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SHREE CEMENT LTD.

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SCL/BWR/SE/2017/
2nd August, 2017

FAX NO. 022 – 26598237 / 26598238

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra – Kurla Complex, Bandra (East)
MUMBAI – 400 051

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FAX NO. 022-22722041 / 22722061

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
MUMBAI – 400 023

SCRIP CODE 500387

Re:- Submission of Annual Report for FY 2016-17

Dear Sirs,

Pursuant to the provisions of Regulation 34 of the Listing Regulations, enclosed herewith the Annual Report of the Company for the financial year 2016-17 duly approved and adopted by the Members of the Company at the 38th Annual General Meeting held on 31st July, 2017.

Kindly find the same in order.

Thanking you,

Yours faithfully,
For **SHREE CEMENT LIMITED**

(S.S. KHANDELWAL)
COMPANY SECRETARY

ANNUAL REPORT 2016-17

THE STYLE OF NO STYLE

THERE IS NO LIMITATION. THERE IS NO COMPETITION.

YOU ONLY OVERCOME YOUR LIMITATIONS; YOU ONLY COMPETE WITH YOURSELF.

Shree Cement

SHREE CEMENT LIMITED

Your comments and feedback are of great importance to us. We would be glad to address any queries or observations that you may have with regard to our various future-aligned initiatives, our performance or this Report. You are most welcome to e-mail us at investor@shreecementltd.com. A feedback form is also attached with this Report. The readers may use the form to express their views on this Report.

Caution regarding forward-looking statements: This document contains statements about expected future events and financial and operating results of Shree Cement Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the Shree Cement Limited Annual Report 2016 - 17.




FUELING

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What immortalised Bruce Lee are not just his films or Martial Arts but his philosophy. He is certainly admired by everyone as an ace martial artist and a global action movie hero. But more importantly, the world also knows him as a revered philosopher who was extremely well-read and as an evolved human being. This has helped his legacy outlast his films and peers.

Bruce Lee developed - Jeet Kune Do - his own Martial Arts form. The core philosophical tenet behind “Jeet Kune Do” was, "using no way as way, having no limitation as limitation". This consisted of getting rid of the formalised approach which Bruce Lee claimed was indicative of traditional styles. He developed a system with an emphasis on "ingenuity, perseverance, adaptability, efficiency and focus". He emphasised what he called 'The Style of No Style'.

Bruce Lee's philosophy of 'The Style of No Style' finds relevance much beyond the circles of martial arts. He propounded that not keeping oneself bound by the dominant accepted beliefs/knowledge ultimately helps open up opportunities, find innovative solutions and attain outcomes that otherwise seem to be unattainable. It is this belief that we at Shree Cement Limited are inspired by.

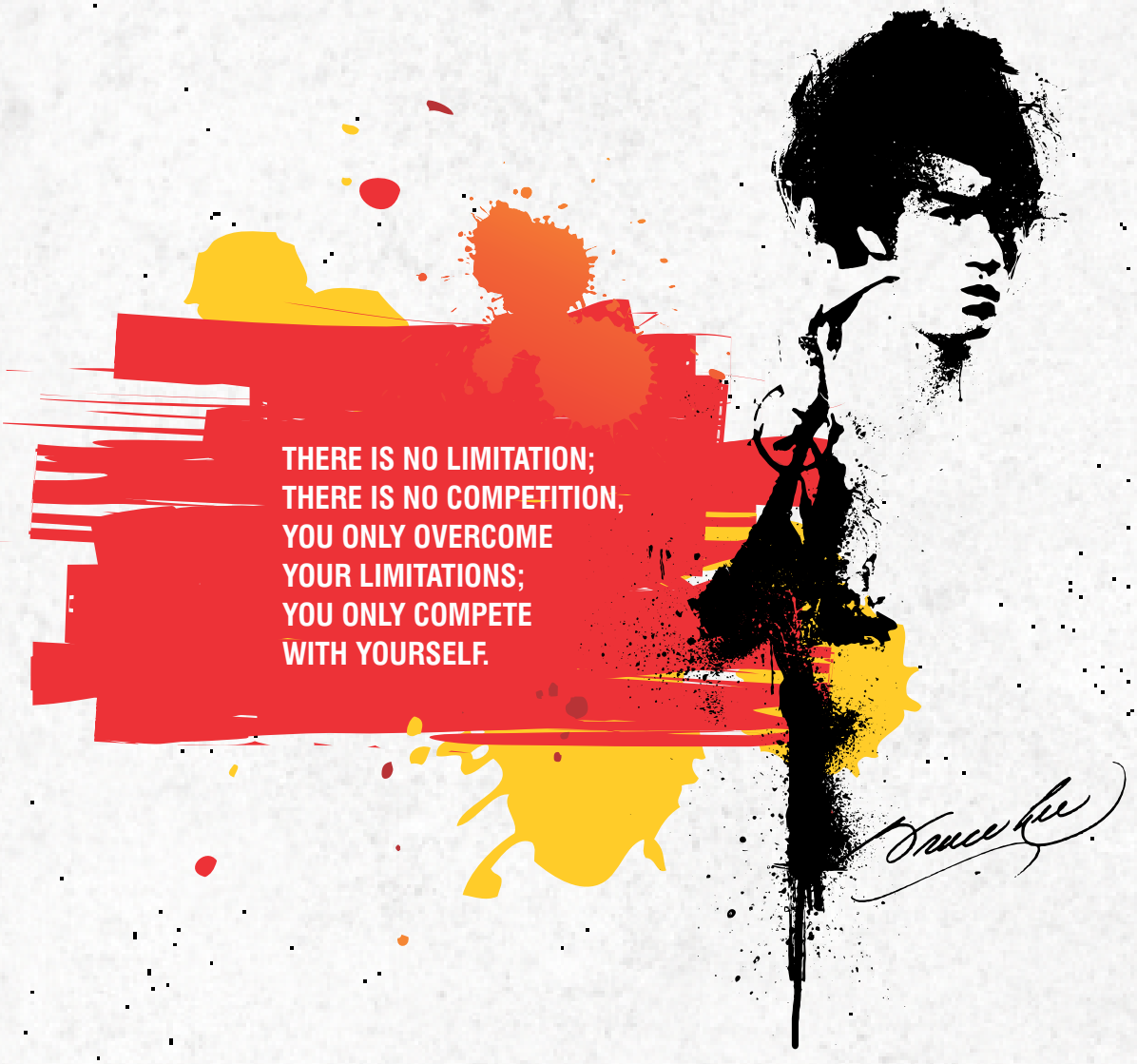
At Shree, we have our own effective and unique way of questioning status quo, challenging current beliefs/practices and thereby creating newer opportunities which are not visible to a cursory eye. We are in a perennial search of knowledge and keep on asking ourselves, "Can we come up with a better way? Can we attempt an output that no one would have yet dreamt of?". Of course, there are limitations at every step of way, but at Shree our resolute belief of overcoming all limitations has continually inspired us to better our own benchmarks time and again.

More so, we remain focused and continually track developments to identify risks and take actions to not only mitigate them but turn them into opportunities. At Shree, like Bruce Lee, we learn everyday from everywhere and come up with our own ingenious solutions that intercept the ever-changing future. Be it solving critical problems or growing with stakeholders, human resources, community and environment: Shree has always emerged a winner by coming up with its OWN WAY – a sustainable and better way; a way that is emulated by others in the Industry. Clearly, our style is of no style!



Empty your mind, be formless. Shapeless, like water. If you put water into a cup, it becomes the cup. You put water into a bottle and it becomes the bottle. You put it in a teapot, it becomes the teapot. Now, water can flow or it can crash. Be water, my friend

– Bruce Lee


THERE IS NO LIMITATION;
THERE IS NO COMPETITION,
YOU ONLY OVERCOME
YOUR LIMITATIONS;
YOU ONLY COMPETE
WITH YOURSELF.
Bruce Lee

INTRODUCING SHREE

Shree is a rapidly growing and one of the most efficient and environment friendly Companies in India. Currently, its manufacturing operations are spread over North and East India across six states.

Company's high corporate governance and social performance together with consistent financial performance makes it a truly sustainable Company.

CEMENT PORTFOLIO

CEMENT PRODUCTION CAPACITY

29.3 **Million Tons Per Annum**

MULTIPLE LOCATIONS

State	Locations
Rajasthan	Beawar, Ras, Khushkhera, Suratgarh and Jobner (Jaipur)
Uttarakhand	Laksar (Roorkee)
Bihar	Aurangabad
Haryana	Panipat
Chhattisgarh	Baloda Bazar
Uttar Pradesh	Bulandshahr

BRAND SHOWCASE

BANGUR CEMENT

SHREE जंग रोधक CEMENT

R-O-C-K-S-T-R-O-N-G CEMENT

POWER PORTFOLIO

Total Power Generation Capacity

607 **MW**

Category I Power Trading Licensee

Largest Waste Heat Recovery Plants (WHRP)

in the global Cement Industry excluding China

MILESTONES

- **AMONG THE TOP 3 CEMENT GROUPS** IN INDIA (IN TERMS OF PRODUCTION DURING FY 2016-17)
- **AMONG THE TOP 100 LISTED COMPANIES** IN INDIA IN TERMS OF MARKET CAPITALIZATION
- **MARKET LEADER** IN THE STATES OF RAJASTHAN, DELHI, HARYANA AND BIHAR
- **HIGHEST 5 - STAR RATING** - FIRST TIME TO ANY CEMENT COMPANY IN THE WORLD BY WHITEHOPLEMAN, UK
- **5 STAR RATING FOR BEAWAR AND RAS LIMESTONE MINES** FOR SUSTAINABLE DEVELOPMENT FORMULATED BY INDIAN BUREAU OF MINES, MINISTRY OF MINES, GOVT. OF INDIA

FINANCIAL STRENGTH 2016-17

Revenue from Operations
₹ 9,496.52 CRORE

Operating Profit
₹ 2,874.94 CRORE

Net Profit
₹ 1,339.11 CRORE

Net Worth
(as at 31st March, 2017)
₹ 7,698.14 CRORE

GROWING STRENGTH TO STRENGTH

Growth on 10 Years' Horizon

Parameter	UoM	2016-17	2006-07	CAGR
Cement Capacity	MTPA	29.3	5.6	18.00%
Power Capacity	MW	607	65	25.03%
Revenue from Operations	₹ in Crore	9,497	1,613	19.40%
Operating Profit	₹ in Crore	2,875	611	16.75%
Net Profit	₹ in Crore	1,339	177	22.43%
Net Worth	₹ in Crore	7,698	455	32.70%

ENTREPRENEUR OF THE YEAR

AWARD OF PRESTIGIOUS ERNST & YOUNG ENTREPRENEUR OF THE YEAR TO SHRI H.M. BANGUR, MANAGING DIRECTOR OF THE COMPANY



Shri H.M. Bangur, Managing Director of Company has been awarded the prestigious Ernst & Young Entrepreneur of the Year (EOY) Award 2016 in "manufacturing category". The EOY is the only global business award program in the world and held for 18th year in India.

The program felicitated 17 exceptional entrepreneurs, selected from numerous entries received from some of the outstanding entrepreneurs in the country. The award is given based on outstanding entrepreneurial achievements with the aim of recognizing inspirational and exceptional leaders and sharing their stories with the world. The award has, over the years, honoured more than 150 exemplary men and women, who have played a pivotal role in India's ascent to the global business sphere.

> If a mason says that he is putting bricks together, then that's a normal thing. If he says he is making a wall, that is also okay. But if he says that he is making a temple, that would make things different and it would mean that he is acting like an entrepreneur. That is how everybody works at Shree Cement and secret of success at the Company

- Shri H. M. Bangur





The exemplary award was presented by Shri Piyush Goyal, Hon.'ble Minister of State (Independent Charge) for Power, Coal, New and Renewable Energy and Mines, Govt. of India and Smt. Nirmala Sitharaman, Hon.'ble Minister of State (Independent Charge) for Commerce and Industry, Govt. of India who were the Guests of Honour. The award was presented on 24th February, 2017 in the presence of over 400 guests including eminent business leaders across the country.

