

(iii) Information regarding imported technology (imported during last three years)

Details of technology imported	Technology import from	Year of Import	Status implementation / absorption
-	-	-	-

(iv) Expenditure incurred on Research and Development

(₹ in Crore)

Particulars	2022-23						2021-22
	Beawar	Ras	Kodla	Raipur	Others	Total	Total
Capital	1.46	4.25	0.44	1.50	4.37	12.02	2.56
Revenue	4.42	7.66	2.49	4.31	6.93	25.81	22.29
Total	**5.88**	**11.91**	**2.93**	**5.81**	**11.30**	**37.83**	**24.85**
Total R&D Expenditure as a % of Turnover						**0.22%**	**0.17%**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crore)

Particulars	2022-23	2021-22
Earned	10.05	187.91
Outgo	3,396.31	2,065.36

For and on behalf of the Board

H. M. Bangur
Chairman
DIN: 00244329

Date: 22nd May, 2023
Place: Gurugram

Annexure-4 to the Board's Report

[Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23, the percentage increase in remuneration of each Director, Chief Finance Officer and Company Secretary during the financial year 2022-23 are as under:

S. N.	Name of Director / KMP and Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in the remuneration for the Financial Year 2022-23
1	Mr. Benugopal Bangur - Chairman (Non-Executive) [Ceased w.e.f. 14th October, 2022 (Close of Business Hours)]	No sitting fee/commission paid	
2	Mr. Hari Mohan Bangur - Chairman / KMP	761.0	7.02%
3	Mr. Prashant Bangur - Vice Chairman / KMP	410.3	5.45%
4	Mr. Neeraj Akhoury - Managing Director/KMP [Appointed w.e.f. 14th October, 2022]	148.1	Not Applicable
5	Mr. Prakash Narayan Chhangani - Whole Time Director / KMP [Ceased w.e.f. 13th February, 2023 (Close of Business Hours)]	74.0*	(1.95)%*
6	Mr. Shreekant Somany - Independent & Non-Executive	5.8	7.69%
7	Mr. Nitin Desai - Independent & Non-Executive	5.8	1.82%
8	Mr. Sanjiv Krishnaji Shelgikar - Independent & Non-Executive	6.3	7.14%
9	Ms. Uma Ghurka - Independent & Non-Executive	5.2	0.00%
10	Mr. Zubair Ahmed - Independent & Non-Executive (Appointed on 21st May, 2022)	4.3	Not Applicable
11	Mr. Ratan Lal Gaggar - Independent & Non-Executive [Ceased w.e.f. 15th December 2022 (Close of Business Hours)]	3.9	(22.45)%
12	Dr. Yoginder K. Alagh - Independent & Non-Executive [Ceased w.e.f. 10th August, 2022 (Close of Business Hours)]	2.2	(61.98)%
Key Managerial Personnel (Other than Chairman, Vice Chairman and Managing Director)			
1	Mr. S. S. Khandelwal Company Secretary	Not Applicable	11.86%
2	Mr. Subhash Jajoo Chief Finance Officer	Not Applicable	9.89%

**Excluding Retirement benefits*

ii. The percentage increase in the median remuneration of Employees in the Financial Year:
There was 8.41% increase in the median remuneration of employees during 2022-23.

iii. The No. of Permanent Employees on the rolls of Company:
No. of Permanent Employees on the rolls of the Company as on 31st March, 2023 were 6,451.

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-23 was 8.48% whereas the increase in the managerial remuneration was 6.47%. The remuneration of Working Directors is decided based on Industry trend, remuneration package in other comparable Corporates, Job contents, key performance areas and Company's performance (including ESG).

v. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board

H. M. Bangur
Chairman
DIN: 00244329

Date: 22nd May, 2023
Place: Gurugram

Annexure-5 to the Board's Report

Form No.: MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended on 31st March, 2023
{Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To
The Members,
Shree Cement Limited
Bangur Nagar, Beawar,
Rajasthan-305 901

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices followed by Shree Cement Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Shree Cement Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023 ("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023 ("Period under review")** according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the period under review)**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the period under review)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the period under review)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the period under review) &**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the period under review)**

VI. Company has complied with the following laws applicable specifically to the Company:-

(a) The Mines Act 1952, and Rules made thereunder, as amended from time to time;

(b) Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder, as amended from time to time;

(c) The Indian Electricity Act, 2003 and Rules made thereunder and other applicable Regulations, if any.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards on Board and General Meetings (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as per the Companies Act, 2013 ("the act"). The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings in accordance with the provisions of the Act. Agenda and detailed notes on agenda were sent in advance except in cases where meetings were convened at a shorter notice. The Company has followed the provisions of the Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there was no instance of any director expressing any dissenting views as recorded in the minutes of the meetings of Board of Directors of the Company or committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

a) The Company has adopted new set of Articles of Association as approved by the Members in Annual General Meeting held on 28th July, 2022.

b) The Company has obtained approval from the Members under section 180(1)(a) & (c) of the Companies Act, 2013 subject to an overall limit of ₹ 20,000 Crore in Annual General Meeting held on 28th July, 2022.

c) The Board of Directors of the Company on 4th March, 2023, has accorded to alter the existing Main Objects of the Memorandum of Association [Clause III. (A)], (subject to the approval of the Members of the Company and other statutory authorities), by insertion of new Clauses 2 and 3 after Clause 1 of Main Objects of the Memorandum of Association of the Company.

For Pinchaa & Co.
Company Secretaries
Firm's U.C.N. P2016RJ051800
Firm's PR Certificate No. 832/2020

FCS Akshit Kr. Jangid
Partner
M. No. : FCS 11285
C. P. No.:16300

Date: 22nd May, 2023
Place: Jaipur
UDIN: F011285E000346004

(This report is to be read with our letter of even date which is annexed as **Annexure-A** which forms an integral part of this report.)

Annexure-A

To
The Members,
Shree Cement Limited
Bangur Nagar, Beawar,
Rajasthan-305901

The above report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Pinchaa & Co.
Company Secretaries
Firm's U.C.N. P2016RJ051800
Firm's PR Certificate No. 832/2020

FCS Akshit Kr. Jangid
Partner
M. No. : FCS 11285
C. P. No.:16300

Date: 22nd May, 2023
Place: Jaipur
UDIN: F011285E000346004

Report on Corporate Governance

CORPORATE GOVERNANCE PHILOSOPHY

Our Corporate Governance philosophy is aimed at creating and nurturing a valuable bond with stakeholders to maximise stakeholders' value. The Company has always conducted itself by adhering to the core values of transparency, accountability and integrity in all its business practices and management. The Company believes that a business can be successful if it is ethical and meets the aspirations of all its stakeholders which include shareholders, employees, suppliers, customers, investors, communities or policy makers.

Over the years, we have strengthened relationships with our stakeholders in a manner that is dignified, distinctive and responsible. We continue to review and benchmark the corporate governance practices of the Company against best practices. These practices being followed since inception have contributed to the Company's sustained growth. The Company believes in carrying out its operations in a sustainable manner with minimal carbon footprints and optimal utilization of natural resources. The Board is collectively responsible to ensure that processes are structured to direct the Company's actions, assets and agents to achieve the aim of maximisation of stakeholders' value.

BOARD OF DIRECTORS

Composition & Board Diversity

The Board of Directors ('the Board') comprises of appropriate mix of Executive and Non-Executive Directors as required under the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to maintain the independence of the Board and also to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities. As on date, the Board consists of eight members, three of whom are Executive Directors and five Independent Directors including one Women Independent Director. The members of the Board are from diverse background having expertise in the fields of management, economics, sustainability, energy conservation, finance & taxation, etc.

The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby, enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board also plays a crucial role in overseeing how the management serves the short and long term interests of stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and Independent Board. For Directors' Profile, please refer the 'Profile of Directors' section in the Annual Report.

Skills/Expertise/Competence of the Board of Directors

Core skills/expertise/competence required by the Board (as identified by the Board) for efficient functioning of the Company in the present business environment and those skills/expertise/competence actually available with the Board are as follows:-

Sl. No.	Skills / Expertise / Competence required by the Board of Directors		Status of availability with the Board
1	**Understanding of Business/Industry**	Experience and knowledge of business related issues in general and those of Cement business in particular	✓
2	**Strategy and strategic planning**	Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities	✓
3	**Critical and innovative thoughts**	The ability to analyse the information and share innovative approaches and solutions to the problems	✓
4	**Financial Understanding**	Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources	✓
5	**Market Understanding**	Understanding of the Cement Market dynamics	✓
6	**Risk and compliance Oversight**	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliances, and monitor risk and compliance management frameworks	✓

On the basis of the above-mentioned skill matrix, the skills which are currently available with the Board are as under:-

Name of Directors	Understanding of Business / Industry	Strategy and strategic planning	Critical and innovative thoughts	Financial Understanding	Market Understanding	Risk and compliance oversight
Mr. Hari Mohan Bangur, Chairman	✓	✓	✓	✓	✓	✓
Mr. Prashant Bangur, Vice Chairman	✓	✓	✓	✓	✓	✓
Mr. Neeraj Akhoury, Managing Director (Appointed w.e.f. 14th October, 2022)	✓	✓	✓	✓	✓	✓
Mr. Shreekant Somany, Independent Director	✓	✓	✓	✓	✓	✓
Mr. Nitin Desai, Independent Director	✓	✓	✓	✓	✓	✓
Mr. Sanjiv Krishnaji Shelgikar, Independent Director	✓	✓	✓	✓	✓	✓
Ms. Uma Ghurka, Independent Director	✓	✓	✓	✓	✓	✓
Mr. Zubair Ahmed, Independent Director (Appointed w.e.f. 21st May, 2022)	✓	✓	✓	✓	✓	✓

Note : Dr. Yoginder K. Alagh, Mr. Benugopal Bangur, Mr. Ratan Lal Gaggar and Mr. Prakash Narayan Chhangani ceased as director during the year.

Selection, Appointment and Tenure of Directors

As per the Remuneration Policy, the Nomination cum Remuneration Committee facilitates the Board in identification and selection of the Directors carrying high integrity, relevant expertise and experience so as to have well diversed Board.

The Directors including the Independent Directors are appointed or re-appointed with the approval of the shareholders in accordance with the provisions of the law. The Executive Directors and Independent Directors are normally appointed for a term of five years.

As required under Regulation 46(2)(b) of the Listing Regulations and Para IV of Schedule IV of the Companies Act, 2013, the Company issues formal letter of appointment to the Independent Directors. The specimen thereof has been posted on the website of the Company in terms of the said provisions and can be accessed on the website of the Company at https://www.shreecement.com/investors/shareholder-information.

Independent Director: During the year 2022-23, Dr. Yoginder K. Alagh and Mr. Ratan Lal Gaggar resigned from the position of the Independent Directors of the Company effective from the close of Business Hours on 10th August, 2022 & 15th December, 2022, respectively, due to their personal reasons. Further, at the time of resignation, they also confirmed that there were no other material reasons for their resignations other than the one as mentioned above.

Category and Attendance of Directors

The names and categories of Directors, their attendance at the Board Meetings held during the year 2022-23 and at the last Annual General Meeting, and also the number of Directorships held by them in other Companies, Committee Membership / Chairmanship held by them, Directorship held in other listed entities and category of directorship are given below:-

Name of Director	Category		Attendance at AGM held on 28th July, 2022	No. of Board Meetings attended during 2022-23	Directorship in other Companies	Committee Memberships in other Companies	Chairperson of Committees in other Companies	Number of shares held as at 31st March, 2023	Directorship in other listed entity & Category of Directorship	Inter-se relationships among other Directors
Mr. Benugopal Bangur (Ceased as Chairman and Director w.e.f. close of Business Hours on 14th October, 2022)	Promoter Directors	Chairman	Yes	3	NA	NA	NA	NA	NA	Mr. Hari Mohan Bangur is son of Mr. Benugopal Bangur and father of Mr. Prashant Bangur. Mr. Prashant Bangur is son of Mr. Hari Mohan Bangur and grandson of Mr. Benugopal Bangur
Mr. Hari Mohan Bangur		Chairman (Change in Designation from 'Managing Director to 'Chairman' w.e.f. 15th October, 2022)	Yes	4	-	-	-	4,88,284 (Refer note 1)	-	
Mr. Prashant Bangur		Vice Chairman (Change in Designation from 'Joint Managing Director to 'Vice Chairman' w.e.f. 14th October, 2022)	Yes	4	4	-	-	3,89,750 (Refer note 2)	-	
Mr. Prakash Narayan Chhangani (Ceased w.e.f. close of Business Hours on 13th February, 2023)	Professional Director	Whole-Time Director	Yes	3	NA	NA	NA	NA	NA	NIL
Mr. Ratan Lal Gaggar (Ceased w.e.f. close of Business Hours on 15th December, 2022)	Independent Director (Non-Executive)		No	2	NA	NA	NA	NA	NA	
Mr. Shreekant Somany	Independent Director (Non-Executive)		Yes	4	4	3	-	-	1. Somany Ceramics Limited (Chairman & Managing Director) 2. JK Tyre & Industries Limited (Independent Director)	
Dr. Yoginder K. Alagh (Ceased w.e.f. close of Business Hours on 10th August, 2022)	Independent Director (Non-Executive)		No	2	NA	NA	NA	NA	NA	
Mr. Nitin Desai	Independent Director (Non-Executive)		Yes	4	1	-	-	-	-	
Mr. Sanjiv Krishnaji Shelgikar	Independent Director (Non-Executive)		Yes	4	5	-	-	-	-	
Ms. Uma Ghurka	Independent Director (Non-Executive)		Yes	4	5	-	-	-	-	
Mr. Zubair Ahmed (Appointed w.e.f. 21st May, 2022)	Independent Director (Non-Executive)		Yes	3	-	-	-	-	-	
Mr. Neeraj Akhoury (Appointed w.e.f. 14th October, 2022)	Professional Director	Managing Director	N.A.	2	-	-	-	-	-	

Notes:

1. Out of the 4,88,284 shares held by Mr. Hari Mohan Bangur, the beneficial Interest on 10,100 shares is held by the following Trusts/Institutions (Belonging to Promoters Group):
   - Sunder Devi Bangur Family Benefit Trust (Private Trust): 3,000 shares
   - Sri Rama Nidhi (Family Deity): 7,100 shares
2. Out of the 3,89,750 shares held by Mr. Prashant Bangur, the beneficial Interest on 93,800 shares is held by the Shree Venktesh Ayurvedic Aushdhalaya, Charitable Institution (Belonging to Promoters Group)
3. The directorships held by Directors as mentioned above, do not include directorships in foreign companies.
4. In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairpersonship of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Shree Cement Ltd.) have been considered.

Four meetings of the Board of the Company were held during financial year 2022-23 i.e. on 21st May, 2022, 28th July, 2022, 14th October, 2022 and 8th February, 2023. The gap between any two meetings did not exceed 120 days.

Board Procedures

The Board of Directors of the Company acts in the capacity of 'management trustee', being responsible for managing the affairs of the Company on behalf of the shareholders. Therefore, it is absolutely necessary to ensure complete transparency and foresightedness in the decision-making process. The Board takes decision based on detailed discussions and deliberations. The members of the Board have complete independence to raise any issue/matter for discussion.

Meetings of the Board are governed by a structured agenda. Agenda of meeting is circulated to the Board Members well in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. To supplement this, it is ensured that Board Members are presented with all the relevant information, in addition to the agenda of the meeting, for review on vital matters affecting the working of the Company including the minimum information to be placed before the Board as inter alia specified under Regulation 17(7) of the Listing Regulations.

Board Independence

Five out of Eight directors of the Company are Independent Directors (non-executive directors) as defined under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Companies Act, 2013 along with the rules framed thereunder. Further, in terms of Regulation 25(8), they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All Independent Directors make disclosure of their Independence to the Company. None of the Independent Directors has any material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving sitting fee and commission as an Independent Director. Based on the declarations received from the Independent Directors, the Board of Director of the Company are of the opinion that the Independent Directors fulfill the criteria of independence as specified under the Listing Regulations and that they are independent of the Management of the Company.

As required under rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), all the Independent Directors of the Company have affirmed that their names are enrolled with Independent Director's data bank.

Separate Meeting of Independent Directors

The Independent Directors of the Board met, without the presence of any Non-independent Director and/or Management Representative, on 8th February, 2023 to inter-alia discuss the following:-

- Review of performance of Non-independent Directors;
- Review of performance of Board as a Whole;
- Review of Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Independent Directors were assisted by an independent external facilitator to carry out the evaluation process. The outcome of the meeting was apprised to the Chairman of the Company.

Independent Directors were assisted by an independent external facilitator to carry out the evaluation process. The outcome of the meeting was apprised to the Chairman of the Company.

Induction and Familiarisation Programme for Independent Directors

A detailed presentation is provided to the Independent Directors of the Company at the time of their appointment, which covers their role, duties and responsibilities, Company's strategy, business model, nature of industry in which the company operates, operations, markets, organisation structure, products, etc. The said presentation is also provided to existing Independent Directors every year.

As a part of Board discussions, presentation on performance of the Company is made to the Board during its meeting(s). Plant visits are also arranged for Independent Directors from time-to-time for better understanding of the Company's operations. The details of such Familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at link https://www.shreecement.com/investors/disclosure-regulation.

Governance Structure

The Company has put in place a governance structure with defined roles and responsibilities of every constituent of the system. The shareholders of the Company appoint the Directors who act as trustees towards the stakeholders of the Company. The Board of Directors discharges its responsibilities in an effective manner with the help of various Board Committees and the Management of the

Company. The Company Secretary acts as Secretary to all Committees of the Board. The Chairman of the Company is responsible for fostering a culture which enables the Board to carry out its functions in a harmonious manner and ensure that the Board provides effective governance and guidance to the Company. The Chairman presides at meetings of the Board and also at the meeting of Shareholders of the Company. The Chairman is responsible for taking strategic decision for overall direction of the Company. The Vice Chairman is responsible for overall management of the Company and provides strategic direction for business strategies, growth and expansion of business along-with taking all other policy decisions having significant business and financial implications. The Managing Director is responsible for overall management of the Company including executing all strategic and policy decisions and providing critical insights and directions in the operational and management decisions of the Company. Company Senior Management meets every month to review, discuss and monitor monthly performances, draw strategies, make policies and take decision on important matters relating to day to day operations of the Company. This meet is headed by Chairman, Vice Chairman and Managing Director of the Company. The Senior Executives of the Company execute the day-today operational matters under the overall guidance and supervision of the Chairman, Vice Chairman and Managing Director thereby, strengthening the effectiveness of control in managing the affairs of the Company.

BOARD COMMITTEES

The Board has constituted the following Committees of Directors to look into and monitor the matters falling within their terms of reference:

A. Audit Committee

The Audit Committee reviews the matters falling within its terms of reference and addresses larger issues that could be of vital concerns to the Company. The Audit Committee has been constituted by the Board in terms of guidelines provided under section 177 of the Companies Act, 2013 and Listing Regulations.

A.1. Terms of Reference

The terms of reference of the Audit Committee broadly includes matters pertaining to review of financial reporting process, adequacy of internal control systems, discussion of financial results, interaction with Auditors, appointment and remuneration of Auditors, adequacy of disclosures, and other relevant matters. In particular, these include:-

- Review the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a) matters required to be included in the Director's Responsibility Statement of the Board's Report in terms of clause (c) of sub-section (3) of section 134 of the Act;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s), if any, in the draft audit report.
- Review the quarterly financial statements before submission to the Board for approval;
- Review the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or qualified institutions placement, and to make appropriate recommendations to the Board to take up steps in this matter;
- Reviewing the financial statements of subsidiaries in particular, the investments made by the unlisted subsidiaries of the Company, if any;
- Oversight Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by them;

- Reviewing and monitoring the Auditor's independence & performance and effectiveness of audit process;
- Approval (including omnibus approval) or any subsequent modification of transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- Review the utilisation of loans and/ or advances / investment made in the subsidiary Company(ies) exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings & follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any areas of concern;
- To review the functioning of the whistle blower mechanism;
- Review of statement of deviations in terms of regulation 32 of the listing regulations;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Review the management discussion and analysis of financial condition and results of operations;
- Review the management letters / letters issued by the Statutory Auditors and internal audit reports on internal control weaknesses;
- Review statement of significant related party transactions;
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

A.2. Composition, meetings and attendance

All members of the Audit Committee are Independent Director and having good financial knowledge. Mr. Shreekant Somany, Chairman of the Audit Committee is having the relevant accounting and financial management expertise. During the year 2022-23, the Audit Committee met four times i.e. on 21st May, 2022, 28th July, 2022, 14th October, 2022 and 8th February, 2023. The maximum gap between any two meetings was not more than 120 days.

Name of Member and Chairman	Category	Qualification of the Member	No. of Meetings Attended
Mr. Shreekant Somany – Chairman	Independent & Non - Executive Director	The Chairman is Eminent Industrialist having rich experience of Business. He has good accounting and financial management knowledge.	4
Mr. Ratan Lal Gaggar (Ceased w.e.f. close of Business Hours on 15th December, 2022)	Independent & Non - Executive Director	Member was a renowned Solicitor and Advocate based at Kolkata. He had good accounting and financial management knowledge.	2
Dr. Yoginder K. Alagh (Ceased w.e.f. close of Business Hours on 10th August, 2022)	Independent & Non - Executive Director	Member was a noted Economist. He had good accounting and financial management knowledge.	2
Mr. Nitin Desai	Independent & Non - Executive Director	Member is a noted Economist. He has good accounting and financial management knowledge	4
Mr. Sanjiv Krishnaji Shelgikar	Independent & Non - Executive Director	Member is a veteran Chartered Accountant and possesses the good accounting and financial management expertise.	4
Mr. Zubair Ahmed (Appointed as Member w.e.f. 14th October, 2022)	Independent & Non - Executive Director	Member is Master of Arts and has done its Bachelor's in Arts with Economics as its subsidiaries. He is Ex-Managing Director of Gillette India Ltd & GSK Consumer Healthcare India Ltd and has held many key positions as Director. He has good accounting and financial management knowledge.	-

A.3. Invitees to the Audit Committee

The Chairman, Vice Chairman, Managing Director, Chief Finance Officer (CFO) and Company Secretary along with the representative(s) from Statutory and Internal Auditors of the Company are permanent invitees for responding to the observations/queries of the Audit Committee. Also, other directors of the Company join the meeting based on requirement as invitees.

B. Nomination cum Remuneration Committee

The Nomination cum Remuneration Committee is constituted by the Board in terms of guidelines provided under section 178 of the Companies Act, 2013 and Listing Regulations.

B.1. Terms of Reference

Nomination cum Remuneration Committee is empowered to –

- Formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board for their appointment and/or removal;
- Formulate the system and procedure for evaluating performance of Directors;
- Formulate the criteria for evaluation of performance of Independent Directors and of the Board of Directors as a whole and its Committees;
- To see the diversity of the Board of Directors of the Company;
- To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
- To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of role and capabilities required of an independent director;
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable; and
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

B.2. Composition, meetings and attendance

The Nomination cum Remuneration Committee consists of all Independent Directors. During the year 2022-23, the Committee met on 19th May, 2022, 14th October, 2022 and 8th February, 2023. The composition of the Committee and particulars of attendance at the Committee Meetings are given below:

Name of the Member and Chairman	Category	No. of Meetings Attended
Mr. Nitin Desai – Chairman (Appointed as Chairman w.e.f. 14th October, 2022)	Independent & Non-Executive Director	1
Mr. Sanjiv Krishnaji Shelgikar (Appointed as member w.e.f. 6th September, 2022)	Independent & Non-Executive Director	2
Mr. Shreekant Somany	Independent & Non-Executive Director	3
Dr. Yoginder K. Alagh (Ceased w.e.f. close of Business Hours on 10th August, 2022)	Independent & Non-Executive Director	1
Mr. Ratan Lal Gaggar (Ceased w.e.f. close of Business Hours on 15th December, 2022)	Independent & Non-Executive Director	2

B.3. Performance evaluation criteria for Independent Directors

The performance evaluation criteria laid down for the Independent Directors cover their attendance and contribution at Board/Committee meetings, adherence to ethical standards and code of conduct of the Company, inter-personal relations with other Directors, meaningful and constructive contribution, inputs in the Board/ Committee meetings, etc.

B.4. Remuneration Policy

The Company believes in nurturing a people friendly environment which is geared to drive the organization towards high and sustainable growth. Each and every personnel working with the Company strives to achieve the Company's vision of being the best in the industry.

The Company follows a policy applicable for appointment and fixing of remuneration for all the Directors as well as Key Managerial Personnel (KMP) of the Company. It also includes appointment and remuneration of senior management personnel. The appointment and remuneration of other employees of the company are also guided by the said policy.

The Remuneration Policy of the Company is posted on the website of the Company and can be accessed at https://www.shreecement.com/investors/disclosure-regulation.

B.5. Remuneration of Directors

Executive Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the Nomination cum Remuneration Committee. The remuneration is decided based on broad criteria like industry trend, remuneration package in other peer group companies, job contents and key performance areas, Company's financial, sustainability and operational performance etc. The remuneration structure comprises of salary, contribution to provident, superannuation & annuity funds, perquisites & allowances and gratuity in accordance with the Company's rules. The payment of Commission to the Executive Directors, at the end of the year, is determined and approved by the Board. Necessary approvals from shareholders are sought in the general meetings for approval of the remuneration package(s). Executive Directors are not paid any sitting fees for attending meetings of Board and Committees thereof.

Non-Executive Directors

The remuneration of the Non-Executive Directors comprises of sitting fees and commission. Non-Executive Directors are paid sitting fees of ₹ 75,000 for each meeting of the Board and its Committees attended by them which is within the limits prescribed under the Companies Act, 2013. Besides the sitting fees, they are also paid commission. Payment of commission to Non-Executive Directors including Independent Directors is made based on their contribution in the Board deliberations and Company' performance. None of the Non-Executive Director has any pecuniary relationship or transaction with the Company apart from receiving the sitting fee and commission as aforesaid. The Commission is paid on uniform basis (pro-rata to those who are in office for part of the year) to reinforce the principle of collective responsibility.

The details of remuneration package, fees paid, etc. to the other Directors for the year ended on 31st March, 2023 are given hereunder: -

A. Working Directors - Salary

(₹ in Lac)

Director	Category	Fixed Component		Performance Linked Incentives/ Commission	Total
		Basic Salary	Allowances Perquisites and other Benefits		
Mr. Hari Mohan Bangur	Chairman	2,136.00	2,038.88	1,300.00	**5,474.88**
Mr. Prashant Bangur	Vice Chairman	624.00	1,127.98	1,200.00	**2,951.98**
Mr. Neeraj Akhoury (Appointed w.e.f. 14th October, 2022)	Managing Director	320.16	745.15	-	**1,065.31**
Mr. Prakash Narayan Chhangani (Ceased w.e.f. close of Business Hours on 13th February, 2023)	Whole-Time Director	164.81	585.06	-	**749.87***

* Including retirement benefits.

B. Non-Executive Directors

(₹ in Lac)

Director	Category	Commission	Sitting Fees	Total
Mr. Benugopal Bangur (Ceased w.e.f. close of Business Hours on 14th October, 2022)	Non-Executive Chairman	-	-	**-**
Mr. Ratan Lal Gaggar (Ceased w.e.f. close of Business Hours on 15th December, 2022)	Independent Director	23.42	4.50	**27.92**
Mr. Shreekant Somany	Independent Director	33.00	9.00	**42.00**
Dr. Yoginder K. Alagh (Ceased w.e.f. close of Business Hours on 10th August, 2022)	Independent Director	11.93	3.75	**15.68**
Mr. Nitin Desai	Independent Director	33.00	9.00	**42.00**
Mr. Sanjiv Krishnaji Shelgikar	Independent Director	33.00	12.00	**45.00**
Ms. Uma Ghurka	Independent Director	33.00	4.50	**37.50**
Mr. Zubair Ahmed (Appointed w.e.f. 21st May, 2022)	Independent Director	28.48	2.25	**30.73**

Service Contract, Notice Period, Severance Fees and Stock Options

- The appointment of Mr. Hari Mohan Bangur, Chairman, Mr. Prashant Bangur, Vice Chairman and Mr. Neeraj Akhoury, Managing Director of the Company are for five years from the date of their respective appointments.
- Notice period as per the Rules of the Company.
- Except Gratuity and Earned Leave at the end of the tenure, no other severance fees is payable.
- No Stock Options were granted during the year.

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted by the Board in terms of section 178 of the Companies Act, 2013 and Listing Regulations.

C.1. Terms of Reference

Stakeholders' Relationship Committee is empowered to –

- Review and resolve the grievances of the security holders of the Company including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates etc.
- Review measures taken for effective exercise of voting rights by shareholders;
- Review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely payment of dividend/dispatch of annual reports/statutory notices to the shareholders of the Company.

C.2. Composition, meeting and attendance

During the year 2022-23, one meeting of the Committee was held on 8th February, 2023. In the said meeting, the Committee reviewed the status of investors' complaints received and resolved during the calendar year 2022, Investors' Service Status Report, Status of Dematerialisation of Share Capital of the Company, Compliance with IEPF Rules, etc. The composition of the Committee and particulars of attendance at the Committee Meeting are given below:-

Name of the Member and Chairman	Category	No. of Meetings Attended
Mr. Sanjiv Krishnaji Shelgikar (Appointed as Chairman w.e.f. 14th October, 2022)	Independent & Non-Executive Director	1
Mr. Ratan Lal Gaggar (Ceased w.e.f. close of Business Hours on 15th December, 2022)	Independent & Non-Executive Director	-
Mr. Nitin Desai	Independent & Non-Executive Director	1
Mr. Neeraj Akhoury (Appointed as Member w.e.f. 14th October, 2022)	Executive Director	1

C.3. Particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year

Link Intime India Private Limited is acting as the Share Transfer Agent of the Company to carry out the share transfer & other related work. Mr. S. S. Khandelwal, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of the Listing Regulations. The Share Transfer Agent / Company has timely resolved / attended all the complaints and no complaint or grievance remained unattended / unresolved at the end of the year. Details of the complaints received and resolved during the year ended 31st March, 2023 are as under:-

Sl. No.	Nature of Complaints	No. of Complaints received	No. of Complaints resolved
I	Dividend related issues	5	5
II	Annual Report related issues	2	2
III	Issuance of Duplicate Share Certificate and IEPF Claim	2	2
IV	Non-Demat/Remat	1	1
	Total	**10**	**10**

Any Member/Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary & Compliance Officer with a copy of the earlier correspondence.

D. CSR and Sustainability Committee

As required under section 135 of the Companies Act, 2013, the Board has constituted CSR and Sustainability Committee of Directors to inter alia formulate Corporate Social Responsibility (CSR) Policy, recommend the amount of expenditure to be incurred on the activities in line with the objectives given in CSR policy, monitor the CSR policy, etc. The terms of reference and other details are as follows:-

D.1 Terms of Reference:

The Committee is empowered to:-

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy;
- Recommend the amount of expenditure to be incurred on the activities in line with the objectives given in CSR policy;
- Oversee the Company's activities and contribution with regard to its corporate and societal obligations & its reputation as a responsible corporate citizen;
- Review the performance of the Company on environment, governance and sustainability initiatives & matters;
- Approve the policies on principles as required in terms of Business Responsibility & sustainability Reporting requirements and changes/modifications required from time to time in such policies; and
- To approve Company's report on Business Responsibility & Sustainability Reporting requirements.

D.2. Composition, meeting and attendance

During the year 2022-23, the CSR and Sustainability Committee met once on 21st May, 2022. The composition of the Committee and particulars of attendance at the Committee Meeting are given below:-

Name of the Member and Chairman	Category	No. of Meetings Attended
Mr. Nitin Desai – Chairman	Independent & Non-Executive Director	1
Mr. Prashant Bangur	Executive Director	1
Mr. Sanjiv Krishnaji Shelgikar	Independent & Non-Executive Director	1
Mr. Prakash Narayan Chhangani (Ceased w.e.f. close of Business Hours on 13th February, 2023)	Executive Director	1
Ms. Uma Ghurka	Independent & Non-Executive Director	1
Mr. Neeraj Akhoury (Appointed as Member w.e.f. 14th October, 2022)	Executive Director	-

E. Risk Management Committee

In compliance with the provisions of Listing Regulations and Companies Act, 2013, Board has constituted a Risk Management Committee.

E.1. Terms of Reference

Risk Management Committee is empowered to –

- Formulate a detailed risk management policy which shall include (a) framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, (b) measures for risk mitigation including systems and processes for internal control of identified risks (c) Business continuity plan;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems;
- Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexities;
- Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
- Review the appointment, removal and terms of remuneration of Chief Risk Officer.

E.2. Composition, meeting and attendance

During the year 2022-23, the Risk Management Committee met on 28th July, 2022, 14th January, 2023 & 8th February, 2023. The composition of the Committee and particulars of attendance at the Committee Meeting are given below:-

Name of the Member and Chairman	Category	No. of Meetings Attended
Mr. Sanjiv Krishnaji Shelgikar - Chairman	Independent & Non-Executive Director	2
Mr. Prashant Bangur	Executive Director	3
Mr. Prakash Narayan Chhangani (Ceased w.e.f. close of Business Hours on 13th February, 2023)	Executive Director	2
Mr. Neeraj Akhoury (Appointed as Member w.e.f. 14th October, 2022)	Executive Director	1

SUBSIDIARY COMPANIES

The Audit Committee of the Board of Directors of the Company reviews the financial statements, in particular, the investments, if any, made by its unlisted subsidiary company. Statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, is placed before the Board for its review. Copies of Minutes of the Board Meeting(s) of the Subsidiary Companies are tabled at the Board Meeting of the Company. The policy for determining material subsidiaries as approved by the Board is posted on the website of the Company and can be accessed at https://www.shreecement.com/investors/disclosure-regulation.

GENERAL BODY MEETINGS

The required information under Regulation 34(3) read with Schedule V of the Listing Regulations is given under the **"Shareholders' Information"** separately in the annexure to this Corporate Governance Report.

DISCLOSURES

- **Related Party Transactions**: There were no material related party transactions during the year 2022-23 that may have a potential conflict with the interest of the Company as provided under section 188 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations. All related party transactions have been approved by the Audit Committee.

- The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on the Company's website and can be accessed at https://www.shreecement.com/investors/disclosure-regulation.

- **Detail of Material Subsidiaries:** The Company does not have a material subsidiary.

- **Loan and advances by Company and its Subsidiaries in the nature of loans to firms/ Companies in which Directors are interested:**

S. No.	Loan and advances given by	Name of the firms/ Companies in which Directors are Interested	Loan outstanding as at 31st March, 2023
1	Shree Cement Limited	Shree Cement East Bengal Foundation	₹ 1.98 Crore

- **Non-compliance/strictures/ penalties imposed:** No non-compliance/strictures/penalties have been imposed on the Company by the Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority on any matters related to capital markets during the last three years.

- **Risk Management:** Risk Evaluation and Management is an on-going process within the organisation. The Company has a well-defined Risk Management Framework in place. The Company periodically places before the Risk Management Committee, the key risks and the risk assessment and mitigation procedures followed by the Company.

- **Vigil Mechanism / Whistle Blower Policy:** The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and instances of leakage of unpublished price sensitive information. The policy provides for adequate safeguards against victimisation of employees who utilizes the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no personnel has been denied access to the Audit Committee.

- **Certificate from Practicing Company Secretary:** A certificate from Mr. Akshit Kumar Jangid (Membership No. FCS 11285), Practicing Company Secretary is attached and forms part of this report certifying that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of company, by the SEBI or Ministry of Corporate Affairs or any such statutory authority.

- **Total fee paid to Statutory Auditors:** Total fees paid by the Company for the services rendered by the statutory auditor and to all the entities in network firm/network entity belonging to them, is ₹ 87.86 Lac (includes Audit fees and certification/ other services). No fee was paid by Subsidiary Companies to Statutory Auditor and all other entities in the network firm/network entity of the Statutory Auditor for such services.

- **Confirmation by the Board of Directors' Acceptance of Recommendation of Mandatory Committees:** During the year, there were no such instances of non-acceptance by the Board of Directors of any mandatory recommendations made by the Committees.

- **Details of utilisation of funds raised through preferential allotment or qualified institutions placement:** Your Company in November, 2019 undertook a Qualified Institutions Placement (QIP) and raised ₹ 2,400 Crore by allotting 12,43,523 equity shares of ₹ 10/- each at a price of ₹ 19,300 (which was at 2.56% discount to floor price of ₹ 19,806.46 determined in terms of Regulation

176 of Chapter VI of SEBI ICDR Regulations) on 23rd November, 2019. The details of the Utilizations of the proceeds during the FY 2022-23 is as under:-

(₹ in Crore)

Net Proceeds	2,383.35
Balance unutilised proceeds from the qualified institutions placement as on 31st March, 2022	475.27
Less: Utilised during FY 2022-23	475.27
Balance amount to be utilised as on 31st March, 2023	Nil

- **Commodity price risk or foreign exchange risk and hedging activities:** Company's foreign exchange risk emanates from forex borrowings, import of fuel, capital equipment & spares and other raw materials. For all forex loans, Company has taken Cross Currency Swaps against foreign exchange risk. As regards import of fuel, capital equipment & spares and other raw materials, the Company decides about the hedging based on prevailing market conditions, period of exposure, amount involved etc. The Company does not have any exposure hedged through Commodity derivatives.

- **Disclosure pertaining to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** The details of the complaints pertaining to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as under:-

Sl. No.	Particulars	No. of Complaints
1	Number of complaints filed during the financial year 2022-23	NIL
2	Number of complaints disposed of during the financial year 2022-23	NIL
3	Number of complaints pending as at end of the financial year 2022-23	NIL

- **Details of compliance with mandatory requirements and adoption of non-mandatory requirements:** The Company has complied with all mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations. Disclosure of Compliance of Non-mandatory requirements as specified in Part E of the Schedule II of Listing Regulations are as under:-

  a. **Non-Executive Chairman's Office:** The Chairman of the Company is an Executive Director and hence this provision is not applicable.

  b. **Shareholder's Rights:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

  c. **Modified opinion in Auditors' Report:** Company's financial statement for the year 2022-23 does not contain any modified audit opinion.

  d. **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** The Company is having separate posts of Chairman and Managing Director.

  e. **Reporting of Internal Auditors:** The Internal Auditors of the Company submit reports to the Audit Committee and have direct access to it.

- **Disclosures of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 are as follows:**

Regulation	Particulars of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit & Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to employees including Senior Management, Key Managerial Persons, Directors and Promoters	Yes
27	Other Corporate Governance requirements	Yes
46 (2) (b) to (i)	Website (Updation)	Yes

CEO / CFO CERTIFICATION

In terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director and the Chief Finance Officer of the Company is required to issue annual certification on financial reporting and internal controls to the Board. The certificate for financial year 2022-23 given by the Managing Director and the Chief Finance Officer is annexed to this Report. The Managing Director and the Chief Finance Officer also give quarterly certification on financial results to the Board in terms of Regulation 33(2) of the Listing Regulations.

CODE OF CONDUCT

The Board of Directors has laid down Code of Conduct for all the Board Members and Employees of the Company. The code of conduct is posted on the website of the Company. All the Board members and Senior Management personnel have confirmed compliance with the code for the year 2022-23. A declaration to that effect signed by the Managing Director is attached and forms part of this Report.

PREVENTION OF INSIDER TRADING

As per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has formulated and implemented a Code of Conduct for Regulating, Monitoring and Reporting of trading in securities of the Company by the Designated Persons and their immediate relatives. All the Designated Persons as defined in the Code are governed by this Code. The Company has appointed Mr. S.S. Khandelwal, Company Secretary as Compliance Officer who is responsible for setting forth procedures & implementation of the Code. The Company has also formulated and uploaded on its website the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information as envisaged under Regulation 8(1) of above regulations and nominated Company Secretary, Mr. S. S. Khandelwal as Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information. As required under Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulation, 2015 (as amended), Audit Committee of the Board of Directors of the Company has reviewed the Compliances with the provisions of these regulations and has also verified the internal control systems in this respect and the same are adequate and operating effectively.

MEANS OF COMMUNICATIONS

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications. Details of communication mode are as under –

- The unaudited quarterly and audited annual financial results are announced immediately after approval from the Board and sent to respective stock exchanges where the Company's shares are listed within the time specified in the Listing Regulations.
- Thereafter, these are circulated among media/ news agencies/ analyst, etc. and are displayed on the Company's website www.shreecement.com. These results are also published in leading newspapers normally with Financial Express, Economic Times, Mint, Business Line, Dainik Bhaskar, Dainik Navjoyti, Rajasthan Patrika within forty-eight hours of the Board meeting in which the same are approved.
- The Annual Report, inter-alia, containing Audited Financial Statements, Audited Consolidated Financial Statements, Board's Report including Management Discussion and Analysis, Auditors' Report and other important information is circulated to members and others entitled thereto.
- Presentation made to institutional investors or to the analysts are also submitted with respective stock exchanges where the Company's shares are listed and are also displayed on the Company's website www.shreecement.com.
- **SEBI Complaints Redress System (SCORES):** This is a centralised web-based complaint redressal system designed by SEBI for investors. Companies are required to upload online Action Taken Reports (ATRs) against the complaints filed by investors and simultaneously investors can view the actions taken on the complaint and its current status.
- **Website:** The Company's website www.shreecement.com contains a separate dedicated section 'Investors' wherein all information related to Members/Investors has been made available.

Annexure to Corporate Governance Report

SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING

Day & Date of AGM	Time	Venue
Wednesday, 26th July, 2023	11.00 AM	'Rangmanch Auditorium', Bangur Nagar, Beawar – 305901, Rajasthan

Details of the Annual General Meeting held in the last three years are as under:

Year Ended	Day & Date of AGM	Time	Venue
31st March, 2020	Monday, 6th July, 2020	2:00 PM	Through Video Conferencing / Other Audio Visual Means [Deemed Venue for Meeting: Registered Office: Bangur Nagar, Beawar - 305901, Rajasthan]
31st March, 2021	Monday, 9th August, 2021	3:00 PM	
31st March, 2022	Thursday, 28th July, 2022	12:15 PM	'Rangmanch Auditorium', Bangur Nagar, Beawar – 305901, Rajasthan

Special Resolution(s) passed in previous three AGMs:

Date of AGM	Special Resolution(s)
6th July, 2020	Reappointment of Mr. Sanjiv Krishnaji Shelgikar (DIN: 00094311), as Independent Director for second term of five years commencing from 5th August, 2020
9th August, 2021	Reappointment of Mr. Hari Mohan Bangur (DIN: 00244329), as Managing Director of the Company for a period of five years commencing from 1st April, 2021
28th July, 2022	a) Appointment of Mr. Zubair Ahmed as Independent Director of the Company for 5 (Five) years w.e.f. 21st May, 2022 b) Adoption of new set of Articles of Association of the Company c) Increase in Borrowing limits from ₹ 10,000 Crore to ₹ 20,000 Crore d) Creation of Charge/ hypothecation/ pledge/ mortgage/ security over movable and /or immovable properties of the Company, both present and future, in respect of the borrowings upto ₹ 20,000 Crore

SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

During the year under review Company has obtained consent of members by way of Special Resolution(s) through postal ballot notices dated 14th October, 2022 and 4th March, 2023, respectively in accordance with section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014. Mr. Akshit Kumar Jangid (Membership No. F11285), Practicing Company Secretary, acted as the Scrutinizer, for conducting the Postal Ballot process in a fair and transparent manner. The details and the voting pattern of the Special Resolution(s) passed through Postal Ballot Process are as follows:-

Sl. No.	Description of resolution	Total No. of Valid votes	Votes Assenting the Resolution	% of Votes Cast in favour	Votes Dissenting the resolution	% of Votes Cast against
1	Change in designation of Mr. Hari Mohan Bangur from "Managing Director" to "Chairman" effective from 15th October, 2022	3,01,91,636	2,96,00,944	98.0435	5,90,692	1.9565
2	Change in designation of Mr. Prashant Bangur from "Joint Managing Director" to "Vice Chairman" effective from 14th October, 2022	3,01,91,635	3,00,45,688	99.5166	1,45,947	0.4834
3	Alteration to the Objects Clause of the Memorandum of Association of the Company	3,05,00,018	3,04,99,965	99.9998	53	0.0002

The aforesaid resolutions were passed with requisite majority.

PROCEDURE FOR POSTAL BALLOT

Postal Ballot Notice ("Notice") containing the proposed resolution(s) and Explanatory Statement pursuant to section 102 and other applicable provisions, if any, of the Act, are sent electronically to all the members whose email address is registered with the Company/their Depository Participant. The Company also dispatches the Notices and Postal Ballot Form ("Form") alongwith postage prepaid envelope to its members whose email addresses are not registered, through permitted mode of dispatch. Further, the Company also provides the facility to the members to cast their vote electronically instead of dispatching the Form. The Forms received upto the last day notified in the Notice and the votes cast on the e-voting platform within specified time are considered by the Scrutinizer. The Scrutinizer submits his report to the Chairman and the results of the voting by Postal Ballot is declared/announced by the Chairman or any other person authorised by him. The results are also displayed on the Company's website (www.shreecement.com) besides being communicated to the stock exchanges.

None of the businesses is proposed to be transacted through Postal Ballot before the ensuing Annual General Meeting.

FINANCIAL YEAR AND TENTATIVE FINANCIAL CALENDAR

The Company follows period of 1st April to 31st March as its Financial Year. Tentative financial calendar for the Financial Year 2023-24 is as under:-

Un-audited Financial Results:	
First Quarter ending on 30th June, 2023	Within 45 days from the end of quarter
Second Quarter/half year ending on 30th September, 2023	Within 45 days from the end of quarter
Third Quarter ending on 31st December, 2023	Within 45 days from the end of quarter
Audited Financial Results:	
Year ending on 31st March, 2024	Within 60 days from the end of the financial year

DIVIDEND PAYMENT DATE

Particular	Payment Date
2nd Interim Dividend for the Year 2022-23	on or after 13th June, 2023

CREDIT RATINGS

Credit Ratings obtained by the Company along with any revisions thereto during the financial year 2022-23 are as follows:-

Facilities	Amount (₹ Crore)	Rating	Rating Action
Long Term Bank Facilities / Fund Based Limit	1,100.00	CARE AAA; Stable (Triple A; Outlook: Stable) / CRISIL AAA/Stable	Reaffirmed
	150.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Assigned
Short Term Bank Facilities / Non-Fund Based Limit	1,200.00	CARE A1+ (A One Plus) / CRISIL A1+	Reaffirmed
Commercial Paper	400.00	CRISIL A1+ / CARE A1+ (A One Plus)	Reaffirmed

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy of the Company is as under:-

"Your company has uninterrupted and increasing dividend payout track record since 2000-01. The management is confident of maintaining the same. The yearly outgo of dividend is dependent on the prevalent macroeconomic conditions as well as the industry specific scenario. It also depends on the capital expenditure program under implementation. The retained earnings as in past, shall always be used for the expansion of business."

LISTING ON STOCK EXCHANGES

Name of Stock Exchange	Stock Code
BSE Limited	500387
National Stock Exchange of India Limited	SHREECEM EQ

Name of the Depositories (for Demat only)	ISIN
National Securities Depository Ltd.	INE070A01015
Central Depository Services (India) Ltd.	INE070A01015

The Company has paid listing fees to all the Stock Exchanges where its securities are listed for the financial year 2022-23 & 2023-24.

No securities of the Company are suspended from trading.

Corporate Identification Number (CIN): L26943RJ1979PLC001935

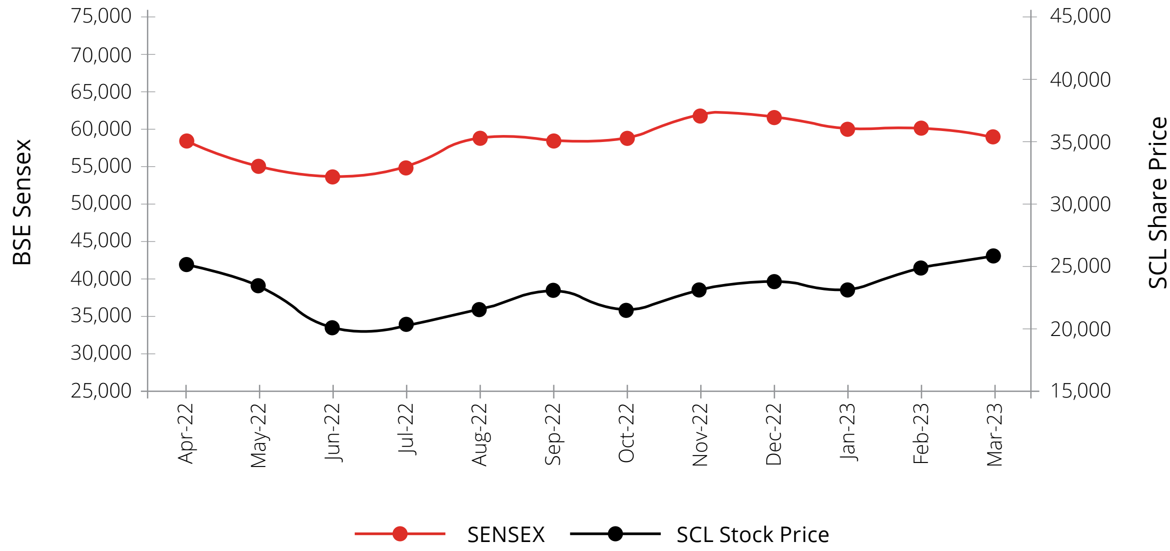
MARKET PRICE DATA

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. Of Shares)
April-22	26,332.90	23,900.00	21,499	26,340.00	23,951.05	6,02,541
May-22	26,280.00	20,696.30	35,396	26,284.75	20,676.00	8,77,167
June-22	22,154.50	17,900.00	35,121	22,172.50	17,865.20	11,39,574
July-22	21,620.65	18,890.40	41,688	21,622.00	18,898.85	6,12,615
August-22	22,552.95	20,400.00	29,914	22,550.00	20,539.95	6,64,328
September-22	25,530.90	20,600.00	96,129	25,550.00	20,585.95	36,32,671
October-22	22,799.95	20,165.80	64,989	22,800.00	20,150.00	13,37,901
November-22	24,000.00	22,250.00	27,855	24,017.00	22,230.20	9,08,499
December-22	24,590.00	23,001.05	27,060	24,612.90	23,055.40	6,85,250
January-23	24,755.05	21,433.25	14,752	24,773.00	21,410.00	8,88,139
February-23	27,013.00	22,765.20	36,399	27,049.00	22,752.00	15,42,940
March-23	26,786.05	24,775.55	14,329	26,789.00	24,751.60	9,12,603
TOTAL			**4,45,131**			**13,804,228**

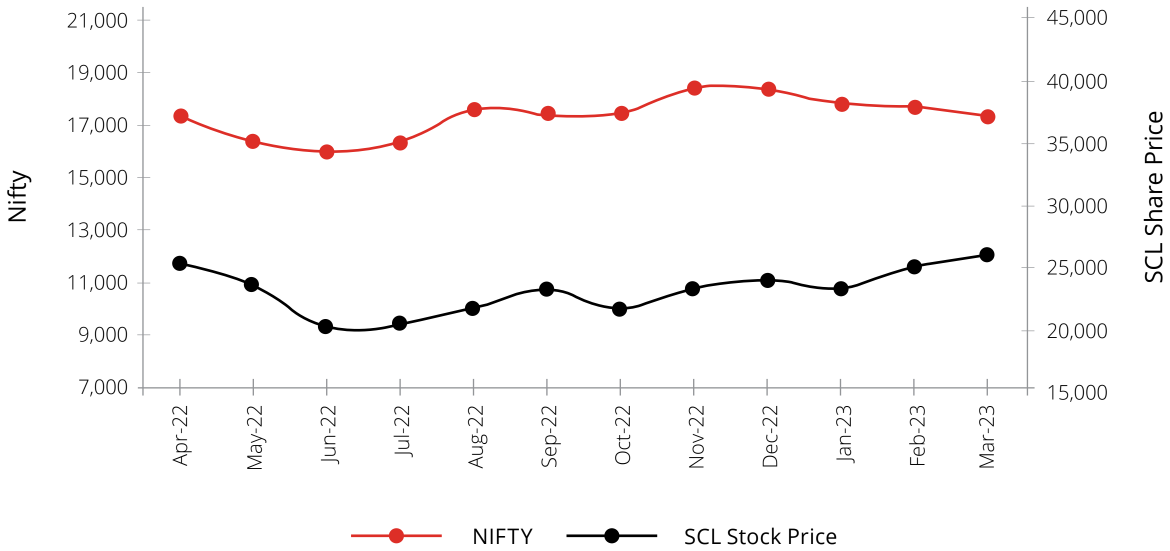
PERFORMANCE OF COMPANY'S SHARE PRICE IN COMPARISON TO BROAD-BASED INDICES

Indices	BSE (Sensex)	SCL Share Price at BSE (₹)	NSE (Nifty)	SCL Share Price at NSE (₹)
1st April, 2022 (Open)	58,530.73	23,900.00	17,436.90	23,995.00
31st March, 2023 (Close)	58,991.52	26,176.85	17,359.75	26,186.95
Increase/(Decrease)	460.79	2,276.85	(77.15)	2,191.95
% Increase/(Decrease)	0.79%	9.53%	(0.44)%	9.14%

Movement of Shree Cement's Share price vis-à-vis Sensex in FY 2022-23 (Average of monthly high-low)



Movement of Shree Cement's Share price vis-à-vis Nifty in FY 2022-23
(Average of monthly high-low)



SHARE TRANSFER SYSTEM

Transfer of shares in dematerialised form is done through the Depository Participant (DP) without any involvement of the Company/Registrar & Share Transfer Agent. As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialised form. Further, Member may please note that as an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated the listed Companies to issue securities in demat form only while processing service requests for issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. In terms of the said circular the necessary forms for processing the above requests are available on the website of the Company i.e. www.shreecement.com. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. Shareholders may communicate with Link Intime India Private Limited, the Company's Registrars & Share Transfer Agent at rnt.helpdesk@linkintime.co.in quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

UPDATION OF PAN, KYC AND NOMINATION DETAILS

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 and SEBI circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details. As per the said Circular(s), it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. Physical folios wherein the PAN, KYC and Nomination details are not available on or after 1st October, 2023, shall be frozen by the RTA and will be eligible for lodging any service request or receiving payment including dividend only after registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025.

The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details.

The necessary forms in this regard have been made available in downloadable and fillable format on the website of the Company at https://www.shreecement.com/investors/shareholder-information and on RTA website at https://web.linkintime.co.in/KYC-downloads.html. Members are advised to register their details with the RTA, in compliance with the said Circular for smooth processing of their service requests.

NOMINATION FACILITY

As per the provisions of section 72 of the Companies Act 2013, facility for making nominations is available to individuals holding shares of the Company. Members holding shares in physical form, may obtain the Nomination Form (Form SH-13) from the Registered Office of the Company or Registrar & Share Transfer Agent or can be downloaded from the Company's website viz. www.shreecement.com under the section 'Investors>Shareholder Information>Forms'. Investors holding share in electronic form should contact their concerned Depository Participant (DP) directly for nomination.

UNCLAIMED DIVIDENDS AND TRANSFER TO IEPF

In accordance with the provisions of section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ('IEPF rules'), dividend which remains unclaimed for a period of seven years or more from the date of transfer to the 'Unpaid Dividend Account' of the Company shall be transferred to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government. As per practice, Company sends reminders to shareholders whose dividend amount is unpaid before transferring the same to IEPF. The Company has transferred the amount of unclaimed and unpaid Dividends upto FY 2015-16 within the prescribed due dates.

For the dates of transfer of unpaid dividend amount to IEPF, please refer the relevant section of Notice of the 44th Annual General Meeting of the Company. Shareholders are requested to approach the Company, if they have not received their dividend of relevant year. In compliance with the IEPF rules, the Company has uploaded the information in respect of dividend amounts remaining unpaid and unclaimed as on date of 43rd Annual General Meeting of the Company with the Ministry of Corporate Affairs. The same information has been uploaded on Company's website www.shreecement.com as prescribed in the above referred rules. Shareholders can visit website of MCA/ Company for checking the status of dividend amounts remaining unpaid/ unclaimed dividend in respect of their holding in the Company. Members whose unpaid dividends were transferred to IEPF, can claim the amounts by following prescribed procedures/ guidelines which are available at website of the Company at https://www.shreecement.com/investors/shareholder-information and website of the IEPF authority at http://www.iepf.gov.in/IEPF/refund.html.

TRANSFER OF UNDERLYING SHARES INTO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of section 124(6) of the Companies Act, 2013 read with IEPF rules, the Company is required to transfer shares to the IEPF Suspense Account in respect of which dividends remained unpaid/ unclaimed for a period of seven consecutive years or more. In compliance to the said requirement, the Company has transferred shares which were liable to be transferred in favour of IEPF authority in the prescribed manner. Details of the said shares are available on the website of the Company and can be accessed through the link: https://www.shreecement.com/investors/shareholder-information. The said details have also been submitted with the Ministry of Corporate Affairs and same can be accessed through the link: https://www.iepf.gov.in/IEPFWebProject/SearchInvestorAction.do?method=gotoSearchInvestor. Such shares can be claimed from IEPF authority by filing Form No. IEPF-5 in the prescribed manner.

USAGE OF ELECTRONIC PAYMENT MODES FOR MAKING DIVIDEND PAYMENTS TO THE INVESTORS

Shareholders can opt for receiving dividend credit directly into their bank account by updating their bank account details with the Depository Participants in case the same are held in dematerialised mode or with the Registrar & Share Transfer Agent of the Company in case the share are held in physical form. The Company, wherever it is possible based on the details submitted by members to Registrar & Share Transfer Agent or Depository Participants, as the case may be, is using electronic modes such as RTGS, NEFT, NECS, Direct Credit for making payment of dividend amounts. In remaining cases, payable at-par demand Drafts / Pay Order are issued in favour of members and dispatched to their registered address.

DISCLOSURE RELATING TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

Regulation 39(4) of the Listing Regulations read with Schedule VI provides for the manner of dealing with unclaimed shares. As per the provisions, the Company is required to dematerialise such shares which have been returned as undelivered by postal authorities and hold the same in Unclaimed Suspense Account with a Depository. Disclosure pursuant to the unclaimed shares as on 31st March, 2023 is given below:-

Particulars	Aggregate number of Shareholders	Outstanding shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account at the beginning of the year i.e. 1st April, 2022	NIL	NIL
Number of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	NIL	NIL
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account at the end of the year i.e. 31st March, 2023	NIL	NIL

CORRESPONDENCE REGARDING CHANGE OF ADDRESS, BANK MANDATE, ETC.

Shareholders are requested to ensure that all events of change of address, change in bank particulars, etc., are intimated to Company or Share Transfer Agent promptly. Such requests duly signed by all holders, where there are more than one, along with supporting documents such as proof of residence and proof of identification should be sent for updating Company's records. Shareholders who hold shares in dematerialised form should correspond with the Depository Participant with whom they have opened Demat Account(s).

RECONCILIATION OF SHARE CAPITAL AUDIT

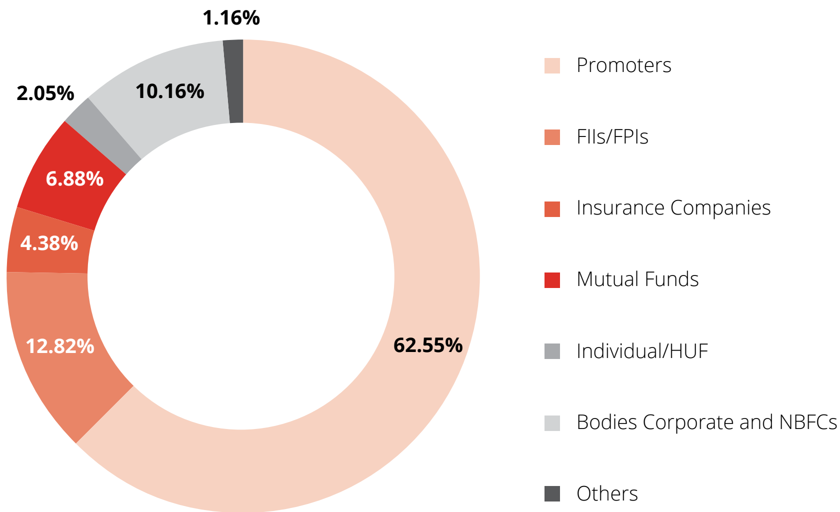
As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, depositories and is also placed before the Board of Directors in their meetings.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2023

Sl. No.	Slab of shares	No. of Holders	% to Holders	No. of Shares	% to Total No. of Shares
1.	1 – 50	28,728	89.60	2,00,164	0.55
2.	51 – 100	1380	4.30	1,19,811	0.33
3.	101 – 200	685	2.14	1,08,916	0.30
4.	201 – 500	563	1.75	1,94,006	0.54
5.	501 – 1,000	252	0.79	1,88,894	0.52
6.	1,001 – 5,000	247	0.77	5,53,007	1.54
7.	5,001 – 10,000	66	0.21	4,61,295	1.28
8.	10,001 and above	141	0.44	3,42,54,655	94.94
	TOTAL	**32,062**	**100.00**	**3,60,80,748**	**100.00**

SHAREHOLDING PATTERN

Description	No. of Shares held	
	31.03.2023	% of holding
Promoters	2,25,69,197	62.55%
FIIs / FPIs	46,23,818	12.82%
Insurance Companies	15,79,422	4.38%
Mutual Funds	24,82,868	6.88%
Individual/HUF	7,41,452	2.05%
Bodies Corporate and NBFCs	36,67,044	10.16%
Others	4,16,947	1.16%
Total	**3,60,80,748**	**100.00%**



DEMATERIALISATION OF SHARES & LIQUIDITY

The trading in the Company's Equity Shares has been permitted in Demat form w.e.f. 29th November, 1999. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for maintaining and facilitating transactions in the Company's shares in electronic mode. In view of the advantage offered by the Depository System, Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. 90.05% of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2023 (As on 31st March, 2022: 90.01%).

The shares are actively traded at BSE and NSE and have adequate liquidity.

There were no outstanding GDRs / ADRs / Warrants or any other Convertible Instruments as on 31st March, 2023.

PLANTS LOCATION

RAJASTHAN
1. **Beawar:** Bangur Nagar, Beawar, Rajasthan - 305 901
2. **Ras:** Bangur City, Ras, Rajasthan - 306 101
3. **Khushkhera:** Plot No. SP3-II / A-1, RIICO Industrial Area, Khushkhera, Tehsil: Bhiwadi, Distt.: Alwar, Rajasthan - 301 707
4. **Suratgarh:** Near N.H.-15, Udaipur - Udasar, Tehsil: Suratgarh, Distt.: Sriganganagar, Rajasthan - 335 804
5. **Jobner (Jaipur):** Mahela - Jobner Road, Village: Aslapur, Tehsil: Phulera, Distt.: Jaipur, Rajasthan - 303 331
CHHATTISGARH
6. **Baloda Bazar:** Village Khapradih, Tehsil- Simga, Distt.: Balodabazar, Chhattisgarh - 493 332
KARNATAKA
7. **Kodla:** Village Kodla & Benkanhalli, Taluk: Sedam Distt.: Kalaburagi, Karnataka – 585222
UTTARAKHAND
8. **Laksar (Roorkee):** Akbarpur - Oud, Tehsil: Laksar, Distt.: Haridwar, Uttarakhand - 247 663
HARYANA
9. **Panipat:** Village – Khukhrarna, P.O. – Asan Kalan, Tehsil – Madlouda, Distt: Panipat (Haryana)
UTTAR PRADESH
10. **Bulandshahr:** 12, Sikandrabad Industrial Area, Sikandrabad, Distt.: Bulandshahr, Uttar Pradesh - 203 205
BIHAR
11. **Aurangabad:** Industrial Growth Centre Biada, Near Jasoia More, Post: Mojurahi, Distt.: Aurangabad, Bihar - 824 102
JHARKHAND
12. **Saraikela:** PO-Burudh, Hansda, District : Seraikela - Kharsawan, Jharkhand – 833 210
ODISHA
13. **Cuttack:** Village - Chandrabalishyampur, Block - Athagarh, District : Cuttack, Odisha – 754 029
MAHARASHTRA
14. **Patas:** Village Patas, District : Pune, Maharashtra - 412 219

REGISTERED OFFICE & ADDRESS FOR CORRESPONDENCE:

Registered Office
Shree Cement Limited,
Bangur Nagar, Beawar - 305 901, Rajasthan
Phone: +91-1462-228101-06
Fax: +91-1462-228117 / 228119
Toll Free No.: 1800 180 6003 / 6004
Email: shreebwr@shreecement.com

Address for Correspondence
Shree Cement Limited
9th Floor, Epitome Tower - B,
Building No. 5, DLF Cyber City,
Gurugram,
Haryana - 122008
Phone: +91-124-4699200

CLARIFICATIONS ON FINANCIAL STATEMENTS:

Mr. Subhash Jajoo, Chief Finance Officer
Phone: +91-33-22390601-05
Fax: +91-33-22434226
E-mail: subhash.jajoo@shreecement.com

SHAREHOLDERS' QUERIES:

Mr. S.S. Khandelwal - Company Secretary
Phone: +91-1462-228101 to 06
Fax: +91-1462-228117/19
Toll Free: 1800 180 6003 / 6004
Exclusive e-mail ID for shareholders queries:
investor@shreecement.com
(This email ID would be applicable for shareholder's queries only and Company is not bound to respond on queries or other communication made on this email ID)

REGISTRAR AND SHARE TRANSFER AGENTS:

Link Intime India Private Limited
Unit: SHREE CEMENT LIMITED
C101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400 083
Tel: 022 – 4918 6270, Fax: 022 – 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Saili Lad, Senior Associate

Declaration on Code of Conduct

As provided under Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended on 31st March, 2023.

for **SHREE CEMENT LIMITED**

Neeraj Akhoury
Managing Director
DIN: 07419090

Date: 22nd May, 2023
Place: Gurugram

Compliance Certificate From CEO/CFO

The Board of Directors,
SHREE CEMENT LIMITED

Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015. This is to certify that:-

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take for rectifying these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Subhash Jajoo
Chief Finance Officer

Neeraj Akhoury
Managing Director
DIN: 07419090

Date: 22nd May, 2023
Place: Gurugram

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Shree Cement Limited
Bangur Nagar, Beawar
Rajasthan-305 901

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shree Cement Limited having CIN L26943RJ1979PLC001935 and having registered office at Bangur Nagar, Beawar-305 901, Rajasthan (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations, representations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment in the Company
1	Hari Mohan Bangur	00244329	31/07/1992
2	Prashant Bangur	00403621	23/08/2012
3	Shreekant Somany	00021423	20/10/2000
4	Sanjiv Krishnaji Shelgikar	00094311	05/08/2015
5	Nitin Dayalji Desai	02895410	27/05/2011
6	Uma Ghurka	00351117	11/11/2019
7	Zubair Ahmed	00182990	21/05/2022
8	Neeraj Akhoury	07419090	14/10/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pinchaa & Co.
Company Secretaries
Firm's U.C.N. P2016RJ051800
Firm's PR Certificate No. 832/2020

FCS Akshit Kumar Jangid
Partner
M. No.: FCS 11285
C. P. No.: 16300

Date: 22nd May, 2023
Place: Jaipur
UDIN: F011285E000346015

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L26943RJ1979PLC001935
2	Name of the Listed Entity	Shree Cement Limited
3	Year of incorporation	1979
4	Registered office address	Bangur Nagar, Beawar –305901, Rajasthan
5	Corporate address	**Kolkata:** 21, Strand Road, Kolkata – 700001, West Bengal **Gurugram:** 9th Floor, Epitome Tower - B, Building No. 5, DLF Cyber City, Gurugram
6	E-mail	investor@shreecement.com
7	Telephone	+91-124-4699200
8	Website	www.shreecement.com
9	Financial year for which reporting is being done	1st April, 2022 to 31st March, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 36.08 Crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. S.S. Khandelwal (Company Secretary) Tel: +91-124-4699200 Email: shyam.khandelwal@shreecement.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures under this report made on a standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing and sale of cement and clinker	95.09%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Cement and Clinker	2394	95.09%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4 Integrated Plant Locations; 10 Grinding Plant Locations	1 Registered Office; 2 Corporate Offices; 4 Zonal Marketing Offices	21
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	18 States and 4 Union Territories
International (No. of Countries)	-

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on type of customers

Institutional buyers, Industrial buyers, Govt., Builders and Dealers

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

b. Differently abled Employees and workers:

The response to these questions have been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 60.

19. Participation/Inclusion/Representation of women

The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 110.

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 61.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Shree Global FZE	Subsidiary	100%	No
2	Raipur Handling and Infrastructure Private Limited	Subsidiary	100%	
3	Shree Enterprises Management Ltd.	Subsidiary	100% (Beneficially Owned)	
4	Shree International Holding Ltd.	Subsidiary	100%	
5	Union Cement Company, PrJSC	Subsidiary	98.33%	
6	UCN Co Ltd. L.L.C. (erstwhile Union Cement Norcem Co. Ltd. LLC)	Subsidiary	100%	
7	Shree Cement East Bengal Foundation	Subsidiary (Incorporated under section 8 of the Companies Act, 2013)	52.00%	
8	Shree Cement North Private Limited	Subsidiary	100%	
9	Shree Cement East Private Limited	Subsidiary	100%	
10	Shree Cement South Private Limited	Subsidiary	100%	

Note: Effective Group Holding in UCN Co Ltd. L.L.C as on 31st March, 2023 is 99.00%

VI. CSR Details

22. (i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii)	Turnover (in ₹)	₹ 16,837.49 Cr
(iii)	Net worth (in ₹)	₹ 18,288.44 Cr

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Link to Stakeholder Engagement Policy is as under: https://www.shreecement.com/investors/policies	21	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)		NIL	NIL	NIL	NIL	NIL	NIL
Shareholders		10	NIL	NIL	9	NIL	NIL
Employees and workers		7	NIL	NIL	NIL	NIL	NIL
Customers		671	NIL	NIL	218	NIL	NIL
Value Chain Partners		15	NIL	NIL	3	NIL	NIL
Other (please specify)		NIL	NIL	NIL	NIL	NIL	NIL

24. Overview of the entity's material responsible business conduct issues

The response to this question has been covered in the Materiality Assessment section of the Integrated Annual Report FY 2022-23, page no. 25.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.shreecement.com/investors/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	BIS, Greenpro Certification – CII, ISO-45001, ILO, ISO 14001, PAT, VCS, ISO 50001								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Ensuring commitment to ethical business practices	Zero deviation from BIS standards	Zero harm at workplace for employees and workers	Commitment to addressing concerns and grievances of stakeholders	Zero non-compliance	Scope 1 Carbon intensity = 0.51 Tonnes CO2 / tonne cementitious material Scope 2 Carbon intensity = 0.005 tCO2/Tonnes cementitious material by 2030	Active participation in public policy matters through memberships	Ensure need basis community development programmes at each operational location	Timely resolution of customer complaints
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	No instances of non-compliances against regulatory requirements	Zero cases of deviation from BIS standards	Fatalities: Zero for employees and permanent workers and 2 for Contract workers	Concerns from stakeholders addressed on a timely manner	No instances of human rights violations at our operations	Scope 1 Carbon intensity = 0.52 Tonnes CO2 / tonne cementitious material Scope 2 Carbon intensity = 0.014 tCO2/Tonnes cementitious material.	Participation through forums such as FICCI, CMA, NCCBM and GCCA India.	Community development programmes implemented across all operational locations with spent of INR 69.99 Cr. During FY 2022-23 benefitting 7.3 lacs no. of beneficiaries	100% of customer complaints resolved in a timely manner

Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:	Dear Stakeholders, At Shree Cement, we believe in ourselves, and our ability to make a difference, even in the face of uncertainty and adversity. We are pushing the envelope of perceived notions and exploring our hidden capabilities to improve, expand, grow, and progress. We are identifying the best path forward, pursuing the right technological advancements, and rethinking our business model, products, portfolios, and partnerships. Innovation is critical to achieving the cement industry's decarbonisation goal, with promising avenues already emerging. To meet the rising demand for low-carbon materials, we are embracing circular business models, clean energy, and reallocating capital flows to finance the transition to green production. We are enhancing our operational efficiency by using clinker substitutes, increasing plant utilisation (which can lower energy intensity), and improving the effectiveness of equipment. We are increasingly investing in green energy capacity creation, including Waste Heat Recovery (WHR), solar and wind energy. Our existing green energy capacity is 385.6 MW, whereas our upcoming capacity stands at 83 MW. We have added around 122 MW of solar and wind power plants in different states during the current financial year. With over three decades of experience in project management, we have a sustained track record of implementing projects ahead of schedule. We are constantly working to increase our installed capacity beyond 80 MTPA in coming years across geographies, through both organic and inorganic growth. We are continually striving to create an inclusive, diverse, safe and healthy workspace for our people. Our philanthropy arm, Shree Foundation Trust, is consistently working to bring a change in the lives of our communities, especially the disadvantaged, marginalised and vulnerable groups. During the reporting period, our total community spent stood at ₹ 69.99 Crore, impacting more than 7 lac lives. To ensure that we are well-prepared for unexpected changes, we have established contingency plans and risk management strategies and regularly review and update them to maintain their effectiveness. We have formulated new policies and revised existing ones in accordance with international standards and frameworks. We have redesigned our business model and governance structure considering the ESG risks. Our business success is a testimony to our passion and drive to create value. Embracing transformation, integrating sustainability and reinventing ambitions we are setting greater goals, making bolder bets and building successes. Neeraj Akhoury, Managing Director
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Neeraj Akhoury DIN: 07419090 Designation: Managing Director
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes CSR and Sustainability Committee The Board of the company has constituted a CSR and Sustainability Committee to oversee the sustainability related aspects of the business. The Committee oversees and ensures that the company's strategies, activities, risks, and policies are aligned with the evolving global and national context, including Environmental, Social, and Governance (ESG) related aspects. The committee guides the concerned teams to effectively and transparently implement the ESG initiatives that are aligned with the company's vision and mission.

10. Details of Review of NGRBC by the Company

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Committee of the Board									Annually								

	P 1	P 2	P 3	P 4	P 5	P6	P 7	P 8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, Secretarial auditor	Yes BSI	Yes BSI	Yes, Secretarial Auditor	Yes Factory Inspector	Yes BSI	Yes Secretarial Auditor	Yes Secretarial auditor	Yes BSI

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programme
Board of Directors	1	Updates on Sustainability initiatives. Revisions and updates in : o Whistle blower mechanism and Whistle Blower Policy o Code of Conduct	100%
Key Managerial Personnel	1		100%
Employees other than BoD and KMPs	589	Skill Building, Personal and Managerial Effectiveness – Development of capacity to perform the tasks more efficiently. Ethics, Risk and Compliance – helped in improving employee awareness on ethics, risk and compliance that in turn lead to follow applicable policies diligently. Health & Safety – Adoption of improved health and safety measures.	96.84%
Workers	13	Skill Building, Personal and Managerial Effectiveness – Development of capacity to perform the tasks more efficiently. Ethics, Risk and Compliance – helped in improving employee awareness on ethics, risk and compliance that in turn lead to follow applicable policies diligently. Health & Safety – Adoption of improved health and safety measures.	77.30%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website:**

	Monetary				
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding Fee	Nil	Nil	Nil	Nil	Nil

	Non-Monetary			
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an Appeal been preferred (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/Judicial institutions
Nil	Nil

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**
The Company has adopted a Board approved Anti-Bribery and Anti-Corruption Policy. The Policy entails our approach to combat situations of bribery and corruption and outlines our position on the same. The Policy also mentions the implications and risks that can arise from such situations. We comply with all the applicable anti-bribery and anti-corruption laws, including Prevention of Corruption (Amendment) Act, 2018.

Weblink: https://www.shreecement.com/investors/policies

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**
The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 112.

6. **Details of complaints with regard to conflict of interest:**
The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 112.

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**
The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 112.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Awareness programmes were not conducted for value chain partners on NGRBC principles in the reporting year. However, the company is planning to initiate and execute the same in upcoming years.		

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**
   Yes

   The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 112.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**
   The response to this question has been covered in the Intellectual Capital section of the Integrated Annual Report FY 2022-23, page no. 84.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
   Yes

   b. **If yes, what percentage of inputs were sourced sustainably?**
   73.1%

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 79.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
   Yes, the response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 79.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 76.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 76.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 76, 78.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chain

Essential Indicators

1 a. **Details of measures for the well-being of employees:**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 63.

b. **Details of measures for the well-being of workers:**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 63.

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 63.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, all our corporate and plant offices are accessible to differently abled employees and workers.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Weblink: https://www.shreecement.com/investors/policies

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 63.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 65.

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 64.

8. **Details of training given to employees and workers:**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 67.

9. **Details of performance and career development reviews of employees and worker:**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 65.

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 143.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68, 69.

11. Details of safety related incidents, in the following format:

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68.

13. Number of Complaints on the following made by employees and workers:

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68.

14. Assessments for the year:

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees : Yes

(B) Workers : Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes, the concerned departments of the company ensure that the value chain partners deduct and deposit statutory dues on time and is supported by documented evidence.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 68.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, currently we do not provide any transition assistance programmes.

5. Details on assessment of value chain partners:

The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 107.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2023, page no. 107.

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The response to this question has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23, page no. 22.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

   The response to this question has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23, page no 22.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The response to this question has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23, page no 22.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   The response to this question has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23, page no. 22.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The response to this question has been covered in the Stakeholder Engagement and Materiality Assessment section of the Integrated Annual Report FY 2022-23, page no. 24.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 64.

2. **Details of minimum wages paid to employees and workers, in the following format:**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 64.

3. **Details of remuneration/salary/wages, in the following format:**
   The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 110.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, all our operations are strictly monitored for human rights impacts as per our internal risk procedures. The human rights issues and impacts are overseen by the Chief Human Resource Officer.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 65.

6. **Number of Complaints on the following made by employees and workers:**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 65.

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 65.

8. **Do human rights requirements form part of your business agreements and contracts?**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 64.

9. **Assessments for the year:**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 64.

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**
    The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 64.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 64.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 64.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**
   The response to this question has been covered in the Human Capital section of the Integrated Annual Report FY 2022-23, page no. 60.

4. **Details on assessment of value chain partners:**

   The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 107.

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 107.

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 72.

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   Yes, M/s Intertek India Private Limited was engaged by the Company to provide an independent assurance for FY 2022-23.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 74.

3. **Provide details of the following disclosures related to water, in the following format:**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 81.

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   Yes, M/s Intertek India Private Limited was engaged by the Company to provide an independent assurance for FY 2022-23.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 80.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 76.

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   Yes, M/s Intertek India Private Limited has been engaged by the Company to provide an independent assurance for FY 2022-23 for air emissions.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 74.

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   Yes, M/s Intertek India Private Limited was engaged by the Company to provide an independent assurance for FY 2022-23.

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 72.

8. **Provide details related to waste management by the entity, in the following format:**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 79.

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   Yes, M/s Intertek India Private Limited was engaged by the Company to provide an independent assurance for FY 2022-23.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**
   The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 79.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**
    The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 81.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Integrated Cement Plant at Villages- Bhivgarh, Jawangarh and Ras - II, (Rajasthan)	EIA Notification dated 14.09.2006 vide S.O. 1533(E), as amended thereof	14.09.2006	Yes, by JM EnviroNet Pvt. Ltd. (NABET Accredited EIA Consultant)	Yes	https://parivesh.nic.in/newupgrade/#/organisation/project-detail?project=2267316
Expansion in Existing capacity of Integrated Cement Plant at Village: Gothra, Tehsil: Nawalgarh, District: Jhunjhunu (Rajasthan)	EIA Notification dated 14.09.2006 vide S.O. 1533(E), as amended thereof	14.09.2006	Yes, by JM EnviroNet Pvt. Ltd. (NABET Accredited EIA Consultant)	Yes	https://parivesh.nic.in/newupgrade/#/organisation/project-detail?project=1422847
Expansion of Integrated Cement Plant at Village: Benkanhalli, Taluka: Sedam, District: Kalaburagi (Karnataka)	EIA Notification dated 14.09.2006 vide S.O. 1533(E), as amended thereof	14.09.2006	Yes, by JM EnviroNet Pvt. Ltd. (NABET Accredited EIA Consultant)	Yes	https://parivesh.nic.in/newupgrade/#/organisation/project-detail?project=4611687
Integrated Cement Plant at Villages: Tilgul & Kirangi, Taluka & District: Kalaburagi (Karnataka)	EIA Notification dated 14.09.2006 vide S.O. 1533(E), as amended thereof	14.09.2006	Yes, by JM EnviroNet Pvt. Ltd. (NABET Accredited EIA Consultant)	Yes	https://kspcb.karnataka.gov.in/node/406
Expansion of Kodla Limestone Mine at Villages: Kodla & Benakanahalli, Taluka: Sedam, District: Kalaburagi (Karnataka)	EIA Notification dated 14.09.2006 vide S.O. 1533(E), as amended thereof	14.09.2006	Yes, by JM EnviroNet Pvt. Ltd. (NABET Accredited EIA Consultant)	Yes	https://parivesh.nic.in/newupgrade/#/organisation/project-detail?project=2736624
Expansion of Standalone Clinker Grinding Unit at Village: Hansda, PO: Burudih, Block: Kharsawan, District: Saraikela - Kharsawan (Jharkhand)	EIA Notification dated 14.09.2006 vide S.O. 1533(E), as amended thereof	14.09.2006	Yes, by JM EnviroNet Pvt. Ltd. (NABET Accredited EIA Consultant)	Yes	https://parivesh.nic.in/newupgrade/#/organisation/project-detail?project=2392751

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 71.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 72.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s Intertek India Private Limited was engaged by the Company to provide an independent assurance for FY 2022-23.

2. Provide the following details related to water discharged

The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 80.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s Intertek India Private Limited was engaged by the Company to provide an independent assurance for FY 2022-23.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**
The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no 81.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s Intertek India Private Limited was engaged by the Company to provide an independent assurance for FY 2022-23.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**
The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no 74.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s Intertek India Private Limited was engaged by the Company to provide an independent assurance for FY 2022-23.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

The response to this question has been covered in the Natural Capital section of the Integrated Annual Report FY 2022-23, page no. 81.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Manufacture and use of synthetic gypsum	Synthetic gypsum is manufactured using low grade limestone and spent acid (waste from other industry). This synthetic gypsum is used to replace natural mineral gypsum for cement production.	- Reduction in mineral gypsum consumption - Use of low-grade limestone and spent acid, leading to effective waste management - Cost savings
2	Air cooled condenser	Air cooled condensers are installed within captive power plants and waste heat recovery boilers replacing conventional water-cooled condensers	- Savings of substantial quantity of cooling water
3	Alternative fuels and raw materials	Increased consumption of alternative fuels and raw materials in cement manufacturing	- Increased production of blended cement/ low carbon cement - Reduced natural resource consumption (Raw materials and fuels)
4	Green Power	We have the highest WHR capacity in cement industry outside China. Additionally, we have substantially enhanced our solar and wind capacity in the reporting year. This has minimized our dependency on grid electricity and conventional fuel-based electricity.	- Decrease in fossil fuel consumption - Reduced GHG Emissions

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**
The response to this question has been covered in the Risk and Opportunities section of the Integrated Annual Report FY 2022-23, page no. 35.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**
The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 106.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**
The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 107.

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 112.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

   The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 112.

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**
   We conduct awareness sessions and trainings on code of conduct which includes aspect of anti-competitive conduct. Further, we did not identify any issues related to anti-competitive conduct.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**
   The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 113.

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
   The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 91.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name of project for which R&R in ongoing	State	District	No. of Project Affected Families (PAF)	% of PAFs covered by R&R	Amounts No. paid to PAFs in the FY (in INR)
We do not have any ongoing projects and neither we undertook any projects during the reporting period that involved Rehabilitation and Resettlement.					

3. **Describe the mechanisms to receive and redress grievances of the community.**
   The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no.113.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**
   The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 107.

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**:

   The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 91.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**
   The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 91.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

    Yes, the response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 105.

    (b) **From which marginalized /vulnerable groups do you procure?**

    The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 105.

    (c) **What percentage of total procurement (by value) does it constitute?**

    The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 105.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
		N.A.		

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
	N.A.	

6. **Details of beneficiaries of CSR Projects**

    The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 88.

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

    The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 101.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

    The response to this question has been covered in the Corporate Governance section of the Integrated Annual Report FY 2022-23, page no. 101.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

    Yes, we have an Information security policy in place.

    Weblink: https://www.shreecement.com/investors/policies

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 105.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can "be accessed (provide web link, if available).
https://www.shreecement.com/our-business

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 103.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Cement which is our major product does not fall under Essential Services hence this is not applicable.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 103.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 100.

6. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 101.

b. Percentage of data breaches involving personally identifiable information of customers

The response to this question has been covered in the Social and Relationship Capital section of the Integrated Annual Report FY 2022-23, page no. 101.

Independent Auditors' Report

TO THE MEMBERS OF SHREE CEMENT LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its profit, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTERS:

Key audit matters	How our audit addressed the key audit matter
Revenue from sale of goods	
The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts. The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: • Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'; • Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts; • Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales agreements; • Assessed the relevant disclosures made in the Standalone financial statements

Key audit matters	How our audit addressed the key audit matter
Litigation, Claims and Contingent Liabilities:	
The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.	Our audit procedures included the following: • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities; • We held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable', 'possible' and 'remote'; • We read the correspondence from Court authorities and considered legal opinion obtained by the Company from external law firms to challenge the basis used for provisions recognised or the disclosures made in the standalone financial statements; • For those matters where Company concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The comparative standalone Ind AS financial statements of the Company for financial year ended on 31st March, 2022 included in these standalone financial statements have been audited by predecessor auditors whose report for the year ended on 31st March, 2022 dated 21st May, 2022 expressed an unmodified opinion on theses financial statements.

Our opinion on the standalone financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the **Annexure 'A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of written representations received from the directors as on 31st March 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure 'B'**

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including any derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend;

b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No.081075
UDIN: 23081075BGQYRQ2804

Date: 22nd May, 2023
Place: Gurugram

Annexure "A" to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment.

   (B) The Company has maintained proper records showing full particulars of intangible assets.

   b) According to the information and explanations given to us, property, plant and equipment have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

   c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

   d) The Company has not revalued its Property, plant and equipment (including Right of use Assets) and intangible assets during the year.

   e) According to the information and explanations given to us, no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2. In respect of its inventories:

   a) The management has physically verified the inventories. In our opinion, the frequency, coverage and procedure of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.

   b) The Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, from banks on the basis of security of current assets during the year. According to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

3. The Company has made investments in and granted unsecured loans to companies during the year, in respect of which;

   a) the aggregate amount granted during the year and balance outstanding at the balance sheet date with respect to loans granted to subsidiaries is ₹ 36.92 crore and ₹ 1.98 crore respectively;

   b) the investment made and terms and conditions of grant of such loans are not prejudicial to the Company's interest;

   c) in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount and receipt of interest has generally been regular as per the stipulation;

   d) in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date;

   e) no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

   f) the Company has granted a loan to a subsidiary which is repayable on demand. The aggregate amount of the loan granted is ₹ 36.92 crore during the year. There are no other loans granted to related parties as defined in sub-section (76) of section 2 of the Act.

4. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made, as applicable.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during

the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

6. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under section 148 of the Act, and are of the opinion that the prima facie, the prescribed Cost records have been made and maintained . We have , however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. In respect of statutory dues:

   a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

   There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

   b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2023 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
(A) Excise and Service Tax				
Central Excise Act, 1944	Cenvat credit of inputs	0.57	2005-06 to 2007-08 & 2013-14	Commissioner (Appeals) of Central Excise and Service Tax
	Cenvat credit on capital goods	0.03	2009-10	Rajasthan High Court, Jaipur
Finance Act, 1994	Credit of Service Tax on input services	6.72	2015-16 to 2017-18	Central Excise & Service Tax Appellate Tribunal (CESTAT), Delhi
Total (A)		**7.32**		
(B) Customs Duty				
Customs Act, 1962	Custom Duty Valuation	0.29	2009-10	Assistant /Deputy Commissioner Contract Cell
	Custom Duty Valuation	15.47	2008-09 to 2009-10 and 2012-13	Central Excise & Service Tax Appellate Tribunal (CESTAT)
	Custom Duty Valuation	0.04	2017-18 & 2019-20	Commissioner (Appeals) of Central Excise and Service Tax, Mumbai
Total (B)		**15.80**		
(C) Sales Tax				
Rajasthan VAT Act, 2003	Input VAT Credit	6.95	2014-15 to 2017-18	Tax Board, Jaipur
	VAT Demand on deemed Sale	94.93	2019-20	Appellate Authority, Ajmer
Bihar VAT Act, 2005	Input VAT Credit	0.12	2016-17	Joint Commissioner of Commercial Taxes (Appeals) Central Division, Patna
Uttrakhand VAT Act, 2005	Concessional tax diesel used for raw material transportation	0.44	2017-18 to 2018-19	Joint Commissioner of Commercial Taxes (Appeals), Haridwar
Total (C)		**102.44**		
(D) Goods and Service Tax				
Goods and Service Tax Act, 2017	Admissibility of Input Tax Credit	6.78	2017-18 to 2020-21	Joint Commissioner (Appeals), Guntur
Total (D)		**6.78**		

Name of the statute	Nature of the dues	Amount under dispute not yet deposited (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
(E) Entry tax				
UP Tax on Entry of Goods Act, 2000	Interest on Entry tax	2.78	2009-10	Joint Commissioner, Ghaziabad
Chhattisgarh Tax on Entry of Goods Act, 1976	Entry Tax	14.79	2014-15 to 2016-17	Chhattisgarh High Court, Bilaspur
Punjab Tax on Entry of Goods into Local Area Act, 2000	Input Tax credit	0.57	2010-11 to 2013-14	Tribunal, Chandigarh
Total (E)		**18.14**		
(F) Others				
Rajasthan Finance Act, 2008	Environment & Health Cess on Minerals	91.77	2007-08 to 2016-17	The Supreme Court
Rajasthan Land Tax Act, 2006	Land Tax, Rajasthan	0.80	2006-07 to 2009-10	DIG, Stamps & Registration, Pali
Rajasthan Land Tax Act, 2020	Land Tax, Rajasthan	4.03	2020-21	Rajasthan High Court
Employee State Insurance Act, 1948	Employee State Insurance	1.04	2013-14 to 2017-18	ESI Court, Jaipur
Mines and Minerals (Development & Regulation) Act, 1957	Differential Royalty on Limestone	3.10	1989-90, 1992-93, 1993-94 and 2001-02	Rajasthan High Court
MMDR act read with Rajasthan Mineral Concession Rules read with RM (PIMTS) Rules 2007	Storage of Mineral awaiting registration	0.30	2009-10 to 2010-11	Rajasthan Tax Board
Rajasthan Stamps Act, 1998	Stamp Duty	0.57	2003-04 to 2004-05	Rajasthan High Court
Total (F)		**101.61**		
Grand Total (A+B+C+D+E+F)		**252.09**		

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. a) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.

   b) The Company is not declared a willful defaulter by any bank or financial institution or other lender.

   c) The term loan has been applied for the purpose for which they were obtained.

   d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

   e) The Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries. The Company does not have associates or joint ventures.

   f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have associates or joint ventures.

10. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable.

    b) The company has not made any preferential allotment of shares or fully or partially convertible debentures during the year. Hence, reporting under clause 3 (x) (b) of the Order is not applicable.

11. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

 b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non- cash transaction with directors or persons connected with him, therefore, reporting under clause 3(xv) of the Order is not applicable.