PHILOSOPHY, VISION, VALUES, GUIDING PRINCIPLES

THE SHREE PHILOSOPHY

**Aah No Bhadra:
Kratavo Yantu Vishwatah**

- Rigveda

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

At Shree, we believe in imbibing and extending these noble thoughts across all our functions.

We call it The Shree Philosophy, which makes us an organization that is

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

OUR VISION

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

As an organisation, we spread happiness amongst everyone connected with our ecosystem and create wealth for investors, employees, business associates and communities where we operate by experimenting and implementing new ideas for improving efficiencies and maximizing the ratio of output product to input resources.

OUR GUIDING PRINCIPLES

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



OUR VALUES, OUR OPERATING 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



Care

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

Dynamism

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

Simplify

- Extracting the essence and keep communication simple

Chairman's Words



From a humble start decades ago, Shree has today grown to a well-earned position of leadership. The journey has been eventful and taken us through ups and downs. We have reached where we are today; because we had a vision and despite twists and turns, we chose to keep moving; keep evolving and not getting set in any fixed form!

'The Form of No Form', is reflected in our approach of dynamism. What is successful today may not guarantee our success tomorrow! We have to keep on improving ourselves with times and break current benchmarks, even if they were set by us in the first place.

Looking back, I see Shree having reached its current position because we all collectively chose to evolve and adapt. The growth journey ahead will be eventful and I am sure we all at Shree shall continue to innovate our way to attain collective success by creating value from our evolving approach of 'The Form of No Form'!

The growth journey ahead will be eventful and I am sure we all at Shree shall continue to innovate our way to attain collective success by creating value from our evolving approach of 'The Form of No Form'!

Shri B. G. Bangur
Chairman

Managing Director's Outlook



The term "Science" is used today with a wide range of meanings, with sustained insistence of applying it to every branch of study or theory – the reason for this could be an attempt to satiate the need for vanity and maybe an effort towards ascribing precision and certainty to one's conclusion. Often we come across statements attributing to the belief that "Management is a science that can be used to achieve specific goals". I would like to raise a pertinent question here. Can "Management" be termed as a science?

At the core of every science is a scientific method, which is a process for experimentation that is used to explore observations and answer questions. This starts with an observation, forming a hypothesis (that possibly explains the observation) and then doing experiments to test the hypothesis with data by an iterative process. Final outcome is a general theory that can then predict events with great precision. Once a theory has been proved by a scientific method, it is regarded as an absolute truth applicable universally to predict the output irrespective of location or time. Newton's Laws of Motion are as applicable in New Delhi as they are in New York!

Can the same be said about Management? Management also involves application of scientific methods. It involves building cause and effect relationships, experimenting, applying logics and then making decisions. In this sense, Management can be called as science. The difference is in terms of its applicability as general theory and as a universal truth. Given the volatility, complexity and other factors in the operating environment, both internal and external, a standard 'fits all and works always' theory won't work for Management. There will be little utility of such general theory as Management models if they are not tested from time to time about their utility in the ever changing world and situations specific demands. Management can be a science as long as it doesn't remain static and keeps evolving itself with the changing times and situations.

At Shree we duly respect, value and use the rigorous analysis and constant experimentation part of 'Scientific method'. We however avoid falling into the trap of trying to enforce any fixed model or pattern or style of Management into our operations and on our people. We observe and analyse things to develop our approach that is best suited as per the specific requirement. Our approach has to be dynamic and constantly evolving with time, situation and place. Thus our management style is a "Style of No Style".

We come across many organisations where creating and following Standard Operating Procedures (SOPs) is the norm. They believe that these SOPs are built after thorough examination and review by experts and are thus regarded as the absolute truth that cannot be improved. They assume that SOPs are the best for them. We, at Shree, find that there are no permanent and fixed set of rules that need to be applied as SOPs on a consistent basis and in all conditions. Instead, we constantly question and test our present practices for continual betterment. For us, the SOP is more of a guiding light rather than a mandatory procedure. We frequently try new things in our processes. These trials, in-turn, act as a regular testing tool to check effectiveness of SOPs. Most of the times, our trials fail and we come back to our earlier SOP with new learnings. Every success however creates a new SOP. This continuous reasoning, experimentation and improvement based on constant observation are nothing but a scientific approach.

Often it is said that difference between success and failure is thin. Rolling stone gathers no moss. Many people emphasize that pursuing a proven route is the way to success. When we experiment new things, we see the output. If results are not encouraging, we feel it is better not to pursue. If small success is there or results are encouraging, it means it has to be pursued further. Success depends on knowledge when to quit and when to pursue. There cannot be a theoretical rule which will apply in the same way in all the conditions. Lot of flexibility has to be created in the "Science" of management to make it practical and successful.

Set theories that are propagated as science are often so rigid that they lose all practicality. Dynamism and creativity in an organisation can only flow if it runs on the principle of fuzzy logic. In many companies, millions of rupees are spent to avoid some possible errors and mistakes of thousands of rupees. It is debatable whether such type of cost to avoid minor errors or mistakes is justified or not. General tendency is to direct people to operate machines in a stable manner as per the SOPs / Guidelines of the equipment supplier. It is feared that any variation in operating the machine beyond supplier guidelines may lead to higher O&M cost and may affect life thereof. We, at Shree, however allow our people to be practical, understand each situation as different and deviate from set procedures, if required. If a machine can be operated with variations to meet our requirements and allow us to do business more profitably, we do not mind deviating from the norms. Idea is, if going beyond the norms costs us a rupee extra but has potential to save much more than that, then we have to evaluate and decide with an open mind.

At times, people fear questioning from senior leadership for over-stepping their authority. For example, in order to expedite project activities, an extra crane might be deployed at a project site. This may however have lower than ideal utilization level. Typically, this small initiative may be avoided for want of tedious process of approvals and budget sanctions. Our people however don't mind this extra expense as it has the chance of higher gains through speedier project execution. Focus has to be on practical approach and not getting bogged down by theoretical text-book like safe approaches. We give the slackness to our people to evaluate each situation differently and practically. This slackness allows individual creativity. If no slackness is there, then creativity is totally killed.

I also believe there is no irreconcilable conflict between the interests of the individuals and those of the Company. If there were any, no company could exist. A company is the great means through which individuals pursue and fulfill their ends. For, company is but another name for the combination of individuals for cooperation. In this sense, the individuals and company have inter-dependence on each other. And this cooperation has to be overwhelmingly voluntary and not out of compulsions. This alignment of interests can be ensured if people are not bound by rigid rules and procedures, but have the independence to think and act like entrepreneurs. Empowering people to work as owners and allowing calculated risk taking without being afraid of penalisation for failures, ignites the entrepreneurial spirit amongst all. This has the potential to deliver astounding results for company as well as the people. This is what differentiates Shree and its people.

At Shree, we believe that Management is more than just a science. It is a combination of the rationality of science combined with the imagination of art, and execution of craft. It can never be rigid and static. It has to be dynamic and free flowing. It cannot conform to a single style. At Shree, we go beyond science; our style is that of no style!

Empowering people to work as owners and allowing calculated risk taking without being afraid of penalisation for failures, ignites the entrepreneurial spirit amongst all.

Shri H. M. Bangur

Managing Director

Jt. Managing Director's
Communication



The external environment is changing faster than ever, mainly thanks to technological advancements. There can't be any fixed pattern or style that can work in this fast moving environment. Instead, the entire organisation and its people have to be moulded to continually adapt to these changes. We, at Shree, are well tuned to this reality of today's businesses. At Shree we all are like water; that takes shape of the vessel it is put into and yet retains its functionalities. Our minds are allowed to constantly question existing processes and beliefs that are based on past experiences.

What we are doing currently may be right, but that should not stop our mind from questioning if there can be a better way. Our most precious asset is the laboratory in our mind and we cannot let this laboratory be shut even for a day. Every thought conceived in the mind has to be given a chance to prove itself of being convertible into value adding actions in the real world.

I firmly believe that Actions lead to Results and Innovative Actions lead to Exemplary Results. All innovations we see around us start from a thought in the mind; an ambitious seemingly unattainable goal, which is then converted into reality by perseverance and action in the field. The outcome is exemplary results that can be seen by all.

'Mangalyaan' (India's first interplanetary mission) not only gave India the distinction of being the first country in the world to succeed in its first attempt to orbit Mars, but it did so at a cost that sounds unbelievable (at USD 74 Million it is said to be one tenth the cost of NASA's Maven Mars mission). There is only one way this could have been possible. Start with a big idea, challenge accepted practices, think beyond

constraints and use innovative frugal engineering and design to attain the seemingly unattainable.

People often find it difficult to challenge the well-established practices that are serving the current goals. These practices, over a period become sacrosanct, termed as system and eventually known as custom or tradition or belief. An environment thus needs to be built where people keep challenging the current practices. This can then breed a culture of innovation and avoid practices being converted into unbreakable traditions. We have to be in continuous pursuit of finding better and more efficient way of doing things.

Typically people consider performance parameters prescribed by equipment suppliers as inviolable. People at Shree have however, time and again proved this wrong. A recent one that comes to my mind is our mines team demonstrating our spirit of operational excellence in an otherwise mundane activity. An excavator procured from a renowned equipment supplier was tagged with an operating life of 13,000 hours; beyond which a major overhaul was needed. Our people internally worked on various aspects of its preventive maintenance. Result is that they have been able to continuously and efficiently operate the excavator for more than 41,000 hours against supplier's limit of 13,000 hours. The equipment supplier appreciated our teams' efforts, which further motivated them to continue their exemplary job.

People may say that our success is due to our luck. Luck has a role, but only to the extent that luck favours only those who try and try frequently. We firmly believe that these trials open up new avenues that may have potential to create and add value to business. We therefore keep trying so many different things into our operations. We experiment, observe outcomes, change our course, if required, and try again. Equally important is to ensure that if an idea doesn't come up on ground, we don't have to stick to it forever. Eliminating some ideas that don't come up on ground and moving on to other is a key differentiator. We need to try newer things, eliminate ideas if they don't respond and only focus on working deeper on those that show signs of success. This spirit of continually finding new vistas, trying them, eliminating a few and working on rest is certainly a way to make one successful. If this is termed as luck, we are indeed lucky.

At Shree, it is accepted that failures are bound to happen. At the same time it is also inculcated across the organisation that each failure gives a valuable set of learnings that may help develop a better solution, at either some other site of ours or at the same site at some other time in future. It cannot be forgotten that the 'Post-It Notes' used across the world; was developed by an MNC company '3M' out of a failed attempt that was being made to create an extremely strong adhesive used in aerospace technology. The key is to learn from any failure on the path and use them as stepping stones towards success.

'Start from Scratch', is an approach that makes us close our eyes to existing solutions, deliberately ignoring what has been done to date and then finding ways to develop different solutions. More often than not I have seen that our people have been able to improve on our existing way of doing things. Also, as this is a continuous process, the better solution found is then periodically reviewed again to develop an even better solution. The result is that our performance graph keeps moving up.