16. a) The Company is not engaged in business of Non-Banking Financial Company or Housing Finance Company or Core Investment Company requiring registration under the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

 b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

17. The Company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

 b) There are no unspent amounts towards CSR on ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No.081075
UDIN: 23081075BGQYRQ2804

Date: 22nd May, 2023
Place: Gurugram

Annexure "B" to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No.081075
UDIN: 23081075BGQYRQ2804

Date: 22nd May, 2023
Place: Gurugram

Shree Cement

Standalone Balance Sheet

AS AT 31st MARCH, 2023

(₹ in Crore)

	Notes	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6	4,591.10	4,711.82
Capital Work-in-Progress	36	2,320.25	972.91
Intangible Assets	7	46.29	26.66
Right of Use Assets	8	695.30	583.01
Financial Assets			
Investments	9	8,299.85	8,060.96
Loans	10	3.66	4.35
Other Financial Assets	11	135.93	133.62
Deferred Tax Assets (Net)	12	668.56	669.51
Non-Current Tax Assets (Net)		172.55	27.11
Other Non-Current Assets	13	749.07	534.29
		17,682.56	**15,724.24**
Current Assets			
Inventories	14	2,422.61	2,161.40
Financial Assets			
Investments	15	3,350.68	3,484.99
Trade Receivables	16	906.05	595.65
Cash and Cash Equivalents	17	6.06	15.38
Bank Balances other than Cash and Cash Equivalents	18	113.23	102.88
Loans	10	6.92	25.34
Other Financial Assets	11	298.62	219.88
Other Current Assets	13	1,031.95	1,085.67
		8,136.12	**7,691.19**
Total Assets		**25,818.68**	**23,415.43**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	36.08	36.08
Other Equity	20	18,252.36	17,234.79
Total Equity		**18,288.44**	**17,270.87**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	21	580.87	1,298.34
Lease Liabilities		180.29	140.04
Other Financial Liabilities	22	159.35	135.67
Provisions	23	12.99	11.78
		933.50	**1,585.83**
Current Liabilities			
Financial Liabilities			
Borrowings	24	1,958.30	715.84
Lease Liabilities		91.67	54.85
Trade Payables	52		
Total Outstanding Dues of Micro and Small Enterprises		12.30	6.50
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		1,116.40	797.39
Other Financial Liabilities	22	1,713.72	1,334.88
Other Current Liabilities	25	1,387.71	1,332.49
Provisions	23	2.46	2.60
Current Tax Liabilities (Net)		314.18	314.18
		6,596.74	**4,558.73**
Total Equity and Liabilities		**25,818.68**	**23,415.43**
Significant Accounting Policies	4		

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Date : 22nd May, 2023
Place: Gurugram

For and on behalf of the Board

H. M. Bangur
Chairman
DIN: 00244329

Prashant Bangur
Vice Chairman
DIN: 00403621

Neeraj Akhoury
Managing Director
DIN: 07419090

Shreekant Somany
Independent Director
DIN: 00021423

Uma Ghurka
Independent Director
DIN: 00351117

Nitin Desai
Independent Director
DIN: 02895410

Zubair Ahmed
Independent Director
DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Standalone Statement of Profit and Loss

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

	Notes	For the year ended 31.03.2023	For the year ended 31.03.2022
INCOME			
Revenue from Operations			
Gross Revenue from Operations		21,358.15	18,049.22
Less: GST recovered		4,520.66	3,743.34
Revenue from Operations	26	16,837.49	14,305.88
Other Income	27	431.51	537.34
Total Income		**17,269.00**	**14,843.22**
EXPENSES			
Cost of Materials Consumed	28	1,299.89	1,002.46
Purchases of Stock-in-Trade		38.47	282.58
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(78.52)	(146.48)
Employee Benefits Expenses	30	865.78	807.23
Power and Fuel		5,544.93	3,161.38
Freight and Forwarding Expenses	31	3,733.23	3,241.46
Finance Costs	32	268.93	217.78
Depreciation and Amortisation Expenses	6,7 & 8	1,546.20	1,036.48
Other Expenses	33	2,541.73	2,333.26
		15,760.64	11,936.15
Captive Consumption of Cement		(50.28)	(23.85)
Total Expenses		**15,710.36**	**11,912.30**
PROFIT BEFORE TAX		**1,558.64**	**2,930.92**
Tax Expense	42		
Current Tax		247.99	542.71
Tax Expense Relating to Earlier Years (Net)		(154.28)	(104.53)
Deferred Tax (Credit) / Charge		136.80	116.12
		230.51	**554.30**
PROFIT FOR THE YEAR		**1,328.13**	**2,376.62**
OTHER COMPREHENSIVE INCOME			
Items that will not be Reclassified to Profit or Loss - Re-measurements of Defined Benefit Plans	38(b)	6.48	3.99
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(2.27)	(1.39)
Items that will be Reclassified to Profit or Loss - Cash Flow Hedges	47	0.59	22.57
Income Tax relating to Items that will be Reclassified to Profit or Loss		(0.22)	(7.05)
		4.58	**18.12**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the Year)		**1,332.71**	**2,394.74**
Earnings per Equity Share of ₹ 10 each (In ₹)	49		
Cash		834.55	978.14
Basic and Diluted		368.10	658.69
Significant Accounting Policies	4		

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For and on behalf of the Board

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

H. M. Bangur
Chairman
DIN: 00244329

Prashant Bangur
Vice Chairman
DIN: 00403621

Neeraj Akhoury
Managing Director
DIN: 07419090

Sudhir Maheshwari
Partner
Membership No. 081075

Shreekant Somany
Independent Director
DIN: 00021423

Uma Ghurka
Independent Director
DIN: 00351117

Nitin Desai
Independent Director
DIN: 02895410

Date : 22nd May, 2023
Place: Gurugram

Zubair Ahmed
Independent Director
DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Standalone Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

	Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
A	**Cash Flow From Operating Activities**				
	Profit Before Tax		**1,558.64**		**2,930.92**
	Adjustments For :				
	Depreciation and Amortisation Expenses	1,546.20		1,036.48	
	Foreign Exchange Rate Differences (Net)	(3.41)		1.41	
	Bad Debts Written Off	0.58		0.05	
	Allowance for Doubtful Trade Receivables (Net)	0.18		(0.07)	
	Gain on Fair Value of Interest Free SGST Loan from Government	(14.00)		-	
	Net (Gain)/ Loss on Sale of Investments	4.28		(103.24)	
	(Gain)/ Loss on Fair Value of Investments through Profit or Loss	(135.46)		(118.49)	
	Interest Income	(285.45)		(302.67)	
	Dividend Income on Investments Classified at Fair Value through Profit or Loss	(5.50)		(6.32)	
	Profit on Sale of Property, Plant and Equipment (Net) / Assets Written Off	1.33		(5.05)	
	Finance Costs	268.93	1,377.68	217.78	719.88
	Operating Profit Before Working Capital Changes		**2,936.32**		**3,650.80**
	Adjustments For :				
	(Increase) / Decrease in Trade and Other Receivables	(452.62)		(101.13)	
	(Increase) / Decrease in Inventories	(261.21)		(684.23)	
	Increase / (Decrease) in Trade & Other Payables and Provisions	810.49	96.66	53.31	(732.05)
	Cash Generated From Operations		**3,032.98**		**2,918.75**
	Direct Taxes Paid (Net of Refunds)		(328.66)		(195.90)
	Net Cash Flow From Operating Activities		**2,704.32**		**2,722.85**
B	**Cash Flow From Investing Activities**				
	Purchase of Property, Plant and Equipment (Including Capital Work-in-Progress and Capital Advances)	(2,805.27)		(1,969.41)	
	Proceeds from Sale of Property, Plant and Equipment	65.83		23.45	
	Payments for Intangible Assets	(22.48)		(2.30)	
	(Purchases) / Proceeds of Investments in Mutual Funds/ Exchange Traded Funds (Net)	260.14		381.85	
	Investment made in Subsidiary Companies	(524.69)		(265.17)	
	Purchases of Other Investments	-		(841.13)	
	Proceeds from Sale/ Redemption of Other Investments	267.96		428.38	
	Loan Given to Subsidiary Companies	(36.92)		(21.20)	
	Repayment Received for Loan Given to Subsidiary Companies	55.69		17.20	
	Investments in Bank Deposits	(68.93)		(37.28)	
	Maturity of Bank Deposits	59.43		129.21	
	Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.25)		0.05	
	Dividend Received	5.50		6.32	
	Interest Received	335.11		284.69	
	Net Cash Used in Investing Activities		**(2,408.88)**		**(1,865.34)**

Standalone Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

	Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
C	**Cash Flow From Financing Activities**				
	Proceeds from Long Term Borrowings	193.63		322.28	
	Repayment of Long Term Borrowings	(378.93)		(290.17)	
	Repayment of Lease Liabilities	(187.99)		(113.93)	
	Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	640.14		(188.91)	
	Interest and Financial Charges Paid	(257.44)		(208.80)	
	Dividend Paid	(324.47)		(378.89)	
	Net Cash Used in Financing Activities		**(315.06)**		**(858.42)**
	Net (Decrease)/ Increase in Cash and Cash Equivalents		**(19.62)**		**(0.91)**
	Cash and Cash Equivalents as at the beginning of the Year		**(5.47)**		**(4.56)**
	Cash and Cash Equivalents as at the end of the Year		**(25.09)**		**(5.47)**

Notes :

1. Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.
3. For the purpose of Standalone Cash Flow Statement, Cash and Cash Equivalents comprises the following:

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Balances with Banks	3.16	14.24
Cash on Hand	2.90	1.14
	6.06	15.38
Less: Bank Overdraft	31.15	20.85
	(25.09)	**(5.47)**

4. Refer Note 43 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Date : 22nd May, 2023
Place: Gurugram

For and on behalf of the Board

H. M. Bangur
Chairman
DIN: 00244329

Prashant Bangur
Vice Chairman
DIN: 00403621

Neeraj Akhoury
Managing Director
DIN: 07419090

Shreekant Somany
Independent Director
DIN: 00021423

Uma Ghurka
Independent Director
DIN: 00351117

Nitin Desai
Independent Director
DIN: 02895410

Zubair Ahmed
Independent Director
DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Standalone Statement of Changes in Equity

FOR THE YEAR ENDED 31st MARCH, 2023

A. EQUITY SHARE CAPITAL (Refer Note 19)

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 1st April 2021	**3,60,80,748**	**36.08**
Changes in equity share capital during the year	-	-
As at 31st March 2022	**3,60,80,748**	**36.08**
Changes in equity share capital during the year	-	-
As at 31st March 2023	**3,60,80,748**	**36.08**

B. OTHER EQUITY (Refer Note 20)

For the year ended 31st March, 2023 (₹ in Crore)

Particulars	Reserves and Surplus				Item of OCI	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective Portion of Cash Flow Hedges	
Opening Balance as at 1st April 2022	**15.00**	**2,408.63**	**7,000.00**	**7,826.07**	**(14.91)**	**17,234.79**
Profit for the year				1,328.13		1,328.13
Other Comprehensive Income for the year						
Re-measurements of Defined Benefit Plans (Net of Tax)				4.21		4.21
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 47)					0.37	0.37
Transfer to Initial Carrying Amount of Hedged Items (Net of Tax) (Refer Note 47)					9.58	9.58
Final Dividend on Equity Shares (Note 1 below)				(162.36)		(162.36)
Interim Dividend on Equity Shares (Note 2 below)				(162.36)		(162.36)
Closing Balance as at 31st March 2023	**15.00**	**2,408.63**	**7,000.00**	**8,833.69**	**(4.96)**	**18,252.36**

For the year ended 31st March, 2022 (₹ in Crore)

Particulars	Reserves and Surplus				Item of OCI	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective Portion of Cash Flow Hedges	
Opening Balance as at 1st April 2021	**15.00**	**2,408.63**	**6,500.00**	**6,325.69**	**(35.33)**	**15,213.99**
Profit for the year				2,376.62		2,376.62
Other Comprehensive Income for the year						
Re-measurements of the Defined Benefit Plans (Net of Tax)				2.60		2.60
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 47)					15.52	15.52
Transfer to Initial Carrying Amount of Hedged Items (Net of tax) (Refer Note 47)					4.90	4.90
Transfer to /(from) Retained Earnings			500.00	(500.00)		-
Final Dividend on Equity Shares (Note 3 below)				(216.48)		(216.48)
Interim Dividend on Equity Shares (Note 4 below)				(162.36)		(162.36)
Closing Balance as at 31st March 2022	**15.00**	**2,408.63**	**7,000.00**	**7,826.07**	**(14.91)**	**17,234.79**

Note 1: Final Dividend at the rate of ₹ 45 per share of ₹ 10 each for FY 2021-22.

Note 2: Interim Dividend at the rate of ₹ 45 per share of ₹ 10 each for FY 2022-23.

Note 3: Final Dividend at the rate of ₹ 60 per share of ₹ 10 each for FY 2020-21.

Note 4: Interim Dividend at the rate of ₹ 45 per share of ₹ 10 each for FY 2021-22.

Standalone Statement of Changes in Equity

FOR THE YEAR ENDED 31st MARCH, 2023

Nature of Reserves

Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

Securities Premium

Securities Premium represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

General Reserve represents the reserve created by apportionment of profits generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

Effective Portion of Cash Flow Hedges

The Company has designated certain hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss.

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Date : 22nd May, 2023
Place: Gurugram

For and on behalf of the Board

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DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Notes Forming Part of Standalone Financial Statements

1. CORPORATE INFORMATION

Shree Cement Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar - 305901 (Rajasthan), India.

The Company is engaged in the manufacturing and selling of cement and cement related products. It is regarded as one of the most efficient and environment friendly company in the global cement industry.

For Company's principal shareholders, Refer Note No. 19.

2. STATEMENT OF COMPLIANCE

The standalone financial statements (hereinafter referred to as "financial statements") of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and amendments made thereafter and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

These financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 22nd May 2023.

3. NEW ACCOUNTING PRONOUNCEMENTS

(i) Adoption of New Accounting Pronouncements

(a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

(b) Ind AS 16 – Proceeds Before Intended Use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

(c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

(d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

These amendments are effective from 1st April, 2022 and the effect of these amendments has been incorporated in these financial statements to the extent applicable to the Company. These amendments do not have significant impact on the financial statements of the Company.

(ii) Application of New Amendments Issued but Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Notes Forming Part of Standalone Financial Statements

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company does not expect the above amendments to have any significant impact in its financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation and Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments – note 4 (s))
- Employee's defined benefit plan as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crore, except otherwise indicated.

b) Classification of Assets and Liabilities into Current/ Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

1. It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is expected to realize the asset within twelve months after the reporting period; or
4. The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

1. It is expected to be settled in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation/ amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/ bringing the asset to its working condition for its intended use, including relevant borrowing costs.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All subsequent costs are charged to statement of profit and loss unless it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital work-in-progress is carried at cost and directly attributable expenditure/ income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying assets) which is allocated to the property, plant and equipment on the completion of project. Advances given towards acquisition or construction of property, plant and

Notes Forming Part of Standalone Financial Statements

equipment outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

Depreciation is provided on written down value method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant and Equipment	3-20 Years
Buildings	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture and Fixtures	5 Years

Assets individually costing less than or equal to ₹ 25,000 are fully depreciated in the year of purchase. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of projects, from the date when it is ready for intended use. Depreciation on deduction/ disposals is provided on a pro-rata basis up to the date of deduction / disposal.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed and / or derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/ bringing the asset to its working condition for its intended use.

Amortization is provided on a written down value method over estimated useful lives, but not exceeding three years except mining rights which is amortized based on units-of-production method.

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively.

e) Borrowing Costs

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of Cash Generating Unit (CGU) to which the asset belongs. The cash

Notes Forming Part of Standalone Financial Statements

generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows of other assets or group of assets.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

g) **Revenue Recognition**

Revenue is recognized to depict the transfer of promised products or services to customers. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amount collected on behalf of third party.

Revenue from sale of products is recognized when products are delivered to the customers. Delivery occurs when the product has been shipped to the customers, the risks of obsolescence and loss have been transferred to customers and the customer has accepted the products in accordance with sales arrangement. Revenue is disclosed net of Goods and Services Tax (GST), discounts, volume rebates and returns, as applicable.

h) Dividend income is recognized when the right to receive the payment is established. Interest income is recognized using the Effective Interest Rate (EIR) method. Difference between the sale price and carrying value of investment is recognized as profit or loss on sale/ redemption of investment on the date of transaction.

i) Insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized only when collection is virtually certain which generally coincides with receipt.

j) **Government Grants**

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Grants related to income are recognized in statement of profit and loss on a systematic basis over the period to match them with the related costs.

Grants related to assets are included in liabilities as deferred income and are credited to income on a systematic basis over the useful life of the related assets.

The benefit of government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is recognized in the statement of profit and loss.

k) **Employee Benefits**

1) Defined Contribution Plan

Superannuation, Provident Fund, National Pension Scheme and Employees State Insurance Corporation (“ESIC”) are considered as defined contribution plan and the contributions are charged to the statement of profit and loss for the year in which employees have rendered related services.

2) Defined Benefit Plan

Gratuity is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurements

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item ‘Employee Benefits Expenses’.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit

Notes Forming Part of Standalone Financial Statements

liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

3) Other Long Term Benefits

En-cashable leave in case of employees covered by Cement Wage Board and non en-cashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/ losses, if any, are recognized in statement of profit and loss in the year in which they arise.

4) Other Short Term Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered. Liabilities recognized in respect of short-term employee benefits, are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

l) Foreign Currency Transaction

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's financial statements are presented in Indian Rupees, which is also the Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency, using the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except the amount of such exchange differences capitalized in accordance with policy on 'Borrowing Costs'.

m) Taxation

Income tax expense represents the sum of current and deferred tax (including Minimum Alternate Tax). Tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when

Notes Forming Part of Standalone Financial Statements

the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date. MAT credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

n) Inventories

1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

2) Work-in-Progress, Finished Goods and Stock-in-Trade

These are valued at lower of cost and net realizable value. Cost of work-in-progress and finished goods include direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

o) Provisions and Contingencies

1) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period pre-tax government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

Mines Reclamation Expenditure

The Company provides for the expenditure to reclaim the quarries used for mining, in statement of profit and loss based on present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mines. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. The unwinding of the discount on provision is shown as a finance cost in statement of profit and loss.

2) Contingencies

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a

Notes Forming Part of Standalone Financial Statements

reliable estimate of amount cannot be made. Contingent assets are not recognized.

p) Leases

At the commencement of a lease, the Company recognises a right of use asset and a lease liability with respect to lease agreements in which it is the lessee.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, less lease payments made.

The right of use asset is measured at inception at the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right of use assets is subsequently measured at cost less accumulated amortization, accumulated impairment losses, if any. Right of use assets are amortized on straight line basis over the shorter period of lease term and useful life of the underlying asset.

For a lease modification that is not accounted as a separate lease, the Company re-measure the lease liability by discounting the revised lease payments using revised discount rate, with corresponding adjustment to the 'right of use asset'. The Company recognize gain or loss in the statement of profit or loss for partial or full termination of lease for lease modifications that decrease the scope of the lease.

The right of use assets and lease liability is presented separately on the face of the Balance sheet as 'Right of Use Assets' and 'Lease Liability' respectively.

q) Business Combination

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and assumed and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognized in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition date.

Intangible Assets acquired in a business combination and recognised separately from Goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, intangible assets with definite useful life acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill and Intangible assets with indefinite useful life, if any, are tested for impairment at the end of each annual reporting period.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as gain on bargain purchase. In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognizes any additional assets or liabilities that are so identified, any gain thereafter is recognized in Other Comprehensive Income ("OCI") and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognizes the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

Notes Forming Part of Standalone Financial Statements

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

r) Investment in Subsidiaries

The Company's investments in its subsidiaries are carried at cost less impairment, if any.

On disposal of investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

s) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

1) Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, investments, loans and other financial assets.

Classification and Subsequent Measurement

Financial assets are subsequently measured at amortized cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset's contractual cash flow characteristics.

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss. Dividend and interest income on financial assets at fair value through profit or loss is recognized as dividend and interest income respectively and included in 'Other Income'.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Notes Forming Part of Standalone Financial Statements

2) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivative designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdraft and derivative financial instruments.

Classification and Subsequent Measurement

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

a) Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

b) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using effective interest rate method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

3) Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments, such as foreign currency forward contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivative is carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).

The Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The Company also enters into foreign currency forward contracts to hedge the foreign currency exchange risk arising from the forecast purchases. The Company designates these cross currency and interest rate swaps and some foreign currency forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These derivatives are stated at fair value at each reporting date. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in statement of profit and loss. Amounts accumulated in equity are reclassified to profit or loss when the hedged transaction affects the profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Notes Forming Part of Standalone Financial Statements

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

4) **Financial Liabilities and Equity Instruments:**

Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument. The Company does not have any compound financial instrument.

Equity Instruments

An Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received. Transaction costs related to issue of equity instruments is reduced from equity.

t) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash at banks and on hand and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

u) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates is adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

a) **Deferred Tax Assets**

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

b) **Property, Plant and Equipment & Intangible Assets**

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) **Allowances for Uncollected Trade Receivables**

Trade receivables do not carry any interest and are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Notes Forming Part of Standalone Financial Statements

d) **Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claims/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

e) **Mines Reclamation Obligation**

The measurement of mines reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government securities of similar tenure.

f) **Defined Benefit Plan**

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long- term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Refer Note 38 for sensitivity analysis.

g) **Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Notes Forming Part of Standalone Financial Statements

6 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2022	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2023	Opening as at 01.04.2022	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2023	As at 31.03.2023
Tangible Assets :									
Free Hold Land	1,719.63	170.14	54.22	1,835.55	15.04	5.83	-	20.87	1,814.68
Buildings	1,306.98	147.79	11.77	1,443.00	794.40	144.58	0.80	938.18	504.82
Plant and Equipment	9,537.53	885.14 (a)	31.82	10,390.85	7,083.89	1,309.32	30.45	8,362.76	2,028.09
Railway Sidings	37.92	207.74	-	245.66	27.68	13.52	-	41.20	204.46
Furniture and Fixtures	53.10	8.53	0.22	61.41	46.45	7.96	0.22	54.19	7.22
Office Equipment	79.84	14.12	1.91	92.05	71.57	12.12	1.85	81.84	10.21
Vehicles	52.84	21.59	11.11	63.32	36.99	15.26	10.55	41.70	21.62
Total	**12,787.84**	**1,455.05**	**111.05**	**14,131.84**	**8,076.02**	**1,508.59 (b)**	**43.87**	**9,540.74**	**4,591.10**

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2021	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2022	Opening as at 01.04.2021	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2022	As at 31.03.2022
Tangible Assets :									
Free Hold Land	1,450.03	287.00	17.40	1,719.63	11.53	3.51	-	15.04	1,704.59
Buildings	1,164.26	143.13	0.41	1,306.98	660.24	134.17	0.01	794.40	512.58
Plant and Equipment	8,074.66	1,473.04 (a)	10.17	9,537.53	6,255.41	838.31	9.83	7,083.89	2,453.64
Railway Sidings	37.92	-	-	37.92	24.60	3.08	-	27.68	10.24
Furniture and Fixtures	45.15	9.19	1.24	53.10	42.85	4.78	1.18	46.45	6.65
Office Equipment	70.82	12.43	3.41	79.84	65.08	9.85	3.36	71.57	8.27
Vehicles	42.86	16.01	6.03	52.84	35.25	7.54	5.80	36.99	15.85
Total	**10,885.70**	**1,940.80**	**38.66**	**12,787.84**	**7,094.96**	**1,001.24 (b)**	**20.18**	**8,076.02**	**4,711.82**

(a) Includes ₹ 12.02 crore (for the year ended 31st March, 2022 : ₹ 2.56 crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹ 83.83 crore (for the year ended 31st March, 2022 : ₹ 27.84 crore) on assets during construction period.

(c) As on transition to Ind AS on 1st July, 2015, the Company has elected to select the option to carry their Property, Plant and Equipment at their previous GAAP carrying value. The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS was ₹ 8,508.98 crore and ₹ 5,587.79 crore, respectively.

Notes Forming Part of Standalone Financial Statements

7 INTANGIBLE ASSETS

(₹ in Crore)

Particulars	COST				AMORTIZATION				Net Carrying Amount as at 31.03.2023
	Opening as at 01.04.2022	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2023	Opening as at 01.04.2022	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2023	
Intangible Assets :									
Computer Software	22.57	2.90	-	25.47	21.64	2.49	-	24.13	1.34
Mining Rights	27.20	19.58	-	46.78	1.47	0.36	-	1.83	44.95
Total	**49.77**	**22.48**	**-**	**72.25**	**23.11**	**2.85**	**-**	**25.96**	**46.29**

(₹ in Crore)

Particulars	COST				AMORTIZATION				Net Carrying Amount as at 31.03.2022
	Opening as at 01.04.2021	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2022	Opening as at 01.04.2021	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2022	
Intangible Assets :									
Computer Software	20.28	2.30	0.01	22.57	19.29	2.35	-	21.64	0.93
Mining Rights	27.20	-	-	27.20	1.22	0.25	-	1.47	25.73
Total	**47.48**	**2.30**	**0.01**	**49.77**	**20.51**	**2.60**	**-**	**23.11**	**26.66**

(a) As on transition to Ind AS on 1st July 2015, the Company has elected to select the option to carry their Intangible Assets at their previous GAAP value.

8 RIGHT OF USE ASSETS

(₹ in Crore)

Particulars	GROSS CARRYING AMOUNT				AMORTIZATION				Net Carrying Amount as at 31.03.2023
	Opening as at 01.04.2022	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2023	Opening as at 01.04.2022	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2023	
Land	446.05	53.87	0.09	499.83	47.37	10.43	0.09	57.71	442.12
Buildings	37.71	85.26	27.89	95.08	20.26	32.81	27.54	25.53	69.55
Plant and Equipment	12.10	43.21	25.91	29.40	7.09	32.75	23.72	16.12	13.28
Railway Sidings	164.83	46.66		211.49	19.14	43.50	-	62.64	148.85
Vehicles	24.60	33.13	22.13	35.60	8.42	18.58	12.90	14.10	21.50
Total	**685.29**	**262.13**	**76.02**	**871.40**	**102.28**	**138.07 (a)**	**64.25**	**176.10**	**695.30**

(₹ in Crore)

Particulars	GROSS CARRYING AMOUNT				AMORTIZATION				Net Carrying Amount as at 31.03.2022
	Opening as at 01.04.2021	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2022	Opening as at 01.04.2021	For the Year	Deductions/ Adjustments During the Year	Up to 31.03.2022	
Land	396.16	49.90	0.01	446.05	37.74	9.64	0.01	47.37	398.68
Buildings	24.24	25.74	12.27	37.71	12.78	19.75	12.27	20.26	17.45
Plant and Equipment	3.02	15.57	6.49	12.10	2.67	10.91	6.49	7.09	5.01
Railway Sidings	-	164.83	-	164.83	-	19.14	-	19.14	145.69
Vehicles	7.84	20.40	3.64	24.60	4.23	7.77	3.58	8.42	16.18
Total	**431.26**	**276.44**	**22.41**	**685.29**	**57.42**	**67.21 (a)**	**22.35**	**102.28**	**583.01**

(a) Amortisation for the year includes ₹ 19.48 crore (for the year ended 31st March, 2022 : ₹ 6.73 crore) on assets during construction period.

(b) The Company has taken several assets including land, godowns, office premises, railway sidings, vehicles and heavy earth moving machineries on lease.

Notes Forming Part of Standalone Financial Statements

9 NON CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023 No.	As at 31.03.2023 Amount	As at 31.03.2022 No.	As at 31.03.2022 Amount
Investments at Cost (A)					
UNQUOTED					
Subsidiary Companies					
Fully Paid Equity Shares					
Shree Global FZE	1 AED	137,21,26,000	2,617.51	137,21,26,000	2,617.51
Raipur Handling and Infrastructure Private Limited	10	34,47,225	101.98	34,47,225	101.98
Shree Cement East Bengal Foundation (Refer Note 9.3)	10	26,000	-	26,000	-
Shree Cement North Private Limited	10	11,00,00,000	110.00	11,00,00,000	110.00
Shree Cement East Private Limited	10	50,50,00,000	505.00	10,50,00,000	105.00
Shree Cement South Private Limited	10	50,000	0.05	50,000	0.05
Partly Paid Equity Shares					
Shree Cement North Private Limited [Paid up of ₹ 4.39 per share as at 31st March, 2023 (Paid up of ₹ 1 per share as at 31st March 2022)]	10	10,00,00,000	43.90	10,00,00,000	10.00
Shree Cement East Private Limited (Paid up of ₹ 5 per share as at 31st March, 2023)	10	10,00,00,000	50.00	-	-
Shree Cement South Private Limited (Paid up of ₹ 9.27 per share as at 31st March, 2023)	10	4,40,00,000	40.79	-	-
Total (A)			**3,469.23**		**2,944.54**
Investments at Amortised Cost (B)					
QUOTED					
Bonds and Non Convertible Debentures (NCD)					
Indian Railway Finance Corporation Limited					
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	-	-	250	25.09
7.15% IRFC Tax Free Bonds - 21AG25	10,00,000	-	-	259	26.21
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	305	31.34	305	31.59
8.10% IRFC Tax Free Bonds - 23FB27	1,000	14,02,310	155.12	14,02,310	158.49
7.38% IRFC Tax Free Bonds - 26NV27	10,00,000	300	31.85	300	32.19
7.39% IRFC Tax Free Bonds - 06DC27	10,00,000	250	26.42	250	26.68
7.34% IRFC Tax Free Bonds - 19FB28	1,000	2,10,000	22.16	2,10,000	22.36
7.04% IRFC Tax Free Bonds - 23MR28	1,000	5,32,500	58.53	5,32,500	59.45
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	66	7.33	66	7.44
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	55.60	5,50,000	55.68
7.28% IRFC Tax Free Bonds - 21DC30	1,000	1,51,000	15.10	1,51,000	15.10
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.04	5,11,350	52.12
Power Finance Corporation					
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	25.50	250	25.70
8.16% PFC Tax Free Bonds - 25NV26	1,00,000	1,000	10.63	1,000	10.78
8.30% PFC Tax Free Bonds - 01FB27	1,000	24,000	2.59	24,000	2.64
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	32.59	300	32.99
8.54% PFC Tax Free Bonds - 16NV28	1,000	8,39,928	99.74	8,39,928	102.14
7.05% PFC Bonds - 09AG30	10,00,000	350	35.00	600	59.99
7.04% PFC Bonds - 16DC30	10,00,000	-	-	1,500	151.08
6.88% PFC Bonds - 11AP31	10,00,000	150	14.91	150	14.90

Notes Forming Part of Standalone Financial Statements

9 NON CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
National Highways Authority of India					
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	100	10.01	250	25.04
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	330	33.29	330	33.38
8.30% NHAI Tax Free Bonds - 25JN27	1,000	4,56,388	51.16	4,56,388	52.45
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	228	25.58	228	25.99
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	158	16.95	158	17.07
7.35% NHAI Tax Free Bonds - 11JN31	1,000	15,23,022	173.02	15,23,022	175.15
7.39% NHAI Tax Free Bonds - 18FB31	10,00,000	950	104.07	950	104.96
7.39% NHAI Tax Free Bonds - 09MR31	1,000	13,75,838	155.94	13,75,838	157.82
Housing and Urban Development Corporation Limited					
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	68	6.89	68	6.93
7.07% HUDCO Tax Free NCD - 01OT25	10,00,000	250	25.08	250	25.11
7.00% HUDCO Tax Free NCD - 09OT25	10,00,000	120	12.09	120	12.12
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.15	2,80,066	28.20
7.04% HUDCO Tax Free Bonds - 15MR26	1,000	37,645	3.85	37,645	3.88
8.20%/ 8.35% HUDCO Tax Free Bonds - 05MR27	1,000	9,70,000	102.51	9,70,000	103.70
7.51% HUDCO Tax Free Bonds - 16FB28	1,000	1,19,000	12.56	1,19,000	12.67
8.56% HUDCO Tax Free Bonds - 02SP28	10,00,000	44	4.91	44	4.99
8.73% HUDCO Tax Free Bonds - 28MR29	1,000	20,000	2.27	20,000	2.31
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	1,80,279	18.03	1,80,279	18.03
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	3,00,439	31.24	3,00,439	31.36
India Infrastructure Finance Company Limited					
7.38% IIFCL Tax Free Bonds - 15NV27	10,00,000	250	26.18	250	26.40
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.26	150	15.31
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	4,46,000	46.24	4,46,000	46.53
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,50,000	15.46	1,50,000	15.54
8.26% IIFCL Tax Free Bonds - 23AG28	10,00,000	100	10.93	100	11.07
8.46% IIFCL Tax Free Bonds - 30AG28	10,00,000	130	14.33	130	14.53
8.48% IIFCL Tax Free Bonds - 05SP28	10,00,000	64	7.06	64	7.16
8.38% IIFCL Tax Free Bonds - 12NV28	1,000	11,680	1.30	11,680	1.32
Rural Electrification Corporation					
8.12% REC Tax Free Bonds - 27MR27	1,000	45,564	4.86	45,564	4.93
7.38% REC Tax Free Bonds - 19DC27	1,000	1,00,000	10.48	1,00,000	10.57
8.46% REC Tax Free Bonds - 29AG28	10,00,000	181	19.90	181	20.17
8.46% REC Tax Free Bonds - 24SP28	1,000	3,22,500	35.68	3,22,500	36.20
7.50% REC Bonds - 28FB30	10,00,000	1,000	101.07	1,000	101.18
7.55% REC Bonds - 11MY30	10,00,000	438	44.43	738	74.98
6.80% REC Bonds - 20DC30	10,00,000	250	24.93	250	24.92
Indian Renewable Energy Development Agency Limited					
7.17% IREDA Tax Free Bonds - 01OT25	10,00,000	150	15.26	150	15.36
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	87.74	8,68,838	87.82
National Bank for Agriculture and Rural Development					
7.07% NABARD Tax Free Bonds - 25FB26	10,00,000	100	10.34	100	10.44

Notes Forming Part of Standalone Financial Statements

9 NON CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
6.39% NABARD Bonds - 19NV30	10,00,000	750	72.34	750	72.08
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,55,065	50.52	4,55,065	51.01
NTPC Limited					
7.15% NTPC Tax Free Bonds 21AG25	10,00,000	450	46.35	450	46.86
National Housing Bank					
8.46% NHB Tax Free NCD - 30AG28	10,00,000	400	44.88	400	45.64
8.63% NHB Tax Free NCD - 13JN29	5,000	30,000	17.85	30,000	18.27
8.68% NHB Tax Free NCD - 24MR29	5,000	67,000	40.20	67,000	41.14
Birla Corporation Limited					
9.25% BCL NCD - 18AG26	10,00,000	400	40.78	400	41.06
Housing Development Finance Corporation Limited					
7.40% HDFC NCD - 28FB30	10,00,000	350	35.40	350	35.44
7.25% HDFC NCD - 17JUN30	10,00,000	1,800	180.83	1,800	180.92
6.83% HDFC NCD - 08JN31	10,00,000	1,610	157.78	1,610	157.47
7.10% HDFC NCD - 12NV31	10,00,000	1,500	150.32	1,500	150.36
7.05% HDFC NCD - 01DC31	10,00,000	300	29.38	300	29.33
LIC Housing Finance Limited					
7.95% LICHF NCD - 29JN28	10,00,000	200	20.83	200	20.97
7.99% LICHF NCD - 12JL29	10,00,000	335	35.25	335	35.47
Hero FinCorp Limited					
6.95% HERO FIN CORP NCD - 03NV25	10,00,000	500	49.86	500	49.81
Mahindra Rural Housing Finance LImited					
7.75% MRHFL NCD - 15JL25	10,00,000	500	50.65	500	50.91
Food Corporation of India					
6.65% FCI Bonds - 23OT30	10,00,000	450	43.51	450	43.37
Mahanagar Telephone Nigam Limited					
7.05% MTNL Bonds - 11OT30	10,00,000	1,000	100.00	1,000	100.00
6.85% MTNL Bonds - 20DC30	10,00,000	750	73.34	750	73.18
Total (B)			**3,225.57**		**3,521.50**
Investments at Fair Value through Profit or Loss (C)					
QUOTED					
Perpetual Bonds					
Bank of Baroda					
7.95% Bank of Baroda, Non Convertible Perpetual Bond	1,00,00,000	200	198.24	200	200.96
State Bank of India					
7.72% State Bank of India, Non Convertible Perpetual Bond	1,00,00,000	311	307.43	311	311.00
7.55% State Bank of India, Non Convertible Perpetual Bond	1,00,00,000	150	146.92	150	148.69
Units of Mutual Funds					
ICICI Prudential Fixed Maturity Plan Series 87-1174 Days Plan B Direct Plan Cumulative	10	-	-	1,00,00,000	11.64
SBI FMP- Series 41 (1498 Days) Direct Growth	10	14,99,92,500	164.06	14,99,92,500	158.89

Notes Forming Part of Standalone Financial Statements

9 NON CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
SBI FMP- Series 44 (1855 Days) Direct Growth	10	5,99,97,000	64.93	5,99,97,000	62.76
SBI FMP- Series 51 (1846 Days) Direct Growth	10	5,99,97,000	63.17	5,99,97,000	61.19
SBI FMP- Series 53 (1839 Days) Direct Growth	10	5,99,97,000	63.12	5,99,97,000	61.00
SBI FMP- Series 60 (1878 Days) Direct Growth	10	4,99,97,500	51.96	4,99,97,500	50.32
SBI FMP- Series 58 (1842 Days) Direct Growth	10	3,99,98,000	41.97	3,99,98,000	40.60
SBI FMP- Series 57 (1835 Days) Direct Growth	10	3,99,98,000	41.60	3,99,98,000	40.30
SBI FMP- Series 55 (1849 Days) Direct Growth	10	2,99,98,500	31.45	2,99,98,500	30.40
SBI FMP- Series 61 (1927 Days) Direct Growth	10	2,99,98,500	31.28	2,99,98,500	30.27
ABSL FTP Series TI (1837 Days) - Direct Growth	10	3,99,98,000	43.17	3,99,98,000	41.69
ABSL FTP Series TQ (1879 Days) - Direct Growth	10	1,99,99,000	20.77	1,99,99,000	20.07
Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct Growth	10	4,49,97,750	48.01	4,49,97,750	46.32
Kotak FMP Series 292 Direct Growth	10	6,99,96,500	74.85	6,99,96,500	72.26
HDFC FMP 1861D March 2022 - Series 46- Direct - Growth	10	2,99,98,500	31.27	2,99,98,500	30.30
STRIPS (Separate Trading of Registered Interest and Principal Securities) issued by the Government of India					
CSTRIP GS 12-JUN-2027C	100	10,59,600	7.88	10,59,600	7.61
CSTRIP GS 12-DEC-2027C	100	10,59,600	7.61	10,59,600	7.30
CSTRIP GS 15-MAR-2028C	100	1,00,00,000	70.56	1,00,00,000	67.48
CSTRIP GS 12-JUN-2028C	100	10,59,600	7.35	10,59,600	7.01
CSTRIP GS 12-DEC-2028C	100	10,59,600	7.09	10,59,600	6.75
CSTRIP GS 12-JUN-2029C	100	10,59,600	6.83	10,59,600	6.50
UNQUOTED					
Preference Shares					
Tata Capital Limited					
7.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 27th July, 2024	1,000	7,50,000	73.53	7,50,000	73.61
Total (C)			**1,605.05**		**1,594.92**
TOTAL (A+B+C)			**8,299.85**		**8,060.96**

*Except otherwise stated.

Notes Forming Part of Standalone Financial Statements

9.1 Aggregate Carrying Amount and Market Value of Quoted Investments:

(₹ in Crore)

	As at 31.03.2023		As at 31.03.2022	
	Aggregate Carrying Amount	**Market Value**	**Aggregate Carrying Amount**	**Market Value**
Quoted Investments	4,757.09	4,760.16	5,042.81	5,184.55
Total	**4,757.09**	**4,760.16**	**5,042.81**	**5,184.55**

9.2 Aggregate Carrying Amount of Unquoted Investments	**3,542.76**	**3,018.15**

9.3 The Company has made investment of ₹ 0.03 crore in the equity shares of Shree Cement East Bengal Foundation ('SCEBF'), a company licensed under section 8 of the Companies Act, 2013. SCEBF is prohibited to distribute any dividend / economic benefits to its members, hence the Company is unable to earn any variable return/ economic benefits from the voting rights through its holding in equity shares of SCEBF. Accordingly, the aforesaid investment value of ₹ 0.03 crore has been charged off to the statement of profit and loss during the year ended 31st March, 2021.

10 FINANCIAL ASSETS - LOANS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
(Unsecured, Considered Good)				
Loans to Staff and Workers	3.66	4.35	4.94	4.59
Loan to Subsidiary Company (Refer Note 41 and Note 50)	-	-	1.98	20.75
	3.66	**4.35**	**6.92**	**25.34**

11 FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
(Unsecured, Considered Good)				
Derivative Financial Instruments	27.15	47.53	111.90	18.55
Security Deposits (Refer Note 41)	90.78	67.49	6.84	9.76
Fixed Deposits with Banks (maturity more than 12 months)	18.00	18.60	-	-
Interest Accrued on Bonds, Debentures, Deposits and Loans (Refer Note 41)	-	-	141.35	151.45
Others	-	-	38.53	40.12
	135.93	**133.62**	**298.62**	**219.88**

Notes Forming Part of Standalone Financial Statements

12 DEFERRED TAX ASSETS (NET)

(₹ in Crore)

	As at 31.03.2022	Recognised in Profit or Loss	Recognised in Profit or Loss (related to earlier years)	Recognised in OCI	Recognised Directly in Equity	As at 31.03.2023
Deferred Tax Assets:						
Arising on account of:						
Long-term and Short-term Capital Losses	10.24	(2.23)	-	-	-	8.01
Expenses Allowed for Tax Purpose When Paid	192.15	(6.64)	-	-	-	185.51
Depreciation and Amortization	493.66	37.83	-	-	-	531.49
Cash Flow Hedges	8.02	-	-	(0.22)	(5.14)	2.66
Fair Value of Investments	16.48	8.93	-	-	-	25.41
MAT Credit Entitlement	-	(135.13)	141.21	-	-	6.08
Others	1.96	3.18	-	-	-	5.14
Deferred Tax Liabilities:						
Arising on account of:						
Fair Value of Investments	48.72	38.02	-	-	-	86.74
Others	4.28	4.72	-	-	-	9.00
Net Deferred Tax Assets/ (Liabilities)	**669.51**	**(136.80)**	**141.21**	**(0.22)**	**(5.14)**	**668.56**

(₹ in Crore)

	As at 31.03.2021	Recognised in Profit or Loss	Recognised in Profit or Loss (related to earlier years)	Recognised in OCI	Recognised Directly in Equity	As at 31.03.2022
Deferred Tax Assets:						
Arising on account of:						
Long-term and Short-term Capital Losses	25.17	(14.93)	-	-	-	10.24
Expenses Allowed for Tax Purpose When Paid	206.15	(14.00)	-	-	-	192.15
Depreciation and Amortization	526.78	(33.12)	-	-	-	493.66
Cash Flow Hedges	17.89	-	-	(7.05)	(2.82)	8.02
Fair Value of Investments	36.11	(19.63)	-	-	-	16.48
MAT Credit Entitlement	-	(10.00)	10.00	-	-	-
Others	0.79	1.17	-	-	-	1.96
Deferred Tax Liabilities:						
Arising on account of:						
Fair Value of Investments	23.37	25.35	-	-	-	48.72
Others	4.02	0.26	-	-	-	4.28
Net Deferred Tax Assets/ (Liabilities)	**785.50**	**(116.12)**	**10.00**	**(7.05)**	**(2.82)**	**669.51**

13 OTHER ASSETS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
(Unsecured, Considered Good)				
Advances to Staff and Workers	-	-	1.32	1.08
Advances to Suppliers and Contractors	-	-	148.54	111.95
Capital Advances	550.69	442.31	-	-
Assets Held for Disposal	-	-	0.08	0.08
Prepaid Expenses	7.01	2.98	7.88	6.87
Other Receivables	191.37	89.00	874.13	965.69
	749.07	**534.29**	**1,031.95**	**1,085.67**

13.1 Other receivables includes GST, Government grants and other dues from Government etc.

Notes Forming Part of Standalone Financial Statements

14 INVENTORIES (VALUED AT LOWER OF COST OR NET REALIZABLE VALUE)

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Raw Materials [Includes in transit ₹ 2.51 crore (As at 31st March, 2022 : ₹ 3.09 crore)]	60.49	57.23
Fuel [Includes in transit ₹ 884.25 crore (As at 31st March, 2022 : ₹ 570.49 crore)]	1,166.04	1,029.66
Stores and Spares	699.40	639.45
Packing Materials	52.25	69.15
Stock-in-Trade	0.05	0.01
Work-in-Progress [Includes in transit ₹ 26.98 crore (As at 31st March, 2022 : ₹ 24.45 crore)]	331.66	277.67
Finished Goods [Includes in transit ₹ 26.26 crore (As at 31st March, 2022 : ₹ 20.72 crore)]	112.72	88.23
	2,422.61	**2,161.40**

15 CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
Investments at Fair Value through Profit or Loss					
QUOTED					
Units of Mutual Funds					
ICICI Prudential Fixed Maturity Plan Series 87-1174 Days Plan B Direct Plan Cumulative	10	1,00,00,000	12.25	-	-
Kotak Equity Arbitrage Fund - Direct Plan - Growth	10	-	-	2,72,73,781	86.37
ICICI Prudential Equity Arbitrage Fund - Direct Growth	10	-	-	3,26,55,614	95.65
Nippon India Arbitrage Fund - Direct Growth Plan	10	-	-	3,39,99,442	77.61
Nippon India Dynamic Bond Fund - Direct Growth Plan	10	8,28,06,868	273.08	8,28,06,868	262.81
ABSL Nifty SDL Apr 2027 Index Fund Direct Growth	10	11,93,21,791	124.89	11,93,21,791	120.79
ABSL CRISIL SDL Plus AAA PSU Apr 2027 60:40 Index Fund Direct Growth	10	5,99,97,000	61.95	5,99,97,000	60.04
ABSL Nifty SDL Plus PSU Bond - Sep 2026 60:40 Index Fund Direct Growth	10	27,13,03,485	284.54	27,13,03,485	276.09
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund-Dir-Growth	10	1,99,76,826	20.85	1,99,76,826	20.03
ICICI Prudential Nifty SDL Sep 2027 Index Fund - Direct Plan - Growth	10	4,98,46,266	51.69	4,98,46,266	50.05
ICICI Prudential Nifty PSU Bond plus SDL 40:60 Index Fund Sep 2027 Direct Plan Growth	10	19,70,92,310	206.38	19,70,92,310	200.53
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund Direct Plan - Growth	10	4,99,97,500	51.84	4,99,97,500	50.21
Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund Direct Plan - Growth	10	1,99,99,000	20.94	1,99,99,000	20.06
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	10	2,99,98,500	30.91	2,99,98,500	30.11
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Direct Growth	10	14,99,92,500	156.22	14,99,92,500	151.87

Notes Forming Part of Standalone Financial Statements

15 CURRENT INVESTMENTS (Contd.)

Particulars	Face Value (In ₹)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2027 - Direct Plan Growth	10	4,94,41,775	51.92	4,94,41,775	50.46
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	10	19,24,13,366	213.01	19,24,13,366	206.66
Axis Crisil SDL 2027 Debt Index Fund Direct Growth (CRDGG)	10	3,00,33,339	31.06	3,00,33,339	30.06
HSBC CRISIL IBX 50:50 Gilt Plus SDL Apr 2028 Index Fund Direct Plan Growth	10	14,99,92,500	156.60	14,99,92,500	149.99
Exchange Traded Funds					
Bharat Bond ETF- April 2023 - Growth	1,000	12,50,000	153.63	12,50,000	146.30
Bharat Bond ETF- April 2031 - Growth	1,000	39,99,800	445.68	39,99,800	430.63
Bharat Bond ETF- April 2030 - Growth	1,000	34,70,114	433.77	34,70,114	417.48
Bharat Bond ETF- April 2032 - Growth	1,000	19,99,900	208.57	19,99,900	202.02
Nippon India ETF Nifty CPSE Bond Plus SDL - 2024	100	97,82,600	109.55	97,82,600	106.01
Nippon India ETF Nifty SDL - 2026	100	2,25,00,000	251.35	2,25,00,000	243.16
Preference Shares					
Infrastructure Leasing and Financial Services Limited (Refer Note 15.3)					
16.06% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25th March, 2021	7,500	28,000	-	28,000	-
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16th May, 2021	7,500	52,000	-	52,000	-
IL&FS Financial Services Ltd. (Refer Note 15.3)					
16.99% / 17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30th March, 2021	7,500	33,400	-	33,400	-
TOTAL			**3,350.68**		**3,484.90**

15.1 Aggregate Carrying Amount and Market Value of Quoted Investments :

(₹ in Crore)

	As at 31.03.2023		As at 31.03.2022	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
Quoted Investments	3,350.68	3,350.68	3,484.99	3,484.99
Total	**3,350.68**	**3,350.68**	**3,484.99**	**3,484.99**

15.2 Aggregate Carrying Amount of Unquoted Investments	-	-

15.3 In August, 2018 credit rating agencies downgraded Infrastructure Leasing and Financial Services Limited and IL&FS Financial Services Limited (referred to as "IL&FS Group") credit rating to junk status. Accordingly, the Company had accounted fair value loss of investment in IL&FS Group in FY 2018-19.

Notes Forming Part of Standalone Financial Statements

16 TRADE RECEIVABLES

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Secured, Considered Good	461.27	416.69
Unsecured		
Considered Good	444.78	178.96
Which have Significant Increase in Credit Risk	2.46	2.28
	908.51	**597.93**
Less: Allowance for Trade Receivables Which have Significant Increase in Credit Risk	2.46	2.28
	906.05	**595.65**

16.1 Refer Note 46 for information about credit risk and market risk of trade receivables.

16.2 The average payment terms with customers is generally below 45 days.

17 CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Balances with Banks	3.16	14.24
Cash on Hand	2.90	1.14
	6.06	**15.38**

18 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Earmarked Balance with Banks for Unpaid Dividend (Refer note 22.1)	4.29	4.04
Margin Money (Pledged with Banks) (Refer note 18.1)	54.78	47.23
Fixed Deposits With Banks (Refer note 18.2)	72.16	70.21
Less: Fixed Deposits Maturity More Than 12 Months Disclosed Under Other Non-Current Financial Assets (Refer note 11)	(18.00)	(18.60)
	113.23	**102.88**

18.1 Includes deposits of ₹ 40.00 crore (As at 31st March 2022 : ₹ 33.00 crore) are pledged with banks against overdraft facilities. (Refer Note 24.2)

18.2 Includes ₹ 71.12 crore (As at 31st March 2022 : ₹ 69.18 crore) given as security to Government department and others.

19 SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Authorised		
6,00,00,000 (As at 31st March 2022 : 6,00,00,000) Equity Shares of ₹10/- each	60.00	60.00
15,00,000 (As at 31st March 2022 : 15,00,000) Cumulative Preference Shares of ₹100/- each	15.00	15.00
	75.00	**75.00**
Issued, Subscribed and Paid-up		
3,60,80,748 (As at 31st March 2022 : 3,60,80,748) Equity Shares of ₹10/- each fully paid-up	36.08	36.08
	36.08	**36.08**

Notes Forming Part of Standalone Financial Statements

19 SHARE CAPITAL (Contd.)

19.1 Details of shareholders holding more than 5% shares of the Company:

Name of Shareholders	As at 31.03.2023		As at 31.03.2022	
	Number of Shares held	% of Total Paid-up Equity Share Capital	Number of Shares held	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	24.90	89,84,155	24.90
Digvijay Finlease Limited	42,34,780	11.74	42,34,780	11.74
FLT Limited	36,00,000	9.98	36,00,000	9.98
Mannakrishna Investments Private Limited	**20,42,824**	**5.66**	**20,42,824**	**5.66**

19.2 Shares held by promoters are as follows:

Promoters Name	As at 31.03.2023			As at 31.03.2022		
	No. of shares	%of total shares	% Change during the year	No. of shares	%of total shares	% Change during the year
Promoters						
Harimohan Bangur	4,88,284	1.353%	-	4,88,284	1.353%	0.028%
Prashant Bangur	3,89,750	1.080%	-	3,89,750	1.080%	
Benu Gopal Bangur	-	-	-	-	-	-0.028%
Promoters Group						
Rajkamal Devi Bangur	1,26,100	0.349%	-	1,26,100	0.349%	-
Ranu Bangur	67,700	0.188%	-	67,700	0.188%	-
Riya Puja Jain	2,050	0.006%	-	2,050	0.006%	-
Padma Devi Maheshwari*	-	-	-0.002%	600	0.002%	-
Shree Capital Services Ltd.	89,84,155	24.900%	-	89,84,155	24.900%	-
Digvijay Finlease Ltd.	42,34,780	11.737%	-	42,34,780	11.737%	-
Mannakrishna Investments Pvt. Ltd.	20,42,824	5.662%	-	20,42,824	5.662%	-
Newa Investments Pvt. Ltd.	13,76,270	3.814%	-	13,76,270	3.814%	-
Ragini Finance Ltd.	12,68,882	3.517%	-	12,68,882	3.517%	-
Didu Investments Pvt. Ltd.	11,70,909	3.245%	-	11,70,909	3.245%	-
N.B.I. Industrial Finance Company Ltd.	8,49,450	2.354%	-	8,49,450	2.354%	-
The Venktesh Co. Ltd.	4,60,030	1.275%	-	4,60,030	1.275%	-
Rajesh Vanijya Pvt. Ltd.	3,69,226	1.023%	-	3,69,226	1.023%	-
The Didwana Investment Company Ltd.	3,27,400	0.907%	-	3,27,400	0.907%	-
Asish Creations Private Ltd.	2,10,737	0.584%	-	2,10,737	0.584%	-
Western India Commercial Co. Ltd.	2,00,650	0.556%	-	2,00,650	0.556%	-
Total	**2,25,69,197**	**62.552%**	**-0.002%**	**2,25,69,797**	**62.554%**	**-**

** During the year ended 31st March, 2023, shareholding of Padma Devi Maheshwari has been reclassified from 'Promoter Group' to 'Public' shareholders in terms of approval granted by the stock exchanges on 4th November, 2022.*

19.3 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Notes Forming Part of Standalone Financial Statements

19 SHARE CAPITAL (Contd.)

19.4 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

19.5 Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	Numbers	₹ in Crore
Equity shares outstanding as at 1st April 2021	**3,60,80,748**	**36.08**
Add: Equity shares issued during the year	-	-
Equity shares outstanding as at 31st March 2022	**3,60,80,748**	**36.08**
Add: Equity shares issued during the year	-	-
Equity shares outstanding as at 31st March 2023	**3,60,80,748**	**36.08**

		As at 31.03.2023	As at 31.03.2022
19.6	Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date	Nil	Nil

19.7 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and annual listing fees has been paid for the year.

20 OTHER EQUITY

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Capital Redemption Reserve	15.00	15.00
Securities Premium	2,408.63	2,408.63
General Reserve	7,000.00	7,000.00
Retained Earnings	8,833.69	7,826.07
Effective Portion of Cash Flow Hedges	(4.96)	(14.91)
	18,252.36	**17,234.79**

20.1 Refer Statement of Changes in Equity for detailed movement, nature and purpose in other equity balances.

Notes Forming Part of Standalone Financial Statements

21 BORROWINGS

(₹ in Crore)

	Non-Current Portion		Current Maturities	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Secured				
External Commercial Borrowings	227.97	976.06	837.79	395.35
Indian Rupee Term Loans from Banks	339.58	322.28	149.58	-
Interest Free SGST Loan from Government	13.32	-	-	-
	580.87	**1,298.34**	**987.37**	**395.35**
Amount disclosed under the head Current Borrowings (Refer Note 24)	-	-	(987.37)	(395.35)
	580.87	**1,298.34**	**-**	**-**

21.1 Nature of securities and terms of repayment of each loan:

(₹ in Crore)

Sr. No.	Nature of Securities	Interest Rate	Loan Amount as at 31.03.2023	Loan Amount as at 31.03.2022	Terms of Repayment
	External Commercial Borrowings				
1	Hypothecation (First Pari Passu Charge) on all moveable fixed assets of the Company and Equitable Mortgage (First Pari Passu Charges) on the immovable fixed assets of the Company located at Beawar, Rajasthan. The charge shall rank pari passu with other term lenders.	3 Months USD LIBOR+0.70% (Fixed rate of 7.81% on INR including the effect of related cross currency and interest rate swaps)	455.93	630.00	Repayable in 4 half yearly equal instalments of USD 1.389 crore w.e.f. 28th September 2023
		3 Months USD LIBOR+0.71% (Fixed rate of 7.82% on INR including the effect of related cross currency and interest rate swaps)	246.25	302.18	Repayable in 2 half yearly equal instalments of USD 1.50 crore w.e.f. 28th September 2023
		2.72% on SGD (Fixed rate of 7.96% on INR including the effect of related cross currency and interest rate swaps [USD to INR])	363.58	439.23	Repayable in 2 half yearly equal instalments of SGD 2.943 crore each (i.e. USD 2.25 crore each) w.e.f. 28th September 2023
	Indian Rupee Term Loans from Banks				
2	Hypothecation (First Pari Passu Charge) on all moveable fixed assets of the Company and Equitable Mortgage (First Pari Passu Charges) on the immovable fixed assets of the Company located at Beawar, Rajasthan. The charge shall rank pari passu with other term lenders.	1/2/3 Months T-Bill rate (as decided by borrower on each interest reset date) +1.20%.	380.00	322.28	Repayable in 4 equal annual installments w.e.f. 11th December 2023
		91 days T-Bill rate +1.21%	109.16	-	Repayable in 2 equal annual installments w.e.f. 31st March 2024
	Interest free SGST Loan from Government				
3	Secured by bank guarantee	Interest free loan	13.32	-	Repayable on 16th August 2032 & 26th March 2033.
	TOTAL		**1,568.24**	**1,693.69**	
	Less: Current Maturities of Long Term Debt		987.37	395.35	
	Total Non-Current Portion		**580.87**	**1,298.34**	

There is no default in repayment of principal and interest thereon.

Notes Forming Part of Standalone Financial Statements

22 FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Interest Accrued but not Due on Borrowings	-	-	3.32	0.34
Derivative Financial Instruments	-	20.28	14.79	15.16
Unpaid Dividends (Refer Note 22.1)	-	-	4.29	4.04
Security Deposits from Customers, Vendors & Others	159.35	115.39	865.66	804.90
Payable for Capital Goods	-	-	121.62	127.76
Others (Refer Note 22.2)	-	-	704.04	382.68
	159.35	**135.67**	**1,713.72**	**1,334.88**

22.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31st March, 2023 and 31st March, 2022 (Refer note 18).

22.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

23 PROVISIONS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits				
Gratuity [Refer note 38(b)]	-	-	-	0.74
Other Staff Benefit Schemes	4.28	3.65	1.80	1.33
Other Provisions				
Mines Reclamation Expenses (Refer Note 39)	8.71	8.13	0.66	0.53
	12.99	**11.78**	**2.46**	**2.60**

24 CURRENT BORROWINGS

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Secured		
Loans Repayable on Demand from Banks (Refer Note 24.1)	939.78	299.64
Bank Overdraft (Refer Note 24.2)	31.15	20.85
Current Maturities of Long-Term Debt	987.37	395.35
	1,958.30	**715.84**

24.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on first charge basis and on whole of movable fixed assets of the Company on second charge basis.

24.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 18.1)

24.3 There is no default in repayment of principal and interest thereon.

24.4 Quarterly returns/ statements of current assets filed by the Company with banks/ financial institutions are in agreement with the books of accounts.

Notes Forming Part of Standalone Financial Statements

25 OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Customers Advances (Refer Note 25.1)	265.65	232.29
Withholding and Other Taxes Payable	275.63	246.57
Provident Fund and Superannuation Payable	15.74	16.01
Other Statutory Liabilities	830.69	837.62
	1,387.71	**1,332.49**

25.1 Revenue of ₹ 216.83 crores (for the year ended 31st March, 2022 : ₹ 183.34 crores) is recognised during current year that was included in customer advances outstanding at the beginning of the year.

26 REVENUE FROM OPERATIONS

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Sale of Products		
Cement	15,207.89	13,129.49
Clinker	368.81	62.15
Power Sales	826.56	399.82
Traded Goods and Others	42.52	296.48
	16,445.78	**13,887.94**
Other Operating Revenue		
Incentives and Subsidies (Under Various Incentive Schemes of State and Central Government)	124.98	173.05
Scrap Sales	53.47	39.79
Insurance Claims	8.01	10.75
Provision No Longer Required	75.28	88.24
Balances Written Back	26.93	11.80
Others	103.04	94.31
	391.71	**417.94**
	16,837.49	**14,305.88**

26.1 Sale of products is net of ₹ 1,358.02 crore (for the year ended 31st March, 2022 : Rs 966.44 crore) on account of cash discount, rebates and incentives given to customers.

27 OTHER INCOME

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest Income		
On Deposits Classified at Amortised cost	10.74	8.73
On Investments Classified at Amortised cost	220.94	223.20
On Investments Classified at Fair Value Through Profit or Loss	51.14	16.04
On Tax Refund	1.93	53.57
Others	0.70	1.13
Dividend Income on Investments Classified at Fair Value through Profit or Loss	5.50	6.32
Net Gain / (Loss) on Sale of Investments		
Classified at Amortised cost	(4.78)	14.15
Classified at Fair Value through Profit or Loss	0.50	89.09
Other Non Operating Income		
Net Gain / (Loss) on Fair Value of Investments through Profit or Loss	135.46	118.49
Profit on Sale of Property, Plant and Equipment (Net)	8.56	5.45
Other Miscellaneous Income	0.82	1.17
	431.51	**537.34**

Notes Forming Part of Standalone Financial Statements

28 COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Raw Materials Consumed		
Gypsum	209.51	194.17
Fly Ash	524.94	349.32
Red Ochre and Slag	134.44	78.94
Sulphuric Acid	51.25	79.37
Others	379.75	300.66
	1,299.89	**1,002.46**

29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN- TRADE AND WORK-IN-PROGRESS

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Closing Stock		
Work-in-Progress	331.66	277.67
Finished Goods	112.72	88.23
Stock-in-Trade	0.05	0.01
	444.43	**365.91**
Opening Stock		
Work-in-Progress	277.67	145.83
Finished Goods	88.23	73.60
Stock-in-Trade	0.01	-
	365.91	**219.43**
(Increase) / Decrease	**(78.52)**	**(146.48)**

30 EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Salaries, Wages and Bonus (Refer note 38)	748.10	697.72
Contribution to Provident and other Funds (Refer note 38)	98.76	91.39
Staff Welfare Expenses	18.92	18.12
	865.78	**807.23**

31 FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
On Finished Products	2,732.06	2,401.60
On Inter Unit Clinker Transfer	1,001.17	839.86
	3,733.23	**3,241.46**

Notes Forming Part of Standalone Financial Statements

32 FINANCE COSTS

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest Expenses at Amortised Cost	258.38	207.93
Bank and Other Finance Charges	2.95	3.26
Interest Expenses on Lease Liabilities	14.73	9.69
Unwinding of interest on interest free SGST loan from Government	0.57	-
Unwinding of Discount on Provision	0.61	0.57
	277.24	**221.45**
Less: Interest Capitalised (Refer Note 32.1)	8.31	3.67
	268.93	**217.78**

32.1 During the year ended 31st March, 2023, borrowing costs are capitalised using interest rates ranging between 4.88% to 7.59% per annum (for the year ended 31st March, 2022 : 4.70% to 6.00% per annum).

33 OTHER EXPENSES

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Stores and Spares Consumed	461.85	399.12
Packing Materials Consumed	554.90	557.24
Royalty and Cess	337.70	295.00
Mines Reclamation Expenses	0.75	0.79
Repairs to Plant and Machinery	359.87	327.79
Repairs to Buildings	38.84	35.17
Insurance	14.30	12.30
Rates and Taxes	28.82	26.77
Travelling	43.55	34.26
Commission to Non-executive Directors	1.96	2.17
Directors' Sitting Fees and Expenses	0.64	0.52
Advertisement and Publicity	138.04	142.83
Sales Promotion and Other Selling Expenses	268.87	252.80
Foreign Exchange Rate Differences (Net)	(5.65)	(2.63)
Corporate Social Responsibility Expenses (Refer Note 33.1)	69.99	57.54
Assets Written Off	9.89	0.40
Bad Debts Written Off	0.58	0.05
Allowance for Doubtful Trade Receivables (Net)	0.18	(0.07)
Contribution to Political Parties	-	2.00
Miscellaneous (Refer Note 33.2)	216.65	189.21
	2,541.73	**2,333.26**

33.1 Details of Corporate Social Responsibility ("CSR") Expenses:

(a) The amount required to be spent under section 135 of the Companies Act, 2013 for the year ended 31st March, 2023 is ₹ 56.03 crore (for the year ended 31st March, 2022 : ₹ 52.12 crore).

(b) The Company has spent ₹ 69.99 crore (for the year ended 31st March, 2022 : ₹ 57.54 crore) on the various Corporate Social Responsibility Activities. There is excess CSR expenses of ₹ 13.96 crore as on 31st March, 2023 (₹ 5.42 crore as on 31st March, 2022).

(c) The projects/ activities undertaken by the Company in the field of Corporate Social Responsibility fall within the broad framework of schedule VII to the Companies Act, 2013 which interalia include education, healthcare, sustainable livlihood, woman empowerment, rural and infrastructure development, environment protection, support widows/ dependents of martyrs of arm forces and promotion of art & culture, epitomising a holistic approach to inclusive growth.

(d) Refer Note 41 for related party transactions in relation to Corporate Social Responsibility Expenses.

Notes Forming Part of Standalone Financial Statements

33 OTHER EXPENSES (Contd...)

33.2 Miscellaneous Expenses include the payments made to Auditors:

Statutory Auditors		
Audit Fees	0.54	0.48
Tax Audit Fees	0.18	-
Certification / Other Services	0.16	0.12
Reimbursement of Expenses	0.09	0.05
Cost Auditors		
Audit Fees	0.06	0.06
Certification / Other Services	-	-
Reimbursement of Expenses - ₹ 22,418 (For the year ended 31st March 2022 - ₹ 12,717)	-	-

34. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

a. Custom duty (including interest) ₹ 74.20 crore (As at 31st March 2022: ₹ 71.78 crore).

b. **(i)** Competition Commission of India (CCI), vide its order dated 31st August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of provisions of the Competition Act, 2002. The Company has appealed against the said order and Competition Appellate Tribunal (COMPAT), vide its order dated 7th November, 2016, granted stay on CCI's order subject to deposition of 10% of penalty amount and payment of balance amount of penalty with interest @ 12% per annum from the date of CCI's order if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT).

(ii) In another matter, CCI vide its order dated 19th January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. The Company has filed an appeal before COMPAT (now NCLAT) against the above order.

Based on the Company's own assessment and advice given by its legal counsels, the Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

c. The Divisional Bench of the Hon'ble Rajasthan High Court vide Judgement dated 6th December, 2016 has allowed the appeal filed by Commercial Taxes Department/ Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of the Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.

Vide the above Judgement of the Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/ VAT". The Company has filed Special Leave Petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us.

Based on the legal opinion, it has a good case before the Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹ 37.84 crore received and ₹ 317.54 crore not received though accounted for.

35. COMMITMENTS

a. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 1,386.58 crore (As at 31st March, 2022: ₹ 1,436.44 crore).

b. Uncalled liability on partly paid up equity shares of ₹ 109.31 Crore (As at 31st March, 2022: ₹ 90.00 Crore).

Notes Forming Part of Standalone Financial Statements

36. CAPITAL WORK-IN-PROGRESS ("CWIP")

a. Capital work-in-progress includes directly attributable expenses of ₹ 278.44 crore (As at 31st March, 2022: ₹ 82.65 crore) which includes depreciation of ₹ 125.37 crore (as at 31st March, 2022: ₹ 24.65 crore) on assets during construction period.

b. Movement in CWIP Balances is as follows:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	972.91	970.96
Add: Additions in CWIP during the year	2,632.25	1,655.75
Less: Capitalized to Property, plant and equipment during the year	1,284.91	1,653.80
Closing Balance	**2,320.25**	**972.91**

c. Ageing of CWIP is as follows:

(₹ in Crore)

As at 31.03.2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,969.94	324.76	21.63	3.92	2,320.25
Projects temporarily suspended	-	-	-	-	-

As at 31.03.2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	767.33	135.05	64.20	6.33	972.91
Projects temporarily suspended	-	-	-	-	-

d. There is no project in capital work in progress as on 31st March 2023 and 31st March 2022 which has been delayed from original plan.

37. EXPENDITURE ON RESEARCH AND DEVELOPMENT:

(₹ in Crore)

Particulars	2022-23						2021-22
	Beawar	Ras	Kodla	Raipur	Others	Total	
Capital	1.46	4.25	0.44	1.50	4.37	12.02	2.56
Revenue	4.42	7.66	2.49	4.31	6.93	25.81	22.29
Total	**5.88**	**11.91**	**2.93**	**5.81**	**11.30**	**37.83**	**24.85**

38. EMPLOYEE BENEFITS: (Refer Note 30)

(a) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Superannuation Fund	10.42	9.57
Provident Fund (Includes contribution to PF trust of ₹ 6.52 crore (₹ 6.15 crore for the year ended 31st March 2022))	62.65	57.63
National Pension Scheme	6.21	4.68
ESIC	0.27	0.28
Total	**79.55**	**72.16**

Notes Forming Part of Standalone Financial Statements

38. EMPLOYEE BENEFITS: (Refer Note 30) (Contd.)

(b) Defined Benefit Plan

Gratuity - The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Changes in Defined Benefit Obligations:		
Present value of defined benefit obligation at the beginning of the year	321.78	286.19
Current service cost	28.66	26.16
Interest cost	21.22	18.29
Re-measurements (gains)/losses	(3.35)	0.81
Benefits paid	(19.23)	(9.67)
Present Value of Defined Benefit Obligation at the end of the year	**349.08**	**321.78**
Change in Plan Assets:		
Fair value of plan assets at the beginning of the year	321.04	285.63
Expected return on plan assets	21.93	18.95
Re-measurements gains/(losses)	3.13	4.80
Contribution by employer	22.21	21.33
Benefits paid	(19.23)	(9.67)
Fair Value of Plan Assets at the end of the year	**349.08**	**321.04**
Expenses Recognized in the Statement of Profit and Loss		
Current service cost	28.66	26.16
Interest cost	21.22	18.29
Expected return on plan assets	(21.93)	(18.95)
Expenses Recognized in the Statement of Profit and Loss	**27.95**	**25.50**
Expenses recognized in Other Comprehensive Income (OCI)		
Return on plan assets (excluding amount included in net Interest expense)	(3.13)	(4.80)
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	18.13	1.22
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(21.48)	(0.41)
Total recognized in Other Comprehensive Income	**(6.48)**	**(3.99)**
Total recognized in Total Comprehensive Income	**21.47**	**21.51**
Amount recognized in the Balance Sheet consists of		
Present Value of Defined Benefit Obligations	349.08	321.78
Fair Value of Plan Assets	349.08	321.04
Net Liability	0.00*	0.74
The Major Categories of Plan Assets as a % of Total Plan		
Qualifying Insurance Policy	**100%**	100%

*₹ 33,000

The Principal actuarial assumption used:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Discount Rate	7.20 % per annum	6.80 % per annum
Salary Escalation Rate	13.40 % per annum	12.50 % per annum
Mortality Rate	IALM 2006-08 Ult.	IALM 2006-08 Ult.
Expected Rate of Return	7.20 % per annum	6.80 % per annum
Withdrawal Rate (Per Annum)	3.00% p.a.(18 to 30 Years)	3.00% p.a.(18 to 30 Years)
Withdrawal Rate (Per Annum)	2.00% p.a. (31 to 44 Years)	2.00% p.a. (31 to 44 Years)
Withdrawal Rate (Per Annum)	1.00% p.a. (45 to 60 Years)	1.00% p.a. (45 to 60 Years)

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market. Accordingly, planned liabilities are typically exposed to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Notes Forming Part of Standalone Financial Statements

38. EMPLOYEE BENEFITS: (Refer Note 30) (Contd.)

The Gratuity Scheme is invested in group gratuity-cum-life assurance cash accumulation policy offered by Life Insurance Corporation of India. The gratuity plan is not exposed to any significant investment risk in view of absolute track record, investment as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

Sensitivity Analysis for significant assumptions as on 31st March, 2023 are as follows:

(₹ in Crore)

Assumptions	Discount rate		Salary Escalation Rate		Withdrawal Rate	
Sensitivity Level	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**
Impact on Defined Benefit Obligations	(37.98)	45.74	42.62	(36.38)	(15.49)	18.03

Sensitivity Analysis for significant assumptions as on 31st March, 2022 are as follows:

(₹ in Crore)

Assumptions	Discount rate		Salary Escalation Rate		Withdrawal Rate	
Sensitivity Level	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**
Impact on Defined Benefit Obligations	(34.36)	41.36	38.71	(33.04)	(13.14)	15.30

The Company expects to contribute ₹ 25.00 Crore (Previous year: ₹ 23.00 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligations as at 31st March, 2023 is 9 years (as at 31st March, 2022: 8 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted):

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Within next 1 year	16.33	10.02
Between 1 and 2 years	13.90	21.01
Between 2 and 3 years	14.36	19.25
Between 3 and 4 years	21.34	14.18
Between 4 and 5 years	25.06	25.47
5 years onwards	977.25	799.38

(c) Provident fund managed by a trust set up by the Company:

During the financial year 2022-23, the Company's application has been accepted for surrendering the provident fund trust managed by the Company, to 'Employee Provident Fund Organisation' ("EPFO") w.e.f. 1st April, 2023. After 31st March, 2023, the Company had transferred the entire corpus and related liability to EPFO without any shortfall in plan assets.

The details of the plan assets and obligations position are as follows:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Plan assets at year end, at fair value	NA	127.18
Present value of defined obligations at year end	NA	125.25
Liability recognized in the Balance Sheet	NA	-

Notes Forming Part of Standalone Financial Statements

38. EMPLOYEE BENEFITS: (Refer Note 30) (Contd.)

The assumptions used in determining the present value of obligations of the interest rate guarantee under deterministic approach are:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Discount Rate	NA	6.80%
Expected Guaranteed Interest Rate	NA	8.10%
Expected Rate of Return on Assets	NA	7.90%

(d) Amount recognized as an expense in respect of leave encashment and compensated absence are ₹ 18.78 crore (₹ 17.85 crore for year ended 31st March, 2022).

39. PROVISION FOR MINES RECLAMATION EXPENSES

(₹ in crore)

Particulars	2022-2023	2021-2022
Opening Balance	**8.66**	**8.19**
Add: Provision made during the year (Refer Note 33)	0.75	0.79
Add: Unwinding of discount of provision (Refer Note 32)	0.61	0.57
Less: Utilized during the year	0.65	0.89
Closing Balance	**9.37**	**8.66**

40. SEGMENT REPORTING

The Company is primarily engaged in the manufacture and sale of cement and cement related products. There is no separate reportable segment as per Ind AS 108, 'Operating Segments'.

Geographical information is given below: (₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Revenue from Operations		
Within India	16,827.35	14,121.28
Outside India	10.14	184.60
Total	**16,837.49**	**14,305.88**

All the non-current assets (Property, plant and equipment, capital work-in-progress, intangible assets, right of use assets and other non-current assets) of the Company are within India.

There are no revenues from transactions with a single external customer amounting to 10% or more of the Company's total revenue during the current and previous year.

Notes Forming Part of Standalone Financial Statements

41. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)

Relationships:

(a) Subsidiaries:

Sr. No.	Name of the Related Party	Principal Place of Business	% Shareholding and Voting Power As at 31.03.2023	% Shareholding and Voting Power As at 31.03.2022
(i)	Shree Global FZE (Direct Subsidiary Company)	UAE	100%	100%
(ii)	Shree International Holding Ltd. (Indirect Subsidiary Company)	UAE	100%	100%
(iii)	Shree Enterprises Management Ltd. (Indirect Subsidiary Company)	UAE	100% (Beneficially Owned)	100% (Beneficially Owned)
(iv)	Union Cement Company PJSC (Indirect Subsidiary Company)	UAE	98.33%	98.25%
(v)	U C N Co Ltd. L.L.C. (Erstwhile Union Cement Norcem Company Limited L.L.C.) (Indirect Subsidiary Company)	UAE	100%	60%
(vi)	Raipur Handling and Infrastructure Private Limited (Direct Subsidiary Company)	India	100%	100%
(vii)	Shree Cement East Bengal Foundation	India	52%	52%
(viii)	Shree Cement North Private Limited (Direct Subsidiary Company) (incorporated as on 11th June, 2021)	India	100%	100%
(ix)	Shree Cement East Private Limited (Direct Subsidiary Company) (incorporated as on 11th June, 2021)	India	100%	100%
(x)	Shree Cement South Private Limited (Direct Subsidiary Company) (incorporated as on 11th June, 2021)	India	100%	100%

(b) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:

(i) The Kamla Company Limited
(ii) Shree Capital Services Ltd.
(iii) Aqua Infra Project Limited
(iv) Alfa Buildhome Pvt. Ltd.
(v) Sant Parmanand Hospital
(vi) Narmada Acidware Private Limited
(vii) Rajasthan Forum
(viii) The Bengal
(ix) Education For All Trust
(x) Shree Foundation Trust
(xi) Surya Devta Properties Private Limited
(xii) Ashtech Buildpro India Private Limited

(c) Key Management Personnel:

(i) Shri H.M. Bangur — Chairman
(ii) Shri Prashant Bangur — Vice Chairman
(iii) Shri Neeraj Akhoury — Managing Director (w.e.f. 14th October, 2022)
(iv) Shri P.N. Chhangani — Whole Time Director (up to 13th February, 2023)

(d) Relatives to Key Management Personnel:

(i) Shri B.G. Bangur — Father of Shri H.M. Bangur

(e) Post-Employment Benefit Plan Trust:

(i) Shree Cement Staff Provident Fund
(ii) Shree Cement Employees Group Gratuity Scheme
(iii) Shree Cement Ltd., Superannuation Scheme

Notes Forming Part of Standalone Financial Statements

41. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES) (CONTD.)

Disclosure of Related Party Transactions:

(a) Details of transactions with related parties:

(₹ in Crore)

Particulars	2022-2023	2021-2022
Equity contributions		
Subsidiaries	524.69	265.17
Sale of Goods/Material		
Subsidiaries	45.47	204.35
Entities controlled/ influenced by KMP	5.64	-
Sale of Land		
Subsidiaries	48.52	16.02
Entities controlled/ influenced by KMP	0.39	0.57
Purchase of Goods/Material		
Subsidiaries	8.65	2.62
Entities controlled/ influenced by KMP	0.51	0.30
Services Received		
Subsidiaries	62.71	69.54
Entities controlled/ influenced by KMP	4.08	3.72
Services Given		
Subsidiaries	15.05	7.35
Interest Income on Loan		
Subsidiaries	0.42	0.74
Contributions Towards Corporate Social Responsibilities		
Subsidiaries	1.55	-
Entities controlled/ influenced by KMP	46.37	37.06
Loan Given		
Subsidiaries	36.92	21.20
Repayment Received of Loan Given		
Subsidiaries	55.69	17.20
Capital Advance Given		
Entities controlled/ influenced by KMP	4.70	-
Deposit Given		
Entities controlled/ influenced by KMP	0.20	-
Reimbursement received for payment made on behalf of		
Subsidiaries	0.60	-
Reimbursement given for payment made on behalf of the Company by		
Entities controlled/ influenced by KMP	-*	-

*₹ 31,233

(b) Details of Balances with Related Parties:

(₹ in crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Security Deposit Receivable		
Entities controlled/ influenced by KMP	0.83	0.63
Loan Receivable		
Subsidiaries	1.98	20.75
Interest Receivable		
Subsidiaries	0.02	0.55
Capital advances		
Entities controlled/ influenced by KMP	4.70	-

Notes Forming Part of Standalone Financial Statements

41. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES) (CONTD.)

(c) Key Management Personnel:

(₹ in crore)

Particulars	2022-2023	2021-2022
Short Term Benefits	94.88	79.74
Post - Employment Benefits*	7.54	4.84
Total	**102.42**	**84.58**

*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

(d) Relatives to Key Management Personnel:

(₹ in crore)

Particulars	2022-2023	2021-2022
Reimbursement of Expenses	-	0.03

(e) Information on Transactions with Post-Employment Benefit Plans

(₹ in crore)

Particulars	2022-2023	2021-2022
Contribution (including related insurance premium) paid/ payable	39.97	37.59

All the related party transactions are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. There is no loss allowance required to be recognized for related party receivables as on 31st March, 2023 and 31st March, 2022.

42. EFFECTIVE TAX RECONCILIATION

Numerical reconciliation of tax expenses applicable to profit before tax at the latest statutory enacted rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Profit Before Tax	1,558.64	2,930.92
Applicable Statutory Enacted Income Tax Rate	34.944%	34.944%
Computed Tax Expense	544.65	1,024.18
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(4.20)	(0.89)
Items not Deductible for Tax/not Liable to Tax (Net)	(152.97)	(367.13)
Tax losses Unutilized / Items Taxed at Different Rate	(6.35)	(8.54)
Tax Expense Relating to Earlier Years (Net)	(13.07)	(94.53)
MAT credit Relating to Earlier Years	(141.21)	(10.00)
Others	3.66	11.21
Income Tax Expense Reported	**230.51**	**554.30**

Notes Forming Part of Standalone Financial Statements

43. Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7- Statement of Cash flows are shown below:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Opening Balance of Borrowings (excluding Bank Overdraft)	**1,993.33**	**2,113.70**
Changes from Financing Cash Flows due to Proceeds From / Repayment of Borrowings	454.84	(156.80)
The Effect of Changes in Foreign Exchange Rates	71.73	34.49
Amortization of Transaction Cost on Borrowings	1.55	1.94
Gain on Fair Value of Interest Free SGST Loan from Government	(14.00)	-
Unwinding of Interest on Interest free SGST loan from Government	0.57	-
Closing Balance of Borrowings (excluding Bank Overdraft)	**2,508.02**	**1,993.33**

44. CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure availability of funds at competitive cost for its operational and developmental needs and maintain strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31st March, 2023 as compared to previous year. There have been no breaches of financial covenants of any interest bearing loans and borrowings for the reported period.

The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and other equity, and debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Equity Share Capital	36.08	36.08
Other Equity	18,252.36	17,234.79
Total Equity	**18,288.44**	**17,270.87**
Long Term Debt (Including Current Maturities)	1,568.24	1,693.69
Debt to Equity Ratio	**0.09**	**0.10**

45. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crore)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets Classified at Amortized Cost				
Investments in Bonds and Debentures	3,225.57	3,228.64	3,521.50	3,663.24
Loans	10.58	10.58	29.69	29.69
Trade Receivables	906.05	906.05	595.65	595.65
Cash and Cash Equivalents and Other Bank Balances	119.29	119.29	118.26	118.26
Other Financial Assets	295.50	295.50	287.42	288.66
Financial Assets Classified at Fair Value Through Profit or Loss				
Investments in Mutual Funds, Preference Shares, Perpetual Bonds, Exchange Traded Fund and STRIPS issued by the Govt. of India	4,955.73	4,955.73	5,079.91	5,079.91

Notes Forming Part of Standalone Financial Statements

45. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Derivatives Designated as Hedges				
Cross Currency and Interest Rate Swaps	133.42	133.42	65.95	65.95
Forward Contracts	5.63	5.63	0.13	0.13
Total Financial Assets	**9,651.77**	**9,654.84**	**9,698.51**	**9,841.49**
Financial Liabilities Classified at Amortized Cost				
Non-Current Borrowings at Floating Rate	567.55	567.55	968.92	968.92
Non-Current Borrowings at Fixed Rate	-	-	329.42	328.72
Interest free SGST loan from government	13.32	13.32	-	-
Lease Liabilities	271.96	271.96	194.89	194.89
Short Term Borrowings	1,958.30	1,958.30	715.84	715.84
Trade Payables	1,128.70	1,128.70	803.89	803.89
Other Financial Liabilities	1,858.28	1,858.28	1,435.11	1,435.11
Financial Liabilities Classified at Fair Value Through Profit or Loss				
Forward Contracts	-	-	3.58	3.58
Derivatives Designated as Hedges				
Cross Currency and Interest Rate Swaps	5.04	5.04	26.71	26.71
Forward Contracts	9.75	9.75	5.15	5.15
Total Financial Liabilities	**5,812.90**	**5,812.90**	**4,483.51**	**4,482.81**

Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

a) Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.

b) Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings and interest free SGST loan from government approximates their carrying values. For fixed interest rate borrowings, fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the Company is considered to be insignificant in valuation.

c) The fair value of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

d) The fair values of mutual funds are at published Net Asset Value (NAV).

Fair Value Hierarchy

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds. This category consists mutual fund investments and exchange traded fund/ STRIPS issued by the Government of India.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Notes Forming Part of Standalone Financial Statements

45. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e., unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provides the fair value measurement hierarchy of the Company's financial asset and financial liabilities grouped into Level 1 to Level 3 as described below:

Assets and Liabilities Measured at Fair Value (Accounted)

(₹ in Crore)

Particulars	As at 31.03.2023			
	Level 1	Level 2	Level 3	Total
Financial Assets Classified at Fair Value				
Investments				
Mutual funds	2,519.74	-	-	2,519.74
Preference Shares	-	73.53	-	73.53
Exchange Traded Funds	1,602.55	-	-	1,602.55
Perpetual Bonds	-	652.59	-	652.59
STRIPS issued by the Govt. of India	107.32	-	-	107.32
Derivatives Designated as Hedges	-	139.05	-	139.05
Financial Liabilities Classified at Fair Value				
Derivatives Designated as Hedges	-	14.79	-	14.79

(₹ in Crore)

Particulars	As at 31.03.2022			
	Level 1	Level 2	Level 3	Total
Financial Assets Classified at Fair Value				
Investments				
Mutual funds	2,697.40	-	-	2,697.40
Preference Shares	-	73.61	-	73.61
Exchange Traded Funds	1,545.60	-	-	1,545.60
Perpetual Bonds	-	660.65	-	660.65
STRIPS issued by the Govt. of India	102.65	-	-	102.65
Derivatives Designated as Hedges	-	66.08	-	66.08
Financial Liabilities Classified at Fair Value				
Derivatives not Designated as Hedges	-	3.58	-	3.58
Derivatives Designated as Hedges	-	31.86	-	31.86

Fair Value of Assets and Liabilities Classified at Amortized Cost (only disclosed)

(₹ in Crore)

Particulars	As at 31.03.2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	-	3,228.64	-	3,228.64
Loans	-	10.58	-	10.58
Other Financial Assets	-	295.50	-	295.50
Financial Liabilities				
Interest free SGST loan from government	-	13.32	-	13.32
Other Financial Liabilities	-	1,858.28	-	1,858.28

Notes Forming Part of Standalone Financial Statements

45. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

(₹ in Crore)

Particulars	As at 31.03.2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	-	3,663.24	-	3,663.24
Loans	-	29.69	-	29.69
Other Financial Assets	-	288.66	-	288.66
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	328.72	-	328.72
Other Financial Liabilities	-	1,435.11	-	1,435.11

During the year ended 31st March, 2023 and 31st March, 2022, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/ balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 31st March, 2023 and 31st March, 2022 respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
Financial Assets				
Investments in Preference Shares and Perpetual Bonds	Level 2	Market Valuation Techniques	Prevailing yield to discount future cash flows	-
Derivative Financial Instruments -Designated as Hedging Instrument				-
Cross Currency and Interest Rate Swaps	Level 2	Market Valuation Techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	
Derivative Financial Instruments – both designated and not Designated as Hedging Instrument				
Forward Contracts	Level 2	Market Valuation Techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
Financial Liabilities				
Derivative Financial Instruments -Designated as Hedging Instrument				
Cross Currency and Interest Rate Swaps	Level 2	Market Valuation Techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
Derivative Financial Instruments - both designated and not Designated as Hedging Instrument				
Forward Contracts	Level 2	Market Valuation Techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

Notes Forming Part of Standalone Financial Statements

45. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

Fair Value of Assets and Liabilities classified at Amortized Cost (only disclosed)

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs used
Financial Assets			
Investments in Bonds and Debentures	Level 2	Market Valuation Techniques	Prevailing yield to discount future cash flows
Other Financial Assets – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
Financial Liabilities			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Interest free SGST loans from government – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivative, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loans, trade and other receivables, cash and short-term deposits that arrive directly from its operations. The Company also holds fair value through profit or loss investments and enters into derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Risk Management Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Market Risk and Sensitivity

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and liabilities held as at 31st March, 2023 and 31st March, 2022.

The sensitivity analysis exclude the impact of movement in market variables on the carrying value of post-employment benefit obligations, provisions and on non- financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market rates. The Company's activities expose it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts and cross currency and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuation and interest rates.

Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations with floating interest rates.

Notes Forming Part of Standalone Financial Statements

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Company's policy is to manage its foreign currency denominated floating interest rate foreign currency loans and borrowings by entering into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount. Hence, the Company is not exposed for any interest rate risk due to foreign currency denominated floating interest rate as on 31st March, 2023 and 31st March, 2022. Following is the interest rate sensitivity for unhedged exposure of Indian Rupee denominated floating interest rate borrowing:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Impact on profit before tax due to increase in 50 basis points	(2.45)	(1.61)
Impact on profit before tax due to decrease in 50 basis points	2.45	1.61

Foreign Currency Risk and Sensitivity

The Company has obtained foreign currency loans and has foreign currency payables for supply of fuel, raw material and equipment and is therefore exposed to foreign currency exchange risk. The Company uses cross currency swaps and foreign currency forward contracts to eliminate the currency exposures.

The impact on profit before tax is due to change in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

The following tables demonstrate the sensitivity in the USD, JPY, EURO, GBP, CHF and AED to the Indian Rupee with all other variable held constant.

For the year ended 31st March, 2023

Particulars	Effect on Profit Before Tax (₹ in crore)		
	USD	GBP	AED
Change in Currency Exchange Rate			
+5%	(0.99)	-*	(0.01)
-5%	0.99	-*	0.01

* ₹ 38,712

For the year ended 31st March, 2022

Particulars	Effect on Profit Before Tax (₹ in crore)				
	USD	JPY	EURO	GBP	CHF
Change in Currency Exchange Rate					
+5%	(0.66)	0.70	5.15	0.21	(0.01)
-5%	0.66	(0.70)	(5.15)	(0.21)	0.01

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Credit risk

Credit risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, mutual funds and other financial instruments.

Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors

Notes Forming Part of Standalone Financial Statements

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers which mitigate the credit risk to an extent.

The ageing of trade receivables is as below:

(₹ in Crore)

Particulars	Neither Due nor Impaired	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2023							
Undisputed							
-Considered Good	616.68	284.81	2.09	0.76	0.20	1.51	906.05
-Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed							
-Considered Good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	0.42	0.06	0.21	0.62	1.15	2.46
Gross Total	**616.68**	**285.23**	**2.15**	**0.97**	**0.82**	**2.66**	**908.51**
Less: Allowance for trade receivables which have significant increase in credit risk							2.46
Net Total	**616.68**	**285.23**	**2.15**	**0.97**	**0.82**	**2.66**	**906.05**
As at 31.03.2022							
Undisputed							
-Considered Good	505.72	85.45	1.38	0.84	0.45	1.81	595.65
-Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed							
-Considered Good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	0.26	0.01	0.22	0.67	1.12	2.28
Gross Total	**505.72**	**85.71**	**1.39**	**1.06**	**1.12**	**2.93**	**597.93**
Less: Allowance for trade receivables which have significant increase in credit risk							2.28
Net Total							**595.65**

Movement in Allowance for trade receivables which have significant increase in credit risk are given below:

(₹ in Crore)

Particulars	2022-2023	2021-2022
Opening Balance	**2.28**	**2.35**
Add: Provision/ (Reversal) made during the year (Refer note 33)	0.18	(0.07)
Less: Utilized during the year	-	-
Closing Balance	**2.46**	**2.28**

Financial Instruments and Cash Deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 9,651.77 crore as at 31st March, 2023 and ₹ 9,698.51 crore as at 31st March, 2022, which is the carrying amounts of cash and cash equivalents, other bank balances, investments (other than equity investments in subsidiary), trade receivables, loans and other financial assets.

Notes Forming Part of Standalone Financial Statements

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables and other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides undiscounted cash flows (excluding transaction cost on borrowings) towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date:

As at 31st March, 2023 (₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,959.11	567.96	26.76	2,553.83
Lease Liabilities	105.92	191.99	7.57	305.48
Trade Payables	1,128.70	-	-	1,128.70
Derivative Financial Instruments	14.79	-	-	14.79
Other Financial Liabilities	1,698.93	159.35	-	1,858.28
Total	**4,907.45**	**919.30**	**34.43**	**5,861.08**

As at 31st March, 2022 (₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	716.68	1,300.27	-	2,016.95
Lease Liabilities	61.67	152.58	5.51	219.76
Trade Payables	803.89	-	-	803.89
Derivative Financial Instruments	15.16	20.28	-	35.44
Other Financial Liabilities	1,319.72	115.39	-	1,435.11
Total	**2,917.12**	**1,588.52**	**5.51**	**4,511.15**

47. DERIVATIVE FINANCIAL INSTRUMENTS

The details of derivative financial instruments outstanding as on the balance sheet date are as follows:

(Amount in Crore)

Particulars	Purpose	Currency	As at 31.03.2023	As at 31.03.2022
Forward Contracts	Imports	USD	15.77	7.99
		JPY	-	22.04
		EURO	1.00	1.18
		GBP	-	0.04
		AED	3.06	-
Cross Currency & Interest Rate Swaps	ECB	SGD	5.89	7.85
Interest Rate Swaps	ECB	USD	8.56	12.33
Cross Currency Swaps	ECB	USD	13.06	18.33

Notes Forming Part of Standalone Financial Statements

47. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

Cash Flow Hedges

The objective of cross currency & interest rate swaps and interest rate swaps is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. The Company also enters into foreign currency forward contracts to hedge the foreign currency exchange risk arising from the forecasted purchases. Some of the forward contracts are designated as cash flow hedges. The Company is following hedge accounting for cross currency & interest rate swaps and interest rate swaps and some foreign currency forward contracts based on qualitative approach.

The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and hedge effectiveness test. The Company assesses hedge effectiveness based on following criteria:

i. An economic relationship between the hedged item and the hedging instrument

ii. The effect of credit risk

iii. Assessment of the hedge ratio

The Company designates cross currency & interest rate swaps and interest rate swaps and some foreign currency forward contracts to hedge its currency and interest risk and generally applies hedge ratio of 1:1. Refer Note 21 for timing of nominal amount and contractual fixed interest rate of cross currency & interest rate swaps and interest rate swaps.

All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

The fair values of the above derivatives are as under:

(₹ in Crore)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Asset	Liability	Asset	Liability
Cross Currency and Interest Rate Swaps	133.42	5.04	65.95	26.71
Forward Contracts	5.63	9.75	0.13	5.15

The movement of effective portion of cash flow hedges is shown below:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Opening Balance	**(14.91)**	**(35.33)**
Gain/(loss) recognized on cash flow hedges	40.89	(37.30)
Income tax relating to gain/(loss) recognized on cash flow hedges	(14.30)	13.86
Reclassified to Profit or Loss #	(40.30)	59.87
Income tax relating to Reclassified to Profit or Loss	14.08	(20.91)
Amount transferred to initial cost of non-financial asset	14.72	7.72
Income tax relating to amount transferred to initial cost of non-financial asset	(5.14)	(2.82)
Closing Balance	**(4.96)**	**(14.91)**

Includes ₹ (91.59) crore (for the year ended 31st March, 2022: ₹ (37.50) crore) to Foreign Exchange Rate Differences and ₹ 51.29 crore (for the year ended 31st March, 2022: ₹ 97.37 crore) to Finance Cost.

Notes Forming Part of Standalone Financial Statements

47. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

Foreign Currency Forward Contracts

The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases.

Certain foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

The fair value of foreign currency forward contracts is as under:

(₹ in Crore)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	-	-	-	3.58

The gain/ (loss) due to fluctuation in foreign currency exchange rates on derivative contract, recognized in profit or loss is ₹ 4.29 crore for the year ended 31st March, 2023 (₹ (2.04) crore for the year ended 31st March, 2022).

48. COLLATERALS

Inventory, Trade Receivables, Other Current Assets, Property, Plant and Equipment are hypothecated / mortgaged as collateral/security against the borrowings (Refer Note 21 and 24). Additionally, some of the fixed deposits and investments are pledged against working capital facilities.

49. EARNINGS PER SHARE (EPS)

A. Basic and Diluted EPS:

Particulars		2022-2023	2021-2022
Profit or Loss attributable to ordinary Equity shareholders	₹ in crore	1,328.13	2,376.62
Equity Share Capital	₹ in crore	36.08	36.08
Weighted average number of equity shares outstanding (Face value of ₹10/- per share)	Nos.	3,60,80,748	3,60,80,748
Earnings Per Share – Basic and Diluted	₹	368.10	658.69

B. Cash EPS : (Profit for the year+ Depreciation and Amortisation Expenses +Deferred Tax excluding MAT credit related to earlier years)/ Weighted average number of equity shares outstanding .

50. Disclosure of Loans & Advances given to subsidiaries in terms of Section 186 of the Companies Act, 2013 and Regulations 34(3) and 53 (f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

(₹ in Crore)

Name of the Subsidiary Company	Amount outstanding as at		Maximum Balance outstanding during the year ended		Investment by Subsidiary in Shares of the Company (No. of Shares)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Shree Cement East Bengal Foundation (for meeting its working capital requirements)*	1.98	20.75	20.75	20.75	-	-
Shree Cement South Private Limited (For meeting its short term fund requirements)**	-	-	36.35	-	-	-

* Unsecured Loan repayable on demand at interest rate in the range of 8% per annum as at 31st March, 2023 and 8% to 9% per annum as at 31st March, 2022. This constitutes 18.72% of total loans given as at 31st March, 2023 (69.89% of total loans given as at 31st March, 2022).