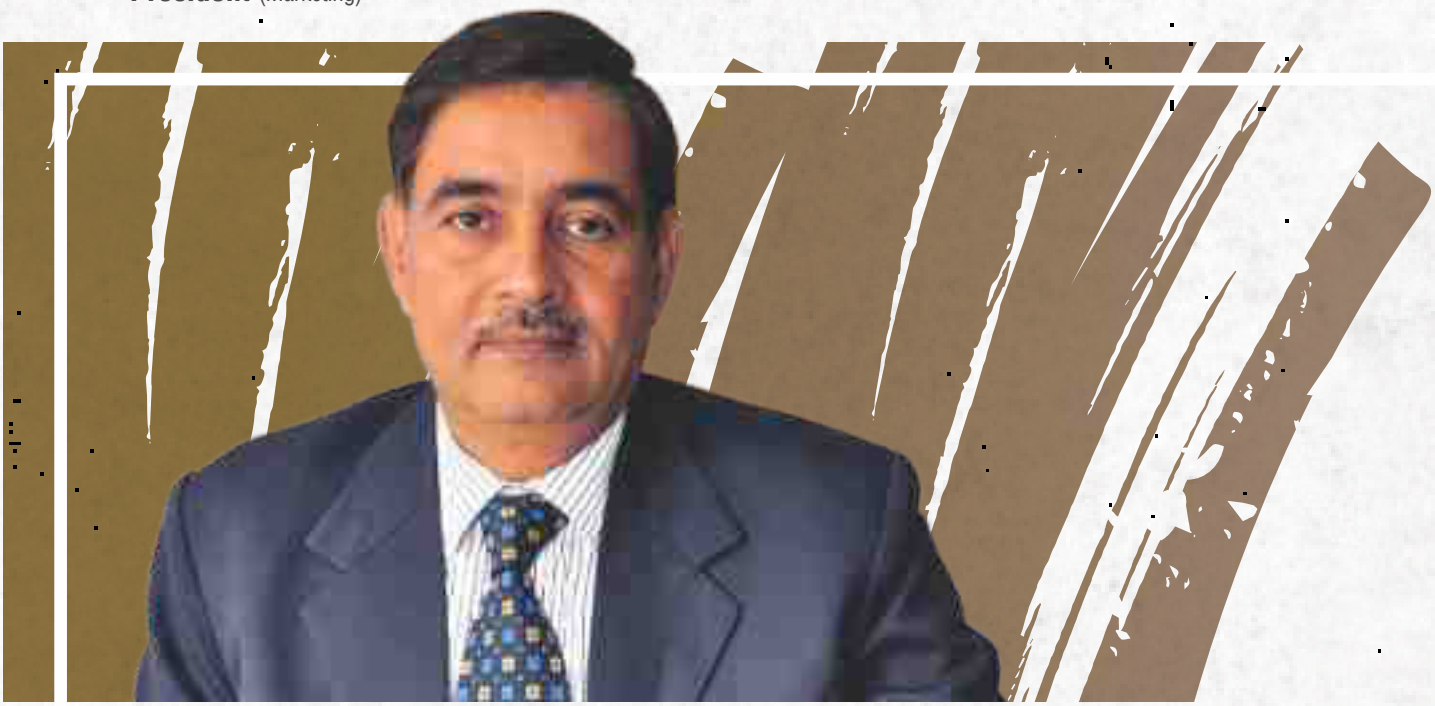
Clearly, at Shree, our way of doing things is not to have any fixed way. Water flowing in a river brings life, while water standing still in a pit breeds life threatening pathogens. We have to plough the thoughts and ideas continuously brimming in the fertile minds of our people to ensure that Shree builds as a continuously evolving / growing organization. Mind is everything. As we think, so shall we become.

At Shree we all are like water; that takes shape of the vessel it is put into and yet retains its functionalities.

Shri Prashant Bangur

Jt. Managing Director

Message from
President (Marketing)



'Keeping customers at the centre of everything we do' is a core philosophy for us at Shree. The reason is simple, a happy customer – a happy organization. Constant tracking of customers' expectations help us adapt our services and offerings in tune with their requirement. Clearly we see opportunities in changing patterns and expectations of our customers and market dynamics.

At Shree, our study of Customer Behaviour over the years has benefited us with precious insights. We have observed that the evolving customer doesn't look at cement as just another commodity; and, price is definitely not the only deciding factor. Customer is always looking for the 'right product' at the 'right price' delivered at the 'right time'. More importantly, the customer's wish to have 'right experience'. Taking advantage of these insights, we have churned our products and services that meet these ever-evolving expectations of our customers. This has helped us reap maximum benefits irrespective of market conditions, i.e. grow our sales by maximising the incremental sales tapped in 'up' cycle and capturing the available sales in a 'down' cycle. We have been able to maintain and gain our share in the opportunities available in the market.

In order to fulfill the needs of 'right product' at 'right price', we have created a product basket with three different brands that meet the needs of different segments in the cement market. The product and price attributes have been fine tuned for each of these three brands to earn satisfaction of each customer segment. Be it OPC/PPC/PSC, bag packing or loose cement in bulkers - our products are available in a broad range to meet the requirements across customer segments.

The core reason behind our success in the markets we operate in has been our relentless focus on our customers.

To ensure timely and seamless delivery of our products, our Marketing and Logistic Teams work on minimizing the lead time of product movement from our factories to the market. Our seamless delivery process can be explained with the analogy of how heart works. Our clinker units located in close proximity of our limestone deposits act like a heart pumping clinker to our grinding units located close to the markets. These grinding units in turn act like muscles to generate cement. Our servicing network, like nerve endings, then feed this cement into our 12,000 plus dealer network that connects us to our customers. Our web of grinding units has been strategically laid out around key demand centres in a manner that we are the quickest in supplying our products to the market within the shortest time-frame.

Our range of initiatives, are designed to ensure that our services create the right customer experience. Educating and spreading awareness of the correct methodology of using cement not only benefit the customers in terms of improving the quality and life of the construction; but also helps us gain the valuable trust of our customers. With this objective, we have set-up specialized teams of technical experts who visit construction sites to train masons and owners about the right way of using cement. To earn bulk customer delight, we have been using our "loose cement by bulker" delivery model, which helps the customer get product delivery just in time to meet their consumption requirement.

Our advertising campaigns, both "Mass Media" (Television, Print) as well as "Outdoor" (In-shop Branding, Hoardings, Wall Paintings), are customized to have maximum impact on our target customer segments. Our market and customer surveys have time and again proved that our communication campaigns have been successful in creating a differentiated brand image in our target segments, which then eventually gets translated into our growing market share.

Entering into newer markets, building networks, gaining customer trust and establishing leadership have been key achievements of our marketing team. Bihar, Chhattisgarh, West Bengal, Orissa and an array of new markets in Eastern India where we have entered is continuously growing. Doing all it takes to gain customer confidence and becoming their preferred brand by choice in the shortest time is our motivation and guiding principle. With our upcoming plant in Karnataka, we shall soon open doors of South India, for which we have already put in place a strategy for embracing new customers, gaining their trust and weaving them into the family of loyal Shree customers.

To my mind, the core reason behind our success in the markets we operate has been our relentless focus on our customers. We have never let ourselves be bound by any set patterns. We thrive on evolving ourselves with the needs of our customers. This has helped us win the loyalty and trust of our customers enabling us in retaining and growing our market share.

Our only style is the style of our customer!

Customer is always looking for the 'right product' at the 'right price' delivered at the 'right time'.

Shri Diwakar Payal
President (Marketing)



Message from
President (Works)



Guided by our vision to lead in creating prosperity and happiness for all stakeholders, Shree continued to work through innovation and sustainable practices.

In the year gone by, which was incredibly eventful, Shree demonstrated its commitment to excel in all spheres of activities.

Capacity addition drive of the organisation continued with kick-offs and progress of new project activities at different locations - both brownfield and greenfield. That included expanding into new geography like Karnataka. Project planning and execution basics were same - incorporate innovative ideas, ensure speedy execution and get the best available resources.

There is a very famous quote of Bruce Lee - "Be happy, but never satisfied". True to this philosophy, Shree's operational team moved ahead its pursuit to exploit the latent potential in the existing units by innovation and R&D. As an outcome, new benchmarks were created in terms of elevated capacity as well as performance numbers for all

units. All the time, team's focus was to optimise the productivity, energy consumption and spares cost.

Repeating the success stories of one location to the other, an important challenge, was accomplished with an amazing speed. Such achievements are the results of traditional transparency, passion, connect, collaboration and synergy of various departments including mines, production and maintenance, quality control, commercial, procurement, logistics, marketing, power plant, MIS, IT, etc.

Flexibility created by us in our power plants to cater the frequently varying loads leads in to the prompt response to change-driven market. Another strength being, our team's ability to operate power plants with multiple fuels that helps us keep our generation cost competitive in a dynamic scenario. Icing on the cake was - despite wide variations in our power plant operations, we were able to achieve one of the lowest auxiliary consumption and heat rates across industry.

Sustainability and respect for mother nature comes naturally as a top priority for Shree. So while production levels enhance, the emission levels, consumption of energy and natural resources, generation of wastes has to trim continuously. A fitting example is replacement of ESPs by bag house in all our units.

Guided by our vision to lead in creating prosperity and happiness for all stakeholders, Shree continued to work through innovation and sustainable practices. Shree's CSR activities show our inclination, engagement and commitment to enhance happiness of communities around all plants.

That we have been successful in our mentioned endeavours is well captured by national and international recognitions conferred on Shree from all quarters. This year, our Beawar and Ras Limestone Mines received the highest 5 star rating from Indian Bureau of Mines, Govt. of India. This is an encouraging recognition of our efforts and initiatives towards implementation of the Sustainable Development Framework. Shree was also awarded the prestigious 'Golden Peacock Environment Management Award, 2016' by Institute of Directors, New Delhi in recognition of Company's efforts made in Environment Management, Resource Conservation, Emission Control, Energy Conservation, etc. These are indeed an external validation of our pioneering efforts in the area of sustainability.

One wonders, the recipe of attaining operating excellence is so simple, yet few organization are able to achieve. The answer lies in the quote of great inventor Steve Jobs - 'The only way to do great work is to love what you do'. At Shree, it's our love and passion with which we excel at what we do!

Sustainability and respect for mother nature comes naturally to us at Shree.

Shri P. N. Chhangani
President (Works)



I AM MORE THAN A WORKER. I AM SHREE.



Dignity of worker, working with pride and an opportunity to work as an entrepreneur - those are the distinguishing factors of working at Shree.

Shree is one large family, where values bind all the members. And fairness is the heart and soul of all dealings. The work culture at Shree is inspiring, one that drives people on their own to work hard, celebrate successes, learn from failures and make an effort towards common shared goal - happiness and prosperity for all!

Just as each and every member in a family plays a role, we have clearly defined roles for us. What sets us apart is, despite a formal worker-supervisor structure and defined roles, at Shree there is no mental barrier that stops a worker from thinking like an entrepreneur and suggest better ways of doing things. Many a times I have suggested process improvement ideas that have been appreciated as well as implemented by the Company based on merits of my idea and not rejecting them solely because of where they came from. This approach of getting heard and appreciated as an equal gives me joy and satisfaction that is beyond words.

We all are aligned to one of the most important objective - efficient operations and continual improvements. We have achieved the current level of manufacturing excellence mostly by doing simple things but by doing them differently, learning from past experience and continuously improving with time, based on ideas generated across levels of our hierarchy.

Regular training and briefing by seniors help in creating an encouraging work environment for all of us. Each one of us is trained to understand the machines in such detail that it helps us pre-empt any problems that may affect our operations. Our knowledge improves continuously, which boosts our confidence, and in turn raises the level of mutual trust. Our objective is simple - do everything to attain maximum output with minimum input. At Shree rupee saved is rupee earned!

We treat and respect our machines as our Gods; as our machines are an extension of our being, and the factory our second home. The best thing is we participate in company functions as one family. Even our family members identify with the Company; having witnessed benefits from the educational, health and social programs run by the Company. Working proudly at Shree, we are able to give to our children much more… and keep the hope alive… for an even better tomorrow!