** Unsecured Loan repayable on demand at interest rate in the range of 9% per annum.

Notes Forming Part of Standalone Financial Statements

51. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

Dividend approved / proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Dividend approved/ proposed for Equity Shareholders (Refer Note 51.1)	198.44	162.36

51.1: Interim dividend of ₹ 55 per share approved by the Board of Directors for FY 2022-23 (As at 31st March, 2022: ₹ 45 per share of final dividend proposed for FY 2021-22)

52. TRADE PAYABLES

A. The ageing of trade payables is as below:

(₹ in Crore)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31.03.2023						
Undisputed						
-MSME	12.30	-	-	-	-	12.30
-Others	669.44	162.32	2.09	1.85	0.83	836.53
Disputed						
-MSME						
-Others						
Total	**681.74**	**162.32**	**2.09**	**1.85**	**0.83**	**848.83**
Add: Provision for Expenses						279.87
Total Trade Payable						**1,128.70**
As at 31.03.2022						
Undisputed						
-MSME	6.50	-	-	-	-	6.50
-Others	536.76	99.34	3.14	0.70	1.43	641.37
Disputed						
-MSME	-	-	-	-	-	-
-Others	-	-	0.01	-	-	0.01
	543.26	**99.34**	**3.15**	**0.70**	**1.43**	**647.88**
Add: Provision for Expenses						156.01
Total Trade Payable						**803.89**

Notes Forming Part of Standalone Financial Statements

52. TRADE PAYABLES (Contd.)

B. Information as per the requirement of section 22 of the Micro, Small and Medium Enterprises ("MSME") Development Act, 2006:

(₹ in crore)

Sr. No		Particulars	As at 31.03.2023	As at 31.03.2022
(a)	(i)	The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	12.30	6.50
	(ii)	The interest due on above	-	-
	The total of (i) & (ii)		**12.30**	**6.50**
(b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act		-	-
(d)	The amounts of interest accrued and remaining unpaid at the end of accounting year		-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006		-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

53. TRANSACTIONS WITH STRIKE OFF COMPANIES

Following are the transactions and balances with the companies, names of which have been struck off by the Registrar of Companies:

(₹ in crore)

Name of struck off company	Nature of transaction	Balance outstanding		Relationship
		As at 31.03.2023	As at 31.03.2022	
AMB Civil Contractors Private Limited	Payable	0.04	0.04	None
BITS Mechanical Private Limited	Payable	-	-	None

54. FINANCIAL RATIOS

S.N.	Particulars	For the year ended	
		31.03.2023	31.03.2022
a)	Current Ratio* (Current Assets/Current Liabilities) (Refer note 54.1)	1.23	1.69
b)	Debt Equity Ratio (Long Term Debt + Current Maturities of Long Term Debt)/ (Net Worth)	0.09	0.10
c)	Debt Service Coverage Ratio ** [(Profit Before Tax + Finance Costs + Depreciation)/ (Finance Costs + Term Loan Repayment During the Year)] (Refer note 54.2)	5.21	8.24
d)	Return on Equity Ratio/ Return on Investment** (Profit After Tax/ Net Worth) (Refer note 54.2)	7.26%	13.76%
e)	Inventory Turnover (Times) (Revenue from Operations/ Annual Average Inventory)	7.35	7.86
f)	Trade Receivables Turnover Ratio (Times) (Gross Revenue from Operations /Annual Average Trade Receivables)	28.45	33.58
g)	Trade Payables Turnover Ratio (Times) (Purchases /Average Trade Payables where Purchases are Total Expenses reduced by Depreciation & Amortisation Expenses, Finance Costs and Employee Benefits Expenses)	13.48	12.39
h)	Net Capital Turnover Ratio (Revenue from Operations/ Net Worth)	0.92	0.83
i)	Net Profit Ratio** (Profit After Tax/ Revenue from Operations) (Refer note 54.2)	7.89%	16.61%
j)	Return on Capital Employed** (Earnings Before Interest & Tax/ Average Capital Employed where Capital Employed is Net Worth + Total Debt (Long Term + Short Term)) (Refer note 54.2)	9.11%	17.17%

Notes Forming Part of Standalone Financial Statements

54. FINANCIAL RATIOS (Contd.)

54.1 Current ratio as at 31st March, 2023 has decreased as compared to as at 31st March, 2022 due to increase in 'current maturities of long term borrowings' & 'Loan repayable on demands from banks' classified under 'current liabilities'.

54.2 'Debt Service Coverage Ratio', 'Return on Equity Ratio', 'Net Profit Ratio' and 'Return on Capital Employed' has decreased due to increase in coal / petcoke prices which resulted into higher power and fuel expenses and increase in depreciation and amortization expenses for the year ended 31st March, 2023 as compared to year ended 31st March, 2022.

55. The Company had detected an IT security incident on 28th March, 2023 on its IT assets. The Company's production facilities were not affected by the incident. However, the dispatches faced some difficulty, which were normalized in a day's time. All the critical data have since been recovered and restored. As such, there is no material impact on the operations of the Company on account of the said incident. The Company has taken all necessary initiative to further strengthen its measures to deal with risks arising out of cyber security related incidents.

56. Previous year figures have been regrouped and rearranged wherever necessary.

57. Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest crore.

Signature to Note 1 to 57

As per our report of even date

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Date : 22nd May, 2023
Place: Gurugram

For and on behalf of the Board

H. M. Bangur
Chairman
DIN: 00244329

Prashant Bangur
Vice Chairman
DIN: 00403621

Neeraj Akhoury
Managing Director
DIN: 07419090

Shreekant Somany
Independent Director
DIN: 00021423

Uma Ghurka
Independent Director
DIN: 00351117

Nitin Desai
Independent Director
DIN: 02895410

Zubair Ahmed
Independent Director
DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Independent Auditors' Report

TO THE MEMBERS OF SHREE CEMENT LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Shree Cement Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTERS:

Key audit matters	How our audit addressed the key audit matter
Revenue from sale of goods	
The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts. The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • Considered the appropriateness of Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'; • Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts; • Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales agreements; • Assessed the relevant disclosures made in the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Litigation, Claims and Contingent Liabilities:	
The Group is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.	Our audit procedures included the following: • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable', 'possible' and 'remote'; • We read the correspondence from Court authorities and considered legal opinion obtained by the Company from external law firms to challenge the basis used for provisions recognised or the disclosures made in the consolidated financial statements. • For those matters where Group concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a) We did not audit the financial statements of nine subsidiaries, whose financial reflect total assets of ₹ 4,108.73 crore as at 31st March, 2023, total revenues of ₹ 1,108.43 crore and net cash flows amounting to ₹ (99.72) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit / (loss) of ₹ (59.67) crore for the year ended 31st March, 2023, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors

b) Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

c) The comparative consolidated Ind AS financial statements of the Company for financial year ended on 31st March, 2022 included in theses consolidated financial statements have been audited by predecessor auditors whose report for the year ended on 31st March, 2022 dated 21st May, 2022 expressed an unmodified opinion on theses financial statements.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, to the extent applicable, we report that:

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2023 and taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2023, from being appointed as a director in terms of section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'.**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statement discloses the impact of pending litigations on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements;

ii. The Group did not have any long-term contracts including any derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend ;

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No.081075
UDIN: 23081075BGQYRP8116

Date: 22nd May, 2023
Place: Gurugram

Annexure “A” to the Independent Auditors’ Report

(Referred to in Paragraph 1(f) under the heading “Report on other legal and regulatory requirements” of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of Shree Cement Limited hereinafter referred to as (“the Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No.081075
UDIN: 23081075BGQYRP8116

Date: 22nd May, 2023
Place: Gurugram

Consolidated Balance Sheet

AS AT 31st MARCH, 2023

(₹ in Crore)

	Notes	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	7	6,793.74	6,724.19
Capital Work-in-Progress	37	2,796.61	1,053.52
Intangible Assets	8	74.67	57.25
Right of Use Assets	9	612.46	500.80
Financial Assets			
Investments	10	5,285.25	5,506.34
Loans	11	3.67	4.35
Other Financial Assets	12	143.30	137.53
Deferred Tax Assets (Net)	13	682.28	674.39
Non-Current Tax Assets (Net)		173.10	27.35
Other Non-Current Assets	14	800.93	592.83
		17,366.01	**15,278.55**
Current Assets			
Inventories	15	2,759.68	2,497.02
Financial Assets			
Investments	16	3,397.89	3,526.30
Trade Receivables	17	1,211.57	788.29
Cash and Cash Equivalents	18	46.17	148.56
Bank Balances other than Cash and Cash Equivalents	19	114.76	141.09
Loans	11	6.93	25.34
Other Financial Assets	12	315.87	236.27
Other Current Assets	14	1,115.06	1,107.46
		8,967.93	**8,470.33**
Total Assets		**26,333.94**	**23,748.88**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	20	36.08	36.08
Other Equity	21	18,600.32	17,424.20
Total Equity Attributable to Owners of the Company		**18,636.40**	**17,460.28**
Non Controlling Interest		40.56	50.29
Total Equity		**18,676.96**	**17,510.57**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	22	580.87	1,298.34
Lease Liabilities		137.66	87.64
Other Financial Liabilities	23	172.41	136.15
Provisions	24	33.92	29.74
		924.86	**1,551.87**
Current Liabilities			
Financial Liabilities			
Borrowings	25	1,958.97	715.84
Lease Liabilities		47.17	27.40
Trade Payables	55		
Total Outstanding Dues of Micro and Small Enterprises		12.30	6.51
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		1,183.70	883.86
Other Financial Liabilities	23	1,811.41	1,391.77
Other Current Liabilities	26	1,394.13	1,338.47
Provisions	24	10.26	8.41
Current Tax Liabilities (Net)		314.18	314.18
		6,732.12	**4,686.44**
Total Equity and Liabilities		**26,333.94**	**23,748.88**
Significant Accounting Policies	5		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

H. M. Bangur
Chairman
DIN: 00244329

Prashant Bangur
Vice Chairman
DIN: 00403621

Neeraj Akhoury
Managing Director
DIN: 07419090

Sudhir Maheshwari
Partner
Membership No. 081075

Shreekant Somany
Independent Director
DIN: 00021423

Uma Ghurka
Independent Director
DIN: 00351117

Nitin Desai
Independent Director
DIN: 02895410

Date : 22nd May, 2023
Place: Gurugram

Zubair Ahmed
Independent Director
DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

	Notes	For the year ended 31.03.2023	For the year ended 31.03.2022
INCOME			
Revenue from Operations			
Gross Revenue from Operations		22,396.54	18,763.91
Less: GST/VAT recovered		4,544.21	3,754.35
Revenue from Operations	27	17,852.33	15,009.56
Other Income	28	459.08	545.89
Total Income		**18,311.41**	**15,555.45**
EXPENSES			
Cost of Materials Consumed	29	1,417.72	1,129.89
Purchases of Stock-in-Trade		90.04	87.51
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	(75.32)	(179.21)
Employee Benefits Expenses	31	977.77	913.46
Power and Fuel		6,080.66	3,620.18
Freight and Forwarding Expenses	32	3,783.63	3,298.96
Finance Costs	33	262.87	216.12
Depreciation and Amortisation Expenses	7, 8 & 9	1,660.67	1,145.88
Other Expenses	34	2,681.44	2,459.12
		16,879.48	**12,691.91**
Captive Consumption of Cement		(63.11)	(28.28)
Total Expenses		**16,816.37**	**12,663.63**
PROFIT BEFORE TAX		**1,495.04**	**2,891.82**
Tax Expense	44		
Current Tax		252.25	547.93
Tax Expense Relating to Earlier Years (Net)		(154.31)	(104.53)
Deferred Tax (Credit) / Charge		127.96	111.81
		225.90	**555.21**
PROFIT FOR THE YEAR		**1,269.14**	**2,336.61**
Profit Attributable to:			
Owners of the Company		1,270.70	2,331.94
Non Controlling Interest		(1.56)	4.67
OTHER COMPREHENSIVE INCOME			
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans	39(b)	6.98	5.82
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(2.27)	(1.41)
Items that will be Reclassified to Profit or Loss - Cash Flow Hedges and Exchange Differences on Translation of Foreign Operation	49	234.16	108.22
Income Tax relating to Items that will be Reclassified to Profit or Loss		(0.09)	(7.05)
		238.78	**105.58**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit and Other Comprehensive Income for the Year)		**1,507.92**	**2,442.19**
Other Comprehensive Income Attributable to:			
Owners of the Company		235.26	104.02
Non Controlling Interest		3.52	1.56
		238.78	**105.58**
Total Comprehensive Income Attributable to:			
Owners of the Company		1,505.96	2,435.96
Non Controlling Interest		1.96	6.23
		1,507.92	**2,442.19**
Earnings per Equity Share of ₹ 10 each (In ₹)	51		
Cash		847.29	994.29
Basic and Diluted		352.18	646.31
Significant Accounting Policies	5		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

H. M. Bangur
Chairman
DIN: 00244329

Prashant Bangur
Vice Chairman
DIN: 00403621

Neeraj Akhoury
Managing Director
DIN: 07419090

Sudhir Maheshwari
Partner
Membership No. 081075

Shreekant Somany
Independent Director
DIN: 00021423

Uma Ghurka
Independent Director
DIN: 00351117

Nitin Desai
Independent Director
DIN: 02895410

Date : 22nd May, 2023
Place: Gurugram

Zubair Ahmed
Independent Director
DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

	Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
A	**Cash Flow From Operating Activities**				
	Profit Before Tax		**1,495.04**		**2,891.82**
	Adjustments For :				
	Depreciation and Amortisation Expenses	1,660.67		1,145.88	
	Foreign Exchange Rate Differences (Net)	(3.43)		1.43	
	Bad Debts Written Off	0.58		0.05	
	Allowance for Doubtful Trade Receivables (Net)	0.18		5.99	
	Gain on Fair Value of Interest Free SGST Loan from Government	(14.00)		-	
	Net (Gain)/ Loss on Sale of Investments	1.88		(102.53)	
	(Gain)/ Loss on Fair Value of Investments through Profit or Loss	(131.07)		(114.74)	
	Interest Income	(306.28)		(315.73)	
	Dividend Income on Investments Classified at Fair Value through Profit or Loss	(6.14)		(6.32)	
	Profit on Sale of Property, Plant and Equipment (Net) / Assets Written Off	(6.76)		(5.06)	
	Loss on Sale of Precious Metals	-		0.06	
	Finance Costs	262.87	1,458.50	216.12	825.15
	Operating Profit Before Working Capital Changes		**2,953.54**		**3,716.97**
	Adjustments For :				
	(Increase) / Decrease in Trade and Other Receivables	(606.22)		(99.57)	
	(Increase) / Decrease in Inventories	(235.02)		(772.32)	
	Increase / (Decrease) in Trade & Other Payables and Provisions	789.65	(51.59)	24.23	(847.66)
	Cash Generated From Operations		**2,901.95**		**2,869.31**
	Direct Taxes Paid (Net of Refunds)		(333.21)		(201.33)
	Net Cash Flow From Operating Activities		**2,568.74**		**2,667.98**
B	**Cash Flow From Investing Activities**				
	Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Capital Advances)	(3,291.38)		(2,215.84)	
	Proceeds from Sale of Property, Plant and Equipment	35.34		8.80	
	Payments for Intangible Assets	(23.07)		(2.38)	
	(Purchases) / Proceeds of Investments in Mutual Funds / Exchange Traded Funds (Net)	255.80		361.63	
	Purchases of Other Investments	(97.37)		(1,149.32)	
	Proceeds from Sale/ Redemption of Other Investments	330.67		450.24	
	Loan Given to Subsidiary Company (Refer Note 10.3)	-		(21.20)	
	Repayment received for Loan Given to Subsidiary Company (Refer Note 10.3)	18.77		17.20	
	Investments in Bank Deposits	(74.08)		(37.28)	
	Maturity of Bank Deposits	67.96		163.07	
	Change in Earmarked Balances with Banks (Unpaid Dividend)	(0.25)		0.05	
	Amount Deposited in Escrow Account (Refer Note 19.1)	-		(29.42)	
	Dividend Received	6.14		6.32	
	Interest Received	356.98		296.76	
	Net Cash Used in Investing Activities		**(2,414.49)**		**(2,151.37)**

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Crore)

	Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
C	**Cash Flow From Financing Activities**				
	Acquisition of Additional Stake in Subsidiary Company from Non Controlling Interest	(0.87)		(0.81)	
	Proceeds from Long Term Borrowings	193.63		322.28	
	Repayment of Long Term Borrowings	(378.93)		(290.17)	
	Repayment of Lease Liabilities	(147.61)		(98.38)	
	Proceeds from Short Term Borrowings	72.67		-	
	Repayment of Short Term Borrowings	(72.67)		-	
	Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	640.14		(188.91)	
	Interest and Financial Charges Paid	(258.55)		(209.06)	
	Dividend Paid	(324.52)		(384.33)	
	Net Cash Used in Financing Activities		**(276.71)**		**(849.38)**
	Net (Decrease) / Increase in Cash and Cash Equivalents		**(122.46)**		**(332.77)**
	Cash and Cash Equivalents as at the beginning of the Year		**127.71**		**451.99**
	Add: Effect of exchange rate on consolidation of Foreign Subsidiaries		9.10		8.49
	Cash and Cash Equivalents as at the end of the Year		**14.35**		**127.71**

Notes :

1 Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

2 The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.

3 For the purpose of Consolidated Cash Flow Statement, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Balances with Banks	29.49	111.81
Cash on Hand	3.13	1.36
Call Deposits with Banks	4.38	14.53
Fixed Deposits with Banks Having Original Maturity upto 3 Months	9.17	20.86
	46.17	148.56
Less: Bank Overdraft	31.82	20.85
	14.35	**127.71**

4 Refer Note 45 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Date : 22nd May, 2023
Place: Gurugram

For and on behalf of the Board

H. M. Bangur
Chairman
DIN: 00244329

Prashant Bangur
Vice Chairman
DIN: 00403621

Neeraj Akhoury
Managing Director
DIN: 07419090

Shreekant Somany
Independent Director
DIN: 00021423

Uma Ghurka
Independent Director
DIN: 00351117

Nitin Desai
Independent Director
DIN: 02895410

Zubair Ahmed
Independent Director
DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31st MARCH, 2023

A. EQUITY SHARE CAPITAL (Refer Note 20)

For the year ended 31st March, 2023

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 1st April, 2021	**3,60,80,748**	**36.08**
Changes in equity share capital during the year	-	-
As at 31st March, 2022	**3,60,80,748**	**36.08**
Changes in equity share capital during the year	-	-
As at 31st March, 2023	**3,60,80,748**	**36.08**

B. OTHER EQUITY (Refer Note 21)

For the year ended 31st March, 2023

(₹ in Crore)

Particulars	Attributable to Owners of the Company									Attributable to Non Controlling Interest	Total Other Equity
	Reserves and Surplus						Items of OCI		Total Other Equity Attributable to Owners of the Company		
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges			
Opening Balance as at 1st April, 2022	**15.00**	**10.84**	**2,408.63**	**5.20**	**7,000.00**	**7,781.02**	**218.42**	**(14.91)**	**17,424.20**	**50.29**	**17,474.49**
Profit for the year						1,270.70			1,270.70	(1.56)	1,269.14
Other Comprehensive Income for the year											
Re-measurements of the Defined Benefit Plans (Net of Tax)						4.70			4.70	0.01	4.71
Net movement of Cash Flow Hedges (Net of Tax) (Refer note 49)								(0.26)	(0.26)		(0.26)
Exchange Differences on Translation of Foreign Operation							230.82		230.82	3.51	234.33
Transfer to Initial Carrying Amount of Hedged Items (Net of Tax) (Refer Note 49)								10.22	10.22		10.22
Acquisition of Additional Stake in Subsidiary Company from Non Controlling Interest						(15.34)			(15.34)	(11.69)	(27.03)
Final Dividend on Equity Shares (Note 1 below)						(162.36)			(162.36)		(162.36)
Interim Dividend on Equity Shares (Note 2 below)						(162.36)			(162.36)	-	(162.36)
Closing Balance as at 31st March, 2023	**15.00**	**10.84**	**2,408.63**	**5.20**	**7,000.00**	**8,716.36**	**449.24**	**(4.95)**	**18,600.32**	**40.56**	**18,640.88**

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31st MARCH, 2023

B. OTHER EQUITY (Refer Note 21) (CONTD.)

For the year ended 31st March, 2022

(₹ in Crore)

Particulars	Attributable to Owners of the Company									Attributable to Non Controlling Interest	Total Other Equity
	Reserves and Surplus						Items of OCI		Total Other Equity Attributable to Owners of the Company		
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges			
Opening Balance as at 1st April, 2021	**15.00**	**10.84**	**2,408.63**	**5.20**	**6,500.00**	**6,322.68**	**134.31**	**(35.33)**	**15,361.33**	**51.16**	**15,412.49**
Profit for the year						2,331.94			2,331.94	4.67	2,336.61
Other Comprehensive Income for the year											
Re-measurements of the Defined Benefit Plans (Net of Tax)						4.39			4.39	0.02	4.41
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 49)								15.52	15.52		15.52
Exchange Differences on Translation of Foreign Operation							84.11		84.11	1.54	85.65
Transfer to Initial Carrying Amount of Hedged Items (Net of Tax) (Refer Note 49)								4.90	4.90		4.90
Transfer to /(from) Retained Earnings					500.00	(500.00)			-		-
Acquisition of Additional Stake in Subsidiary Company from Non Controlling Interest						0.85			0.85	(1.66)	(0.81)
Final Dividend on Equity Shares (Note 3 below)						(216.48)			(216.48)		(216.48)
Interim Dividend on Equity Shares (Note 4 and 5 below)						(162.36)			(162.36)	(5.44)	(167.80)
Closing Balance as at 31st March, 2022	**15.00**	**10.84**	**2,408.63**	**5.20**	**7,000.00**	**7,781.02**	**218.42**	**(14.91)**	**17,424.20**	**50.29**	**17,474.49**

Note 1 : Final Dividend at the rate of ₹ 45 per share of ₹ 10 each for FY 2021-22.

Note 2 : Interim Dividend at the rate of ₹ 45 per share of ₹ 10 each for FY 2022-23.

Note 3 : Final Dividend at the rate of ₹ 60 per share of ₹ 10 each for FY 2020-21.

Note 4 : Interim Dividend at the rate of ₹ 45 per share of ₹ 10 each for FY 2021-22.

Note 5 : Dividend distributed to the non-controlling interest pertains to the dividend declared by a Subsidiary.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31st MARCH, 2023

Nature of Reserves

Capital Redemption Reserve

Capital Redemption Reserve represents the reserve created as a result of redemption of preference shares capital of the Company. The same may be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid-up bonus shares.

Capital Reserve

Company's Capital Reserve is on account of acquisition of controlling stake in Union Cement Company (PJSC) (UCC) and Raipur Handling and Infrastructure Private Limited (RHIPL).

Securities Premium

Securities Premium represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

Statutory Reserve

According to the articles of association of Union Cement Company (PJSC) (Subsidiary Company) and the requirements of the U.A.E. Federal Law No. (2) of 2015, 10% of the profit for each year is transferred to the statutory reserve . The transfer to statutory reserve may be suspended when it reaches 50% of the paid-up share capital. Statutory reserve is not available for distribution except as stipulated by the Law.

General Reserve

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

Foreign Currency Translation Reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in the foreign currency translation reserve.

Effective Portion of Cash Flow Hedges

The Company has designated certain hedging instruments as cash flow hedges and any effective portion of cash flow hedges is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised to the Statement of Profit and Loss.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Date : 22nd May, 2023
Place: Gurugram

For and on behalf of the Board

H. M. Bangur Chairman DIN: 00244329	**Prashant Bangur** Vice Chairman DIN: 00403621	**Neeraj Akhoury** Managing Director DIN: 07419090
Shreekant Somany Independent Director DIN: 00021423	**Uma Ghurka** Independent Director DIN: 00351117	**Nitin Desai** Independent Director DIN: 02895410
Zubair Ahmed Independent Director DIN: 00182990	**Subhash Jajoo** Chief Finance Officer	**S S Khandelwal** Company Secretary

Notes Forming Part of Consolidated Financial Statements

1. CORPORATE INFORMATION

Shree Cement Limited ("the Holding Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed at BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Bangur Nagar, Beawar-305901 (Rajasthan), India.

The Consolidated Financial Statements comprise financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries together referred to as "the Company" or "the Group".

The Company is engaged in the manufacturing and selling of cement and cement related products. It is regarded as one of the most efficient and environment friendly Company in the global cement industry.

For Company's principal shareholders, Refer Note No. 20.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements (hereinafter referred to as "financial statements" in the consolidated financial statements) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and amendments made thereafter and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

These Consolidated Financial Statements are approved and adopted by the Board of Directors of the Company in their meeting held on 22nd May, 2023.

3. PRINCIPLES OF CONSOLIDATION

The subsidiaries considered in the preparation of these Consolidated Financial Statements are:

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	% Shareholding and Voting Power	
			As at 31.03.2023	As at 31.03.2022
1	Shree Global FZE	UAE	100%	100%
2	Shree International Holding Ltd.	UAE	100%	100%
3	Shree Enterprises Management Ltd.	UAE	100% (Beneficially Owned)	100% (Beneficially Owned)
4	Union Cement Company (PJSC)	UAE	98.33%	98.25%
5	U C N Co Ltd L.L.C (erstwhile Union Cement Norcem Company Limited L.L.C.) **	UAE	100%*	60%*
6	Raipur Handling and Infrastructure Private Limited	India	100%	100%
7	Shree Cement North Private Limited (w.e.f. 11.06.2022)	India	100%	100%
8	Shree Cement East Private Limited (w.e.f. 11.06.2022)	India	100%	100%
9	Shree Cement South Private Limited (w.e.f. 11.06.2022)	India	100%	100%

* Effective group holding 99.00% as on 31st March, 2023 and 58.95% as on 31st March, 2022.

** Subsequent to the end of previous reporting period, the 40% stake in Union Cement Norcem Company Limited L.L.C. held by Heidelberg Cement Asia Pte. Ltd. had been acquired by Shree Global FZE (Direct Subsidiary of the Company).

The Consolidated Financial Statements of the Group are prepared on following basis:

a) The Consolidated Financial Statements are prepared in accordance with Ind AS 110- "Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013.

b) The Financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the books values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions and any unrealized profits or losses arising from intra group transaction, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Notes Forming Part of Consolidated Financial Statements

c) Non-Controlling Interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Standalone Financial Statements.

e) The Financial Statements of the Company and its Subsidiaries used in the consolidation are drawn up to the same reporting date i.e. 31st March, 2023.

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the period. The exchange differences arising on translation for consolidation are recognized in Other Comprehensive Income (OCI) except to the extent those exchange differences are allocated to non- controlling interest. On disposal of foreign operation, the component of OCI relating to that particular foreign operation is recognized to the profit or loss.

4. NEW ACCOUNTING PRONOUNCEMENTS

(i) Adoption of New Accounting Pronouncements

(a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

(b) Ind AS 16 – Proceeds Before Intended Use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property plant and equipment.

(c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

(d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

These amendments are effective from 1st April, 2022 and the effect of these amendments has been incorporated in these financial statements to the extent applicable to the Company. These amendments do not have significant impact on the financial statements of the Company.

(ii) Application of New Amendments Issued but Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Notes Forming Part of Consolidated Financial Statements

Ind AS 12 - Income Taxes
This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company does not expect the above amendments to have any significant impact in its financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation and Measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments – note 5 (r))
- Employee's defined benefit plan as per actuarial valuation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in Indian Rupees ("₹") and all values are rounded to the nearest crore, except otherwise indicated.

b) Classification of Assets and Liabilities into Current / Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

1. It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is expected to realize the asset within twelve months after the reporting period; or
4. The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

1. It is expected to be settled in the normal operating cycle; or
2. It is held primarily for the purpose of trading; or
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use including relevant borrowing costs.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All subsequent costs are charged to Statement of Profit and Loss unless it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Notes Forming Part of Consolidated Financial Statements

Capital work-in-progress is carried at cost and directly attributable expenditure /Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying assets) which is allocated to the property, plant and equipment on the completion of project. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

Depreciation is provided on written down value method except in case of some subsidiary companies on Straight Line Method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant and Equipment	3-30 Years
Buildings (including Roads)	10-35 Years
Railway Siding	15-20 Years
Vehicles	5-6 Years
Office Equipment	3-6 Years
Furniture & Fixtures	5-10 Years

Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of when it is ready for intended use. Depreciation on deduction/disposals is provided on a pro-rata basis upto the date of deduction/disposal.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is disposed and / or derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost (net of credit availed, if any) of acquisition/bringing the asset to its working condition for its intended use.

Amortization is provided on a written down value method except in case of some subsidiary companies on Straight Line Method over estimated useful lives. Mining rights is amortized based on units-of-production method. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Computer Software	3-10 Years
Private Freight Terminal License	Over the period of license right

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in related assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Borrowing Costs

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset that necessarily takes substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Impairment of Non-Financial Assets

The carrying amount of assets is reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its

Notes Forming Part of Consolidated Financial Statements

recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of cash generating unit (CGU) to which the asset belongs. The cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows of other assets or group of assets.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

g) Revenue Recognition

Revenue is recognized to depict the transfer of promised products or services to customers. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amount collected on behalf of third party.

Revenue from sale of products is recognized when products are delivered to the customers. Delivery occurs when the product has been shipped to the customers, the risks of obsolescence and loss have been transferred to customers and either the customer has accepted the products in accordance with sales arrangement. Revenue is disclosed net of Goods and Service Tax (GST), discounts, volume rebates and returns, as applicable.

h) Dividend income is recognized when the right to receive the payment is established. Interest is recognized using the Effective Interest Rate (EIR) method. Difference between the sale price and carrying value of investment is recognized as profit or loss on sale/ redemption of investment on date of transaction.

i) Insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized only when collection is virtually certain which generally coincides with receipt.

j) Government Grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached thereto and the grants will be received.

Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the period to match them with the related costs.

Grants related to an asset are included in liabilities as deferred income and are credited to income on a systematic basis over the useful life of the related assets.

The benefit of government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is recognized in the Statement of Profit and Loss.

k) Employee Benefits

1) Defined Contribution Plan

Superannuation, Provident Fund, National Pension Scheme, Employees State Insurance Corporation (ESIC) and Retirement Pension and Social Security Scheme are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year in which employees have rendered related services.

2) Defined Benefit Plan

Gratuity and End of Service Benefit is considered as defined benefit plan and is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the

Notes Forming Part of Consolidated Financial Statements

Balance Sheet. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expenses'.

Re- measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re- measurements are not reclassified to profit or loss in subsequent periods.

Contributions as specified by law are paid to the provident fund set up as irrevocable trust in respect of few employees. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

3) Other Long Term Benefits

Encashable leave and non encashable leave are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date. Actuarial gains/losses, if any, are recognized in the Statement of Profit and Loss in the year in which they arise.

4) Other Short term Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered. Liabilities recognized in respect of short-term employee benefits, are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

l) Foreign Currency Transaction

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's financial statements are presented in Indian Rupees, which is also Holding Company's functional currency.

Foreign currency transactions are initially recorded in the functional currency of the entity in the Group, using the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rates. Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise, except the amount of such differences capitalized in accordance with policy on 'Borrowing Costs'.

m) Taxation

Income tax expense represents the sum of current and deferred tax (including Minimum Alternate Tax). Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such case the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Notes Forming Part of Consolidated Financial Statements

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach. Deferred tax liabilities are recognized for all taxable temporary difference and deferred tax assets are recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Tax credit is recognized in respect of Minimum Alternate Tax ("MAT") paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date. MAT credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

n) Inventories

1) Raw Materials, Stores & Spare Parts, Packing Materials and Fuel

These are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

2) Work-in-Progress, Finished Goods and Stock-in-Trade

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

o) Provisions and Contingencies

1) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of time value of money is material, provisions are discounted using equivalent period pre-tax government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

Mines Reclamation Expenditure

The Company provides for the expenditure to reclaim the quarries used for mining, in the Statement of Profit and Loss based on

Notes Forming Part of Consolidated Financial Statements

present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mines. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. The unwinding of the discount on provision is shown as a finance cost in the Statement of Profit and Loss.

2) Contingencies

Contingent liabilities are disclosed when there is a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made. Contingent assets are not recognized.

p) Leases

At the commencement of a lease, the Company recognises a right of use asset and a lease liability with respect to lease agreements in which it is the lessee.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, less lease payments made.

The right of use asset measured at inception at the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right of use assets is subsequently measured at cost less accumulated amortization, accumulated impairment losses, if any. Right of use assets are amortized on straight line basis over the shorter period of lease term and useful life of the underlying asset.

For a lease modification that is not accounted as a separate lease, the Company re-measure the lease liability by discounting the revised lease payments using revised discount rate, with corresponding adjustment to the 'right of use asset'. The Company recognize gain or loss in the statement of profit or loss for partial or full termination of lease for lease modifications that decrease the scope of the lease.

The right of use assets and lease liability is presented separately on the face of the Balance sheet as 'Right of Use Assets' and 'Lease Liability' respectively.

q) Business Combination

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and assumed and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognized in the Statement of Profit and Loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition date.

Intangible Assets acquired in a Business Combination and recognized separately from Goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, intangible assets with definite useful life acquired in a Business Combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Notes Forming Part of Consolidated Financial Statements

Goodwill and Intangible assets with indefinite useful life, if any, are tested for impairment at the end of each annual reporting period.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as gain on bargain purchase. In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognizes any additional assets or liabilities that are so identified, any gain thereafter is recognized in OCI and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognizes the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognized in Statement of Profit and Loss.

r) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

1) Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, investments, loans and other financial assets.

Classification and Subsequent Measurement

Financial assets are subsequently measured at amortized cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset's contractual cash flow characteristics.

a) Financial Assets at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss. Dividend and interest income on financial assets at fair value through profit or loss is recognized as dividend and interest income respectively and included in 'other income'.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting

Notes Forming Part of Consolidated Financial Statements

period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

2) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables or as derivative designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdraft and derivative financial instruments.

Classification and Subsequent Measurement

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

a) Financial liabilities at Fair Value Through Profit or Loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognized in the statement of profit and loss.

b) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using effective interest rate method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

3) Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments, such as foreign currency forward contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).

The Company uses cross currency and interest rate swaps to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The Company also enters into foreign currency forward contracts to hedge the foreign currency exchange risk arising from the forecast purchases. The Company designates these cross currency and interest rate swaps and some foreign currency forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These derivatives are stated at fair value at each reporting date. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of

Notes Forming Part of Consolidated Financial Statements

Profit and Loss when the hedged transaction affects the profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

4) Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument. The Company does not have any compound financial instrument.

Equity Instruments

An Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs related to issue of equity instruments is reduced from equity.

s) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash at banks and on hand and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

t) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the owners of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to the owners of the Company and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

a) Deferred Tax Assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

b) Property, Plant and Equipment & Intangible Assets

The determination of depreciation and amortization charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) Allowances for Uncollected Trade Receivables

Trade receivables do not carry any interest and are stated at their transaction value as reduced by appropriate allowances for estimated irrecoverable amounts.

Notes Forming Part of Consolidated Financial Statements

Individual trade receivables are written off when management deems them not to be collectible.

d) **Contingencies**
Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the Company as it is not possible to predict the outcome of pending matters with accuracy.

e) **Mines Reclamation Obligation**
The measurement of mines reclamation obligation requires long term assumptions regarding the phasing of the restoration work to be carried out. Discount rates are determined based on the government securities of similar tenure.

f) **Defined Benefit Plan**
The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long- term nature of the plan, such estimates are subject to significant uncertainty. All assumption are reviewed at each reporting date. Refer Note 39 for sensitivity analysis.

g) **Fair Value Measurement of Financial Instruments**
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Notes Forming Part of Consolidated Financial Statements

7. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK
	Opening as at 01.04.2022	Effect of foreign currency translation	Additions during the year	Deductions/ adjustments during the year	As at 31.03.2023	Opening as at 01.04.2022	For the year	Effect of foreign currency translation	Deductions/ adjustments during the year	Upto 31.03.2023	As at 31.03.2023
Tangible Assets :											
Free Hold Land	1,805.26	-	283.77	54.22	2,034.81	15.04	5.83	-	-	20.87	2,013.94
Buildings	1,381.95	5.83	188.84	11.79	1,564.83	804.29	151.50	0.89	0.80	955.88	608.95
Plant and Equipment	11,769.06	185.41	912.35 (a)	41.80	12,825.02	7,498.02	1,443.37	37.55	32.99	8,945.95	3,879.07
Railway Sidings	67.95	-	207.74	-	275.69	40.40	17.72	-	-	58.12	217.57
Furniture and Fixtures	56.04	0.17	9.40	0.23	65.38	47.87	9.68	0.12	0.22	57.45	7.93
Office Equipment	85.27	0.38	15.35	1.91	99.09	74.01	13.57	0.19	1.85	85.92	13.17
Vehicles	79.18	0.53	47.31	14.68	112.34	40.89	29.66	0.22	11.54	59.23	53.11
Total	**15,244.71**	**192.32**	**1,664.76**	**124.63**	**16,977.16**	**8,520.52**	**1,671.33 (b)**	**38.97**	**47.40**	**10,183.42**	**6,793.74**

(₹ in Crore)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK
	Opening as at 01.04.2021	Effect of foreign currency translation	Additions during the year	Deductions/ adjustments during the year	As at 31.03.2022	Opening as at 01.04.2021	For the year	Effect of foreign currency translation	Deductions/ adjustments during the year	Upto 31.03.2022	As at 31.03.2022
Tangible Assets :											
Free Hold Land	1,451.99	-	354.65	1.38	1,805.26	11.53	3.51	-	-	15.04	1,790.22
Buildings	1,231.93	2.09	148.34	0.41	1,381.95	667.10	136.93	0.27	0.01	804.29	577.66
Plant and Equipment	10,199.87	66.07	1,513.35 (a)	10.23	11,769.06	6,542.45	954.11	11.30	9.84	7,498.02	4,271.04
Railway Sidings	66.04	-	1.91	-	67.95	34.12	6.28	-	-	40.40	27.55
Furniture and Fixtures	46.57	0.05	10.66	1.24	56.04	43.33	5.69	0.03	1.18	47.87	8.17
Office Equipment	75.12	0.13	13.43	3.41	85.27	67.03	10.28	0.06	3.36	74.01	11.26
Vehicles	45.63	0.15	40.85	7.45	79.18	37.09	9.57	0.07	5.84	40.89	38.29
Total	**13,117.15**	**68.49**	**2,083.19**	**24.12**	**15,244.71**	**7,402.65**	**1,126.37 (b)**	**11.73**	**20.23**	**8,520.52**	**6,724.19**

(a) Includes ₹ 12.02 crore (for the year ended 31st March, 2022: ₹ 2.56 crore) for capital expenditure on research and development.

(b) Depreciation for the year includes ₹ 87.97 crore (for the year ended 31st March, 2022: ₹ 28.37 crore) on assets during construction period.

(c) Possession of immovable properties having gross block of ₹ 40.06 crore (as at 31st March, 2022: ₹ Nil) and Net Block of ₹ 37.10 crore (as at 31st March, 2022: ₹ Nil) is with Group. The Title of the same was pending to be transferred as on 31st March 2023 and currently is in the process of completion.

(d) As on transition to Ind AS on 1st July, 2015, the Company has elected to select the option to carry their Property, Plant and Equipment at their previous GAAP carrying value. The Gross Block and Accumulated Depreciation as on the date of transition to Ind AS was ₹ 8,508.98 crore and ₹ 5,587.79 crore, respectively.

Notes Forming Part of Consolidated Financial Statements

8. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	COST					AMORTIZATION					Net Carrying Amount as at 31.03.2023
	Opening as at 01.04.2022	Effect of foreign currency translation	Additions during the year	Deductions/ adjustments during the year	As at 31.03.2023	Opening as at 01.04.2022	For the year	Effect of foreign currency translation	Deductions/ adjustments during the year	Upto 31.03.2023	
Intangible Assets :											
Computer Software	32.59	0.85	3.49	-	36.93	27.80	4.52	0.54	-	32.86	4.07
Private Freight Terminal License	30.93	-	-	-	30.93	4.20	1.08	-	-	5.28	25.65
Mining Rights	27.20	-	19.58	-	46.78	1.47	0.36	-	-	1.83	44.95
Total	**90.72**	**0.85**	**23.07**	**-**	**114.64**	**33.47**	**5.96**	**0.54**	**-**	**39.97**	**74.67**

(₹ in Crore)

Particulars	COST					AMORTIZATION					Net Carrying Amount as at 31.03.2022
	Opening as at 01.04.2021	Effect of foreign currency translation	Additions during the year	Deductions/ adjustments during the year	As at 31.03.2022	Opening as at 01.04.2021	For the year	Effect of foreign currency translation	Deductions/ adjustments during the year	Upto 31.03.2022	
Intangible Assets :											
Computer Software	29.91	0.31	2.38	0.01	32.59	23.45	4.18	0.17	-	27.80	4.79
Private Freight Terminal License	30.93	-	-	-	30.93	3.12	1.08	-	-	4.20	26.73
Mining Rights	27.20	-	-	-	27.20	1.22	0.25	-	-	1.47	25.73
Total	**88.04**	**0.31**	**2.38**	**0.01**	**90.72**	**27.79**	**5.51**	**0.17**	**-**	**33.47**	**57.25**

(a) As on transition to Ind AS on 1st July, 2015, the Company has elected to select the option to carry their Intangible Assets at their previous GAAP value.

Notes Forming Part of Consolidated Financial Statements

9. RIGHT OF USE ASSETS

(₹ in Crore)

Particulars	GROSS CARRYING AMOUNT					AMORTIZATION					Net Carrying Amount as at 31.03.2023
	Opening as at 01.04.2022	Effect of foreign currency translation	Additions during the year	Deductions/ adjustments during the year	As at 31.03.2023	Opening as at 01.04.2022	Effect of foreign currency translation	For the year (Refer note 9 (b))	Deductions/ adjustments during the year	Upto 31.03.2023	
Land	517.28	6.02	54.90	0.09	578.11	49.54	0.20	11.23	0.09	60.88	517.23
Buildings	39.16	0.11	86.41	30.38	95.30	20.81	0.04	34.95	30.03	25.77	69.53
Plant and Equipment	13.92	-	49.54	29.36	34.10	7.95	-	38.90	27.17	19.68	14.42
Vehicles	15.39	-	17.74	12.92	20.21	6.65	-	12.40	10.12	8.93	11.28
Total	**585.75**	**6.13**	**208.59**	**72.75**	**727.72**	**84.95**	**0.24**	**97.48**	**67.41**	**115.26**	**612.46**

(₹ in Crore)

Particulars	GROSS CARRYING AMOUNT					AMORTIZATION					Net Carrying Amount as at 31.03.2022
	Opening as at 01.04.2021	Effect of foreign currency translation	Additions during the year	Deductions/ adjustments during the year	As at 31.03.2022	Opening as at 01.04.2021	Effect of foreign currency translation	For the year (Refer note 9 (b))	Deductions/ adjustments during the year	Upto 31.03.2022	
Land	465.31	2.17	49.90	0.10	517.28	39.23	0.06	10.35	0.10	49.54	467.74
Buildings	24.24	0.05	28.87	14.00	39.16	12.78	0.04	21.99	14.00	20.81	18.35
Plant and Equipment	3.02	-	17.39	6.49	13.92	2.67	-	11.77	6.49	7.95	5.97
Vehicles	7.84	-	11.19	3.64	15.39	4.23	-	6.00	3.58	6.65	8.74
Total	**500.41**	**2.22**	**107.35**	**24.23**	**585.75**	**58.91**	**0.10**	**50.11**	**24.17**	**84.95**	**500.80**

(a) The Company has taken several assets including land, godowns, office premises, vehicles, heavy earth moving machineries on lease.

(b) Amortisation for the year includes ₹ 26.13 crore (for the year ended 31st March, 2022: ₹ 7.74 crore) on assets during construction period.

Notes Forming Part of Consolidated Financial Statements

10. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
Investments at Amortised Cost (A)					
QUOTED					
Bonds and Non Convertible Debentures (NCD)					
Indian Railway Finance Corporation Limited					
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	-	-	250	25.09
7.15% IRFC Tax Free Bonds - 21AG25	10,00,000	-	-	259	26.21
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	305	31.34	305	31.59
8.10% IRFC Tax Free Bonds - 23FB27	1,000	14,02,310	155.12	14,02,310	158.49
7.38% IRFC Tax Free Bonds - 26NV27	10,00,000	300	31.85	300	32.19
7.39% IRFC Tax Free Bonds - 06DC27	10,00,000	250	26.42	250	26.68
7.34% IRFC Tax Free Bonds - 19FB28	1,000	2,10,000	22.16	2,10,000	22.36
7.04% IRFC Tax Free Bonds - 23MR28	1,000	5,32,500	58.53	5,32,500	59.45
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	66	7.33	66	7.44
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	55.60	5,50,000	55.68
7.28% IRFC Tax Free Bonds - 21DC30	1,000	1,51,000	15.10	1,51,000	15.10
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.04	5,11,350	52.12
3.249% IRFC - 13FB30	100 USD	10,000	8.30	10,000	7.67
2.80% IRFC - 10FB31	100 USD	43,000	34.05	33,000	25.06
Power Finance Corporation					
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	25.50	250	25.70
8.16% PFC Tax Free Bonds - 25NV26	1,00,000	1,000	10.63	1,000	10.78
8.30% PFC Tax Free Bonds - 01FB27	1,000	24,000	2.59	24,000	2.64
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	32.59	300	32.99
8.54% PFC Tax Free Bonds - 16NV28	1,000	8,39,928	99.74	8,39,928	102.14
7.05% PFC Bonds - 09AG30	10,00,000	350	35.00	600	59.99
7.04% PFC Bonds - 16DC30	10,00,000	-	-	1,500	151.08
6.88% PFC Bonds - 11AP31	10,00,000	150	14.91	150	14.90
3.35% PFC - 16MY31	100 USD	33,000	26.90	33,000	24.80
3.95% PFC - 23AP30	100 USD	30,000	24.91	30,000	22.99
4.50% PFC - 18JUN29	100 USD	20,000	17.37	20,000	16.14
National Highways Authority of India					
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	100	10.01	250	25.04
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	330	33.29	330	33.38
8.30% NHAI Tax Free Bonds - 25JN27	1,000	4,56,388	51.16	4,56,388	52.45
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	228	25.58	228	25.99
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	158	16.95	158	17.07
7.35% NHAI Tax Free Bonds - 11JN31	1,000	15,23,022	173.02	15,23,022	175.15
7.39% NHAI Tax Free Bonds - 18FB31	10,00,000	950	104.07	950	104.96
7.39% NHAI Tax Free Bonds - 09MR31	1,000	13,75,838	155.94	13,75,838	157.82
Housing and Urban Development Corporation Limited					
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	68	6.89	68	6.93
7.07% HUDCO Tax Free NCD - 01OT25	10,00,000	250	25.08	250	25.11
7.00% HUDCO Tax Free NCD - 09OT25	10,00,000	120	12.09	120	12.12
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.15	2,80,066	28.20

Notes Forming Part of Consolidated Financial Statements

10. NON-CURRENT INVESTMENTS (CONTD.)

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
7.04% HUDCO Tax Free Bonds - 15MR26	1,000	37,645	3.85	37,645	3.88
8.20%/ 8.35% HUDCO Tax Free Bonds - 05MR27	1,000	9,70,000	102.51	9,70,000	103.70
7.51% HUDCO Tax Free Bonds - 16FB28	1,000	1,19,000	12.56	1,19,000	12.67
8.56% HUDCO Tax Free Bonds - 02SP28	10,00,000	44	4.91	44	4.99
8.73% HUDCO Tax Free Bonds - 28MR29	1,000	20,000	2.27	20,000	2.31
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	1,80,279	18.03	1,80,279	18.03
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	3,00,439	31.24	3,00,439	31.36
India Infrastructure Finance Company Limited					
7.38% IIFCL Tax Free Bonds - 15NV27	10,00,000	250	26.18	250	26.40
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.26	150	15.31
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	4,46,000	46.24	4,46,000	46.53
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,50,000	15.46	1,50,000	15.54
8.26% IIFCL Tax Free Bonds - 23AG28	10,00,000	100	10.93	100	11.07
8.46% IIFCL Tax Free Bonds - 30AG28	10,00,000	130	14.33	130	14.53
8.48% IIFCL Tax Free Bonds - 05SP28	10,00,000	64	7.06	64	7.16
8.38% IIFCL Tax Free Bonds - 12NV28	1,000	11,680	1.30	11,680	1.32
Rural Electrification Corporation					
8.12% REC Tax Free Bonds - 27MR27	1,000	45,564	4.86	45,564	4.93
7.38% REC Tax Free Bonds - 19DC27	1,000	1,00,000	10.48	1,00,000	10.57
8.46% REC Tax Free Bonds - 29AG28	10,00,000	181	19.90	181	20.17
8.46% REC Tax Free Bonds - 24SP28	1,000	3,22,500	35.68	3,22,500	36.20
7.50% REC Bonds - 28FB30	10,00,000	1,000	101.07	1,000	101.18
7.55% REC Bonds - 11MY30	10,00,000	438	44.43	738	74.98
6.80% REC NCD - 20DC30	10,00,000	250	24.93	250	24.92
3.50% REC Bonds -12DC24	100 USD	9,000	7.28	5,000	3.77
4.625% REC Bonds 22MR28	100 USD	20,000	16.77	10,000	8.14
Indian Renewable Energy Development Agency Limited					
7.17% IREDA Tax Free Bonds - 01OT25	10,00,000	150	15.26	150	15.36
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	87.74	8,68,838	87.82
National Bank for Agriculture and Rural Development					
7.07% NABARD Tax Free Bonds - 25FB26	10,00,000	100	10.34	100	10.44
6.39% NABARD Bonds - 19NV30	10,00,000	750	72.34	750	72.08
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,55,065	50.52	4,55,065	51.01
NTPC Limited					
7.15% NTPC Tax Free Bonds 21AG25	10,00,000	450	46.35	450	46.86
4.375% NTPC 26NV24	100 USD	10,000	8.23	-	-
4.50% NTPC 19MR28	100 USD	10,000	8.85	10,000	8.27
National Housing Bank					
8.46% NHB Tax Free NCD - 30AG28	10,00,000	400	44.88	400	45.64
8.63% NHB Tax Free NCD - 13JN29	5,000	30,000	17.85	30,000	18.27
8.68% NHB Tax Free NCD - 24MR29	5,000	67,000	40.20	67,000	41.14
Birla Corporation Limited					
9.25% BCL NCD - 18AG26	10,00,000	400	40.78	400	41.06

Notes Forming Part of Consolidated Financial Statements

10. NON-CURRENT INVESTMENTS (CONTD.)

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
Housing Development Finance Corporation Limited					
7.40% HDFC NCD - 28FB30	10,00,000	350	35.40	350	35.44
7.25% HDFC NCD - 17JUN30	10,00,000	1,800	180.83	1,800	180.92
6.83% HDFC NCD - 08JN31	10,00,000	1,610	157.78	1,610	157.47
7.10% HDFC NCD - 12NV31	10,00,000	1,500	150.32	1,500	150.36
7.05% HDFC NCD - 01DC31	10,00,000	300	29.38	300	29.33
LIC Housing Finance Limited					
7.95% LICHF NCD - 29JN28	10,00,000	200	20.83	200	20.97
7.99% LICHF NCD - 12JL29	10,00,000	335	35.25	335	35.47
Hero FinCorp Limited					
6.95% HERO FIN CORP Bonds - 03NV25	10,00,000	500	49.86	500	49.81
Mahindra Rural Housing Finance LImited					
7.75% MRHFL NCD - 15JL25	10,00,000	500	50.65	500	50.91
Food Corporation Of India					
6.65% FCI Bonds - 23OT30	10,00,000	450	43.51	450	43.37
Mahanagar Telephone Nigam Limited					
7.05% MTNL Bonds - 11OT30	10,00,000	1,000	100.00	1,000	100.00
6.85% MTNL Bonds - 20DC30	10,00,000	750	73.34	750	73.18
JSW Steel Limited					
5.95% JSW Bonds - 18AP24	100 USD	10,000	8.42	10,000	7.97
Egypt, Arab Republic of (Government)					
5.25% ECGV Bonds - 06OT25	100 USD	15,000	12.76	15,000	11.92
China Water Affairs Group Ltd.					
4.85% CWA 18MY26	100 USD	10,000	8.03	10,000	7.36
Export Import Bank of India					
2.25% EIBI 13JN31	100 USD	30,000	23.26	30,000	21.29
3.25% EIBI 15JN30	100 USD	20,000	16.84	20,000	15.57
HPCL Mittal Energy					
5.45% HME 22OT26	100 USD	20,000	16.62	20,000	15.34
5.25% HME 28AP27	100 USD	15,000	12.79	15,000	11.89
Oil India Limited					
5.125% OIL 04FB29	100 USD	73,000	65.90	68,000	57.83
Oman Sultanate of (Government)					
4.875% OGB 01FB25	100 USD	5,000	4.22	5,000	3.95
Oman Sovereign SUKUK					
4.875% OSK 15JUN30	100 USD	10,000	8.35	10,000	7.71
ONGC Videsh Vankorneft Pte. Ltd					
3.75% OVPL 27JL26	100 USD	20,000	16.35	20,000	15.06
Periama Holdings LLC -JSTL					
5.95% PHJL 19AP26	100 USD	5,000	4.27	5,000	3.98
QNB Finansbank A.S.					
6.875% QFAS 07SP24	100 USD	10,000	8.51	10,000	8.03
TC Ziraat Banakasi A.S.					
5.375% TCZ 02MR26	100 USD	10,000	8.17	10,000	7.52

Notes Forming Part of Consolidated Financial Statements

10. NON-CURRENT INVESTMENTS (CONTD.)

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
Ultratech Cement Limited					
2.80% UCL 16FB31	100 USD	40,000	32.46	40,000	29.87
Vedanta Resources Limited					
7.125% VED 31MY23	100 USD	-	-	20,000	14.74
Hindustan Petroleum Corporation Ltd					
4.00% HPCL 12JL27	100 USD	5,000	3.99	-	-
Total (A)			**3,629.17**		**3,878.37**
Investments at Fair Value through Profit or Loss (B)					
QUOTED					
Perpetual Bonds					
7.72% State Bank of India Non Convertible Perpetual Bond	1,00,00,000	311	307.43	311	311.00
7.95% Bank of Baroda Non Convertible Perpetual Bond	1,00,00,000	200	198.24	200	200.96
7.55% State Bank of India Non Convertible Perpetual Bond	1,00,00,000	150	146.92	150	148.69
3.70% HDFC Bond	100 USD	9,500	6.58	9,500	6.68
5.88% HSBC Bond	100 GBP	10,000	8.74	10,000	10.05
6.375% HSBC Bond	100 USD	10,000	7.74	-	-
5.50% SMC Bond	100 USD	10,000	7.36	10,000	7.42
6.125% Emirates NBD Bond	100 USD	5,000	4.00	-	-
5.125% UBS Group Bond	100 USD	10,000	6.84	-	-
Structured Equity Instrument					
6% Credit Suisse Auto callable RC on Equities	100 USD	-	-	5,000	3.34
Units of Mutual Funds					
ICICI Prudential Fixed Maturity Plan Series 87-1174 Days Plan B Direct Plan Cumulative	10	-	-	1,00,00,000	11.64
SBI FMP- Series 41 (1498 Days) Direct Growth	10	14,99,92,500	164.06	14,99,92,500	158.89
SBI FMP- Series 44 (1855 Days) Direct Growth	10	5,99,97,000	64.93	5,99,97,000	62.76
SBI FMP- Series 51 (1846 Days) Direct Growth	10	5,99,97,000	63.17	5,99,97,000	61.19
SBI FMP- Series 53 (1839 Days) Direct Growth	10	5,99,97,000	63.12	5,99,97,000	61.00
SBI FMP- Series 60 (1878 Days) Direct Growth	10	4,99,97,500	51.96	4,99,97,500	50.32
SBI FMP- Series 58 (1842 Days) Direct Growth	10	3,99,98,000	41.97	3,99,98,000	40.60
SBI FMP- Series 57 (1835 Days) Direct Growth	10	3,99,98,000	41.60	3,99,98,000	40.30
SBI FMP- Series 55 (1849 Days) Direct Growth	10	2,99,98,500	31.45	2,99,98,500	30.40
SBI FMP- Series 61 (1927 Days) Direct Growth	10	2,99,98,500	31.28	2,99,98,500	30.27
ABSL FTP Series TI (1837 Days) - Direct Growth	10	3,99,98,000	43.17	3,99,98,000	41.69
ABSL FTP Series TQ (1879 Days) - Direct Growth	10	1,99,99,000	20.77	1,99,99,000	20.07
Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct Growth	10	4,49,97,750	48.01	4,49,97,750	46.32
Kotak FMP Series 292 Direct Growth	10	6,99,96,500	74.85	6,99,96,500	72.26
HDFC FMP 1861D March 2022 - Series 46- Direct - Growth	10	2,99,98,500	31.27	2,99,98,500	30.30
Newport Global Fund SPC-Class7H-B	0.50 USD	14,83,973	5.98	14,83,973	5.56
Silverdale Fixed Maturity Fund	1USD	5,332	3.79	-	-

Notes Forming Part of Consolidated Financial Statements

10. NON-CURRENT INVESTMENTS (CONTD.)

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
STRIPS (Separate Trading of Registered Interest and Principal Securities) issued by the Government of India					
CSTRIP GS 12-JUN-2027C	100	10,59,600	7.88	10,59,600	7.61
CSTRIP GS 12-DEC-2027C	100	10,59,600	7.61	10,59,600	7.30
CSTRIP GS 15-MAR-2028C	100	1,00,00,000	70.56	1,00,00,000	67.48
CSTRIP GS 12-JUN-2028C	100	10,59,600	7.35	10,59,600	7.01
CSTRIP GS 12-DEC-2028C	100	10,59,600	7.09	10,59,600	6.75
CSTRIP GS 12-JUN-2029C	100	10,59,600	6.83	10,59,600	6.50
UNQUOTED					
Preference Shares					
Tata Capital Limited					
7.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 27th July, 2024	1,000	7,50,000	73.53	7,50,000	73.61
Total (B)			**1,656.08**		**1,627.97**
Investments at Cost (C)					
UNQUOTED					
Subsidiaries					
Fully Paid Equity shares					
Shree Cement East Bengal Foundation (Refer Note 10.3)	10	26,000	-	26,000	-
Total (C)			-		-
TOTAL (A+B+C)			**5,285.25**		**5,506.34**

*Except otherwise stated.

10.1 Aggregate carrying amount and market value of Quoted Investments

(₹ in Crore)

	As at 31.03.2023		As at 31.03.2022	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
Quoted Investments	5,211.72	5,170.10	5,432.73	5,550.93
Total	**5,211.72**	**5,170.10**	**5,432.73**	**5,550.93**

	As at 31.03.2023	As at 31.03.2022
10.2 Aggregate carrying amount of Unquoted Investments	**73.53**	**73.61**

10.3 The Company has made investment of ₹ 0.03 crore in the equity shares of Shree Cement East Bengal Foundation ('SCEBF'), a company licensed under section 8 of the Companies Act, 2013. SCEBF is prohibited to distribute any dividend / economic benefits to its members, hence the Company is unable to earn any variable return/ economic benefits from the voting rights through its holding in equity shares of SCEBF. Therefore, the above investment does not meet the definition of control under Ind AS 110 -'Consolidated Financial Statements' and hence, not consolidated in the Consolidated Financial Statements.

Notes Forming Part of Consolidated Financial Statements

11. FINANCIAL ASSETS - LOANS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
(Unsecured, Considered Good)				
Loans to Staff and Workers	3.67	4.35	4.95	4.59
Loans to Subsidiary Company (Refer Note 10.3 and Note 42)	-	-	1.98	20.75
	3.67	**4.35**	**6.93**	**25.34**

12. FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
(Unsecured, Considered Good)				
Derivative Financial Instruments	27.15	47.53	111.94	18.55
Security Deposits (Refer Note 42)	93.03	69.23	7.42	9.96
Fixed Deposits with Banks (maturity more than 12 months)	21.88	18.60	-	-
Interest Accrued on Bonds, Debentures, Deposits and Loans (Refer Note 42)	-	-	146.11	155.45
Others	1.24	2.17	50.40	52.31
	143.30	**137.53**	**315.87**	**236.27**

13. DEFERRED TAX ASSETS (NET)

(₹ in Crore)

	As at 31.03.2022	Recognised in Profit or Loss	Recognised in Profit or Loss (related to earlier years)	Recognised in OCI	Recognised Directly in Equity	As at 31.03.2023
Deferred Tax Assets:						
Arising on account of:						
Long-term and Short-term Capital Losses	10.24	(2.23)	-	-	-	8.01
Expenses allowed for tax purpose when paid	192.15	(6.20)	-	-	-	185.95
Depreciation and Amortization	493.66	39.70	-	-	-	533.36
Cash Flow Hedges	8.02	-	-	(0.09)	(5.27)	2.66
MAT Credit Entitlement	6.61	(111.66)	141.21	-	-	36.16
Fair Value of Investments	16.48	(10.40)	-	-	-	6.08
Others	2.87	3.05	-	-	-	5.92
Deferred Tax Liabilities:						
Arising on account of:						
Fair Value of Investments	48.74	38.05	-	-	-	86.79
Others	6.90	2.17	-	-	-	9.07
Net Deferred Tax Assets/ (Liabilities)	**674.39**	**(127.96)**	**141.21**	**(0.09)**	**(5.27)**	**682.28**

Notes Forming Part of Consolidated Financial Statements

13. DEFERRED TAX ASSETS (NET) (CONTD.)

(₹ in Crore)

	As at 31.03.2021	Recognised in Profit or Loss	Recognised in Profit or Loss (related to earlier years)	Recognised in OCI	Recognised Directly in Equity	As at 31.03.2022
Deferred Tax Assets:						
Arising on account of:						
Long-term and Short-term Capital Losses	25.17	(14.93)	-	-	-	10.24
Expenses allowed for tax purpose when paid	206.15	(14.00)	-	-	-	192.15
Depreciation and Amortization	525.93	(32.27)	-	-	-	493.66
Cash Flow Hedges	17.89		-	(7.05)	(2.82)	8.02
MAT Credit Entitlement	1.43	(4.82)	10.00	-	-	6.61
Fair Value of Investments	36.11	(19.63)	-	-	-	16.48
Others	0.79	2.08	-	-	-	2.87
Deferred Tax Liabilities:						
Arising on account of:						
Fair Value of Investments	23.37	25.37	-	-	-	48.74
Others	4.02	2.87	-	0.01	-	6.90
Net Deferred Tax Assets/ (Liabilities)	**786.08**	**(111.81)**	**10.00**	**(7.06)**	**(2.82)**	**674.39**

14. OTHER ASSETS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
(Unsecured, Considered Good)				
Advances to Staff and Workers	-	-	1.70	1.40
Advances to Suppliers and Contractors	-	-	156.82	114.09
Capital Advances	594.33	493.27	-	-
Assets Held for Disposal	-	-	0.08	0.08
Prepaid Expenses	7.01	2.98	13.39	11.62
Other Receivables	199.59	96.58	943.07	980.27
	800.93	**592.83**	**1,115.06**	**1,107.46**

14.1 Other receivables includes GST, Government grants and other dues from Government etc.

15. INVENTORIES (VALUED AT LOWER OF COST OR NET REALIZABLE VALUE)

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Raw Materials [Includes in transit ₹ 2.51 crore (As at 31st March, 2022: ₹ 3.09 crore)]	74.17	74.84
Fuel [Includes in transit ₹ 950.47 crore (As at 31st March, 2022: ₹ 658.19 crore)]	1,267.61	1,151.52
Stores and Spares	843.58	759.01
Packing Materials	59.85	76.97
Stock-in-Trade	0.05	0.01
Work-in-Progress [Includes in transit ₹ 26.98 crore (As at 31st March, 2022: ₹ 24.45 crore)]	385.66	332.71
Finished Goods [Includes in transit ₹ 26.26 crore (As at 31st March, 2022: ₹ 20.72 crore)]	128.76	101.96
	2,759.68	**2,497.02**

Notes Forming Part of Consolidated Financial Statements

16. CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (in ₹**)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
Investments at Amortised Cost (A)					
QUOTED					
Bonds and Non Convertible Debentures (NCD)					
JSW Steel Limited					
5.25% JSW Bonds- 13AP22	100 USD	-	-	10,000	7.59
Turkiye Vakiflar Bankasi T.A.O					
5.75% TVBT 30JN23	100 USD	-	-	10,000	7.68
Vedanta Resources Limited					
7.125% VED 31MY23	100 USD	20,000	16.39	-	-
Total (A)			**16.39**		**15.27**
Investments at Fair Value through Profit or Loss (B)					
QUOTED					
Units of Mutual Funds					
ICICI Prudential Fixed Maturity Plan Series 87-1174 Days Plan B Direct Plan Cumulative	10	10,000,000	12.25	-	-
ICICI Prudential Liquid Fund DP Growth	100	5,29,618	17.64	12,09,168	13.86
Kotak Equity Arbitrage Fund - Direct Plan - Growth	10	-	-	2,72,73,781	86.37
ICICI Prudential Equity Arbitrage Fund - Direct Growth	10	-	-	3,26,55,614	95.65
Nippon India Arbitrage Fund - Direct Growth Plan	10	-	-	3,39,99,442	77.61
Nippon India Dynaminc Bond Fund - Direct Growth Plan	10	8,28,06,868	273.08	8,28,06,868	262.81
ABSL Nifty SDL Apr 2027 Index Fund Direct Growth	10	11,93,21,791	124.89	11,93,21,791	120.79
ABSL CRISIL SDL Plus AAA PSU Apr 2027 60:40 Index Fund Direct Growth	10	5,99,97,000	61.95	5,99,97,000	60.04
ABSL Nifty SDL Plus PSU Bond - Sep 2026 60:40 Index Fund Direct Growth	10	27,13,03,485	284.54	27,13,03,485	276.09
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund-Dir-Growth	10	1,99,76,826	20.85	1,99,76,826	20.03
ICICI Prudential Nifty SDL Sep 2027 Index Fund - Direct Plan - Growth	10	4,98,46,266	51.69	4,98,46,266	50.05
ICICI Prudential PSU Bond plus SDL 40:60 Index Fund Sep 2027 Direct Plan Growth	10	19,70,92,310	206.38	19,70,92,310	200.53
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund Direct Plan - Growth	10	4,99,97,500	51.84	4,99,97,500	50.21
Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund Direct Plan - Growth	10	1,99,99,000	20.94	1,99,99,000	20.06
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	10	2,99,98,500	30.91	2,99,98,500	30.11
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Direct Growth	10	14,99,92,500	156.22	14,99,92,500	151.87
Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2027 - Direct Plan Growth	10	4,94,41,775	51.92	4,94,41,775	50.46
Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	10	19,24,13,366	213.01	19,24,13,366	206.66
Axis Crisil SDL 2027 Debt Index Fund Direct Growth (CRDGG)	10	3,00,33,339	31.06	3,00,33,339	30.06
HSBC CRISIL IBX 50:50 Gilt Plus SDL Apr 2028 Index Fund Direct Plan Growth	10	14,99,92,500	156.60	14,99,92,500	149.99

Notes Forming Part of Consolidated Financial Statements

16. CURRENT INVESTMENTS (CONTD.)

(₹ in Crore)

Particulars	Face Value (in ₹*)	As at 31.03.2023		As at 31.03.2022	
		No.	Amount	No.	Amount
HDFC Overnight Fund-Direct Plan -Growth	10	27,881	9.27	20,797	6.62
HDFC Liquid-DP-Growth Option (₹ 10,380 as on 31st March, 2023, ₹ 10,175 as on 31.03.2022)	10	2	-	2	-
Newport Global Fund SPC-Class7H-B	1USD	-	-	14,83,973	5.56
Structured Equity Instrument					
6% Credit Suisse Auto callable RC on Equities	100USD	5,000	3.91	-	-
In Exchange Traded Funds					
Bharat Bond ETF- April 2023 - Growth	1000	12,50,000	153.63	12,50,000	146.30
Bharat Bond ETF- April 2031 - Growth	1000	39,99,800	445.68	39,99,800	430.63
Bharat Bond ETF- April 2030 - Growth	1000	34,70,114	433.77	34,70,114	417.48
Bharat Bond ETF- April 2032 - Growth	1000	19,99,900	208.57	19,99,900	202.02
Nippon India ETF Nifty CPSE Bond Plus SDL - 2024	100	97,82,600	109.55	97,82,600	106.01
Nippon India ETF Nifty SDL - 2026	100	2,25,00,000	251.35	2,25,00,000	243.16
Preference Shares					
Infrastructure Leasing and Financial Services Limited (Refer Note 16.3)					
16.06% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 25th March, 2021	7,500	28,000	-	28,000	-
15.99% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 16th May, 2021	7,500	52,000	-	52,000	-
IL&FS Financial Services Ltd. (Refer Note 16.3)					
16.99% / 17.38% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 5 years from the date of issue, i.e. 30th March, 2021	7,500	33,400	-	33,400	-
Total (B)			**3,381.50**		**3,511.03**
TOTAL (A+B)			**3,397.89**		**3,526.30**

*Except otherwise stated.

16.1 Aggregate carrying amount and market value of Quoted Investments

(₹ in Crore)

	As at 31.03.2023		As at 31.03.2022	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
Quoted Investments	3,397.89	3,396.74	3,526.30	3,526.21
Total	**3,397.89**	**3,396.74**	**3,526.30**	**3,526.21**

16.2 Aggregate carrying amount of Unquoted Investments

	As at 31.03.2023	As at 31.03.2022
16.2 Aggregate carrying amount of Unquoted Investments	-	-

16.3 In August, 2018 credit rating agencies downgraded Infrastructure Leasing and Financial Services Limited and IL&FS Financial Services Limited (referred to as "IL&FS Group") credit rating to junk status. Accordingly, the Company had accounted fair value loss of investment in IL&FS Group in FY 2018-19.

Notes Forming Part of Consolidated Financial Statements

17. TRADE RECEIVABLES

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Secured, Considered Good	646.42	525.08
Unsecured		
Considered Good (Refer Note 17.1)	565.15	263.21
Which have Significant Increase in Credit Risk	43.88	40.47
	1,255.45	**828.76**
Less: Allowance for Trade Receivables Which have Significant Increase in Credit Risk	43.88	40.47
	1,211.57	**788.29**

17.1 Undated /post dated cheques of ₹ 43.87 crore (as at 31st March, 2022: ₹ 69.52 crore) are held against receivables considered good.

17.2 Refer Note 48 for information about credit risk and market risk of trade receivables.

17.3 The average payment terms with customers within India is generally below 45 days and outside India is 120 days for cement and for clinker against site LC.

18. CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Balances with Banks	29.49	111.81
Cash on Hand	3.13	1.36
Call Deposits with Banks	4.38	14.53
Fixed Deposits with Banks Having Original Maturity upto 3 Months	9.17	20.86
	46.17	**148.56**

19. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Earmarked Balance with Banks for Unpaid Dividend (Refer note 23.1)	4.29	4.04
Balances in Escrow Account (Refer note 19.1)	-	29.93
Margin Money (Pledged with Banks) (Refer note 19.2)	55.71	55.51
Fixed Deposits With Banks (Refer note 19.3)	76.64	70.21
Less: Fixed Deposits Maturity more than 12 months Disclosed Under Other Non-Current Financial Assets (Refer note 12)	(21.88)	(18.60)
	114.76	**141.09**

19.1 Amout paid for acquisition of 40% equity of UCN Co Ltd LLC (Indirect Subsidiary of the Company) (Refer note 3)

19.2 Includes deposits of ₹ 40.92 crore (As at 31st March, 2022: ₹ 41.28 crore) are pledged with banks against overdraft facilities. (Refer Note 25.2)

19.3 Includes ₹ 71.12 crore (As at 31st March, 2022: ₹ 69.18 crore), given as security to Government department and others.

Notes Forming Part of Consolidated Financial Statements

20. SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Authorised		
6,00,00,000 (As at 31st March 2022: 6,00,00,000) Equity Shares of ₹10/- each	60.00	60.00
15,00,000 (As at 31st March 2022: 15,00,000) Cumulative Preference Shares of ₹100/- each	15.00	15.00
	75.00	**75.00**
Issued, Subscribed and Paid-up		
3,60,80,748 (As at 31st March 2022: 3,60,80,748) Equity Shares of ₹10/- each fully paid-up	36.08	36.08
	36.08	**36.08**

20.1 Details of shareholders holding more than 5% shares of the Company:

Name of Shareholders	As at 31.03.2023		As at 31.03.2022	
	Number of Shares Held	% of Total Paid-up Equity Share Capital	Number of Shares Held	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	24.90	89,84,155	24.90
Digvijay Finlease Limited	42,34,780	11.74	42,34,780	11.74
FLT Limited	36,00,000	9.98	36,00,000	9.98
Mannakrishna Investments Private Limited	20,42,824	5.66	20,42,824	5.66

20.2 Shares held by promoters are as follows:

Promoters Name	As at 31.03.2023		
	No. of Shares	%of total shares	% change during the year
Promoters			
Harimohan Bangur	4,88,284	1.353%	-
Prashant Bangur	3,89,750	1.080%	-
Benu Gopal Bangur	-	-	-
Promoters Group			
Rajkamal Devi Bangur	1,26,100	0.349%	-
Ranu Bangur	67,700	0.188%	-
Riya Puja Jain	2,050	0.006%	-
Padma Devi Maheshwari *	-	-	-0.002%
Shree Capital Services Ltd.	89,84,155	24.900%	-
Digvijay Finlease Ltd.	42,34,780	11.737%	-
Mannakrishna Investments Pvt. Ltd.	20,42,824	5.662%	-
Newa Investments Pvt. Ltd.	13,76,270	3.814%	-
Ragini Finance Ltd.	12,68,882	3.517%	-
Didu Investments Pvt. Ltd.	11,70,909	3.245%	-
N.B.I. Industrial Finance Company Ltd.	8,49,450	2.354%	-
The Venktesh Co. Ltd.	4,60,030	1.275%	-
Rajesh Vanijya Pvt. Ltd.	3,69,226	1.023%	-
The Didwana Investment Company Ltd.	3,27,400	0.907%	-
Asish Creations Private Ltd.	2,10,737	0.584%	-
Western India Commercial Co. Ltd.	2,00,650	0.556%	-
Total	**2,25,69,197**	**62.552%**	**-0.002%**

* During the year ended 31st March, 2023, shareholding of Padma Devi Maheshwari has been reclassified from 'Promoter Group' to 'Public' shareholders in terms of approval granted by the stock exchanges on 4th November, 2022.

Notes Forming Part of Consolidated Financial Statements

20. SHARE CAPITAL (CONTD.)

Promoters Name	As at 31.03.2022		
	No. of Shares	%of total shares	% change during the year
Promoters			
Harimohan Bangur	4,88,284	1.353%	0.028%
Prashant Bangur	3,89,750	1.080%	-
Benu Gopal Bangur	-	-	-0.028%
Promoters Group			
Rajkamal Devi Bangur	1,26,100	0.349%	-
Ranu Bangur	67,700	0.188%	-
Riya Puja Jain	2,050	0.006%	-
Padma Devi Maheshwari	600	0.002%	-
Shree Capital Services Ltd.	89,84,155	24.900%	-
Digvijay Finlease Ltd.	42,34,780	11.737%	-
Mannakrishna Investments Pvt. Ltd.	20,42,824	5.662%	-
Newa Investments Pvt. Ltd.	13,76,270	3.814%	-
Ragini Finance Ltd.	12,68,882	3.517%	-
Didu Investments Pvt. Ltd.	11,70,909	3.245%	-
N.B.I. Industrial Finance Company Ltd.	8,49,450	2.354%	-
The Venktesh Co. Ltd.	4,60,030	1.275%	-
Rajesh Vanijya Pvt. Ltd.	3,69,226	1.023%	-
The Didwana Investment Company Ltd.	3,27,400	0.907%	-
Asish Creations Private Ltd.	2,10,737	0.584%	-
Western India Commercial Co. Ltd.	2,00,650	0.556%	-
Total	**2,25,69,797**	**62.554%**	**-**

20.3 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

20.4 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

20.5 Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	Numbers	(₹ in Crore)
Equity shares outstanding as at 1st April, 2021	**3,60,80,748**	**36.08**
Add: Equity shares issued during the year	-	-
Equity shares outstanding as at 31st March, 2022	**3,60,80,748**	**36.08**
Add: Equity shares issued during the year	-	-
Equity shares outstanding as at 31st March, 2023	**3,60,80,748**	**36.08**

	As at 31.03.2023	As at 31.03.2022
20.6 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date	Nil	Nil

20.7 The Equity Shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited and the annual listing fees has been paid for the year.

Notes Forming Part of Consolidated Financial Statements

21. OTHER EQUITY

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Capital Redemption Reserve	15.00	15.00
Capital Reserve	10.84	10.84
Securities Premium	2,408.63	2,408.63
Statutory Reserve	5.20	5.20
General Reserve	7,000.00	7,000.00
Retained Earnings	8,716.36	7,781.02
Foreign Currency Translation Reserve	449.24	218.42
Effective Portion of Cash Flow Hedges	(4.95)	(14.91)
	18,600.32	**17,424.20**

21.1 Refer Statement of Changes in Equity for detailed movement, nature and purpose in other equity balances.

22. BORROWINGS

(₹ in Crore)

	Non-Current Portion		Current Maturities	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Secured				
External Commercial Borrowings	227.97	976.06	837.79	395.35
Indian Rupee Term Loans from Banks	339.58	322.28	149.58	-
Interest Free SGST Loan from Government	13.32	-	-	-
	580.87	**1,298.34**	**987.37**	**395.35**
Amount disclosed under the head Current Borrowings (Refer Note 25)	-	-	(987.37)	(395.35)
	580.87	**1,298.34**	**-**	**-**

22.1 Nature of securities and terms of repayment of each loan:

(₹ in Crore)

Sr. No.	Nature of Securities	Interest Rate	Loan Amount As at 31.03.2023	Loan Amount As at 31.03.2022	Terms of Repayment
	External Commercial Borrowings				
1	Hypothecation (First Pari Passu Charge) on all moveable fixed assets of the Company and Equitable Mortgage (First Pari Passu Charges) on the immovable fixed assets of the Company located at Beawar, Rajasthan. The charge shall rank pari passu with other term lenders.	3 Months USD LIBOR+0.70% (Fixed rate of 7.81% on INR including the effect of related cross currency and interest rate swaps)	455.93	630.00	Repayable in 4 half yearly equal instalments of USD 1.389 crore w.e.f. 28th September, 2023
		3 Months USD LIBOR+0.71% (Fixed rate of 7.82% on INR including the effect of related cross currency and interest rate swaps)	246.25	302.18	Repayable in 2 half yearly instalments of USD 1.5 crore each w.e.f. 28th September, 2023
		2.72% on SGD (Fixed rate of 7.96% on INR including the effect of related cross currency and interest rate swaps [USD to INR])	363.58	439.23	Repayable in 2 half yearly instalments of SGD 2.943 crore each (i.e. USD 2.25 crore each) w.e.f. 28th September, 2023

Notes Forming Part of Consolidated Financial Statements

22. BORROWINGS (CONTD.)

(₹ in Crore)

	Indian Rupee Term Loans from Banks				
2	Hypothecation (First Pari Passu Charge) on all moveable fixed assets of the Company and Equitable Mortgage (First Pari Passu Charges) on the immovable fixed assets of the Company located at Beawar, Rajasthan. The charge shall rank pari passu with other term lenders.	1/2/3 MonthsT-Bill rate (as decided by borrower on each interest reset date) +1.20%	380.00	322.28	Repayable in 4 equal annual installments w.e.f. 11th December, 2023
		91 daysT-Bill rate +1.21%	109.16	-	Repayable in 2 equal annual installments w.e.f. 31st March, 2024
	Interest Free SGST Loan from Government				
	Secured by bank guarantee	Interest free loan	13.32	-	Repayable on 16th August, 2032 & 26th March, 2033
	TOTAL		**1,568.24**	**1,693.69**	
	Less: Current Maturities of Long Term Debt		987.37	395.35	
	Total Non-Current Portion		**580.87**	**1,298.34**	

There is no default in repayment of principal and interest thereon.

23. FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
Interest Accrued but not Due on Borrowings	-	-	3.32	0.34
Derivative Financial Instruments	-	20.28	14.79	15.16
Unpaid Dividends (Refer Note 23.1)	-	-	14.79	13.76
Security Deposits from Customers, Vendors & Others	172.41	115.87	892.05	839.96
Payable for Capital Goods	-	-	176.95	131.89
Others (Refer Note 23.2)	-	-	709.51	390.66
	172.41	**136.15**	**1,811.41**	**1,391.77**

23.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31st March, 2023 and 31st March, 2022 (Refer note 19)

23.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

Notes Forming Part of Consolidated Financial Statements

24. PROVISIONS

(₹ in Crore)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits				
Gratuity [Refer note 39 (b)]	0.02	-	0.06	0.81
End of Service Benefits [Refer Note 39 (b)]	20.91	17.96	-	-
Other Staff Benefit Schemes	4.28	3.65	9.54	7.07
Other Provisions				
Mines Reclamation Expenses (Refer Note 40)	8.71	8.13	0.66	0.53
	33.92	**29.74**	**10.26**	**8.41**

25. CURRENT BORROWINGS

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Secured		
Loans Repayable on Demand from Banks (Refer Note 25.1)	939.78	299.64
Bank Overdraft (Refer Note 25.2)	31.82	20.85
Current Maturities of Long-Term Debt	987.37	395.35
	1,958.97	**715.84**

25.1 Demand loans from banks are secured by hypothecation of inventories of stock-in-trade, stores & spares, book-debts and all other current assets of the Company on first charge basis and on whole of movable fixed assets of the Company on second charge basis.

25.2 Bank Overdraft is secured against pledge of fixed deposits and payable on demand. (Refer Note 19.2)

25.3 There is no default in repayment of principal and interest thereon.

25.4 Quarterly returns/ statements of current assets filed by the Company with banks/ financial institutions are in agreement with the books of accounts.

26. OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2023	As at 31.03.2022
Customers Advances (Refer Note 26.1)	271.00	236.74
Withholding and Other Taxes Payable	276.66	248.09
Provident Fund and Superannuation Payable	15.77	16.02
Other Statutory Liabilities	830.70	837.62
	1,394.13	**1,338.47**

26.1 Revenue of ₹ 217.87 crore (for the year ended 31st March, 2022: ₹199.02 crore) is recognised during current year that was included in customer advances outstanding at the beginning of the year.

Notes Forming Part of Consolidated Financial Statements

27. REVENUE FROM OPERATIONS

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Sale of Products and Services		
Cement	15,677.04	13,417.89
Clinker	839.32	656.04
Power Sales	826.56	399.82
Services	5.47	4.80
Traded Goods and Others	92.65	106.84
	17,441.04	**14,585.39**
Other Operating Revenue		
Incentives and Subsidies (Under Various Incentive Schemes of State and Central Government)	124.98	173.05
Scrap Sales	55.05	40.51
Provision No Longer Required	75.28	88.24
Balances Written Back	39.28	12.84
Insurance Claims	8.03	10.92
Others	108.67	98.61
	411.29	**424.17**
	17,852.33	**15,009.56**

27.1 Sale of Products is net of ₹ 1,358.34 crore (for the year ended 31st March, 2022: Rs 966.44 crore) on account of cash discount, rebates and incentives given to customers.

28. OTHER INCOME

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest Income		
On Deposits Classified at Amortised Cost	13.72	9.92
On Investments Classified at Amortised Cost	236.71	234.75
On Investments Classified at Fair Value Through Profit or Loss	53.33	16.36
On Tax Refund	1.94	53.57
Others	0.58	1.13
Dividend Income on Investments Classified at Fair Value through Profit or Loss	6.14	6.32
Net Gain / (Loss) on Sale of Investments		
Classified at Amortised cost	(4.78)	13.26
Classified at Fair Value through Profit or Loss	2.90	89.27
Other Non Operating Income		
Net Gain / (Loss) on Fair Value of Investments through Profit or Loss	131.07	114.74
Profit on Sale of Property, Plant and Equipment (Net)	16.65	5.46
Loss on Sale of Precious Metals	-	(0.06)
Other Miscellaneous Income	0.82	1.17
	459.08	**545.89**

Notes Forming Part of Consolidated Financial Statements

29. COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Raw Materials Consumed		
Gypsum	216.77	197.97
Fly Ash	524.94	349.32
Red Ochre and Slag	148.32	101.71
Sulphuric Acid	51.25	79.37
Others	476.44	401.52
	1,417.72	**1,129.89**

30. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK- IN-TRADE AND WORK-IN-PROGRESS

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Closing Stock		
Work-in-Progress	385.66	332.71
Finished Goods	128.76	101.96
Stock-in-Trade	0.05	0.01
Add / (Less): Exchange Rate Fluctuation on Acccount of Average Rate Transferred to Currency Translation Reserve	(20.75)	(1.85)
	493.72	**432.83**
Opening Stock		
Work-in-Progress	332.71	170.06
Finished Goods	101.96	83.44
Stock-in-Trade	0.01	-
Add / (Less): Exchange Rate Fluctuation on Acccount of Average Rate Transferred to Currency Translation Reserve	(16.28)	0.12
	418.40	**253.62**
(Increase) / Decrease	**(75.32)**	**(179.21)**

31. EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Salaries, Wages and Bonus (Refer note 39)	854.59	798.65
Contribution to Provident and other Funds (Refer note 39)	101.25	93.85
Staff Welfare Expenses	21.93	20.96
	977.77	**913.46**

32. FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
On Finished Products	2,782.46	2,469.07
On Inter Unit Clinker Transfer	1,001.17	829.89
	3,783.63	**3,298.96**

Notes Forming Part of Consolidated Financial Statements

33. FINANCE COSTS

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest Expenses at Amortised Cost	259.04	207.93
Bank and Others Finance Charges	3.29	3.52
Interest Expenses on Lease Liabilities	7.78	7.81
Unwinding of Interest on Interest Free SGST Loan from Government	0.57	-
Unwinding of Discount on Provision	0.61	0.57
	271.29	**219.83**
Less: Interest Capitalised (Refer Note 33.1)	8.42	3.71
	262.87	**216.12**

33.1 During the year ended 31st March, 2023, borrowing costs are capitalised using interest rate ranging between 4.88% to 7.59% (for the year ended 31st March, 2022 : 4.70% to 6.00% per annuam).

34. OTHER EXPENSES

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Stores and Spares Consumed	527.49	449.88
Packing Materials Consumed	562.28	564.39
Royalty and Cess	337.70	295.00
Mines Reclamation Expenses	0.75	0.79
Repairs to Plant and Machinery	396.45	357.82
Repairs to Buildings	38.92	35.21
Insurance	19.34	16.37
Rates and Taxes	32.14	27.64
Travelling	43.98	34.48
Commission to Non-executive Directors	1.96	2.17
Directors' Sitting Fees and Expenses	1.52	0.88
Advertisement and Publicity	138.15	142.93
Sales Promotion and Other Selling Expenses	268.87	252.80
Foreign Exchange Rate Differences (Net)	(6.25)	(2.62)
Corporate Social Responsibility Expenses (Refer Note 34.1)	70.55	57.62
Assets Written Off	9.89	0.40
Bad Debts Written Off	0.58	0.05
Allowance for Doubtful Trade Receivables (Net)	0.18	5.99
Contribution to Political Parties	-	2.00
Miscellaneous (Refer Note 34.2)	236.94	215.32
	2,681.44	**2,459.12**

34.1 Details of Corporate Social Responsibility Expenses

(a) The amount required to be spent under section 135 of the Companies Act, 2013 for the year ended 31st March, 2023 is ₹ 56.29 crore (for the year ended 31st March, 2022: ₹ 52.20 crore)

(b) The Company has spent ₹ 70.55 crore (for the year ended 31st March, 2022 : ₹ 57.62 crore) on the various Corporate Social Responsibility Activities. There is excess CSR expenses of ₹ 14.26 crore as on 31st March, 2023 (₹ 5.42 crore as on 31st March, 2022).

Notes Forming Part of Consolidated Financial Statements

(c) The projects/activities undertaken by the Company in the field of Corporate Social Responsibility fall within the broad framework of schedule VII to the Companies Act, 2013 which interalia include education, healthcare,sustainable livelihood, woman empowerment, rural and infrastructure development, environment protection, support widows/dependents of martyrs of arm forces and promotion of art & culture, epitomising a holistic approach to inclusive growth.

(d) Refer Note 42 for related party transactions in relation to Corporate Social Responsibility expenses.

34.2 Miscellaneous Expenses include the payments made to Auditors:

(₹ in Crore)

	For the year ended 31.03.2023	For the year ended 31.03.2022
Statutory Auditors		
Audit Fees	0.97	0.86
Tax Audit Fees (for the year ended 31st March 2022: ₹ 15,000 for a Subsidiary Company)	0.18	-
Certification / Other Services	0.16	0.12
Reimbursement of Expenses	0.09	0.05
Cost Auditors		
Audit Fees	0.06	0.06
Certification / Other Services	-	-
Reimbursement of Expenses ₹ 22,418 (₹ 12,717 for the year ended 31.03.2022)	-	-

35. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

a. Custom duty (including interest) ₹ 74.20 crore (As at 31st March, 2022: ₹ 71.78 crore).

b. Service Tax and Education Cess (including interest) ₹ 1.44 crore (as at 31st March, 2022: ₹ 1.35 crore).

c. **(i)** Competition Commission of India (CCI), vide its order dated 31st August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of provisions of the Competition Act, 2002. The Company has appealed against the said order and Competition Appellate Tribunal (COMPAT), vide its order dated 7th November, 2016, granted stay on CCI's order subject to deposition of 10% of penalty amount and payment of balance amount of penalty with interest @ 12% per annum from the date of CCI's order if the appeal is ultimately dismissed. The Company has complied with the order and the matter is now being heard at National Company Law Appellate Tribunal (NCLAT).

(ii) In another matter, CCI vide its order dated 19th January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with an enquiry in respect of a cement supply tender of Government of Haryana. The Company has filed an appeal before COMPAT (now NCLAT) against the above order.

Based on the Company's own assessment and advice given by its legal counsels, the Company has a strong case in both the above appeals and thus pending final disposal of the appeals, the matters have been disclosed as contingent liability.

d. The Divisional Bench of Hon'ble Rajasthan High Court vide Judgement dated 6th December, 2016 has allowed the appeal filed by Commercial Taxes Department / Finance Department of the Govt. of Rajasthan against earlier favorable order of single member bench of Hon'ble Rajasthan High Court in the matter of incentives granted under Rajasthan Investment Promotion Scheme-2003 to the Company for capital investment made in cement plants in the State of Rajasthan.

Vide the above Judgement of the Hon'ble High Court, the Company's entitlement towards Capital Subsidy for the entitled period stands revised from "up to 75% of Sales Tax / VAT" to "up to 50% of Sales Tax/ VAT". The Company has filed Special Leave Petition before the Hon'ble Supreme Court against the above judgment which is admitted for deciding on merits. The Commercial Taxes Department had issued notices

Notes Forming Part of Consolidated Financial Statements

seeking reply for recovering differential subsidy, the said notices are challenged by the Company before Rajasthan High Court and High Court has stayed further proceedings by department against us.

Based on the legal opinion, it has a good case before Hon'ble Supreme Court. Accordingly, no provision has been made for differential subsidy (i.e. difference of 75% and 50%) amounting to ₹ 37.84 crore received and ₹ 317.54 crore not received though accounted for.

36. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 1,590.26 crore (As at 31st March, 2022: ₹ 1,562.04 crore).

37. CAPITAL WORK-IN-PROGRESS ("CWIP")

a. Capital work-in-progress includes directly attributable expenses of ₹ 328.44 crore (As at 31st March, 2022: ₹ 94.99 crore) which includes depreciation of ₹ 137.70 crore (for the year ended 31st March, 2022: ₹ 26.19 crore) on assets during construction period.

b. Movement in CWIP Balances is as follows:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	1,053.52	996.54
Add: Additions in CWIP during the year	3,122.78	1,785.00
Less: Capitalized to Property, Plant and Equipment during the year	(1,380.99)	(1,728.54)
Add/(Less):Effect of Foreign Currency Translation	1.30	0.52
Closing Balance	**2,796.61**	**1,053.52**

c. Ageing of Capital Work in Progress is as follows:

(₹ in Crore)

As at 31.03.2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,374.42	396.62	21.65	3.92	2,796.61
Projects temporarily suspended	-	-	-	-	-

(₹ in Crore)

As at 31.03.2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	847.42	135.57	64.20	6.33	1,053.52
Projects temporarily suspended	-	-	-	-	-

d. There was one project amounting to ₹ 451.52 crore delayed due to right of way issues and some material supplies issues as on 31st March, 2023 from original plan and shall be commissioned in first quarter of financial year 2023-24. There was no project in capital work in progress as on 31st March, 2022 which has been delayed from original plan.

38. EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Capital	12.02	2.56
Revenue	25.81	22.29
Total	**37.83**	**24.85**

Notes Forming Part of Consolidated Financial Statements

39. EMPLOYEE BENEFITS (REFER NOTE 31)

(a) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Superannuation Fund	10.42	9.57
Provident Fund (Includes contribution to PF trust ₹ 6.52 crore (₹ 6.15 crore for the year ended 31st March, 2022)	62.71	57.65
National Pension Scheme	6.21	4.68
Retirement Pension and Social Security Scheme	2.45	2.43
ESIC	0.27	0.29
Total	**82.06**	**74.62**

(b) Defined Benefit Plan

(i) **Gratuity -** The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India. The scheme is unfunded for some subsidiary companies.

(ii) **End of Service Benefit -** End of service benefit is payable to Non UAE National employees (in subsidiary companies based in UAE) based on the employee' service and last drawn salary at the time of leaving the services of the Group and in accordance with the rule of the Group for payment of end of service benefit. The scheme is unfunded.

Disclosure for defined benefit plans based on actuarial reports:

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		End of Service Benefit (Unfunded)	
	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022
Changes in Defined Benefit Obligations:						
Present value of defined benefit obligations at the beginning of the year	321.78	286.19	0.07	0.08	17.96	21.20
Current service cost	28.66	26.16	0.02	0.05	2.45	2.10
Past service cost	-	-	-	-		(3.50)
Interest cost	21.22	18.29	-**	0.01	0.68	0.62
Re-measurements (gains)/losses	(3.35)	0.81	(0.01)	(0.06)	(0.49)	(1.77)
Benefits paid	(19.23)	(9.67)	-	(0.01)	(1.25)	(1.29)
Foreign currency translation	-	-	-	-	1.56	0.60
Present Value of Defined Benefit Obligations at the end of the year	**349.08**	**321.78**	**0.08**	**0.07**	**20.91**	**17.96**
Change in Plan Assets:						
Fair value of plan assets at the beginning of the year	321.04	285.63	-	-	-	-
Expected return on plan assets	21.93	18.95	-	-	-	-
Re-measurements gains/(losses)	3.13	4.80	-	-	-	-
Contribution by employer	22.21	21.33	-	0.01	1.25	1.29
Benefits paid	(19.23)	(9.67)	-	(0.01)	(1.25)	(1.29)
Fair Value of Plan Assets at the end of the year	**349.08**	**321.04**	**-**	**-**	**-**	**-**

Notes Forming Part of Consolidated Financial Statements

39. EMPLOYEE BENEFITS (REFER NOTE 31) (CONTD.)

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		End of Service Benefit (Unfunded)	
	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022
Expenses Recognized in the Statement of Profit and Loss						
Current service cost	28.66	26.16	0.02	0.05	2.45	2.10
Past service cost	-	-	-	-	-	(3.50)
Interest cost	21.22	18.29	-**	0.01	0.68	0.62
Expected return on plan assets	(21.93)	(18.95)	-	-	-	-
Expenses Recognized in the Statement of Profit and Loss	**27.95**	**25.50**	**0.02**	**0.06**	**3.13**	**(0.78)**
Expenses recognized in Other Comprehensive Income (OCI)						
Return on plan assets (excluding amount included in net Interest expense)	(3.13)	(4.80)	-	-	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA	-	-	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	18.13	1.22	(0.01)	-	(0.06)	(1.10)
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(21.48)	(0.41)	-	(0.06)	(0.43)	(0.67)
Total recognized in Other Comprehensive Income	**(6.48)**	**(3.99)**	**(0.01)**	**(0.06)**	**(0.49)**	**(1.77)**
Total recognized in Total Comprehensive Income	**21.47**	**21.51**	**0.01**	**-**	**2.64**	**(2.55)**
Amount recognized in the Balance Sheet consists of						
Present Value of Defined Benefit Obligations	349.08	321.78	0.08	0.07	20.91	17.96
Fair Value of Plan Assets	349.08	321.04	-	-	-	-
Net Liability	-*	0.74	0.08	0.07	20.91	17.96
The Major Categories of Plan Assets as a % of Total Plan						
Qualifying Insurance Policy	**100%**	**100%**	**NA**	**NA**	**NA**	**NA**

*₹ 33,000

**₹44,958

The Principal actuarial assumption used:

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		End of Service Benefit (Unfunded)	
	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022
Discount Rate	7.20 % per annum	6.80 % per annum	7.20 % per annum	7.10 % per annum	5.50% per annum	3.70% per annum
Salary Escalation Rate	13.40 % per annum	12.50 % per annum	8.00 % to 10.00 % per annum	10.00 % per annum	3.75 % per annum	2.00 % per annum
Mortality Rate	IALM 2006-08 Ult.	IALM 2006-08 Ult.	IALM 2006-08 Ult.	IALM 2006-08 Ult.	IALM 2006-08 Ult.	IALM 2006-08 Ult.
Expected Rate of return	7.20 % per annum	6.80 % per annum	NA	NA	NA	NA
Withdrawal Rate (Per Annum)	3.00% p.a. (18 to 30 Years)	3.00% p.a. (18 to 30 Years)	3.00% p.a. (18 to 30 Years)	3.00% p.a. (18 to 30 Years)	2.00% p.a. (18 to 30 Years)	2.00% p.a. (18 to 30 Years)
Withdrawal Rate (Per Annum)	2.00% p.a. (31 to 44 Years)	2.00% p.a. (31 to 44 Years)	2.00% p.a. (31 to 44 Years)	2.00% p.a. (31 to 44 Years)	5.00% p.a. (31 to 44 Years)	5.00% p.a. (31 to 44 Years)
Withdrawal Rate (Per Annum)	1.00% p.a. (45 to 60 Years)	1.00% p.a. (45 to 60 Years)	1.00% p.a. (45 to 60 Years)	1.00% p.a. (45 to 60 Years)	3.00% p.a. (45 to 60 Years)	3.00% p.a. (45 to 60 Years)

Notes Forming Part of Consolidated Financial Statements

39. EMPLOYEE BENEFITS (REFER NOTE 31) (CONTD.)

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market. Accordingly, planned liabilities are typically exposed to actuarial risks such as interest rate risk, longevity risk and salary risk.