मैं एक कार्यकर्ता से ज्यादा हूं। मैं हूं श्री।



कार्यकर्ता की गरिमा, आत्म सम्मान और उद्यमी की तरह कार्य करने का मौका; ये श्री सीमेंट में कार्य करने के विशिष्ट कारण है।

श्री सीमेंट एक बडा परिवार है जहां सभी सदस्य आदर्शों से जुडे है और निष्पक्षता सभी क्रियाकलापों की हृदय और आत्मा हैं। श्री की कार्य संस्कृति प्रेरणादायक है जो लोगों को स्वत: ही परिश्रम करने, असफलताओं से सीखने, सफलताओं का जश्न मनाने और एक समान लक्ष्य-सभी की प्रसन्नता और समृद्धि के लिये कार्य करने के लिये प्रेरित करती है।

जिस तरह एक परिवार में हर एक सदस्य अपनी भूमिका निभाता है उसी तरह से हमने अपने कार्यो को स्पष्ट रूप से तय किया है। जो चीज हमें दूसरों से अलग करती है वह है कि एक औपचारिक कर्मचारी निरीक्षक संरचना और परिभाषित भूमिकाओं के बावजूद ऐसी कोई बाधा नही है जो एक मजदुर को भी एक उद्यमी की तरह सोचने और कार्य करने के बेहतर तरीके सुझाने से रोकती हैं। कई बार मैने कार्यप्रणाली में सुधार के सुझाव दिये है जो सराहे गये है और जिन्हें उनकी योग्यताओं के आधार पर अपनाया भी गया है। विचार केवल कहाँ से आये है के आधार पर अस्वीकृत नही किये गये। सभी को एक ही तरह से सुनना और सराहना ही वह दृष्टिकोण है जो मुझे खुशी और संतुष्टि देता है जो शब्दों से परे है।

हम सभी एक महत्वपूर्ण लक्ष्य-कुशल संचालन और लगातार सुधार की दिशा में एक साथ कार्यरत है। हमने वर्तमान स्तर की उत्पादन कार्यकुशलता, कार्यो को सामान्य पर अलग तरीके से करके, पिछली गलतियों से सबक लेकर और समय के साथ सभी स्तरों से प्राप्त सुझावों से निरन्तर सुधार करके अर्जित की है।

वरिष्ठ सहयोगियों का मार्गदर्शन और प्रशिक्षण कार्य करने के लिये एक उत्साहवर्धक वातावरण बनाने में मदद करता है। हमें मशीनों को समझने में इस स्तर तक प्रशिक्षित किया जाता है कि हम यह पुर्वानुमान लगा ले कि किस तरह की खराबी से हमारे कार्यकलापों पर असर पड सकता हैं। इसी तरह से हमारा ज्ञान लगातार बढता है जो हमारे आत्मविश्वास और परस्पर विश्वास के स्तर को बढाता हैं। हमारा उद्देश्य सरल है- न्युनतम निवेश से अधिकतम उत्पादन प्राप्त करने के लिये सभी तरह के प्रयास किये जाये। श्री सीमेंट में रूपया बचाना रुपया कमाने के बराबर है।

हम अपनी मशीनों को भगवान की तरह समझते है और पुजते है क्योंकि हमारी मशीने हमारे अस्तित्व का विस्तार है और कार्यस्थल हमारा दुसरा घर है। सबसे अच्छी बात यह है कि हम कम्पनी के सभी कार्यो में एक परिवार की तरह भाग लेते है। कम्पनी की ओर से संचालित शैक्षणिक, स्वास्थ्य और सामाजिक कार्यक्रमों के लाभो को देखते हुये हमारे परिवार के सदस्य भी कम्पनी के साथ शामिल हैं। श्री के साथ कार्य करते हुये हम अपने बच्चों को अच्छा वर्तमान और बेहतर कल की आशा संजोये हैं।



THE WAY OF NO STYLE

In a dynamic world, assimilation is a virtue. Flowing water never grows stale. On the other hand, rigid forms and structures, traditions and practices, etc. eventually grow meaningless as they rely more on familiar routines, add unnecessary rituals and limit options. No style is a style in itself.



INGENUITY
EFFICIENCY
PEOPLE
ADAPTABILITY
PERSEVERANCE
SUSTAINABILITY

FOCUS

Bruce Lee was famous for his one-inch punch, a feat everyone else wanted to emulate. But in reality all his endeavours were aimed at going past the one-inch. That is pushing beyond one's physical limits by design. Bruce Lee effectively demonstrated that the man has a choice. Be the Master of his destiny or play the victim of the circumstances. The latter is easier. However, in order to shape one's destiny one has to be responsible. It is when one goes out to make the most of what's available. It is all about not 'giving up' or 'giving in'. Seeking the truth and applying what you know over and over again. At Shree, 'be your best' is the life-motto followed by one and all across locations, functions or roles. Aimed at pushing ourselves to new levels!

What makes an individual the Master of his destiny and puts him on path to success? What does it take to achieve peak performance, and not rest on the laurels? What are some of those essential ingredients that are necessary for all successes? Can these be replicated for successful outcomes even in a corporate? In our quest for the answers, we looked at Shree from the performance parameter benchmarks of Bruce Lee. That makes one stay focused and stay on the course.



INGENUITY

Master's Take: Pinnacle of success demands innovation. A true Master's emphasizes on reinventing oneself constantly through inventiveness and developing thoughts that question the accepted beliefs to find better ways.

Strategy in Action at Shree: Shree believes in the power of collective thinking; a bottom-up approach to problem-solving which has an unlimited scope and yield surprising outcomes that are benchmarks of innovation for others. Actions that aim to serve a purpose-Innovation, this defines one and all at Shree.

PERSEVERANCE

Master's Take: The Master knows too well that challenges and obstacles are a part and parcel of life. Only perseverance helps an individual emerge victorious. A prerequisite is daily practice and a strong will to push beyond limits. Building from strength to strength, working towards the goals set.

Strategy in Action at Shree: At Shree, challenges/obstacles are welcome aspects of life. What sets the team apart is its determination to pursue the goals and overcome all obstacles to achieve desired outcomes. Success of Shree is in the determination and hard-work of its people who are driven by a zeal to keep on attempting till success is attained.

ADAPTABILITY

Master's Take: Opportunities unfold. They present themselves purely 'in the moment' not in the future which is procrastination. Those who live in the moment - the wise ones - are able to respond faster. They are faster in adapting and less distracted by outside thoughts.

Strategy in Action at Shree: Shree believes opportunities are also created. By going beyond borrowed concepts, by not adopting patterns and practices blindly. An open mind and insatiable curiosity help us explore new paths. The idea of remaining adaptable, flexible and flowing is akin to mindfulness practices; so very necessary to achieve peak performance.

EFFICIENCY

Master's Take: Economy of Motion entails using 'Efficiency', 'Directness' and 'Simplicity', all of which help attain results in the simplest and most economical way.

Strategy in Action at Shree: Shree believes in getting maximum output from minimum input of energy, materials and time. Current Efficiency standards are continuously worked and improved upon to ensure that our objective of working in the most economical manner is a never ending journey.

FOCUS

Master's Take: A single-minded approach towards goals sets a true seeker apart. The Master too inculcates self-discipline among his pupils which gets reflected in the performance. A regimen to remain fit so as to perform up to one's potential.

Strategy in Action at Shree: Shree is growing across the country, however focus is not lost on maintaining the same performance benchmarks at all sites. There is a sharp focus on not losing grip on performance parameters due to geographical diversification. Shree has always maintained its focus on financial health. Not withstanding the robust growth, the company has resisted the temptations to over-leverage its debt-equity position.

PEOPLE

Master's Take: The Master believes that In order that people be happy in their work; three things are needed:

- They must be for it (motivated)
- They must not do too much of it (work-life balance)
- They must have a sense of success in it (ownership)

Strategy in Action at Shree: Employees at Shree feel they are part of 'Shree Family'. They are motivated to do better everyday at their daily job. This is driven by the Shree's way of caring for its people in such a way that they are seen as co-owners rather than workers working for remuneration.

SUSTAINABILITY

Master's Take: The Master knows that we humans are children of mother nature. It is only when mother nature is respected; can her children remain healthy. Respect for mother nature is everyone's first responsibility.

Strategy in Action at Shree: Shree creates benchmarks by building systemic efficiency to pursue sustainable growth. While efficiency gives financial gains in short term, in long term it helps Shree contribute its part in leaving a more Sustainable World for future. Shree believes in following a path of sustainable growth so that the next generation is handed over a greener and more sustainable planet.



JKD

The JKD Differentiator

Many Martial Arts train with little or few equipment. In Jeet Kune Do, one trains on as diverse equipment as Heavy Bags, Speed Balls, Chinese Dummy, Top & Bottom Bags, Focus Pads, Human Dummy,... to name a few. What's more, the JKD approach is open to adding more and not fixated on limiting on using only these to train oneself.



Pinnacle of success demands innovation. A true Master emphasizes on reinventing oneself constantly through inventiveness and developing thoughts that question the accepted beliefs to find better ways.

Ingenuity is an answer to the dynamics of running a business and also to its challenges. It is a bridge to connect the organisation which is immersed in today achieving its operational objectives to the future which is all about sustaining the momentum. Shree believes in the power of collective thinking; a bottom-up approach to problem-solving which has an unlimited scope and yields surprising outcomes that are benchmarks of innovation for others. Shree prides in creating a culture of innovation. Where purposeful action-takers aim to serve a purpose-Innovation, this defines one and all at Shree. The focus is on ensuring things get done in innovative ways and ensuring the larger objective that Shree continues to remain a happening place.



Illustrating the Trait…

Ingenuity is either smartly deploying available solutions from across domain-areas or thinking out newer solutions in order to find a way forward. This calls for being alert to developments across sectors from time to time as well connecting the dots to find their application when facing a challenge in one's domain. Constant questioning of current state is a pre-requisite for finding newer ways/solutions.

Shree is replete with examples of inventiveness. One such comes from the Mines Department. In one instance the Topographical Survey of Mines was not practically possible to the extent desirable. Spread over a vast area, local factors, uneven terrain, etc. were just some of the challenges. Even if overcome, the time consumption and manpower deployment were other factors to be considered. All this still carried a risk of the outcome having fair a margin of error. This is when the team at Shree decided to deploy Unmanned Aerial Vehicle (UAV) 'Drone' technology. This first-of-its-kind-in-India Survey was entirely planned by the team at Shree; completed in just 3 days as against the alternative time requirement of two months. Shree is probably the first Indian cement company to have successfully used the 'Aerial survey by Drone' technology.

THE PATTERN OF NO PATTERN

Patterns are good. They certainly provide structure and order. But they are by very nature repetitive. There may be a sense of comfort in following them; however, they breed a false sense of 'stability' among people as well as organisations. Many an organisation has failed not because of hostile competitive forces, but because of their inability to beat the apathy to innovate and change. Falling in the trap of patterns is easy and may spell doom for an organisation. For one reason, it brings in inertia. It stifles thinking; it stifles growth. Ingenuity is acknowledging the continuity in the routine operational work and then building on it by finding ways and means to enhance the performance and seek new avenues of improvement and growth.

At Shree, the collective creative energy of the organisation is channelized to find solutions that are path-breaking or cost-effective or serve a definite organisational purpose.

Various Martial Arts forms have their share of structure, regimen and a set of do's and don'ts. This makes the best Boxer, the best Boxer; likewise a Karate or Judo person - in short a type-cast! This is because they follow a set pattern. In real life, one is supposed to be a fighter; not a Boxer, Karate, Judo person. The best fighter is above all. He kicks too well for a Boxer, throws too good for a Karate champ, and punches too good for a Judo man. Boxing, Judo or Karate is nothing but fixing a fighter in a pattern. When one denies one's true nature, it develops into a myopic world-view. Hence, it seems easier to go along the 'comfortable habits' and the laws governing the forms. But the true nature of an individual practising Martial Arts is that of a fighter!



Ingenuity demands that one looks beyond, constantly question the current state and more importantly break the current patterns. For Shree, the purpose of existence is to continuously create incremental value. Globally, organisations are facing challenge in translating their strengths in terms of `Man, Material, Machine' into optimised value. The reason is the trap of pattern. In corporate world, it is popular as SOPs (Standard Operating Procedures). Add to that bureaucratic organisational structure. At Shree, foremost importance is given to fresh idea generation. There is a strong organisational affinity for recognising them. This is at all levels. The hierarchy, position, role, qualifications or functional area do not form basis of their evaluation, only the merit of the idea. How else can an organisation continuously set new industry benchmarks in all areas by breaking earlier ones that were also set by them only!