The Gratuity scheme is invested in group gratuity-cum-life assurance cash accumulation policy offered by Life Insurance Corporation of India. The gratuity plan is not exposed to any significant investment risk in view of absolute track record, investment as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

Sensitivity Analysis for significant assumptions as on 31st March, 2023 are as follows:
Gratuity (Funded)-

(₹ in Crore)

Assumptions	Discount rate		Salary Escalation Rate		Withdrawal Rate	
Sensitivity Level	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**
Impact on Defined Benefit Obligations-Funded	(37.98)	45.74	42.62	(36.38)	(15.49)	18.03

Gratuity (unfunded)-

(₹ in Crore)

Assumptions	Discount rate		Salary Escalation Rate		Withdrawal Rate	
Sensitivity Level	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**
Impact on Defined Benefit Obligations - Unfunded	(0.01)	0.02	0.01	(0.01)	(0.00)*	0.00**

*₹ (34,236)

**₹ 40,066

End of Service Benefit (Unfunded)-

(₹ in Crore)

Assumptions	Discount rate		Salary Escalation Rate		Withdrawal Rate	
Sensitivity Level	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**
Impact on Defined Benefit Obligations- Unfunded	(1.54)	1.76	1.76	(1.56)	0.40	(0.45)

Sensitivity Analysis for significant assumptions as on 31st March, 2022 are as follows:
Gratuity (Funded)-

(₹ in Crore)

Assumptions	Discount rate		Salary Escalation Rate		Withdrawal Rate	
Sensitivity Level	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**
Impact on Defined Benefit Obligations -Funded	(34.36)	41.36	38.71	(33.04)	(13.14)	15.30

Gratuity (unfunded)-

(₹ in Crore)

Assumptions	Discount rate		Salary Escalation Rate		Withdrawal Rate	
Sensitivity Level	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**
Impact on Defined Benefit Obligations - Unfunded	(0.01)	0.01	0.01	(0.01)	(0.00)*	0.00**

*₹ (35,596)

**₹ 37,849

Notes Forming Part of Consolidated Financial Statements

39. EMPLOYEE BENEFITS: (REFER NOTE 31) (CONTD.)

End of Service Benefit (Unfunded)-

(₹ in Crore)

Assumptions	Discount rate		Salary Escalation Rate		Withdrawal Rate	
Sensitivity Level	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**	**1.0% Increase**	**1.0% Decrease**
Impact on Defined Benefit Obligations- Unfunded	(1.41)	1.62	1.62	(1.43)	(0.37)	0.42

The Company expects to contribute ₹ 25.00 Crore (Previous year ₹ 23.00 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligations are as follows:

- Gratuity - Funded - as at 31st March, 2023 is 9 years (as at 31st March, 2022: 8 years).
- Gratuity - Unfunded - as at 31st March, 2023 is 10 years (as at 31st March, 2022: 10 years).
- End of Service Benefit- as at 31st March, 2023 is 11 years (as at 31st March, 2022: 10 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted):

(₹ in Crore)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		End of Service Benefit (Unfunded)	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
Within next 1 year	16.33	10.02	0.00*	0.00**	2.01	1.24
Between 1 and 2 years	13.90	21.01	0.00*	0.00**	1.45	2.08
Between 2 and 3 years	14.36	19.25	0.00*	0.00**	2.30	1.31
Between 3 and 4 years	21.34	14.18	0.01	0.00**	1.93	2.03
Between 4 and 5 years	25.06	25.47	0.02	0.01	2.14	1.67
5 years onwards	977.25	799.38	0.14	0.18	47.90	33.91

* within 1 year ₹ 8,095, Between 1 and 2 years- ₹ 15,782, Between 2 and 3 years- ₹ 19,932.

**within 1 year ₹ 6,744, Between 1 and 2 years- ₹ 7,675, Between 2 and 3 years- ₹ 14,075, Between 3 and 4 years- ₹ 17,787.

(c) Provident fund managed by a trust set up by the Company:

During the financial year 2022-23, the Company's application has been accepted for surrendering the provident fund trust managed by the Company, to 'Employee Provident Fund Organisation' ("EPFO") w.e.f. 01st April 2023. After the end of current reporting period, the Company had transferred the entire corpus and related liability to EPFO without any shortfall in plan assets.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Plan assets at year end, at fair value	NA	127.18
Present value of defined obligations at year end	NA	125.25
Liability recognized in the Balance Sheet	NA	-

The assumptions used in determining the present value of obligations of the interest rate guarantee under deterministic approach are:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Discount Rate	NA	6.80%
Expected Guaranteed Interest Rate	NA	8.10%
Expected Rate of Return on Assets	NA	7.90%

(d) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 28.04 crore (₹ 23.42 crore for year ended 31st March, 2022).

Notes Forming Part of Consolidated Financial Statements

40. PROVISION FOR MINES RECLAMATION EXPENSES

(₹ in Crore)

Particulars	2022-2023	2021-2022
Opening Balance	**8.66**	**8.19**
Add: Provision made during the year (Refer Note 34)	0.75	0.79
Add: Unwinding of discount of provision (Refer Note 33)	0.61	0.57
Less: Utilized during the year	0.65	0.89
Closing Balance	**9.37**	**8.66**

41. SEGMENT REPORTING

The Company is primarily engaged in the manufacture and sale of cement and cement related products. There is no separate reportable segment as per Ind AS 108, 'Operating Segments'.

Geographical information are given below:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Revenue from Operations		
Within India	16,805.43	14,110.75
Outside India	1,046.90	898.81
Total	**17,852.33**	**15,009.56**
Non- Current Assets		
Within India	9,087.12	6,988.18
Outside India	1,991.29	1,940.41
Total	**11,078.41**	**8,928.59**

There are no revenues from transactions with a single external customer amounting to 10% or more of the Company's total revenue during the current and previous year.

42. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)

Relationships:

(a) Subsidiary Company

(i) Shree Cement East Bengal Foundation (Refer Note 10.3)

(b) Enterprises over which Key Management Personnel (KMP) are able to exercise control /significant influence with whom there were transactions during the year:

(i) The Kamla Company Limited

(ii) Shree Capital Services Ltd.

(iii) Aqua Infra Project Limited

(iv) Alfa Buildhome Private Limited

(v) Rajasthan Forum

(vi) The Bengal

(vii) Sant Parmanand Hospital

(viii) Narmada Acidware Private Limited

(ix) Education For All Trust

(x) Shree Foundation Trust

(xi) Ansh Investments Limited

(xii) Best Cement Material Transport LLC (upto 25.06.2022)

(xiii) Surya Devta Properties Private Limited

(xiv) Ashtech Buildpro India Private Limited

Notes Forming Part of Consolidated Financial Statements

42. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES) (CONTD.)

(c) Key Management Personnel:

(i)	Shri H.M. Bangur	Chairman
(ii)	Shri Prashant Bangur	Vice Chairman
(iii)	Shri Neeraj Akhoury	Managing Director (w.e.f 14th October, 2022)
(iv)	Shri P.N. Chhangani	Whole Time Director (upto 13th February, 2023)

(d) Relatives to Key Management Personnel:

(i)	Shri B.G. Bangur	Father of Shri H.M. Bangur

(e) Post-Employment Benefit Plan Trust:

(i) Shree Cement Staff Provident Fund

(ii) Shree Cement Employees Group Gratuity Scheme

(iii) Shree Cement Ltd., Superannuation Scheme

Disclosure of Related Party Transactions:

(a) Details of transactions with related parties:

(₹ in Crore)

Particulars	2022-2023	2021-2022
Sale of Goods/Material		
- Entities controlled/ influenced by KMP	7.65	-
Sale of Land		
- Entities controlled/ influenced by KMP	0.39	0.57
Purchase of Goods/Material		
- Entities controlled/ influenced by KMP	0.51	0.30
- Subsidiary Company	-	0.06
Services Received		
- Entities controlled/ influenced by KMP	5.18	4.74
- Subsidiary Company	7.52	34.45
Interest Income on Loan		
- Subsidiary Company	0.30	0.74
Contributions Towards Corporate Social Responsibilities		
- Subsidiary Company	1.55	-
- Entities controlled/ influenced by KMP	46.37	37.14
Advances Given for Services		
- Entities controlled/ influenced by KMP	0.89	1.03
Capital Advances Given		
- Entities controlled/ influenced by KMP	4.70	-
Deposit Given		
- Entities controlled/ influenced by KMP	0.20	-
Loan Given		
- Subsidiary Company	-	21.20
Repayment Received of Loan Given		
- Subsidiary Company	18.77	17.20
Reimbursement given for payment made on behalf of the Company by		
- Entities controlled/ influenced by KMP	-*	-

*₹ 31,233

Notes Forming Part of Consolidated Financial Statements

42. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES) (CONTD.)

(b) Details of balances with related parties

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Security Deposit Receivable		
- Entities controlled/ influenced by KMP	0.83	0.63
Advances Given for Services		
- Entities controlled/ influenced by KMP	-	1.03
Loan Receivable		
- Subsidiary Company	1.98	20.75
Interest Receivable		
- Subsidiary Company	0.02	0.55
Capital Advances		
Entities controlled/ influenced by KMP	4.70	-

(c) Key Management Personnel:

(₹ in Crore)

Particulars	2022-2023	2021-2022
Short Term Benefits	94.88	79.74
Post - Employment Benefits*	7.54	4.84
Total	**102.42**	**84.58**

*As the liability for gratuity are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

(d) Relatives to Key Management Personnel:

(₹ in Crore)

Particulars	2022-2023	2021-2022
Reimbursement of Expenses	-	0.03

(e) Information on Transactions With Post-Employment Benefit Plans:

(₹ in Crore)

Particulars	2022-2023	2021-2022
Contribution (including related insurance premium) paid/payable	39.97	37.59

All the related party transactions are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. There is no loss allowances required to be recognized for related party receivables as on 31st March, 2023 and 31st March, 2022.

43. Disclosure of Loans & Advances given to subsidiaries in terms of Section 186 of the Companies Act, 2013 and Regulations 34(3) and 53 (f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

(₹ in Crore)

Name of the Subsidiary Company	Amount outstanding as at		Maximum Balance outstanding during the year ended		Investment by Subsidiary in Shares of the Company (No. of Shares)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Shree Cement East Bengal Foundation (for meeting its working capital requirements*)	1.98	20.75	20.75	20.75	-	-

* Unsecured Loan repayable on demand at interest rate of 8% per annum as at 31st March, 2023 and 8% to 9% per annum as at 31st March, 2022. This constitutes 18.68 % (69.89% of total loans given as at 31st March, 2022) of total loans given as at 31st March, 2023.

Notes Forming Part of Consolidated Financial Statements

44. EFFECTIVE TAX RECONCILIATION

Numerical reconciliation of tax expenses applicable to profit before tax at the latest statutory enacted rate in India to income tax expense reported is as follows:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Profit Before Tax	1,495.04	2,891.82
Applicable Statutory Enacted Income Tax Rate	34.944%	34.944%
Computed Tax Expense	522.43	1,010.52
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(4.20)	(0.89)
Items not Deductible for Tax/not Liable to Tax (Net)	(122.02)	(345.01)
Tax losses Unutilized / Items Taxed at Different Rate	(18.39)	(16.20)
Current Tax Expense Relating to Earlier Years (Net)	(13.10)	(94.53)
MAT Credit Relating to Earlier Years	(141.21)	(10.00)
Others	2.39	11.32
Income Tax Expense Reported	**225.90**	**555.21**

45. Changes in liabilities arising from financing activities, including both changes arising from cash flows and non- cash changes as per Ind AS 7- Statement of Cash flows are shown below:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Opening Balance of Borrowings (excluding Bank Overdraft)	**1,993.33**	**2,113.70**
Changes from Financing Cash Flows due to Proceeds from /Repayment of Borrowings	454.84	(156.80)
The Effect of Changes in Foreign Exchange Rates	71.73	34.49
Amortization of Transaction Cost on Borrowings	1.55	1.94
Gain on Fair Value of Interest Free SGST Loan from Government	(14.00)	-
Unwinding of Interest on Interest Free SGST Loan from Government	0.57	-
Closing Balance of Borrowings (excluding Bank Overdraft)	**2,508.02**	**1,993.33**

46. CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy is to ensure availability of funds at competitive cost for its operational and developmental needs and maintain strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes changes in view of changing economic conditions. No changes were made in the objectives, policies or process during the year ended 31st March, 2023 as compare to previous year. There have been no breaches of financial covenants of any interest bearing loans and borrowings for the reported period.

The Company monitors capital structure on the basis of debt to equity ratio. For the purpose of Company's capital management, equity includes paid up equity share capital and other equity, and debt comprises of long term borrowings including current maturities of these borrowings.

The following table summarizes long term debt and equity of the Company:

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Equity Share Capital	36.08	36.08
Other Equity	18,600.32	17,424.20
Total Equity	**18,636.40**	**17,460.28**
Long Term Debt (Including Current Maturities)	1,568.24	1,693.69
Debt to Equity Ratio	**0.08**	**0.10**

Notes Forming Part of Consolidated Financial Statements

47. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crore)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets Classified at Amortized Cost				
Investments in Bonds and Debentures	3,645.56	3,602.79	3,893.64	4,011.75
Loans	10.60	10.60	29.69	29.69
Trade Receivables	1,211.57	1,211.57	788.29	788.29
Cash and Cash Equivalents and Other Bank Balances	160.93	160.93	289.65	289.65
Other Financial Assets	320.08	320.08	307.72	308.96
Financial Assets Classified at Fair Value Through Profit or Loss				
Investments in Mutual Funds, Preference Shares, Perpetual Bonds, Structured Equity Instruments, Exchange Traded Funds and STRIPS issued by the Govt. of India	5,037.58	5,037.58	5,139.00	5,139.00
Forward Contracts	-	-	-	-
Derivatives Designated as Hedges				
Cross Currency and Interest Rate Swaps	133.42	133.42	65.95	65.95
Forward Contracts	5.67	5.67	0.13	0.13
Total Financial Assets	**10,525.41**	**10,482.64**	**10,514.07**	**10,633.42**
Financial Liabilities Classified at Amortized Cost				
Non-Current Borrowings at Floating Rate	567.55	567.55	968.92	968.92
Non-Current Borrowings at Fixed Rate	-	-	329.42	328.72
Interest Free SGST Loan from Government	13.32	13.32	-	-
Lease Liabilities	184.83	184.83	115.04	115.04
Short Term Borrowings	1,958.97	1,958.97	715.84	715.84
Trade Payables	1,196.00	1,196.00	890.37	890.37
Other Financial Liabilities	1,969.03	1,969.03	1,492.48	1,492.48
Financial Liabilities Classified at Fair Value Through Profit or Loss				
Forward Contracts	-	-	3.58	3.58
Derivatives Designated as Hedges				
Cross Currency and Interest Rate Swaps	5.04	5.04	26.71	26.71
Forward Contracts	9.75	9.75	5.15	5.15
Total Financial Liabilities	**5,904.49**	**5,904.49**	**4,547.51**	**4,546.81**

Fair Value Techniques:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

a) Fair value of cash and short term deposits, trade receivables, trade payables, current loans, other current financial assets, short term borrowings and other current financial liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.

Notes Forming Part of Consolidated Financial Statements

47. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

b) Long term fixed rate and variable rate receivables / borrowings are evaluated by the Company based on parameters such as interest rate, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings and interest free SGST loans from government approximates to their carrying values. For fixed interest rate borrowings, fair value is determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non- performance for the Company is considered to be insignificant in valuation.

c) The fair value of derivative are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity and market parameters such as interest rates, foreign exchange rates and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

d) The fair values of mutual funds are at published Net Asset Value (NAV).

Fair Value Hierarchy

Quoted prices / published Net Asset Value (NAV) in an active markets (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities and financial instruments like mutual funds for which NAV is published by mutual funds.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (i.e. unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities grouped into Level 1 to Level 3 as described below:

Assets and Liabilities Classified at Fair Value (Accounted)

(₹ in Crore)

Particulars	As at 31.03.2023			
	Level 1	Level 2	Level 3	Total
Financial Assets Classified at Fair Value				
Investments				
Mutual Funds	2,556.42	-	-	2,556.42
Preference Shares	-	73.53	-	73.53
Exchange Traded Funds	1,602.55	-	-	1,602.55
Perpetual Bonds	41.26	652.59	-	693.85
Structured Equity Instruments	3.91	-	-	3.91
STRIPS issued by the Govt. of India	107.32	-	-	107.32
Derivatives Designated as Hedges	-	139.09	-	139.09
Financial Liabilities Classified at Fair Value				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	14.79	-	14.79

Notes Forming Part of Consolidated Financial Statements

47. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

(₹ in Crore)

Particulars	As at 31.03.2022			
	Level 1	Level 2	Level 3	Total
Financial Assets Classified at Fair Value				
Investments				
Mutual Funds	2,729.00	-	-	2,729.00
Preference Shares	-	73.61	-	73.61
Exchange Traded Funds	1,545.60	-	-	1,545.60
Perpetual Bonds	24.15	660.65	-	684.80
Structured Equity Instruments	3.34	-	-	3.34
STRIPS issued by the Govt. of India	102.65	-	-	102.65
Derivatives Designated as Hedges	-	66.08	-	66.08
Financial Liabilities Classified at Fair Value				
Derivatives not Designated as Hedges	-	3.58	-	3.58
Derivatives Designated as Hedges	-	31.86	-	31.86

Fair Value of Assets and Liabilities Classified at Amortized Cost (only disclosed)

(₹ in Crore)

Particulars	As at 31.03.2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	374.15	3,228.64	-	3,602.79
Loans	-	10.60	-	10.60
Other Financial Assets	-	320.08	-	320.08
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	-	-	-
Other Financial Liabilities	-	1,983.82	-	1,983.82

(₹ in Crore)

Particulars	As at 31.03.2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	348.51	3,663.24	-	4,011.75
Loans	-	29.69	-	29.69
Other Financial Assets	-	308.96	-	308.96
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	328.72	-	328.72
Other Financial Liabilities	-	1,492.48	-	1,492.48

During the year ended 31st March, 2023 and 31st March, 2022, there were no transfers between Level 1 and level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements. There is no transaction/balance under level 3.

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at 31st March, 2023 and 31st March, 2022, respectively:

Notes Forming Part of Consolidated Financial Statements

47. DISCLOSURE RELATED TO FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
Financial Assets				
Investments in Preference Shares and Perpetual Bonds	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
Derivative Financial Instruments -Designated as Hedging Instrument				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
Derivative Financial Instruments –Both Designated and not Designated as Hedging Instrument				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-
Financial Liabilities				
Derivative Financial Instruments -Designated as Hedging Instrument				
Cross Currency and Interest Rate Swaps	Level 2	Market valuation techniques	Prevailing/forward foreign currency exchange & interest rates in market to discount future cash flows	-
Derivative Financial Instruments –Both Designated and not Designated as Hedging Instrument				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

Fair Value of Assets and Liabilities classified at Amortized Cost (only disclosed)

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used
Financial Assets			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Other Financial Assets – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
Financial Liabilities			
Non-Current Borrowings at Fixed Rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Interest Free SGST Loan from Government-Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates in market to discount future payouts
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivative, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loans, trade and other receivables, cash and short-term deposits that arrive directly from its operations. The Company also holds fair value through profit or loss investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk.

Notes Forming Part of Consolidated Financial Statements

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Market Risk and Sensitivity

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and liabilities held as at 31st March, 2023 and 31st March, 2022.

The sensitivity analysis excludes the impact of movement in market variables on the carrying value of post-employment benefit obligations, provisions and on non- financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market rates. The Company's activities expose it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts and cross currency and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations and interest rates.

Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations with floating interest rates.

The Company's policy is to manage its floating interest rate on foreign currency loans and borrowings by entering into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon principal amount. Hence, the Company is not exposed for any interest rate risk due to foreign currency denominated floating interest rate as on 31st March, 2023 and 31st March, 2022. Following is the interest rate sensitivity for unhedged exposure of Indian Rupee denominated floating interest rate borrowing:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Impact on profit before tax due to increase in 50 basis points	(2.45)	(1.61)
Impact on profit before tax due to decrease in 50 basis points	2.45	1.61

Foreign Currency Risk and Sensitivity

The Company has obtained foreign currency loans and has foreign currency payables for supply of fuel, raw material and equipment and is therefore, exposed to foreign exchange risk. The Company uses cross currency swaps and foreign currency forward contracts to eliminate the currency exposures.

The impact on profit before tax is due to change in the fair value of monetary assets and liabilities including non-designated foreign currency derivative.

The following tables demonstrate the sensitivity in the USD, JPY, EURO, GBP, CHF and AED to the Indian Rupee with all other variable held constant.

Notes Forming Part of Consolidated Financial Statements

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

For the Year ended 31st March, 2023

Particulars	Effect on Profit Before Tax (₹ in Crore)		
	USD	GBP	AED
Change in Currency Exchange Rate			
+5%	(0.99)	0.48	(0.01)
-5%	0.99	(0.48)	0.01

For the Year ended 31st March, 2022

Particulars	Effect on Profit Before Tax (₹ in Crore)				
	USD	JPY	EURO	GBP	CHF
Change in Currency Exchange Rate					
+5%	(0.66)	0.70	5.15	0.71	(0.01)
-5%	0.66	(0.70)	(5.15)	(0.71)	0.01

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Credit Risk

Credit risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, mutual funds and other financial instruments.

Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and industries and operate in largely independent markets. The Company has also taken advances, security deposits, bank guarantee, letter of credits and security cheques from its customers which mitigate the credit risk to an extent.

The ageing of trade receivables are as below:

(₹ in Crore)

Particulars	Neither Due nor Impaired	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2023							
Undisputed							
-Considered good	868.35	295.40	2.57	1.47	1.17	42.61	1,211.57
-Which have significant increase in credit risk	-	-	-	-	-	41.42	41.42
Disputed							
-Considered good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	0.42	0.06	0.21	0.62	1.15	2.46
Gross Total	**868.35**	**295.82**	**2.63**	**1.68**	**1.79**	**85.18**	**1,255.45**
Allowance for doubtful trade receivables which have significant increase in credit risk							43.88
Net Total							**1,211.57**

Notes Forming Part of Consolidated Financial Statements

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(₹ in Crore)

Particulars	Neither Due nor Impaired	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2022							
Undisputed							
-Considered good	641.31	95.04	1.60	1.51	24.25	24.58	788.29
-Which have significant increase in credit risk	-	-	-	-	15.79	22.40	38.19
Disputed							
-Considered good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	0.26	0.01	0.22	0.67	1.12	2.28
Gross Total	**641.31**	**95.30**	**1.61**	**1.73**	**40.71**	**48.10**	**828.76**
Allowance for doubtful trade receivables which have significant increase in credit risk							40.47
Net Total							**788.29**

Movement in Allowance for Doubtful Trade Receivables are given below:

(₹ in Crore)

Particulars	2022-2023	2021-2022
Opening Balance	**40.47**	**33.37**
Add: Effect of exchange rate on consolidation of foreign subsidiaries	3.23	1.11
Add: Provision made during the year (Refer note 34)	0.18	5.99
Less: Utilized during the year	-	-
Closing Balance	**43.88**	**40.47**

Financial Instruments and Cash Deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Investments of surplus funds are made only with approved counterparties. The maximum exposure to credit risk for the components of the balance sheet is ₹ 10,525.41 crore as at 31st March, 2023 and ₹ 10,514.07 crore as at 31st March, 2022, which are the carrying amounts of cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

The table below provides undiscounted cash flows (excluding transaction cost on borrowings) towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date:

Notes Forming Part of Consolidated Financial Statements

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

As at 31st March, 2023

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,959.78	567.96	26.76	2,554.50
Lease Liabilities	51.68	78.12	188.02	317.82
Trade Payables	1,196.00	-	-	1,196.00
Derivative Financial Instruments	14.79	-	-	14.79
Other Financial Liabilities	1,796.62	172.41	-	1,969.03
Total	**5,018.87**	**818.49**	**214.78**	**6,052.14**

As at 31st March, 2022

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	716.68	1,300.27	-	2,016.95
Lease Liabilities	25.97	32.66	175.92	234.55
Trade Payables	890.37	-	-	890.37
Derivative Financial Instruments	15.16	20.28	-	35.44
Other Financial Liabilities	1,376.61	115.87	-	1,492.48
Total	**3,024.79**	**1,469.08**	**175.92**	**4,669.79**

49. DERIVATIVE FINANCIAL INSTRUMENTS

The details of derivative financial instrument outstanding as on the balance sheet date are as follows:

(Amount in Crore)

Particulars	Purpose	Currency	As at 31.03.2023	As at 31.03.2022
Forward Contracts	Imports	USD	15.77	7.99
		JPY	-	22.04
		EURO	1.06	1.18
		GBP	-	0.04
		AED	3.06	-
Cross Currency & Interest Rate Swaps	ECB	SGD	5.89	7.85
Interest Rate Swaps	ECB	USD	8.56	12.33
Cross Currency Swaps	ECB	USD	13.06	18.33

Cash Flow Hedges

The objective of cross currency & interest rate swap and interest rate swaps is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. The Company also enters into foreign currency forward contracts to hedge the foreign currency exchange risk arising from the forecasted purchases. Some of the forward contracts are designated as cash flow hedges. The Company is following hedge accounting for cross currency & interest rate swaps and Interest rate swaps and some foreign currency forward contracts based on qualitative approach.

The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and hedge effectiveness test. The Company assesses hedge effectiveness based on following criteria:

Notes Forming Part of Consolidated Financial Statements

49. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

i. An economic relationship between the hedged item and the hedging instrument

ii. The effect of credit risk

iii. Assessment of the hedge ratio

The Company designates cross currency & interest rate swaps and interest rate swaps and some foreign currency forward contracts to hedge its currency and interest risk and generally applies hedge ratio of 1:1. Refer Note 22 for timing of nominal amount and contractual fixed interest rate of cross currency & interest rate swaps and interest rate swaps.

All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

The fair values of the above swaps are as under:

(₹ in Crore)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Asset	Liability	Asset	Liability
Cross Currency and Interest Rate Swaps	133.42	5.04	65.95	26.71
Forward Contracts	5.67	9.75	0.13	5.15

The movement of Effective Portion of Cash Flow Hedges are shown below:

(₹ in Crore)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Opening Balance	**(14.91)**	**(35.33)**
Gain/(loss) recognized on cash flow hedges	40.25	(37.30)
Income tax relating to gain/(loss) recognized on cash flow hedges	(14.19)	13.86
Reclassified to Profit or Loss #	(40.42)	59.87
Income tax relating to Reclassified to Profit or Loss	14.10	(20.91)
Amount transferred to initial cost of non-financial asset	15.50	7.72
Income tax relating to amount transferred to initial cost of non-financial asset	(5.28)	(2.82)
Closing Balance	**(4.95)**	**(14.91)**

Includes ₹ (91.59) crore (for the year ended 31st March, 2022: ₹ (37.50) crore) to Foreign Exchange Rate Differences and ₹ 51.29 crore (for the year ended 31st March, 2022: ₹ 97.37 crore) to Finance Cost.

Foreign Currency Forward Contracts

The Company enters into forward contracts with intention to reduce the foreign exchange risk of expected purchases.

Certain foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

Notes Forming Part of Consolidated Financial Statements

49. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

The fair value of foreign currency forward contracts are as under:

(₹ in Crore)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	-	-	-	3.58

The gain/ (loss) due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the Profit or Loss is ₹ 4.29 crore for the year ended 31st March, 2023 (₹ (2.04) crore for the year ended 31st March, 2022)

50. COLLATERALS

Inventory, Trade Receivables, Other Current Assets, Property, Plant and Equipment are hypothecated / mortgaged as collateral/security against the borrowings. Refer Note 22 and 25. Additionally, some of the Fixed Deposits and Investments are pledged against working capital facilities.

51. EARNINGS PER SHARE (EPS)

A. Basic and Diluted EPS:

Particulars		2022-2023	2021-2022
Profit or Loss attributable to the Owners of the Company	₹ in crore	1,270.70	2,331.94
Equity Share Capital	₹ in crore	36.08	36.08
Weighted average number of equity shares outstanding (Face value of ₹10/- per share)	Nos.	3,60,80,748	3,60,80,748
Earnings Per Share – Basic and Diluted	₹	352.18	646.31

B. Cash EPS : (Profit for the year attributable to the Owners of the Company + Depreciation and Amortisation Expense [Net of ₹ 2.26 crore (₹ 2.15 crore for year ended 31st March, 2022) of Non-Controlling Interest] +Deferred Tax excluding MAT credit related to earlier years)/ Weighted average number of equity shares outstanding.

52. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

Dividend approved /proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2023	As at 31.03.2022
Dividend Approved /Proposed for Equity Shareholders (Note 52.1)	198.44	162.36
Total	**198.44**	**162.36**

52.1 : Interim Dividend of ₹ 55 per share approved by the Board of Directors for FY 2022-23 (As at 31st March, 2022 : ₹ 45 per share of final dividend proposed for FY 2021-22).

Notes Forming Part of Consolidated Financial Statements

53. Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures (Form AOC-1-Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part –A Subsidiaries

(₹ in Crore)

Sr. No	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share holding
1	Shree Global FZE	AED	3,071.81	32.48	3,104.89	0.60	2,988.56	-	14.25	-	14.25	-	100%
2	Shree Enterprises Management Ltd.	AED	21.38	(0.58)	21.56	0.76	21.38	-	(0.13)	-	(0.13)	-	100%
3	Shree International Holding Ltd	AED	41.11	2,465.07	2,506.38	0.20	2,505.48	-	(2.29)	-	(2.29)	-	100%
4	Union Cement Company PJSC	AED	1,498.68	535.03	2,347.02	313.31	28.00	1,008.57	(71.34)	-	(71.34)	-	98.33%
5	U C N CO LTD L.L.C.	AED	5.60	10.03	22.11	6.51	-	91.95	6.96	-	6.96	-	100%**
6	Raipur Handling and Infrastructure Private Limited	INR	3.45	111.05	118.31	3.81	17.65	60.58	23.71	(4.03)	27.74	-	100%
7	Shree Cement East Bengal Foundation *	INR	0.03										
8	Shree Cement North Private Limited	INR	153.90	(2.02)	152.14	0.26	3.07	-	0.24	0.06	0.18	-	100%
9	Shree Cement East Private Limited	INR	555.00	(0.55)	623.85	69.40	6.20	-	0.82	(0.58)	1.40	-	100%
10	Shree Cement South Private Limited	INR	40.84	(3.10)	37.75	0.01	-	0.38	(3.18)	(0.08)	(3.10)	-	100%

*The Company has made investment of ₹ 0.03 crore in the equity shares of Shree Cement East Bengal Foundation ('SCEBF'), a company licensed under section 8 of the Companies Act, 2013. SCEBF is prohibited to distribute any dividend / economic benefits to its members, hence the Company is unable to earn any variable return/ economic benefits from the voting rights through its holding in equity shares of SCEBF. Therefore, the above investment does not meet the definition of control under Ind AS 110 -'Consolidated Financial Statements' and hence, not consolidated in the Consolidated Financial Statements.

** Effective holding 99.00% as on 31st March, 2023.

Note - For converting the figures given in foreign currency appearing in the accounts of the subsidiary company into equivalent INR, following exchange rates are used.

Currency	Balance Sheet (Closing rate)
Arab Emirates Dirham (AED)- Indian Rupee	22.3872

Part B of the Form AOC-I is not applicable as there are no associate companies/Joint Ventures of the Company as on 31st March, 2023.

Notes Forming Part of Consolidated Financial Statements

54. Additional information, as required under Schedule III of the Companies Act, 2013 of Enterprises consolidated as Subsidiary/Associates/Joint Ventures

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	₹ in Crore	As % of Consolidated Profit or (Loss)	₹ in Crore	As % of Consolidated Other Comprehensive Income	₹ in Crore	As % of Consolidated Total Comprehensive Income	₹ in Crore
Parent								
Shree Cement Limited	97.92%	18,288.44	104.65%	1,328.13	1.92%	4.58	88.38%	1,332.71
Subsidiaries - Indian								
Raipur Handling and Infrastructure Private Limited	0.61%	114.50	2.18%	27.74	0.004%	0.01	1.84%	27.75
Shree Cement North Private Limited	0.81%	151.88	0.01%	0.18	-	-	0.01%	0.18
Shree Cement East Private Limited	2.97%	554.45	0.11%	1.40	(0.26%)	(0.63)	0.05%	0.77
Shree Cement South Private Limited	0.20%	37.74	(0.24%)	(3.10)	-	-	(0.21%)	(3.10)
Subsidiaries - Foreign								
Shree Global FZE	16.62%	3,104.29	1.12%	14.25	-	-	0.94%	14.25
Shree Enterprises Management Ltd.	0.11%	20.80	(0.01%)	(0.13)	-	-	(0.01%)	(0.13)
Shree International Holding Ltd.	13.42%	2,506.18	(0.18%)	(2.29)	-	-	(0.15%)	(2.29)
Union Cement Company PJSC	10.89%	2,033.71	(5.62%)	(71.34)	0.20%	0.49	(4.70%)	(70.85)
U C N CO LTD L.L.C.	0.08%	15.63	0.55%	6.96	-	-	0.46%	6.96
Non- Controlling Interests in all Subsidiaries	0.22%	40.56	(0.12%)	(1.56)	1.47%	3.52	0.13%	1.96
Adjustment due to consolidation	(43.85%)	(8,191.22)	(2.45%)	(31.10)	96.67%	230.81	13.26%	199.71
TOTAL	**100.00%**	**18,676.96**	**100.00%**	**1,269.14**	**100.00%**	**238.78**	**100.00%**	**1,507.92**

55. TRADE PAYABLE

A. The ageing of trade payables is as below:

(₹ in Crore)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2023						
Undisputed						
-MSME	12.30	-	-	-	-	12.30
-Others	675.85	197.42	2.09	1.85	0.83	878.04
Disputed						
-MSME	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Total	**688.15**	**197.42**	**2.09**	**1.85**	**0.83**	**890.34**
Add: Provision for Expenses						305.66
Total Trade payables						**1,196.00**

Notes Forming Part of Consolidated Financial Statements

55. TRADE PAYABLE (CONTD.)

(₹ in Crore)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2022						
Undisputed						
-MSME	6.51	-	-	-	-	6.51
-Others	561.20	130.39	3.14	0.70	1.43	696.86
Disputed						
-MSME	-	-	-	-	-	-
-Others	-	-	0.01	-	-	0.01
Total	**567.71**	**130.39**	**3.15**	**0.70**	**1.43**	**703.38**
Add: Provision for Expenses						186.99
Total Trade payables						**890.37**

B. Information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Crore)

Sr. No	Particulars	As at 31.03.2023	As at 31.03.2022
(a)	(i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	12.30	6.51
	(ii) The interest due on above	-	-
	The total of (i) & (ii)	12.30	6.51
(b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
(d)	The amounts of interest accrued and remaining unpaid at the end of accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

56. TRANSACTIONS WITH STRUCK OFF COMPANIES

Following are the transactions and balances with the companies, names of which have been struck off by registrar of companies:

(₹ in Crore)

Name of struck off company	Nature of transaction	Balance outstanding		Relationship
		As at 31.03.2023	As at 31.03.2022	
Pyrotech Electronics Private Limited	Payable	0.02	-*	None
P.S. Steels Tubes Pvt. Ltd.	Payable	-	-	None
AMB Civil Contractors Private Limited	Payable	0.04	0.04	None
BITS Mechanical Private Limited	Payable	-	-	None

*₹ 14,000

Notes Forming Part of Consolidated Financial Statements

57. The Company had detected an IT security incident on 28th March, 2023 on its IT assets. The Company's production facilities were not affected by the incident. However, the dispatches faced some difficulty, which were normalized in a day's time. All the critical data have since been recovered and restored. As such, there is no material impact on the operations of the Company on account of the said incident. The Company has taken all necessary initiative to further strengthen its measures to deal with risks arising out of cyber security related incidents.

58. Previous year figures have been regrouped and rearranged wherever necessary.

59. Figures less than ₹ 50,000 have been shown at actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest crore.

Signature to Note 1 to 59

As per our report of even date

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Date : 22nd May, 2023
Place: Gurugram

For and on behalf of the Board

H. M. Bangur
Chairman
DIN: 00244329

Prashant Bangur
Vice Chairman
DIN: 00403621

Neeraj Akhoury
Managing Director
DIN: 07419090

Shreekant Somany
Independent Director
DIN: 00021423

Uma Ghurka
Independent Director
DIN: 00351117

Nitin Desai
Independent Director
DIN: 02895410

Zubair Ahmed
Independent Director
DIN: 00182990

Subhash Jajoo
Chief Finance Officer

S S Khandelwal
Company Secretary

Shree Cement

GRI Content Index

Statement of Use	**Shree Cement Limited has reported in accordance with the GRI Standards for the period 01 April 2022 to 31 March 2023**
GRI 1 Used	**GRI 1: Foundation 2021**

GRI Standard	Disclosure	Location (Page Number)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
General Disclosures						
GRI 2: General Disclosures	Disclosure 2-1 Organizational details	6-9	–	–	–	–
	Disclosure 2-2 Entities included in the organization’s sustainability reporting	8-9	–	–	–	–
	Disclosure 2-3 Reporting period, frequency and contact point	2-3	–	–	–	–
	Disclosure 2-4 Restatements of information	2-3	–	–	–	–
	Disclosure 2-5 External assurance	2-3	–	–	–	–
	Disclosure 2-6 Activities, value chain and other business relationships	20-21	–	–	–	–
	Disclosure 2-7 Employees	60-61	–	–	–	–
	Disclosure 2-8 Workers who are not employees	60-61	–	–	–	–
	Disclosure 2-9 Governance structure and composition	108-109	–	–	–	–
	Disclosure 2-10 Nomination and selection of the highest governance body	110	–	–	–	–
	Disclosure 2-11 Chair of the highest governance body	109	–	–	–	–
	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	111	–	–	–	–
	Disclosure 2-13 Delegation of responsibility for managing impacts	111	–	–	–	–
	Disclosure 2-14 Role of the highest governance body in sustainability reporting	111	–	–	–	–
	Disclosure 2-15 Conflicts of interest	108-113	–	–	–	–
	Disclosure 2-16 Communication of critical concerns	113	–	–	–	–
	Disclosure 2-17 Collective knowledge of the highest governance body	109, 114-117	–	–	–	–
	Disclosure 2-18 Evaluation of the performance of the highest governance body	111	–	–	–	–
	Disclosure 2-19 Remuneration policies	111	–	–	–	–
	Disclosure 2-20 Process to determine remuneration	111	–	–	–	–
	Disclosure 2-21 Annual total compensation ratio	110	–	–	–	–

GRI Standard	Disclosure	Location (Page Number)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
	Disclosure 2-22 Statement on sustainable development strategy	10-19	_	_	_	_
	Disclosure 2-23 Policy commitments	111	_	_	_	_
	Disclosure 2-24 Embedding policy commitments	111	_	_	_	_
	Disclosure 2-25 Processes to remediate negative impacts	111	_	_	_	_
	Disclosure 2-26 Mechanisms for seeking advice and raising concerns	111	_	_	_	_
	Disclosure 2-27 Compliance with laws and regulations	112	_	_	_	_
	Disclosure 2-28 Membership associations	112	_	_	_	_
	Disclosure 2-29 Approach to stakeholder engagement	22-24	_	_	_	_
	Disclosure 2-30 Collective bargaining agreements	64	_	_	_	_
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	25	_	_	_	_
	3-2 List of material topics	26-31	_	_	_	_
Waste management and circular economy						
GRI 3: Material Topics 2021	3-3 Management of Material Topics	76-79				
GRI 306: Waste 2016	Disclosure 306-1 Waste generation and significant waste-related impacts	79	_	_	_	_
	Disclosure 306-2 Management of significant waste-related impacts	79	_	_	_	_
	Disclosure 306-3 Waste generated	79	_	_	_	_
	Disclosure 306-4 Waste diverted from disposal	79	_	_	_	_
	Disclosure 306-5 Waste directed to disposal	79	_	_	_	_
Water						
GRI 303: Water and Effluents	Disclosure 303-1 Interactions with water as a shared resource	80-81	_	_	_	_
	Disclosure 303-2 Management of water discharge related impacts	80-81	_	_	_	_
	Disclosure 303-3 Water withdrawal	80	_	_	_	_
	Disclosure 303-4 Water discharge	80	_	_	_	_
	Disclosure 303-5 Water consumption	80-81	_	_	_	_
Energy and emissions management						
GRI 3: Material Topics 2021	3-3 Management of material topics	72-75	_	_	_	_
GRI 302: Energy	Disclosure 302-1 Energy consumption within the organization	72-73	_	_	_	_

GRI Standard	Disclosure	Location (Page Number)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
	Disclosure 302-2 Energy consumption outside of the organization	74	–	–	–	–
	Disclosure 302-3 Energy intensity	73	–	–	–	–
	Disclosure 302-4 Reduction of energy consumption	73	–	–	–	–
	Disclosure 302-5 Reductions in energy requirements of products and services	72	–	–	–	–
GRI 305: Emissions	Disclosure 305-1 Direct (Scope 1) GHG emissions	74	–	–	–	–
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	74	–	–	–	–
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	74	–	–	–	–
	Disclosure 305-4 GHG emissions intensity	74	–	–	–	–
	Disclosure 305-5 Reduction of GHG emissions	75	–	–	–	–
	Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	76	–	–	–	–
	Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	76	–	–	–	–
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	81	–	–	–	–
GRI 304: Biodiversity	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	81	–	–	–	–
	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity	81	–	–	–	–
	Disclosure 304-3 Habitats protected or restored	81	–	–	–	–
	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	81	–	–	–	–
Low Carbon Products						
GRI 3: Material Topics 2021	3-3 Management of material topics	74	–	–	–	–
Climate Change						
GRI 3: Material Topics 2021	3-3 Management of material topics	27,46	–	–	–	–
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-2 Significant indirect economic impacts	27,46	–	–	–	–

GRI Standard	Disclosure	Location (Page Number)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
Occupational Health and Safety						
GRI 403: Occupational Health and safety	Disclosure 403-1 Occupational health and safety management system	68-69	–	–	–	–
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	68-69	–	–	–	–
	Disclosure 403-3 Occupational health services	68-69	–	–	–	–
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	68-69	–	–	–	–
	Disclosure 403-5 Worker training on occupational health and safety	67-69	–	–	–	–
	Disclosure 403-6 Promotion of worker health	68-69	–	–	–	–
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68-69	–	–	–	–
	Disclosure 403-8 Workers covered by an occupational health and safety management system	68-69	–	–	–	–
	Disclosure 403-9 Work-related injuries	68	–	–	–	–
	Disclosure 403-10 Work-related ill health	68-69	–	–	–	–
Employee Relation						
GRI 3: Material Topics 2021	3-3 Management of material topics	59	–	–	–	–
GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	61	–	–	–	–
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	63	–	–	–	–
	Disclosure 401-3 Parental leave	63	–	–	–	–
Training and Development						
GRI 3: Material Topics 2021	3-3 Management of material topics	59,66	–	–	–	–
GRI 404: Training and Development 2016	Disclosure 404-1 Average hours of training per year per employee	66	–	–	–	–
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	66,67	–	–	–	–
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	65	–	–	–	–

GRI Standard	Disclosure	Location (Page Number)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 406: Non-Discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	64	_	_	_	_
Community Development						
GRI 3: Material Topics 2021	3-3 Management of material topics	88-99	_	_	_	_
GRI 413: Local communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	88-99	_	_	_	_
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	91	_	_	_	_
Resettlement and Rehabilitation						
GRI 3: Material Topics 2021	3-3 Management of material topics	91	_	_	_	_
GRI 411: Rights of Indigenous People 2016	Disclosure 411-1 Incidents of violations involving rights of indigenous peoples	91	_	_	_	_
Human Rights and Non-Discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	64	_	_	_	_
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	60, 110	_	_	_	_
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	60, 110	_	_	_	_
GRI 406: Non-Discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	63-64	_	_	_	_
GRI 407: Freedom of Association and Collective Bargaining 2016	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	68,110	_	_	_	_
GR 408: Child Labour 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	105-106	_	_	_	_
GRI 409: Forced or compulsory Labour 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	105-106	_	_	_	_
Customer Satisfaction						
GRI 3: Material Topics 2021	3-3 Management of material topics	100	_	_	_	_
GRI 416: Customer Health and Safety	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	103	_	_	_	_

GRI Standard	Disclosure	Location (Page Number)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
	Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	101, 103				
Regulatory Compliance						
GRI 3: Material Topics 2021	3-3 Management of material topics	112-113	–	–	–	–
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	112-113	–	–	–	–
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	112	–	–	–	–
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	112	–	–	–	–
GRI 206: Anti-competitive Behavior 2016	Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	247	–	–	–	–
Business Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	46	–	–	–	–
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct Economic value generated and distributed	46	–	–	–	–
	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	34-39	–	–	–	–
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	63	–	–	–	–
	Disclosure 201-4 Financial assistance received from government	304	–	–	–	–
Cyber Security						
GRI 3: Material Topics 2021	3-3 Management of material topics	105	–	–	–	–
GRI 418: Customer Privacy 2016	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	105	–	–	–	–
Supply chain, Raw material procurement & Procurement Practice						
GRI 3: Material Topics 2021	3-3 Management of material topics	105	–	–	–	–
GRI 301: Materials	Disclosure 301-1 Materials used by weight or volume	78	–	–	–	–
	Disclosure 301-2 Recycled input materials used	78	–	–	–	–
	Disclosure 301-3 Reclaimed products and their packaging materials	78	–	–	–	–