At Shree, the collective creative energy of the organisation is channelized to find solutions that are path-breaking or cost-effective or serve a definite organisational purpose. This is defined in the realms of resources maximisation, adjustments to or changes in existing processes, machinery, product or service to result in better outcomes. The Management recognises that ideas may not work initially or have teething troubles in implementation. The Management also recognises that penalising an idea that didn't work or 'shaming' a team that came forward with the idea is not in organizational interest. Hence, such practices are highly discouraged. At Shree, failure is still acceptable not thinking enough isn't! Ingenuity is a way of life at Shree. It is a life force to stay relevant and create an edge in the competitive sector. Here are some examples.

Conserving Energy by Redesigning Processes

At our Ras plant our team observed that two parallel bucket elevators were operating to carry cement from a cement silo to two adjacent packing plants. Being always focused on finding a better way, our engineers wondered if this operating design could be modified and made more energy efficient. The basic designs were taken back to the drawing board and it was questioned if we were to re-design this process again; could there be a better way! Questioning the basics helped them figure out that a 'Divertor' could be fabricated in-house and installed on one of the two out-coming bucket elevators which had the stand-alone capacity to carry cement further to the two packing plants. The divertor was programmed in such a manner that if either of the two packers were operating the material would be diverted to only the operational packer and if both were operating the divertor will allow material to

move to both of them. This basic re-engineering helped our team to save the entire power consumption of the second bucket elevator and its related auxiliaries. Starting with a focus on reducing our energy consumption, simple questioning of existing processes and small innovations helped them reduce the power requirement of an otherwise standardised process.

Modify Design - Modify Life

Our team observed that life of blowbar was shorter in one limestone crusher in comparison to an adjacent crusher in one of our plants. On observing the design of the crusher in question in detail, it was found that in this particular case limestone was falling from comparatively higher height and its greater impact was leading to lower blowbar life. The team of workers came out with a solution in adjusting the structure of the crusher so that the wobbler height was reduced by just 30 cm which lead to consequent lower impact of limestone falling on blowbars. This helped increase life of the blowbars. Our people's questioning the current design, micro innovation of adjusting the design, lead to significant savings.

Cross Belt Analyser (CBA)

Shree believes in the advantages of moving to automated systems. Monitoring becomes more effective. Technology makes process more efficient. Human intervention is minimized and thus any likelihood of pilferages. Shree has installed CBA (Cross Belt Analyser) on crusher belt feeding to limestone pile. In conventional technology, neutrons are generated through a Radioactive material which is always active (emitting radiations) even during shutdown of CBA. The CBA installed at Shree produces electrically activated neutrons. So whenever the crusher stops, it automatically stops. It automatically gets active at the time of analysis. What's more, there is no risk of radiation during maintenance. It gives real-time analysis of limestone feeding to pile as well as captures quality of 100% limestone passing through the belt (while in conventional system only samples are taken for analysis). Due to this, trust on chemical results of limestone has improved. There is no involvement of human being in the process. The chances of errors or manipulations have been totally eliminated. Decision making based on chemical analysis has also become easier. Above all, the system of quality control has become more accountable. Shree is amongst the first Cement manufacturing company to adopt this technology in India at its Mines.

Automated Fuel Management System (FMS)

In a similar approach of automation, Shree has deployed a latest automated Fuel Management System at its mines. It is based on RFID Tagging which is fixed at every vehicle's fuel tank and the fuel dispenser is fixed with a scanner. Before re-fuelling the tank, fuel dispensing system validates the tag on vehicles fuel tank through scanner. After proper validation, it starts to dispense the fuel. The system has many advantages. Important information such as quantity, time and vehicle number is recorded; eliminating the need for manual entry. The data is available in prescribed report format. The system lets fuel data consumption monitoring from a remote location, records quantity accurately and allows fuel dispensation only to the authorized vehicles.

Higher Output from Kilns

Team Shree continually reviews its kiln output to identify opportunities that can help us take our output to the next level. The team had observed that the same kiln at times gives higher output and at time gives lower output. Driven by the culture of constant questioning and understanding things in depth, the team tried to find root cause of this variability. It



was observed that the Pre-Heater (PH) fan speed had a major impact on Kiln output in theat the Kiln output used to increase with increase in PH fan speed. Thus, a higher PH fan was installed and monitored closely. Results were indeed encouraging. Observing the performance over a period, this improvement stabilised and then replicated across all our Kilns with higher capacity PH fans being installed at all our units.

Operating from a New Railway Siding

Logistics team at Shree found that for certain destinations using Rail Transport for supplies from its plants vis-a-vis Road Freight was not competitive. This was true for quite some time and as such perceived to be a permanent reality, as normally it would be expected that once a transport mode is fixed it is not altered frequently.

The team however was not satisfied. They evaluated and found that Railways scheme offering a healthy discount for loadings from some specified stations may be beneficial. Using this facility required the material to be first moved by trucks from our plants to the nearest station eligible for this scheme and after proper weighing it could be loaded into wagons. The problem was that the good-shed at that railway station didn't have facility for weighing of material being loaded onto the rail wagons. Without proper weighing facility material had to be loaded on estimate basis. There was risk of ten times the penalty in case the actual wagon load was higher than permitted. This had potential of entire potential gain being converted into loss if there was an error on part of our people. Not being discouraged by this we decided to make an attempt at using this facility. In the first trial itself, there was a loss due to penal overloading charges which made us back-out from this facility.

Team Shree took this failure as a challenge and made another attempt. In order to estimate the quantity that had been loaded in the wagon, a person physically climbed-up a ladder and checked the level of loading in the wagon. This reduced weighing related risk. Effort was successful and gave us confidence of re-starting this stopped process: This process was however not only tedious but also slowed down the entire activity. Our people took the decision to use Drones that could fly over the wagon and give live video feed to our people on the ground who could then determine to continue or stop loading in that wagon. This helped in reducing quantum of overloading penalty significantly.

The team was still not satisfied. It researched and found that there was an overseas company that provided weighing equipment that could be attached to the excavator/forkland (used to load material in the wagon) and thus precisely measure the quantity being loaded. Immediate order was placed and the required equipment was sourced and installed. Thus despite no weighing facility at rail yard, Shree could exactly weigh the material that was being loaded and thus overcome the overloading penalty problem.

The willingness to take calculated risks, learning from our failures and continually striving for betterment, the team turned a loss into a profitable solution.



BE WATER, MY FRIEND

"DON'T PRAY FOR AN EASY LIFE, PRAY FOR THE STRENGTH TO ENDURE A DIFFICULT ONE"

– Bruce Lee

The JKD Differentiator

In most Martial Arts, one tends to fight an opponent in one's own category. The categories are usually defined on the basis of weight, age, height or gender. On the other hand, a real combat presents no category. In Jeet Kune Do, one fights opponents who are taller or shorter, heavier or lighter, younger or older. Even temperament wise one may fight an opponent more aggressive than one is. JKD is endurance and perseverance personified.



The Master knows too well that challenges and obstacles are a part and parcel of life. Only perseverance helps an individual emerge victorious. A prerequisite is daily practice and a strong will to push beyond limits. Building from strength to strength, working towards the goals set. Obstacles are obstacles in one's mind. Challenges are nothing but opportunities in disguise.

Perseverance, to put it in proverbial terms, is that one last attempt every time, when a thousand previous attempts have failed. It is about one's resolve to re-dedicate to the goal set out for the task or the project. It is about having faith in one's belief. It is about not getting overwhelmed by previous failures or successes. Perseverance is indeed a key to success.

At Shree, challenges as well as obstacles are welcome aspects of life. What sets the team apart is its determination to pursue the goals and overcome all obstacles to achieve desired outcomes. Success of Shree is in the determination and hard-work of its people who are driven by zeal to keep on attempting till success is attained. Shree is known for persistence in pursuing the objectives.



Illustrating the Trait…

Shree works with resolve towards setting tight time limits for its projects and realizing them ahead of schedules. A project is an activity where our main role is to plan, supervise and allocate resources. Actual work on the ground is typically done by outsourced contractors and suppliers. This is a domain which has all the things that have the potential to go wrong causing project delays. Accordingly, despite best of intent and efforts, given the interlinking nature of components (civil, mechanical, electrical, etc.) of a project and dependence of external agencies, failures and set-backs are bound to happen; leading to potential delay in project commissioning. Yet, Shree has not only completed all its projects on time, but has also improved its track record each time a project is executed. And, in the process, new benchmarks are created and world records are broken. Obstacles do deter us, hurdles do hinder us and problems do galore. It is sheer determination and resolve of our people to "never give up" and "try one more time", that makes us win over all such challenges. Each time we overcome a challenge, our self-belief builds further and gives us the energy and motivation to overcome all the remaining obstacles to ensure we not only set-up our projects in world class benchmark time but also of world class quality. Never say 'Yes' to 'No'; is surely our core belief.

THE STOP OF NO STOPPING

Perseverance is the capacity to endure. It is pursuing the goals with determined efforts despite difficulty or delay. It is all about setting one's eyes on new peaks when one is already achieved. Perseverance is to take failure and success in one's stride and continue the hard-work with dedication.

Perseverance is a precursor to success. It builds on the systemic-flexibility. To create a base that builds momentum in organisational endeavours. When things go wrong or appear to be falling apart; quitting is an easy way out. In such a scenario, perseverance is unlocking the innovative thinking to find fresh approaches. It is the one trait that allows one to dust oneself off and jump back to action.

In a game of Martial Arts a player who is knocked down isn't the loser. The one who refuses to get up loses. The player who surrenders to the other loses. To get the knocking in a fight is very much part of the game as it is of life. It requires extraordinary determination to get up and get going. A player who rises and finishes the fight is the winner. Failure is often a precursor to success for those who are not afraid to try and try again. Perseverance is the hallmark of a winner!

Perseverance is an individual's will to win which must always be much greater than the fear of failure. It takes extraordinary guts. The most classic example is that of an ant. Most ants

People at Shree, seek challenges as a daily recipe and consider them as opportunities to make things better.



have poor-to-mediocre eyesight and a few species are completely blind. Yet, ants are able to carry load many times their own weight across distances because of sheer persistence. In an industrial set up, perseverance is pursuing the goals despite knowing that the path would be full of surprises and obstacles. For Shree, perseverance is source of enduring success. Inherent belief is that one who stays put with the challenges, without giving up, success is a natural outcome.

At Shree, to persist is to know… There will be hurdles. There will be doubters. There will be mistakes. But only the hard-work and an unending will to win will prevail in the end. And there is no limit for it. In the pursuit of all round operational excellence, people at Shree start with challenging existing beliefs, set tough targets and move ahead with clarity in mind that obstacles will be encountered and failures are bound to happen. The road to success is full of speed breakers and pot-holes. But they know; that these challenges are opportunities for betterment; that each time a new idea is tested, they learn something; and this continuous and gradual improvement keeps making Shree better than before. It is certainly a surest way to sustained success.

Shree knows that perseverance pays off. Today when Shree takes pride in the fact that its second-line of leadership is as good and as in command as the first-line, it owes it to the persistent efforts of Management and Leadership. People at Shree, seek challenges as a daily recipe and consider them as opportunities to make things better. In the process, Shree has built a working environment where instead of employees, a team of entrepreneurs work.

For Shree, perseverance is 'sweating the assets' to their unlimited potential. Teams at Shree always believe that there is hidden potential and margin in each equipment, machine and process. And that with sustained efforts towards up-gradations, they can get more than the perceived limits on outputs, ratings yields and efficiencies. This process doesn't give success from the start. Initial efforts more often than not face failure. Small modifications with the set standards may lead to occasional hiccups. Skill lies in not getting disheartened by setbacks, never give up on the journey to improvement and keep making efforts till success is yielded. Indeed, Shree has been able to set standards in unleashing the potential of its machines which even the machine suppliers feel hard to realize. In the process, Shree has earned the distinction of being regarded as one of the most efficient companies in the industry.