GRI Standard	Disclosure	Location (Page Number)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 204: Procurement Practices2016	Disclosure 204-1 Proportion of spending on local suppliers	105	–	–	–	–
GRI 308: Supplier Environmental Assessment 2016	Disclosure 308-1 New suppliers that were screened using environmental criteria	105	–	–	–	–
	Disclosure 308-2 Negative environmental impacts in the supply chain and actions	106	–	–	–	–
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	106	–	–	–	–
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	106	–	–	–	–
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	90	–	–	–	–
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure investments and services supported	91-99	–	–	–	–
	Disclosure 203-2 Significant indirect economic impacts	91-99	–	–	–	–
Governance and Ethics						
GRI 3: Material Topics 2021	3-3 Management of material topics	112	–	–	–	–
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	112	–	–	–	–
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	112	–	–	–	–
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	112	–	–	–	–
GRI 206: Anti-competitive Behavior 2016	Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	112	–	–	–	–
Risk Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	34	–	–	–	–

Alignment with United Nations Global Compact Principles

Principle No.	UNGC Principle	Section in the Report	Page Number
Human Rights			
1	Business should support and respect the protection of internationally proclaimed human rights	Human Capital	64
2	Make sure that they are not complicit in human right abuses	Human Capital	64
Labour			
3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Capital	64
4	Elimination of all forms of forced and compulsory labour	Human Capital	64
5	Effective abolition of child labour	Human Capital	64
6	Elimination of discrimination in respect of employment and occupation	Human Capital	64
Environment			
7	Business should support a precautionary approach to environmental challenge	Natural Capital	70
8	Undertake initiatives to promote greater environmental responsibility	Natural Capital	70-81
9	Encourage the development and diffusion of environmentally friendly technologies	Intellectual Capital	82-87
Anti-Corruption			
10	Business should work against corruption in all its forms including extortion and bribery	Corporate Governance	112

Alignment with GCCA Sustainability Charter

Category	Principles	Page number
Health and Safety	Apply the good safety guidelines	68-69
	Promote the sharing of good health practices	68-69
Climate Change and Energy	Develop a climate change mitigation strategy, and publish targets and processes	72-76
Social Responsibility	Publish a code of conduct incorporating the principles of internationally proclaimed human rights	112
	Apply the Social Impact Assessment guidelines	90-91
	Establish a systematic dialogue process with stakeholders	22-24
Environment and Nature	Apply the Environment and Nature guidelines	70-81
	Set emission targets and report publicly on progress	38, 74, 145
Circular Economy	Promote the principles of circular economy across the value chain	76-78
	Apply the guidelines developed for fuel and raw material use in cement production	76-78

Other Indicators

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Employee Engagement Score	86	87	89	81
Environmental Violations	Nil	Nil	Nil	Nil

Contribution to Sustainable Development Goals (SDGs)

Sustainable Development Goal (SDG)	Section in the report	Page number
SDG 1 No Poverty	Social and Relationship Capital	88
SDG 2 Zero Hunger	Social and Relationship Capital	88
SDG 3 Good health and wellbeing	Social and Relationship Capital	96
SDG 4 Quality Education	Social and Relationship Capital, Human Capital	58, 97
SDG 5 Gender equality	Social and Relationship Capital, Human Capital	63, 92
SDG 6 Clean Water and Sanitation	Social and Relationship Capital, Natural Capital	80, 96
SDG 7 Affordable and Clean Energy	Natural Capital	73
SDG 8 Decent work and Economic Growth	Social and Relationship Capital, Financial Capital, Manufactured Capital, Human Capital	46, 50, 58, 88
SDG 9 Industry Innovation and Infrastructure	Intellectual capital	82
SDG 10 Reduced inequality	Human Capital, Social and Relationship Capital	58, 88
SDG 12 Responsible Consumption and Production	Natural Capital, Intellectual capital, Manufactured Capital	50, 76, 82
SDG 13 Climate Action	Natural Capital	72
SDG 15 Life on Land	Natural Capital	81

IFC Performance Indicators

Category	Unit	Value/Reference to Section
Occupational Health & Safety		
Accident rate - Direct Employee	LTI per million hrs.	0.10
Accident rate - Indirect Employee	LTI per million hrs.	0.11
Fatality Rate	Per million - man hours worked	0
Fatality Rate (indirect)	Per million hours worked	0.07
Occupational Health & Safety monitoring programme		Annual
Resource use and waste		
Hazardous waste – Liquid (Used Oil)	KL	140.91
Hazardous waste - Solid	Metric Tonnes	41.04
Air emissions levels for cement manufacturing		
Dust	gm/tonne clinker	20.00
NOx - for cement facilities	gm/tonne clinker	589.57
SO_2 for cement facilities	gm/tonne clinker	3.21
CO_2 - from decarbonisation (raw material)	tCO_2e	1,08,35,334
CO_2 - from fuel (kiln)	tCO_2e	59,43,493
HCl	mg/Nm^3	4.26
Hydrogen Fluoride	mg/Nm^3	0.35
Total Organic Carbon	mg/Nm^3	3.36
Dioxins – Furans	ng/Nm^3, corrected to 10% O_2	0.02
Cadmium & Thallium	mg/Nm^3	0.003
Mercury (Hg)	mg/Nm^3	0.001
Effluent Level Cement Manufacturing		
pH	NA	Zero Effluent Discharge
Total Suspended Solids	NA	Zero Effluent Discharge
Temperature increase	NA	Zero Effluent Discharge
Resource Energy Consumption		
Materials-substitute raw materials used in clinker production (Fuel)	%	14.01
Substitute raw materials in cement production	Million tonnes	11.86
Fuel energy - cement	GJ/tonne of cement	2.28
Electrical energy - cement	GJ/tonne of cement	0.24

Sustainability Performance Indicators

Parameters	Key Performance Indicator	Unit	Data	Coverage (% of clinker production)
Climate Protection	Total CO_2 emissions – gross	Million tCO_2	17.46	100
	Total CO_2 emissions – net	Million tCO_2	16.79	100
	Specific Net Scope 1 emissions	Kg/tonne cementitious material	521	
	Specific Gross Scope 1 emissions	Kg/tonne cementitious material	524	
	Independent third-party assurance of CO_2 data (frequency)		Annual	100
Emissions Reductions	Specific NOx emissions*	gm/tonne clinker	589.57	
	Specific SO_2 emissions*	gm/tonne clinker	3.21	
	Specific PM emissions*	gm/tonne clinker	20.00	
	Ozone Depleting Substance (ODS)	Metric tonnes of CFC-11	0.13	
	POP	ng/Nm^3	0.02	
	VOC	mg/Nm^3	0.0004	
	Clinker produced with monitoring of major and minor emissions	%	100	
	Clinker produced with continuous monitoring of major emissions	%	100	
	Independent third-party assurance of emissions data (frequency from 2011)	%	Annual	
Fuels and raw material	Specific heat consumption of clinker production	KCal / Kg of clinker	750	
	Alternative Fuel Rate (Including Biomass)	%	14.01	
	Biomass Fuel Rate	%	5.14	
	Alternative Raw Materials Rate	%	27.96	
	Clinker/Cement Ratio	%	62.1	
	Sites with quarry rehabilitation plans in place	%	100	
	Sites with community engagement plans in place	%	100	
Biodiversity KPI no.1	Number of quarries within, containing or adjacent to areas designated for their high biodiversity value, as defined by GRI 304	Number	0	
Biodiversity KPI no.2	Quarries with high biodiversity value where biodiversity management plans are actively implemented	%	NA	
Water	Total water discharge by source	Million m^3	0	
	Total water discharge by quality and destination	Million m^3	0	
	Destination: Surface water	Million m^3	0	
	Destination: Groundwater	Million m^3	0	
	Destination: Water discharge for offsite treatment	Million m^3	0	
	Destination: Water discharge to others	Million m^3	0	
	Total water consumption (for cement)	Million m^3	2.09	
	Percentage of sites with a water recycling system	%	100	
	Specific water consumption	m^3/MT of cement produced	0.067	
	Water reused	Million m^3	0.27	

Parameters	Key Performance Indicator	Unit	Data	Coverage (% of clinker production)
Employee Health and Safety	No. of fatalities (directly employed)	Number	0	
	No. of fatalities per 10,000 directly employed	Number	0	
	No. of fatalities (indirectly employed)	Number	2	
	No. of fatalities (3rd party)	Number	0	
	No. of Lost time injuries (directly employed)	Number	1	
	Lost time injury per 1m man-hours (directly employed)	Number	0.1	
	No. of Lost time injuries (indirectly employed contractors and subcontractors)	Number	3	
	Lost time injury per 1m man-hours (indirectly employed)	Number	0.11	
	Total no. of lost time injuries	Number	4	
	Independent third-party assurance of safety data (frequency)	Number	Annual	

* Kiln stack emission

Sustainability Accounting Standards Board Content Index

Sustainability Disclosure Topics & Metrics

Topics	Metrics	Reference page number
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	74
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals	80
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative and (4) percentage renewable	72, 73
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	80, 81
Waste Management	Amount of waste generated, percentage hazardous and percentage recycled	79
Biodiversity Impacts	Description of environmental management policies and practices for active sites	81, 111
Workforce Health & Safety	1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	TRIR = 0.02 (full time employees) TRIR = 0.02 (contract employees)

Assurance Statement

Independent Limited Assurance Statement to Shree Cement Ltd. on their Integrated Report FY 2022-23

To the Management of Shree Cement Ltd., Gurugram, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Shree Cement Limited ("SCL") to provide an independent assurance on its Integrated Report for FY 2022-23 ("the Report"), covering the Company's sustainability performance during the period 1st April 2022 to 31st March 2023. The Report is prepared by SCL based on Integrated Reporting Framework, in-accordance with Global Reporting Initiative (GRI) Standards for sustainability reporting and in line with the requirements of SEBI's (Securities and Exchange Board of India) BRSR principles. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability related disclosures, as declared in the Report, were not accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Integrated Annual Report FY 2022-23 of Shree Cement Limited.

Responsibilities

The management of SCL is solely responsible for the development the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of SCL, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

Assurance has been provided for selected sustainability performance disclosures presented by SCL in its Report. The assurance boundary included data and information for the operations in Beawar (Rajasthan), Ras (Rajasthan), Raipur (Chhattisgarh), Kodla (Karnataka), Jobner (Rajasthan), Suratgarh (Rajasthan), Khushkhera (Rajasthan), Roorkee (Uttarakhand), Panipat (Haryana), Bulandshahr (Uttar Pradesh), Aurangabad (Bihar), Burudih (Jharkhand), Athagarh (Odisha) and Patas (Maharashtra) in accordance with the above-mentioned standards. Our scope of assurance included verification of data and information on selected disclosures reported as summarized in the table below:

General Disclosures	Topic Specific Disclosures
• Organizational details • Entities included in the organization's sustainability reporting • Reporting period, frequency and contact point • Restatements of information • Governance structure and composition • Chair of the highest governance body • Approach to stakeholder engagement • Process to determine material topics • List of material topics • Financial implications and other risks and opportunities due to climate change	*Environmental Disclosures* • Energy consumption • Scope 1 ,2 and 3 emissions data and emission intensity • Emissions of ozone-depleting substances (ODS) • Air emissions (other than Greenhouse Gases) • Hazardous and non-hazardous waste generation and disposal • Water withdrawal, consumption & discharge *Social Disclosures* • Total number of permanent and other than permanent employees and workers • Number of new hires • Turnover rate for permanent employees and permanent workers • Return to work and retention rates of permanent employees and workers that took parental leave • Average hours of training & skill development per year • Performance and career development reviews of employees and workers • Safety data (fatalities, loss time injuries and recordable work-related injuries) • Corporate Social Responsibility (CSR)-details of total expenditure • Number of new suppliers screened through ESG parameter

Assurance Criteria

Intertek conducted the assurance work in accordance with requirements of 'Limited Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Methodology

Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk review & stakeholder interviews with regard to the reporting and supporting records for the FY 2022-23. Our assurance task was planned and carried out during April-June 2023. The assessment included the following:

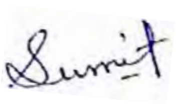
- Assessment of the Report that it was prepared in accordance with IR framework, GRI standards and BRSR principles.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at SCL office and digitally.
- Conducted interviews with key personnel responsible for data management.

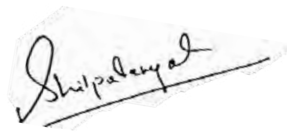
- Assessment of appropriateness of various assumptions, estimations and thresholds used by SCL for data analysis.
- Review of sustainability disclosures on sample basis for the duration from 1st April 2022 to 31st March 2023 for SCL.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

Conclusions
Intertek reviewed selected sustainability disclosures provided by SCL in its Report. Based on the data and information provided by SCL, Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct. The report provides a fair representation of sustainability reporting disclosures and is in accordance with the IR framework, GRI standards and BRSR principles to the best of our knowledge.

Intertek's Competence and Independence
Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included Certified Sustainability Assurance Professionals, who were not involved in the collection and collation of any data except for this Assurance Opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.





SANDEEP VIG
Digitally signed by SANDEEP VIG
Date: 2023.07.01 14:25:35 +05'30'

Sumit Chowdhury Technical Manager- Sustainability Intertek India	**Shilpa Naryal** Head of Sustainability Intertek South Asia & MENAP	**Sandeep Vig** **Director -Business Assurance** Intertek India & MENAP
29th June 2023	30th June 2023	1stJuly 2023

No member of the verification team (stated above) has a business relationship with Shree Cement Ltd. stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

Shree Cement

Abbreviations

Acronym	Expansion
AAC	Autoclaved Aerated Concrete
AFR	Alternative Fuels and Raw Materials
AI	Artificial Intelligence
ASR	Alkali Sulphur ratio
BIS	Bureau of Indian Standards
BRSR	Business Responsibility and Sustainability Report
BTL	Below the Line
CARE	Credit Analysis and Research Limited
CBA	Cross Belt Analyser
CC	Composite Cement
CCUS	Carbon Capture, Usage And Storage
CDM	Clean Development Mechanism
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CER	Certified Emission Reductions
CII	Confederation of Indian Industry
CLMS	Contractor Labour Management System
CMA	Cement Manufacturing Association
CoC	Code of Conduct
CPCB	Central Pollution Control Board
CRISIL	Credit Rating Information Services of India Limited
CRM	Customer Relationship Management
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
DJSI	Dow Jones Sustainability Index
DSIR	Department of Scientific and Industrial Research
EBITDA	Earnings Before Interest, Taxes, Depreciation, And Amortisation
ECB	External Commercial Borrowing
EDLIS	Employees' Deposit Linked Insurance Scheme
EPFS	Employees' Provident Fund Scheme
EPR	Extended Product Responsibility
EPS	Employees' Pension Scheme
ERM	Enterprise Risk Management
ESG	Environmental, Social, Governance
FDG	Flue-Gas Desulfurisation
FICCI	Federation of Indian Chambers of Commerce and Industry
FMCG	Fast-Moving Consumer Goods
GCCA	Global Cement and Concrete Association
GHG	Green House Gases
GPS	Global Positioning System
GPTW	Great Place to Work
GRI	Global Reporting Initiative
HC	Hydrophobic Cement
HIRA	Hazard Identification and Risk Assessment
ICC	Internal Complaints Committee
ICP	Inductively Couple Plasma
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IIT	Indian Institute of Technology
IR Framework	Integrated Reporting Framework
ISAE	International Standard on Assurance Engagements

Acronym	Expansion
IT	Information Technology
IUCN	International Union for Conservation of Nature
KMP	Key Managerial Personnel
KPI	Key Performance Indicator
LC3	Limestone Calcined Clay Cement
LTIFR	Lost Time Injury Frequency Rate
MSDS	Material Safety Data Sheet
MSME	Micro, Small and Medium Enterprises
MSW	Municipal Solid Waste
MTPA	Metric Tons Per Annum
NABL	National Accreditation Board for Testing and Calibration Laboratories
NCCBM	National Council for Cement and Building Materials
O&M	Operations and Maintenance
ODS	Ozone Depleting Substance
OHS	Occupational Health and Safety
OITDS	Operator Independent Truck Dispatch System
OPC	Ordinary Portland Cement
OWC	Oil Well Cement
PAT	Perform, Achieve & Trade
PDMS	Plant Data Management Syst
PID	Proportional, Integral and Derivative
PLF	Plant Load Factor
POSH	Prevention of Sexual Harassment
PPC	Portland Pozzolana Cement
PSA	Particle Size Analyser
PSC	Portland Slag Cement
PSU	Public Sector Undertaking
QA	Quality Analysis
QC	Quality Check
R&D	Research and Development
RDF	Refuse Derived Fuel
RHPC	Rapid Hardening Portland Cement
RMC	Risk Management Committee
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Target Initiative
SCEPL	Shree Cement East Private Limited
SCL	Shree Cement Limited
SHGs	Self-Help Groups
SMART	Specific, Measurable, Achievable, Relevant and Timebound
TARA	Technology and Action for Rural Advancement
TSR	Thermal Substitution Rate
UAE	United Arab Emirates
UNFCC	United Nations Framework Convention on Climate
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Goals
VAPT	Vulnerability Assessment and Penetration Testing
VCS	Verified Carbon Standard
WBCSD	World Business Council for Sustainable Development
WHR	Waste Heat Recovery
WMC	Wellness Management Centers
XRD	X-Ray Diffraction

Ratio Analysis

Financial Performance Ratios

	2018-19	2019-20	2020-21	2021-22	2022-23
Raw Material Cost / Net Turnover (%)	10.02	8.73	8.85	9.07	9.73
Power & Fuel Cost / Net Turnover (%)	23.42	19.72	16.44	22.10	32.93
Freight / Net Turnover (%)	24.43	21.89	23.97	22.66	22.17
Manpower & Admin Cost / Net Turnover (%)	9.60	8.66	8.79	7.90	7.40
Finance Cost / Net Turnover (%)	2.11	2.41	1.95	1.52	1.60
Depreciation / Net Turnover (%)	11.87	14.28	9.00	7.25	9.18
Tax / Profit Before Tax (%)	10.35	19.90	23.59	18.91	14.79
Net Profit Margin (%)	8.11	13.19	18.25	16.61	7.89
Cash Profit / Net Turnover (%)	20.76	26.33	26.93	24.67	17.88
ROCE [PBIT (With other Income) / Avg. Capital Employed] (%)	10.76	15.78	19.56	17.17	9.11
Return on Net Worth (%)	9.91	12.14	15.16	13.76	7.26
Net Turnover / Average Capital Employed (%)	94.93	83.61	75.72	78.03	83.95
EBIDTA (With Other Income) / Net Turnover (%)	24.72	33.15	34.83	29.25	20.04
EBIDTA (Without Other Income) / Net Turnover (%)	22.63	30.87	31.41	25.50	17.47
Earnings Per Share (₹)	273.00	445.08	640.77	658.69	368.10
Cash Earning Per Share (₹)	698.54	888.58	945.68	978.14	834.55

Balance Sheet Ratios

	2018-19	2019-20	2020-21	2021-22	2022-23
Debt Equity Ratio (Times)	0.24	0.19	0.11	0.10	0.09
Debtors Turnover (Times)	24.77	19.36	24.66	33.58	28.45
Inventory Turnover (Times)	7.42	7.89	8.72	7.86	7.35
Current Ratio (Times)	2.01	1.79	1.69	1.69	1.23
Quick Ratio (Times)	1.21	1.42	1.34	1.21	0.87
Interest Coverage Ratio (Times)	11.73	13.77	17.86	19.22	12.55
Book Value Per Share (₹)	2,754.92	3,585.41	4,226.65	4,786.73	5,068.75

Corporate Information

Board of Directors

Mr. Hari Mohan Bangur
Chairman

Mr. Prashant Bangur
Vice Chairman

Mr. Neeraj Akhoury
Managing Director

Mr. Shreekant Somany
Independent Director

Mr. Nitin Desai
Independent Director

Ms. Uma Ghurka
Independent Director

Mr. Sanjiv Krishnaji Shelgikar
Independent Director

Mr. Zubair Ahmed
Independent Director

Committees of the Board

(a) Audit Committee

Mr. Shreekant Somany
Chairman

Mr. Nitin Desai
Member

Mr. Sanjiv Krishnaji Shelgikar
Member

Mr. Zubair Ahmed
Member

(b) Nomination Cum Remuneration Committee

Mr. Nitin Desai
Chairman

Mr. Shreekant Somany
Member

Mr. Sanjiv Krishnaji Shelgikar
Member

(c) Stakeholders' Relationship Committee

Mr. Sanjiv Krishnaji Shelgikar
Chairman

Mr. Nitin Desai
Member

Mr. Neeraj Akhoury
Member

(d) CSR and Sustainability Committee

Mr. Nitin Desai
Chairman

Mr. Prashant Bangur
Member

Mr. Neeraj Akhoury
Member

Mr. Sanjiv Krishnaji Shelgikar
Member

Ms. Uma Ghurka
Member

(e) Risk Management Committee

Mr. Sanjiv Krishnaji Shelgikar
Chairman

Mr. Prashant Bangur
Member

Mr. Neeraj Akhoury
Member

(f) Business Operations Committee

Mr. Hari Mohan Bangur
Chairman

Mr. Prashant Bangur
Member

Mr. Neeraj Akhoury
Member

Mr. Sanjiv Krishnaji Shelgikar
Member

(g) Share Transfer Committee

Mr. Hari Mohan Bangur
Chairman

Mr. Prashant Bangur
Member

Mr. Neeraj Akhoury
Member

Executive Committee

Mr. Neeraj Akhoury
Managing Director

Mr. Sanjay Mehta
President
(Procurement & Corporate Affairs)

Mr. Shailesh Ambastha
President (Sales)

Mr. Arvind Khicha
Jt. President (Commercial)

Mr. K.C. Gandhi
Jt. President (Materials Management)

Mr. MSR Kaliprasad
Chief Digital & Information Officer

Mr. Pramesh Arya
Head Marketing

Mr. M.M. Rathi
Jt. President (Power Plant)

Mr. Ashish Palod
Chief Logistics Officer

Mr. Vijay Patil
Head of Strategies

Mr. K.K. Jain
Sr. Vice President (Finance)

Mr. S.S. Khandelwal
Company Secretary

Mr. Subhash Jajoo
Chief Finance Officer

Mr. Behram Earuch Sherdiwala
CHRO

Bankers

Axis Bank Ltd.
HDFC Bank Ltd.
State Bank of India
ICICI Bank Ltd.
J P Morgan Chase Bank N.A.
MUFG Bank, Ltd.
Standard Chartered Bank
DBS Bank India Ltd.
Kotak Mahindra Bank Ltd
Sumitomo Mitsui Banking Corporation
HSBC Bank

Statutory Auditors

M/s. B R Maheswari & Co LLP, New Delhi

Secretarial Auditors

M/s. Pinchaa & Co., Jaipur

Cost Auditors

M/s. K.G. Goyal & Associates, Jaipur

Internal Auditors

M/s. Ernst & Young LLP
M/s. P.K. Ajmera & Co., Ahmedabad
M/s. Deloitte Touche Tohmatsu India LLP

Registered Office

Bangur Nagar, Beawar-305901, Rajasthan
Phone: +91-1462-228101-06
Fax: +91-1462-228117/19
Toll Free No.: 1800 180 6003-04
website: www.shreecement.com
email: sclbwr@shreecement.com

Corporate Office – Kolkata

21, Strand Road, Kolkata-700 001
Phone: +91-33-22309601-05
Fax: +91-33-22434226
email: sclcal@shreecement.com

Corporate Office – Gurugram

9th Floor, Epitome Tower - B,
Building No. 5,
DLF Cyber City, Gurugram,
Haryana - 122008
Phone: +91-124-4699200

Mumbai Office

Unit No. 1110A, 11th Floor,
"C" Wing, One BKC Building,
Plot No. C-66, G-Block, BKC,
Bandra (East), Near MCA Club,
Mumbai – 400051
Phone: +91-22-26523455/57
email: shreemum@shreecement.com

Registrar & Share Transfer Agents

Link Intime India Private Limited
C-101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400083
Tel: 022 – 4918 6270, Fax: 022 - 49186060
Email : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Company's Plants

INTEGRATED CEMENT PLANTS	
Beawar: Bangur Nagar, Beawar – 305 901, Rajasthan (India) Phone: +91-1462-228101-06 Fax: +91-1462-228117 / 228119 Email: shreebwr@shreecement.com	**Ras:** Bangur City, Ras -306 101, Rajasthan (India) Phone: +91-1462-228101-06 Fax: +91-1462-228117 / 228119 Email: shreebwr@shreecement.com
Raipur: Village - Khapradih, Tehsil- Simga, Distt.: Balodabazar, Chhattisgarh (India) Phone: +91-771-2430007 / 2430023	**Kodla:** Village - Benkanhalli & Kodla, Post – Kodla, Taluka Sedam- 585222 Distt.: Kalaburagi, Karnataka (India)

GRINDING UNITS	
Khushkhera: Plot No. SP 3-II, A-1, RIICO Industrial Area, Khushkhera (Bhiwadi), Distt.: Alwar, Rajasthan.	**Jobner (Jaipur):** Mahela-Jobner Road, Village – Aslapur, Distt: Jaipur, Rajasthan.
Suratgarh: Near N.H. 15, Udaipur Udasar, Tehsil: Suratgarh, Distt.: Sriganganagar, Rajasthan.	**Laksar (Roorkee):** Akbarpur-Oud, Distt: Haridwar, Uttarakhand.
Panipat: Village – Khukhrarna, P.O. – Asan Kalan, Tehsil – Madlouda, Distt.: Panipat, Haryana.	**Aurangabad:** Biada Industrial Growth Centre, Near Jasoia Mor, Post: Mojurahi, Distt.: Aurangabad, Bihar.
Bulandshahr: 12, Sikandrabad Industrial Area, Sikandrabad, Distt.: Bulandshahr, Uttar Pradesh.	**Saraikela:** PO-Burudh, Hansda, Distt.: Seraikela - Kharsawan, Jharkhand.
Cuttack: Village - Chandrabalishyampur, Block - Athagarh, Distt.: Cuttack, Odisha.	**Patas:** Village – Patas, Distt.: Pune, Maharashtra.

Shree Cement

www.shreecement.com

CIN No. L26943RJ1979PLC001935

/Concept, content and design at AICL (hello@aicl.in)

SHREE CEMENT LIMITED

Registered Office: Bangur Nagar, Beawar-305 901 (Rajasthan)
Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119
E-Mail: investor@shreecement.com **Website:** www.shreecement.com
CIN: L26943RJ1979PLC001935

NOTICE

NOTICE is hereby given that the 44th Annual General Meeting of the Members of **SHREE CEMENT LIMITED** will be held on **Wednesday, 26th July, 2023 at 11.00 A.M. (IST),** at the Registered Office of the Company at "**Rangmanch Auditorium", Bangur Nagar, Beawar – 305 901 (Rajasthan)** to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 and the Report of the Auditors thereon.

2. To confirm payment of two Interim Dividends (₹ 45 per equity share and ₹ 55 per equity share) aggregating to ₹ 100/- per equity share for the financial year ended 31st March, 2023.

3. To appoint a Director in place of Mr. Hari Mohan Bangur (DIN: 00244329), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 6,00,000/- (Rupees Six Lac only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit, payable to M/s. K. G. Goyal and Associates, Cost Accountants (Firm Registration No. 000024), who have been appointed by the Board of Directors as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending on 31st March 2024, be and is hereby ratified."

By order of the Board of Directors

S. S. KHANDELWAL
Company Secretary
(Membership No. F5421)

Date: 22nd May, 2023
Place: Gurugram

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A PROXY FORM IS ATTACHED HEREWITH.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution passed pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the AGM.

3. Explanatory Statements setting out the material facts concerning each item of Special Business to be transacted at the AGM pursuant to Section 102 of the Companies Act, 2013, is annexed hereto

and forms part of the Notice. Information of the Director proposed to be appointed/re-appointed at the Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 and other applicable provisions is provided in **Annexure - A** to this Notice.

4. Members/Proxies are requested to bring their Attendance Slip at the AGM.

5. When a Member appoints a Proxy and both the Member and the Proxy attend the AGM, the Proxy stands automatically revoked.

6. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.

7. A Member can inspect the Proxies lodged at any time during the business hours of the Company from the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the said Meeting, provided he/she has given to the Company a notice in writing of his/her intention to inspect the Proxies not less than three days before the commencement of the said Meeting.

8. (A) In terms of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) (the "IEPF Rules"), the Company has transferred the unpaid or unclaimed dividend declared up to the financial year 2015-16 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

(B) Members may claim refund of their dividend which has been transferred in IEPF from the IEPF Authority by following the procedure as prescribed under the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time).

(C) The Company has uploaded the details of unclaimed dividend amounts lying with the Company as on 28th July, 2022 (date of last AGM) on the website of the Company which can be accessed at https://www.shreecement.com/investorsdetail/. The said details have also been submitted to Ministry of Corporate Affairs and same can be accessed through the link: https://www.iepf.gov.in/IEPFWebProject/SearchInvestorAction.do?method=gotoSearchInvestor.

(D) The details of dividend declared by the Company and last date of their transfer in the IEPF are given hereunder: -

Year	Type of Dividend	Dividend (₹ per Share)	Date of declaration of Dividend	Last date for transfer of unpaid dividend in Investor Education and Protection Fund
2016-17	Interim	16	12/08/2016	17/09/2023
	One-Time Special Dividend	100	30/01/2017	07/03/2024
	Final	24	31/07/2017	07/09/2024
2017-18	Interim	20	11/01/2018	13/02/2025
	Final	30	30/07/2018	29/08/2025
2018-19	Interim	25	22/01/2019	25/02/2026
	Final	35	09/08/2019	11/09/2026
2019-20	Interim	110	14/02/2020	16/03/2027
2020-21	Final	60	09/08/2021	09/09/2028
2021-22	Interim	45	04/02/2022	07/03/2029
	Final	45	28/07/2022	02/09/2029
2022-23	Interim	45	08/02/2023	15/03/2030

The Members who have not yet claimed the dividend are requested to approach to the Company for dividend payment.

(E) Members are requested to note that pursuant to the provisions of the Companies Act, 2013, Listing Regulations and the IEPF Rules, the Company is also required to transfer the shares to the IEPF Suspense Account in respect of which dividends remained unpaid/ unclaimed for a period of seven consecutive years or more. In compliance with the said requirements, the Company has transferred shares which were liable to be transferred in favour of IEPF authority in the prescribed manner. Such shares can be claimed from IEPF authority by filing Form No. IEPF-5 in the prescribed manner. The details thereof are available on the website of the Company and can also be accessed through the link: https://www. shreecement.com/investors/shareholder-information.

The said details have also been submitted to Ministry of Corporate Affairs and same can be accessed through the link: https://www.iepf.gov.in/IEPFWebProject/SearchInvestorAction.do?method=gotoSearchInvestor.

9. Regulations 12 read with Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires all companies to use the facilities of Electronic Clearing Services for payment of dividend. In compliance with these regulations, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.

10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be available for inspection by the Members at the time of commencement of the AGM and shall remain open and accessible to the Members during the AGM.

11. Relevant documents referred to in the Notice are open for inspection by the Members at the Registered Office of the Company on all working days other than Saturdays from 2.00 P.M. to 5.00 P.M. up to the date of AGM.

12. Link Intime India Private Limited is acting as Registrar & Share Transfer Agent (RTA) for both physical and electronic form of shareholdings. All communications relating to shares should be addressed to:-

    Link Intime India Private Limited
    Unit: SHREE CEMENT LIMITED
    C-101, 1st Floor, 247 Park,
    Lal Bahadur Shastri Marg,
    Vikhroli (West),
    Mumbai-400083 (Maharashtra)
    E-mail:- rnt.helpdesk@linkintime.co.in
    Tel: 022 - 4918 6270
    Attn: Ms. Saili Lad, Senior Associate

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. Link Intime India Private Limited / Company.

14. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019. In view of the above and to avail the benefits of dematerialization (Demat), Members are requested to consider dematerializing their physical shares.

15. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending notice of the meetings and other shareholder correspondences through Electronic Mode. Members holding shares in physical mode are requested to register their e-mail address with the Company/RTA and Members holding shares in demat mode are requested to register their e-mail addresses with their respective Depository Participants (DPs). If there is any change in the e-mail address already registered, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in Demat mode.

16. Copy of the Notice of the AGM, inter alia, indicating the process and manner of voting through electronic means along with Attendance Slip, Proxy Form and the Annual Report 2022-23 are being sent in electronic mode to the Members whose e-mail addresses are registered with the Company's RTA/ Depository Participant(s), unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

17. A Route Map and prominent landmark for easy location of the venue of the AGM is enclosed with this Notice. Members may also note that the Notice of this AGM and the Annual Report of the Company for the year 2022-23 is also be available on the website of the Company viz. www.shreecement.com.

18. **Instructions for voting through electronic means (e-voting) and other instructions relating thereto are as under:**

VOTING THROUGH ELECTRONIC MEANS

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, and Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the AGM by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

II. The facility for voting, through polling paper shall also be made available at the venue of the AGM. The Members attending the meeting, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting through polling paper. The Members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

III. The Company has engaged the services of National Securities Depository Limited (NSDL) as the Agency to provide remote e-voting facility.

IV. The Board of Directors of the Company has appointed Mr. Akshit Kumar Jangid (Membership No. F11285) and failing him Ms. Krati Upadhyay (Membership No. A58280), Practicing Company Secretaries, as Scrutinizer to scrutinize the remote e-voting in a fair and transparent manner.

V. Voting rights of the Members (for voting through remote e-voting or through polling papers at the meeting) shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, 19th July, 2023. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM.

VI. The remote e-voting facility will be available during the following period:

   a. Commencement of remote e-voting: 9.00 A.M. (IST) on Sunday, 23rd July, 2023.

   b. End of remote e-voting: 5.00 P.M. (IST) on Tuesday, 25th July, 2023.

   c. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

VII. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as on the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in mentioning their demat account number/ folio number, PAN, name and registered address. However, if he/she is already registered with NSDL for remote e-voting, then he/she can use his/her existing User ID and password for casting the vote.

VIII. In case a Member receives a physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories), initial password is provided in the enclosed Attendance Slip.

IX. Process and manner for Remote e-voting:

A. Step 1: Access to NSDL e-voting system

   a. Login method for e-voting for Individual shareholders holding securities in demat mode

   Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depositories Participants (DPs) in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

   Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. NSDL Internet Based Demat Account Statement (IDeAS) facility** **If you are already registered for the NSDL IDeAS facility, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-voting page. 5. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period. **If the user is not registered for IDeAS e-Services, follow the below steps:** 1. Option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Upon successful registration, please follow steps given in points 1-5 above. **B. E-Voting website of NSDL** 1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/. 2. Once the home page of e-Voting system is launched, click on the "Login" icon which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to the NSDL website wherein you can see the e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period. **C. Mobile Application of NSDL - "NSDL Speede"** Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders		Login Method
Individual Shareholders holding securities in demat mode with CDSL	1.	Existing users who have opted for Easi / Easiest facility, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
	2.	After successful login of Easi/Easiest the user will be also able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
	3.	If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	4.	Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1.	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility.
	2.	Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.
	3.	Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID / Password are advised to use "Forgot User ID" and "Forgot Password" option available on the above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

b. **Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

i. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.

ii. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholder/ Member" section.

iii. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

iv. Alternatively, if you are registered for NSDL e-services i.e. Internet Based Demat Account Statement (IDeAS), you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote on NSDL e-voting system.

v. Your User ID details are as follows:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User ID
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8-Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL	16-Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

vi. Password details for shareholders other than individual shareholders are given below:

a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you (See point "c" below). Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.

c) How to retrieve your 'initial password'?

- If your e-mail address is registered with your demat account or with the company, your 'initial password' is communicated to you on your e-mail address. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, or the last 8-digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- In case you have not registered your e-mail address with the Company / Depository, please follow instructions mentioned below in this notice.

vii. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/ Password?": (If you hold shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password: (If you hold shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by the above two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

viii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

ix. Now, you will have to click on "Login" button.

x. After you click on the "Login" button, home page of e-voting will open.

B. Step 2: Cast your vote electronically on NSDL e-voting system

i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii. Select "EVEN" of Shree Cement Ltd., to cast your vote during the remote e-Voting period.

iii. Now you are ready for e-voting as the Voting page opens.

iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" buttons when prompted.

v. Upon confirmation, the message "Vote cast successfully" will be displayed.

vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

C. **General Guidelines for shareholders**

i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ppincha@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option(s) available on www.evoting.nsdl.com to reset the password.

iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022-48867000 and 022-24997000 or send a request at evoting@nsdl.co.in.

In case of any grievances connected with facility for remote e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, pallavid@nsdl.co.in, Tel: 022-24994545/1800-222-990.

D. **In case you have not registered your e-mail address with the Company/Depository, please follow below instructions for registration of e-mail address for obtaining Annual Report and / or login details for e-voting:**

Physical Holding	Visit the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail address and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). In case of any query, a member may send an e-mail to Registrar & Share Transfer Agent (RTA) at rnt.helpdesk@linkintime.co.in. On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.
Demat Holding	**A. Individual shareholders holding securities** Please refer to the login method explained at step 1a. i.e. Login method for e-voting for Individual shareholders holding securities in demat mode. **B. Other than Individual Shareholders** Please contact your Depository Participant (DP) and register your e-mail address in your demat account as per the process advised by your DP or alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing details such as DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).

Note: In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

19. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

20. The Results of voting will be declared within two working days from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted with the Stock Exchanges where the Company's Equity Shares are listed (BSE Limited & National Stock Exchange of India Ltd.) and shall also be displayed on the Company's website www.shreecement.com and NSDL's website https://www.evoting.nsdl.com.

21. The Scrutinizer's decision on the validity or otherwise of the E-voting will be final. The relevant information w.r.t. voting by electronic means shall be under the safe custody of the Scrutinizer till the Chairperson considers, approves and signs the minutes.

22. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to refer to the Income

Tax Act, 1961 (as amended from time to time) and circulars/ notifications issued thereunder for the applicable rates of tax to be deducted at source for various categories. Further, the shareholders are requested to update their PAN with RTA (in case of shares held in physical mode) and DPs (in case of shares held in demat mode). The Company has issued a communication on 11th May, 2023 detailing information regarding deduction of tax at source on dividend distribution including action required from members prior to payment of dividend, separately.

23. Company shall provide the facility of live webcast of proceedings of Annual General Meeting. Members who are entitled to participate in the Annual General Meeting can view the proceeding of Annual General Meeting by logging on the e-voting website of NSDL at https://www.evoting.nsdl.com using their secure login credentials.

By order of the Board of Directors

S. S. KHANDELWAL
Company Secretary
(Membership No. F5421)

Date: 22nd May, 2023
Place: Gurugram

ANNEXURE TO THE NOTICE DATED 22ND MAY, 2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors of Company at their meeting held on 22nd May, 2023 on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s. K. G. Goyal and Associates, Cost Accountants, Jaipur (Firm Registration No. 000024) to conduct the audit of cost records of the Company for the financial year ending on 31st March, 2024.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing the resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at item no. 4 of the Notice for approval by the Members.

By order of the Board of Directors

S. S. KHANDELWAL
Company Secretary
(Membership No. F5421)

Date: 22nd May, 2023
Place: Gurugram

ANNEXURE A - TO ITEM NO. 3 OF THE NOTICE

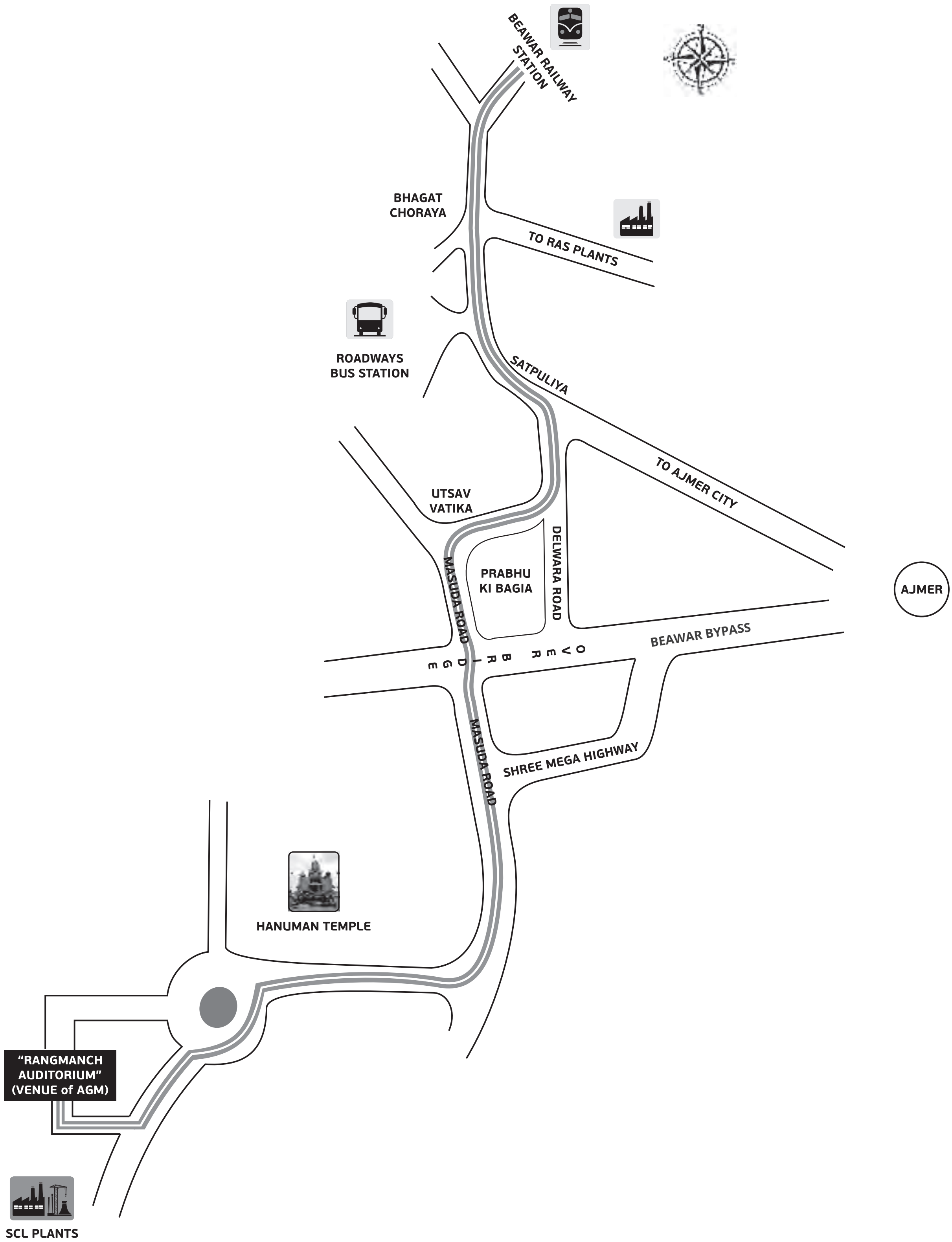
SN	Nature of Information	Item No. 3 of Notice
1	Name	Hari Mohan Bangur (DIN: 00244329)
2	Date of Birth / Age	29/10/1952 (70 Years)
3	Nationality	Indian
4	Date of First Appointment	31/7/1992
5	Qualification	B.E. (Chemical)
6	Experience and Nature of expertise in specific functional area	Business Planning and Corporate Management
7	Relationships between Directors / KMP inter-se	Father of Mr. Prashant Bangur, Vice Chairman.
8	Shareholding in the Company (including as Beneficial Owner)	4,88,284 Equity Shares*
9	No. of Board meetings attended during the year	FY 2022-23 : 4 (Four)
10	Directorship in other Companies	NIL
11	Chairmanship / Membership of Committees of Board of Directors of the Company	**Shree Cement Ltd.** • Business Operations Committee - Chairman • Share Transfer Committee - Chairman
12	Chairmanship / Membership of Committees of Board of Directors of other Companies	NIL
13	Listed entities from which the person has resigned in past three years	NIL
14	Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid	As per the approval accorded by Members in their Annual General Meeting held on 9th August, 2021 and vide Postal Ballot Notice dated 14th October, 2022 (Passed by the members on 7th December, 2022).
15	Remuneration last drawn, if any	Last remuneration drawn is provided in Corporate Governance Section of the Annual Report 2022-23.
16	Skills and capabilities required for the role and manner in which the requirements are met with and Justification for the appointment	Not applicable since Mr. Bangur is to be re-appointed by virtue of retire by rotation.

***** Out of the 4,88,284 shares held by Mr. Hari Mohan Bangur, the Beneficial Interest on 10,100 shares is held by the following Trusts/ Institutions (Belonging to Promotors Group):

- Sunder Devi Bangur Family Benefit Trust (Private Trust): 3,000 shares

- Sri Rama Nidhi (Family Deity): 7,100 shares

ROUTE MAP TO THE VENUE OF THE 44TH AGM OF THE COMPANY



SHREE CEMENT LIMITED

Registered Office: Bangur Nagar, Beawar-305 901 (Rajasthan)
Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119
E-Mail: investor@shreecement.com **Website:** www.shreecement.com
CIN: L26943RJ1979PLC001935

Form No. MGT -11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ....

....

Registered Address: . ...

E-mail ID: ....

Folio No./DP ID and Client ID: ....

I/We, being the Member(s) having .... shares of the above named Company, hereby appoint:-

1. Name: .... E-mail ID: ....

   Address: ....

   Signature: ....or failing him/her

2. Name: .... E-mail ID: ....

   Address: ....

   Signature: ....or failing him/her

3. Name: .... E-mail ID: ....

   Address: ....

   Signature: ....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting, to be held on **Wednesday, the 26th July, 2023, at 11.00 A.M** at the Registered Office of the Company at 'Rangmanch Auditorium', Bangur Nagar, Beawar - 305 901 (Rajasthan) and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Description	For*	Against*
1.	To receive, consider and adopt: a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon; and b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 and the Report of the Auditors thereon.		
2.	Confirmation of payment of two Interim Dividends (₹ 45 per equity share and ₹ 55 per equity share) aggregating to ₹ 100/- per equity share for the financial year ended 31st March, 2023.		
3.	Re-appointment of Mr. Hari Mohan Bangur (DIN: 00244329), Director of the Company, who retires by rotation.		
4.	Ratification of remuneration of M/s. K. G. Goyal and Associates, Cost Accountants as Cost Auditors of the Company for the financial year ending on 31st March, 2024.		

* Please put a (√) in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this ....day of .... 2023.

Affix ₹ 1
Revenue
Stamp

....
Signature of Shareholder

....

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

Notes:

1. **THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. A Proxy need not be a Member of the Company.
3. In case the Member appointing Proxy is a body corporate, the Proxy Form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorization should be attached to the Proxy Form.
4. A person can act as Proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as Proxy for any other person or Member.
5. Appointing a Proxy does not prevent a Member from attending the meeting in person if he/she so wishes.

SHREE CEMENT LIMITED

Registered Office: Bangur Nagar, Beawar-305 901 (Rajasthan)
Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119
E-Mail: investor@shreecement.com **Website:** www.shreecement.com
CIN: L26943RJ1979PLC001935

ATTENDANCE SLIP
44TH ANNUAL GENERAL MEETING

(PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE)

Serial No. :

Name and Registered Address :

Name of Joint Holder(s) :

DP ID & Client ID / Folio No. :

:

No. of Shares held :

Name of Proxy/Representative, if any :

I/We hereby record my/our presence at the **44th Annual General Meeting** of the Members of the Company on **Wednesday, 26th July, 2023 at 11.00 A.M.**, at "Rangmanch Auditorium", Bangur Nagar, Beawar – 305901 (Rajasthan).

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Signature of Member/Proxy/Representative

Note: Shareholders/Proxies/Representatives are requested to produce this Attendance Slip, duly signed for admission to meeting venue. The admission may, however, be subject to further verification/checks, as may be deemed necessary.