Shree is one of the most valued companies in India today. It is evident and visible in its financial performance. It has resilience in its DNA. However, what is not visible is the perseverance of the teams that have made it possible. Failures accepted with grace, without the blame games. Lessons learnt. And again, the teams pursued the goals with renewed enthusiasm. With remarkable outcomes every time! Read more about such inspiring endeavours.

Finding Root Cause - Finding Solutions

Our Raipur team was facing a problem of repetitive overheating and consequent melting of Rotor Leads (wires) of Raw Mill Fan Motor. Each failure of Rotor Leads was causing 4-5 hours of breakdown of Raw Mill Fan and complete Raw Mill Circuit as also repetitive expenditure towards lead replacement.

This was brought to the notice of OEM supplier and their Service Engineer visited the Plant twice but the root cause of the repetitive failure of Rotor Flexible Leads could not be identified. Experts from OEM conveyed that since the likely problem area in equipment was very confined it was not possible to perform internal inspection, and the Motor shall have to be sent to OEM factory for dismantling so as to identify the Root Cause of Rotor Leads failure. This was not a practical option as it was expected that the OEM may keep the critical component with him for long and still not be able to identify the fault.

Not satisfied with the OEM's approach, our team started a detailed analysis wherein all the different factors that could lead to melting of Rotor leads were controlled one by one to see if they could identify the root cause by a process of elimination of potential factors. Despite best efforts they could still not identify the problem.

Nevertheless our people were not disheartened and the next time when the motor tripped due to same problem, engineers in the team decided to make a video (using a mobile) of the internal sections of the confined areas of the equipment that could not be manually inspected. They could then notice that 'Brazings' between Rotor Stud & Slip-ring had failed at some points and this was causing overheating. Once the problem was identified our team performed proper Brazing between Rotor Stud & Slip-ring before it was re-started. Since then the motor has been operating without failure. Not giving up despite intermittent challenges helped our team to come out with an enduring solution to the problem at hand.







Quick Learning - Quick Loading

Our railway siding at Ras was commissioned recently. As per the Railways scheme, companies have a 6 hour free time limit for loading of rake and for any delay thereafter demurrage is payable. Normally newly started sidings, given their developing systems and operational expertise take up to 12-15 hours for doing rake loading. It is only after years of experience that systems and processes become robust enough for them to cut down the rake loading time and bring it close to 6 hour free time limit of Railways. However team at Shree's Ras siding was not ready to take this experience of others as a gospel truth. They wondered if there was a faster way to optimize their operations in the shortest time. Thus even before the siding operations were started, people were sent to visit Shree's operational railway sidings at Beawar as well as that of some other companies. A study was done to see how the best system could be implemented by learning from experiences at other sites and not repeating the usual initial mistakes. The teams adapted the best learnings from their observations at different operational sidings and deployed them at our Ras siding.

Soon our railway siding was started and it was seen that despite our best efforts and implementation of best practises our rake loadings was initially not coming within the 6 hour time limit and at times was going as high as 12-15 hours. Not disheartened by the initial results, our team continued to do improvisation and customization to the industry best practises and fine-tuned them to our local infrastructure design at Ras. Continuous discussion amongst the team for improvising the systems and constructive feedback to the people at ground helped us strengthen our systems quickly. No wonder within three months of commissioning of our new railway siding; the team started achieving success with successful instances of rake loading within the 6 hour time popping up from time to time. It was nothing but our team's persistence of taking initial set-back in their stride and continuous working towards their goal that helped the team cut down the rake loading time in minimal time as against the years taken at other places.

JEET KUNE DO

> THE STIFFEST TREE IS THE MOST EASILY CRACKED, WHILE THE BAMBOO OR WILLOW SURVIVES BY BENDING WITH THE WIND
>
> – Bruce Lee

The JKD Differentiator

Most Martial Arts have deep-rooted traditions. These give birth to rituals as well as symbolisms. In Jeet Kune Do, one fights with no traditions, uniforms or rituals. JKD is flexible to allow what suits one best even regular attire and shoes; and fits the occasion.



Opportunities unfold. They present themselves purely 'in the moment' not in future which is procrastination. To be in the moment is to have an open mind. Those who live in the moment - the wise ones - are formless, hence able to respond faster as they are grounded in the reality. They are faster in adapting as they are less distracted by outside thoughts.

Knowledge is power. Wisdom is the knowledge that newer approaches may make old knowledge irrelevant. Adaptability is all about having the wisdom to be ever-willing to change, especially in a dynamic world where the goal-post keeps on changing. Remaining fixed on thoughts, patterns, knowledge, or even a plan in the light of new informational resources is nothing but rigidity. Adaptability and not rigidity is a key component of corporate culture of a successful enterprise.

Shree believes in an open culture. Ever open to new ideas, knowledge, information and always willing to change. Shree believes opportunities can be created by simply questioning what is considered as the best result / approach today. An open mind and insatiable curiosity help us explore new paths. The idea of remaining adaptable, flexible and flowing is akin to self-discovery by meditation; so very necessary to achieve exemplary performance and setting benchmarks.

ADAPTABILITY



Illustrating the Trait…

Flexibility is a natural outcome when one has his eyes fixed so hard on the goal that he is not ready to be beaten down by the difficulties on the path to his goal.

Being on-time, every time, is a virtue at Shree. An organisation that takes immense pride in its focus on 'freezing the roadmap' to project execution can face dilemma if it were to change its course or face project delay. Not Shree.

The Coal Mill erection work was on and the time required for setting up its civil structure was likely to take time that had the risk of delaying the project. While the obvious solution was to expedite the civil work but given the nature of civil construction requirement; the minimum time required would have still been more than the time that was available for overall project commissioning. Evaluating the situation the team came up with an alternate approach of converting sections of civil structure with steel fabrication structure which could save time. Evaluating the options the case was presented to seniors and decision was taken to switch some sections from civil structure to steel structure. End result was that the Coal Mill section got commissioned on time. The teams were thus not blinded by the conventional way they were required to work and were flexible to alter their approach as was required by the situation.

Adaptability at Shree also recognises no compromise with values such as quality, products, etc. Yet, Shree always views the developments with an open mind and receptive to mid-course corrections. This adaptability is a hallmark of Shree.

THE FORM OF NO FORM

This is an era of risk and rapid change. What was best yesterday is not so today and what is best today shall not remain so tomorrow! In this environment, people who are adaptable are open to new ideas. They don't do things just because "that's how they've always been done." They're able to anticipate changes and don't panic when things don't go according to a plan. Adapting to change is what keeps one relevant, valuable and at the forefront of the competitive edge. Adaptability is the key to survival. As in Nature, so is the case in the Corporate World. Flexibility is strength, Rigidity a liability. Inflexibility is about preset mindset, rigid attitudes and fixation on form. Flexibility is all about awareness. It helps in better absorption of shocks and prepares the ground for systemic endurance and agility. Not assuming a fixed form helps in living in the present moment.

In most Martial Arts, the rigidity of form ensures only a sequential response. Bruce Lee advised to be like water - shapeless and formless. In a 'flow state' of being purely present in the moment, one is faster to respond, quicker to adapt and less distracted by outside thoughts. In a bout it just means to stay adaptable to the moves of the opponent to bring in a surprise element. In the context of a Corporate, it means staying in sync with the developments as well as operating forces.

For Shree, adaptability is its core strength. It is about anticipating change, staying alert and responding fast. The change in events, circumstance and environment may seemingly pose risks but they bring opportunities as well. People at Shree believe in embracing change as opportunities to better their performance. They meet their quest of applying newer concepts and creative solutions while facing challenges arising out of untoward events.

It realizes that by very nature, a structured approach to business is premeditated one. It offers only studied moves as possible options ruling out the possibility of spontaneity. At Shree, plans are just the point of beginning. Active and dynamic adjustments in response to change happening in surroundings are made to these plans to keep them relevant. Shree believes that a fast response is superior to waiting for a perfect response as it may lead to completely missing out on the opportunity.

There is nothing that stops people at Shree to make Mid-course corrections to a plan if initial assessment or understanding is found to be incorrect or if the continuously evolving situation warrants a different decision. Typically these are considered very difficult in businesses but are normal at Shree. They seemingly look quite expensive at first place but when considered in overall business perspective, they may prove to be gainful. What we do is simple, act if it is required in the interest of organisation. An activity is not to be completed because it was planned so at the beginning, if it is in organizational interest to change the course or even abandon it, then we must do it. Shree knows too well - uncertainty and change is reality; staying flexible is the answer!

Shree thrives on reading and acting on the signals of change quickly. Shree understands it well that the events may not turn out as planned, designs and forecasts may fail and situations may change. The teams have built up skills in managing complex multi-stakeholder systems in an increasingly interconnected world. Shree has learned to unlock its greatest resources - the people's potential - to attain adaptive advantage. Learning and adaptation, a key mechanism at play, go hand in hand. Communication and coordination become effective levers in the process. Adaptability gives Shree the edge of speed in its execution. In this era, sustainable competitive advantage no longer arises exclusively from position or scale. Shree believes it stems from the capabilities that foster rapid adaptation. Please read further for some examples of this trait at Shree.



Shifting of Power Plant from Ras to Raipur

The Ras Unit of Shree enjoyed the situation of sufficient to surplus power to the extent that a few Power Plant units were lying idle. On the other hand, the Raipur Unit was in need of additional Power capacity to meet its increasing requirements. Conventional wisdom would dictate that an existing power plant can't be up-rooted, transported to a location almost thousand kilometers away and re-installed. Thus placing an order for a new plant for Raipur Unit would seem to be the ideal solution.

The teams at Shree however decided otherwise. They drew up plans to shift the idle boiler unit of Power Plant at Ras, worked on it and redeployed it at Raipur. The unconventional solution put an idle asset into productive use and on other hand enabled substantial financial savings in terms of reduced project costs. Not only that, the boiler shifting and re-fitment was completed within eight month thereby saving a substantial time against the alternative of procuring and setting up a new unit. In the second phase, as the power requirement of Raipur unit grew further, even an idle Turbine was shifted from Ras to Raipur. This flexibility underlines an innate desire in teams to reduce costs, re-allocate assets, maximize capacity utilization, think as one team and be judicious in decision making.

Performance, not Pedigree

Shree believes in performance more than the pedigree of its associates. In that Company is willing to give a chance to a relatively new vendor with promise vis-à-vis an established player who is not able to deliver the desired outcomes. Of course, there is due diligence in the process. The teams are flexible and yet mature enough not to play a 'blind game'!

The Captive Power Plant at Raipur was to be operated in parallel to state power grid without any power drawn from the grid which was creating issues in maintaining Dynamic Power Factor control. Shree had placed an order with a renowned MNC supplier to install requisite system. However, they struggled and failed to deliver to the level which was targeted by Shree. Low power factor has a direct impact on cost of power. Sensing this, a relatively smaller Indian supplier was identified which had the potential to solve the problem but was new in the field. Normally in technical matters, large organizations prefer playing safe and go with reputed names due to the high perceived risk in dealing with newer firms. Team Shree however realized that a quick decision is the need of the hour. As the situation demanded, they did a quick technical review of the new firm's solution and after assessing its merits, awarded the assignment. End result was that desired Power Factor was achieved. Team Shree, however, was not surprised at all as they are familiar with this differentiated thinking!

Open Wagon Loading

Flexibility is all about taking a calculated risk, though after due assessment of pros and cons. Shree believes that once in the Market, the operating forces of demand and supply guide the dynamics of price. In one particular instance, there was shortage in availability of covered rakes and the Logistics teams at Shree realized that Open Wagon Rail Loading of dispatches could also generate substantial cost-saving. Almost to the tune of 20% which is very significant given large volumes. Open wagon loading however needs to be done with meticulous control else there is a risk of some product getting damaged in transit. Plus, if quality of product is damaged, the end consumers may raise quality concerns. Given the Shree's approach of flexible thinking, the Marketing team collaborated along with Logistics team and opted for open wagon loading. With due precautions and monitoring, the dispatches were sent in Open Wagon without affecting quality.

Varying Contract Demand at Grinding Units

Power generated at Captive Power Plants (CPP) in Ras is wheeled for consumption to our Grinding units (GUs) in Rajasthan. In case of unplanned outage of CPP, power is purchased from State Discoms against HT supply connection maintained at GUs. While CPPs typically meet almost 99% power requirement, just 1% power is taken from Discoms. For this very small quantum, a high fixed cost is incurred just to maintain the grid connection as an insurance for contingency situations. This is required because if Discom power is drawn without maintaining connection very high penal charges are applicable.

Team Shree wondered if there was an alternate way to save this high fixed cost. It evaluated the likely times CPP was expected to have unplanned outage and if in those situations could we instantly cut our power load at GUs without affecting operations and cement supplies. After detailed deliberations, decision was made to reduce grid connection to a bare minimum level. System was managed for some time. It was observed that there was very little margin of safety and at times team Shree did not have in good control. There could have been likely losses instead of the intended gains. The decision was reviewed and it was decided to revert to the higher load that was maintained earlier.

After some time there was some change in applicable rules. Team Shree revisited the situation and re-evaluated it in light of the changed scenario. Team again decided to go ahead with load reduction. This time more detailed operating guidelines were set and that coupled with the new rules gave us desired results. Once the experiment was successful at one GU, the same was replicated for other GUs.

With a flexible mind-set and willingness to re-evaluate the same situation again, the technical and commercial teams at Shree worked out an alternative model that generated good financial savings.

OPC at Grinding Units

OPC is typically supplied in bagged form from locations having clinker unit and as such Shree supplies it from plants located at Beawar & Ras. Traditionally, Grinding Units (GUs) are used only for producing PPC. There are however customers who procure loose OPC through bulkers. Our Marketing and Logistics teams observed that demand for 'loose OPC' had started picking upin markets around our GUs. Because of non-availability of cost effective bulkers,

Shree thrives on reading and acting on the signals of change quickly.

supplying loose OPC from our Beawar/Ras plants was not possible. Not contented with the situations, team Shree looked beyond the conventional approach and planned to start production of OPC at GUs where demand was coming from. Due to the better bulker availability at these GUs, Shree was able to tap this demand in a cost effective manner. Our willingness to quickly adapt in tune with changing dynamics of market helped in making it possible.

Upgrade Systems- Upgrade Reliability

At one of our Grinding Units, we had transformers that had old technology of dial gauge based indicators (Winding and Oil Temperature indicators) installed at the transformer. As transformer is the heart of the electrical system, it is critical to monitor the Winding and Oil temperature to ensure that the two indicators do not go beyond allowable limits and that the transformer operates within healthy limits. However as the transformer is located in the switch-yard; physical checking by visiting the transformer switch yard could be done on a periodic basis and not in a continuous manner. New transformers come with a technology that have micro-chip based Winding Temperature Indicator (WTI) and Oil Temperature Indicator (OTI) sensors that provide real time data that can be used to track transformer health remotely.

Our teams wanted to get the benefit of continuous monitoring and thereby control over transformer performance without undertaking the high capex of buying a new transformer. Thus discussions were started with the OEM vendor about how the existing transformer could be adapted to use the new technology. After several discussions with OEM, our teams could agree on a design that could allow replacement of the existing mercury based dial gauge system with micro-chip based sensors that would provide real time data of Winding and Oil Temperature at the central control room that is 24x7 manned by our engineers. Not being satisfied with the present scenarios, our engineers worked with a flexible approach till they could adapt existing equipments that eventually helped them do continuous monitoring of the health of the transformer.



JEET KUNE DO

> ECONOMY OF MOTION HELPS ATTAIN OBJECTION WHILE CONSERVING ENERGY AND TIME
>
> – Bruce Lee

The JKD Differentiator

Many Martial Arts exhort inculcating what is known as 'Full Contact' form of fighting. In Jeet Kune Do, one is taught to find the truth in oneself through one's own inquiries. JKD encourages a seeker to ponder over the most economical, efficient and direct way to deliver a punch or a kick. Through this the seeker begins the journey to understand one's true self.



Pursuit of attaining highest standards in Efficiency & Economy is a journey not destination. It is ingrained in the processes, people and products of an organization. Economy of Motion entails using 'Efficiency', 'Directness' and 'Simplicity', all of which help attain results in the simplest and most efficient & economical way. Every other way is a drag on the organization.

Businesses are prone to risks and opportunities emanating from both external and internal factors. They can tap them to their advantage and convert these into a sustainable competitive edge in the marketplace. This is possible through two strategic levers: Cost Leadership and Product Differentiation. For a business engaged in manufacturing activities such as cement, differentiating on product has limited scope. Also, in a free market, forces of demand and supply control product prices leaving no room for organizations to control prices. Thus, to improve business profitability; all that such organizations can work on is to control costs. This can surely provide them more room to innovate, manouevre and attain a winning edge over the competitors.

Organizations can control costs by building efficiencies across operations and supply chain that make up its costs. Efficiency to act as a source of competitive advantage has to be developed as passion in the organization. Everyone from top leadership to the workers on the shop floor have to show their quest for continual improvement in each and every activity; zeal to turn every limitation into opportunity and set deadlines into benchmarks. This can then become a deeply embedded core value and a culture in the organization with people from top to bottom holding the flag of this core value.



Illustrating the Trait…

Shree takes pride in the performance benchmarks it has sets in all areas of its operations. This has been possible only because of an unwavering commitment to our Passion for Efficiency in everything we do. This in turn pushes us to the top spot in terms of lowest cost of production.

How much Shree values efficiency is illustrated in an example. An Excavator procured from a global leader was tagged with an operating life of 13,000 hours after which a major overhaul was needed. Our mines team worked on various aspects of its operation and maintenance activities including continuous monitoring of its health. Result is that they have been able to continuously operate the excavator for more than 41,000 hours against 13,000 hours time limit of supplier without requiring an overhaul. The machine's qualitative output and fuel efficiency is still at optimum level. Even the equipment supplier has appreciated the performance benchmark set by our team.

THE LIMITATION OF NO LIMITATION

In most Martial Arts forms unusual display of action is at play. This activity without focus and adaptability is nothing but wastage of moves by a player; in turn leading to loss of energy and time. In JKD, the emphasis is strongly on conserving every move to deliver precise punch or kick. For a fighter, this Economy is a function of focus and flexibility. Economy is akin to competency that

helps the practitioner of JKD to inculcate ways and means to conserve energy as well as movement. What is the point in wasting one's energy by just moving about aimlessly in air!

In simple words; Efficiency is getting maximum output for minimum input. This includes cutting or avoiding wastes, increasing productivity and optimal utilization of resources (man, machine, materials). Passion for efficiency requires organization to turn their isolated, uni-direction efforts and initiatives into a systemic efficiency. Systemic Efficiency seeks to extend the concept of Efficiency to a level where the process of getting more out of less is continuous one and runs across the breadth of an organisation. Real sustainable gains are assured only if systemic efficiency is weaved into the cultural fabric of the organization. Such systemic efficiency then gets converted into an Economic Advantage that is sustainable and leads to competitive leadership.

Efficiency has two levers. First is maximizing output. Getting more achieved than earlier! Second is minimizing input. Using less (men, machine, material, time) than before! To move either of the two levers; the starting point is to believe that our current state is not the best and it can be improved. The people will then certainly work on finding innovative ways and novel ideas to create more value. Next is the faith and trust of the leadership to allow people to nurture their ideas, try and attempt them, encourage them even if results may not be along expected lines. The incessant spree of regular advancements and perfections will be a sure shot outcome.

For people at Shree, the process of improving the input to output ratio is woven into a never ending journey.

Shree has embedded this culture of efficiency all across its operations. For people at Shree, the process of improving the input to output ratio is woven into a never ending journey. Each one of them wears the hat of an entrepreneur and thus is perpetually motivated to bring about incremental change from the present levels for better. They clearly know that what was their best yesterday has to be improved today, and what has become best today must be further improved tomorrow.

In today's hyper competitive business environment if we do-not take the pro-active steps to be the leader in efficiency, marketplace may evolve and we may soon lose our cost leadership due to steps of our competitors. Passion for efficiency thus has to be sustained as a perpetual milestone. Shree has exactly taken it in its right earnest. As a result, Shree has earned the distinction of being one of the lowest cost producer in the industry.

Our Passion for Efficiency helps us maintain our cost leadership that in turn helps us keep our business profitable across the demand cycles that commodity businesses are known for. Some of our recent achievements demonstrating our passion for efficiency are presented in the next page.



Efficiency in Operations

With advances in technology, new equipment, have by design relatively lower power consumption than their older versions. People generally take it for granted that the vintage plants at a company shall be inefficient and cannot be improved. But, not at Shree! Kiln No.1 which was set up in 1985 and was upgraded from time to time was still inefficient compared to kilns set up thereafter. Team Shree took the challenge and aimed at bringing down its power consumption to the level of new units. Several brainstorming sessions were undertaken. It was found that, the basic layout of the plant had inherent inefficiencies. In normal circumstances people could have put the blame on plants layout design and stopped the quest. Team Shree however went ahead and started breaking down the power consumption to smallest equipment level and unearthed areas showing potential for improvement. Individual responsibilities were assigned. Daily discussion on power consumption of respective sections and reason for variance were done. Such Why-Why analysis with ownership put on people helped the team question things that were unquestioned till then such as “Can we replace a large compressor that is to be run even when requirement is for a very small section with smaller portable compressors”. Similarly, can we put auto power stop and start commands to auxiliary equipment that otherwise kept on running when plant was down for short duration, and so on.

The objective was to question the present and find a better way. Improvements were not very significant in first step but quite motivating for the team. Over a period of time the effort helped reduce the power consumption substantially. Another advantage was that given our multiple units operating at multiple sites, the micro level improvements learned through the effort was replicated at other units to multiply the scale of benefit.

Efficiency in Procurement

At its cement plant in the state of Bihar, Shree produces Portland Slag Cement using Granulated Slag generated from Steel plants. Slag is procured from steel plants located in adjoining states. With increasing demand, it was observed that price of slag was being increased by Sellers. Team Shree started looking for newer economical sources of slag. Efforts paid off when they found another source of slag in Central India which was economical and also had advantage of relatively lower moisture. However, due to the longer distance freight cost nullified the entire price advantage of this new source. Team again deliberated to examine the ways to cut down this higher freight cost. They found that the Railways scheme for 'Empty Flow Direction' could be used for lowering freight cost. Thus a route was devised with a mix of rail and road transport that made sourcing slag from the new source more economical and helped reduce dependence on local suppliers.

Similarly company procures gypsum from Iran/Oman but the suppliers were substantially increasing their price over last year. Alternative source of procuring from suppliers of Bhutan was also not working out to be economical. We evaluated the total rail movement capacity from Bhutan. Team identified that if savings of 'Empty Flow Direction' and 'Station to Station' scheme of Railways are considered, Bhutan supplies can be economical. Immediately an annual contract was agreed with Railways for the entire capacity available at attractive freight rates. We could save on our gypsum cost and also developed an alternate source to deter regular price increase efforts of other suppliers.

Our teams keep evaluating different options to bring down costs. Typical practice is to develop a particular rail or road route and stick to it. We however continually test the developing market dynamics and keep switching from one option to another to contain our costs. Developing alternative supply sources helps us deter regular suppliers to use their dominant position and resort to periodic unwarranted price increases.

Efficient Contract Award

People at Shree believe that time is of immense importance in projects. They all understand that if a project activity in their domain can be expedited by even one day, it helps expeditious completion of project. Aggregate impact of all such small initiatives helps advancing the project commissioning which in turn translates into opportunity of tapping sale in advance as also savings in project cost. Before project starts on ground, the first step is to award a formal contract to the Contractor. Typically, project people call for offers, make comparatives, prepare draft terms of contract, negotiate and then finalize the same. At Shree as soon as it gets clear that management has decided to start ground work on a project, our Contract department instead of waiting for any formal request coming from the internal departments, starts working on drafting contract terms and discussing with contractors to assess their readiness for mobilisation at site. This ensures that no time is lost for things like contract finalisation as they have been planned well in advance. Similarly as a project is nearing completion, the Contracts department starts discussion with O&M Contractors in advance to ensure that the O&M contractors and their contracts are finalised and no time is lost between project completion and start of production on account of contract

execution. Such small initiatives contribute significantly to our expeditious project completion and in the process records get created.

Efficient Dealings

Typical Industry practice is to squeeze the maximum credit period from suppliers/vendors as it helps reduce working capital. Contrary to this, Shree believes in making the fastest payments to its suppliers and get the lowest prices in return. Also normally it would be seen that if a bill is falling due on a holiday, payments would be skipped to the next working day. Not so at Shree, it has been our policy to pay the vendors on or before time. This has been an in-built feature in our ERP system. This leads to two things, our vendors are happy to deal with Shree. In return, our happy vendors give us the best service at the lowest cost in the market-place.

Optimally Utilised Asset is a Real Asset

One machine that defines any project site is a Crane. Our projects teams have developed expertise in crane management that has helped us have 80% crane utilization rate against the industry norm of 50-60%. The reason behind our high efficiency in crane usage is our model of central crane mobilization. Common industry model is that different project sections mobilise their individual cranes for their usage and thus the crane remains idle when it is not needed. In our central mobilization model, weekly plan is made of how the cranes available at our project sites are to be used for optimal progress of project work as well as utilization of asset. Then a day in advance this weekly plan is further reviewed to decide where the crane is to be used the next day considering the work progress against plan. This helps us keep our project progress on track while ensuring optimal utilization of our assets.

However at times depending on need of the hour we may go against our practice of optimal utilization and at times keep surplus assets as needed. If the project progress depends on availability of extra machines we will not be bound by the dogma of optimal utilization and shall go as per requirement of the project. There are numerous instances when the project supervisors while doing ground inspection at project site have assessed the need to deploy additional cranes to fasten up the work and Shree's senior management trusting their managers assessment has always given spot approval to them. Showing an entrepreneurial spirit and commitment to Shree philosophy of passion for efficiency our projects team gives dual results of fast project work and optimal utilization of assets.





"I FEAR NOT THE MAN WHO HAS PRACTICED 10,000 KICKS ONCE, BUT I FEAR THE MAN WHO HAS PRACTICED ONE KICK 10,000 TIMES"

– Bruce Lee



The JKD Differentiator

Over a period, different Martial Arts forms evolved to become more of a sport rather than combat oriented. In Jeet Kune Do, the focus is on combat. All one is required to train oneself at is combating. There is no competition, one only competes with oneself.



A single-minded approach towards goals sets a true seeker apart. The Master too inculcates self-discipline among his pupils which gets reflected in the performance. A regimen that focuses on remaining fit so as to perform up to one's potential.

Awareness of the purpose of one's existence automatically brings focus in one's life. The outcome of this centeredness is outstanding performance which is nothing short of excellence. Normally, people tend to become complacent when going is good. This is even more applicable when an organization is growing. They lose focus. People don't place the same attention and focus as they do when the organization is small, lean and operations are spread at few locations. Shree is growing across the country. Its operations are spreading into multiple locations. It has however continued to maintain its sharp focus on efficiencies and operational excellence. The performance across units, on the contrary, has improved consistently as any improvement initiative undertaken at one location is immediately replicated at all other locations thereby brining in the benefits of scale and synergy. It is because of this thirst for consistent improvement, notwithstanding the robust growth, Shree is regarded as one of the most efficient players in the industry.



Illustrating the Trait…

With the focus firmly on achieving its vision, Shree believes in optimizing performance, over and over again. In a cyclical industry like cement, the key to remain competitive is to focus on cost optimization. At Shree, focused attention is given to everything one is doing. People don't accept this based on perceptions. Instead, thorough analysis is done. Meticulous plans are made. Action oriented efforts are carried out by the teams to study and find out the ways for betterment. One such area is energy and fuel consumption which forms a major chunk of the cost of production. People at Shree have made relentless efforts to bring down their consumption. Today, Shree has the lowest power and fuel consumption levels in terms of per ton of cement and clinker production in the industry.

THE CHOICE OF NO CHOICE

In a bout of any Martial Arts, a fraction of a second decides the direction of the event; sealing the fate of a fight forever. This requires high focus on the opponent and his moves. Similarly a singular focus is the most important thing in business. Whether it is a routine activity like operating a machine or undertaking a maintenance job or taking a strategic decision, people tend to become distracted and scattered, in both decision making and its execution. They try to move in too many directions at the same time. This lack of focus ends up causing a lack of real movement for the business in any one particular direction which can ultimately lead to failure.

Focus requires clarity of purpose as the same provides direction. Focus thus can act like a laser beam to realize that purpose. In an organizational context, this theory fits in very well. People without clarity of their purpose tend to work on things that do not lead to meaningful contribution. People thus need to clearly know their role and responsibility. When the purpose of work at hand is clear, entire energy can be channelized on its accomplishment. This also sets a sense of commitment in the entire group to the task at hand and creates belongingness to the task.

Shree operates in a highly competitive market. Operating in a commodity market where the market forces dictate the dynamics on ground, consistently high efficiency and productivity levels can help cushion up the margins. This is what Shree has focused on. With a clear vision to continually improve efficiencies and enhance productivity, people at

At Shree, people make detail planning before initiating the project as that helps in building all contingencies in the beginning itself.

Shree endeavor to optimizing performance, over and over again. Optimizations on different performance parameters are pursued doggedly by one and all in the Company. This focused approach of continual improvement provides Shree a competitive edge in the market place amid fast changing external environment. Today, Shree is known for its cost leadership which is a result of this focused approach.

Project cost of New Capacity additions in a capital intensive industry is another area that can help organizations build competitive edge. Needless to say that if the project cost is lower so will be the cost of capital and amortization. Thus, aim should be to contain the project cost albeit, without compromising the quality of construction. At Shree, people make detailed planning before initiating the project as that helps in building all contingencies in the beginning itself. Once, however, they start the project, their sole focus turn towards realizing the project within given timelines. The timelines are set stiff which acts as a motivation for people to apply innovative ways of cutting time in different project activities. Senior leadership poses trust in people capabilities. The result is that the capital cost of projects at Shree is regarded as one of the lowest in the industry. Also, all its projects have been set-up ahead of industry standards, with some of them even creating World Records!

In order to ensure complete control and monitoring over costs, people need to be made clear about the measures of cost and margins in simpler terms. At Shree, the focus is on enhancing the performance with benchmarks set at continual improvement in 'Profit Per Ton' as well as reducing the 'Cost Per Ton'. There is a company-wide clarity as well as understanding on this. People from across functions and departments and whether one is from engineering background or marketing or HR or commercial, every one understand these measures very well. Thus, organisational energy at operational level is applied towards achieving these goals - cutting costs and adding value to the business. That's why Shree has devised ways to ensure cross-functional teams do not work in silos. The technical teams have strong commercial orientation, and the commercial teams are equally equipped with the technical nuances. Idea is that they should all work in single direction and for the realization of the set objective.

Shree is known for its “walking the talk” philosophy. When it communicates that its project will be completed in “X” timeline, it has always completed the same well within such declared timelines. Same holds true for its operational performance. This consistent record of delivery on projected milestones has earned it the robust confidence and trust of its investors. Soaring market capitalization of Company's stock is a testimony to this trust. Its communications with all its stakeholders is transparent and open. This is possible only when one is focused on one's business objectives and conscious of one's responsibilities. Shree will continue with its focused approach to earn the delight of its investors.



Shree's success mantra is its focus on optimizations to keep improving the performance levels. Here are some illustrations of this approach:

Focus on Project Monitoring

A 'delay in project' maybe a common refrain across a lot of industries; but this is unheard of at Shree. This is what sets Company apart from the rest. And, it is not so difficult to fathom. While it is an accepted industry practice to review project related developments on a fortnightly, monthly, quarterly and yearly basis. At Shree, the focus is on Daily Monitoring. The agreed roadmap to execution with everyday milestones on deliverables and broader timelines are shared with one and all. And this covers not just all the concerned internal departments, but Project Consultants at one end and the Vendors on the other. The Daily Monitoring is so sacred that it can be gauged from the fact that the Management tracks daily developments on broad 10 parameters, while the execution team knows exactly what is to be achieved in a day and plan ahead for the next. There is another advantage of this focused approach. The schedules are tight but the pressure on the team is nil. And above all, everyone is not only aligned but also in control of the situation. No wonder, Shree has bettered its own score with each successive project!

Focus on Quantifying in Value Equivalent

At Shree, there is focus on achieving 'Systemic Efficiency.' One can argue there are targets for each and every function in every company, and efficiency parameters defined with enough checks and balances in place. However, Shree has moved a notch up by moving from 'Targets' driven approach to any parameter's 'Value Equivalent' terms. The notional loss for not achieving the efficiency parameter is calculated and shared with respective department. The idea is to bring in prudence in the system as only awareness can cultivate responsibility. For instance, monitoring of 'Truck Waiting Time' at Shree. Company has set an internal benchmark of four hours for a truck to do its round at Shree so that it hits the road at the earliest to reach its destination. Being a good paymaster with efficient systems, there are many players who have been offering services to Shree at competitive prices. Yet, Shree works out the 'Value Equivalent' (notional) loss of a truck staying on campus beyond the stipulated time. This is just to reinforce the fact that focus is not lost. Company believes no vendor will bear the cost of extra waiting and that sooner or later a vendor structures Company's Systemic Inefficiency into its Offered Pricing which has direct impact on company's freight costs. Also, this helps the Company work towards and demand 'Dynamic Pricing' in its favour from the vendors.

Minimizing Bag Bursting

Observations and inferences from captured data revealed that the incidence of Bag Bursting was very high at one of our plants. A prima facie argument to counter the view could have been that since dispatches from the plant were low, hence the result expressed in percent point appeared higher. However, true to the Shree spirit, this observation was noted in its right perspective. Soon the vigil at shop floor was enhanced and every possible cause was noted. Every practice and deviation was diligently recorded to arrive at the root cause. The underlying issues were addressed. Some wrong practises of contract workers deployed were noticed and were duly corrected. Regular training to Packing Plant Workers was imparted to create greater awareness. Eventually the issue was resolved with significant cost savings as the incidence of bag bursting was brought within acceptable limits.





Focus on Maintaining Financial Discipline

Over the years, Shree has built formidable financial strength. It has large chunk of surplus accumulated profits that are parked in different long term and short term investments avenues. This is despite it being on rapid ramp up of new capacities across the country. As per normal business prudence, driven by robust financial position, one would be tempted to explore inorganic opportunities in the market. Such inorganic opportunities, typically have some additional premium attached to them and in lure of grabbing such opportunities a company may end up paying extra resources. This all put together poses risk of over-leveraging the financial health. And if one goes overboard, it could become difficult to manage and jeopardize the entity. At Shree, the focus has always been to maintain strong financial discipline. All the expansions have been funded predominantly through internal accruals. Also the strategy has been to go for organic expansions rather than go for pricey acquisitions. With its focus on Cement business, Shree has been conscious in its choice not to leverage its strong balance sheet to get into unrelated diversifications. As a result, the financial health of Company is very sound, strong balance-sheet and operating statistics have earned the confidence of the investor fraternity who have reposed faith in Company's philosophy. Company has always been forthright in its interactions with the investor community and has also been transparently sharing all project and commercial developments in a timely and equitable manner. This has helped further strengthen the confidence of investor and analyst community on our company. No doubt that Shree's stock has rewarded its investors with a staggering Internal Rate of Return (IRR) @ 28.6% since its initial offering in the capital market.

Consistent solid financial performance and robust financial discipline have helped the company get the highest credit ratings. Credit rating agency CRISIL and CARE have given their highest 'AAA' long term rating to Shree. As regards credit rating for short term debt, the same has also been accorded the highest level of 'A1+' by CRISIL and CARE. Company has been able to secure lowest rates of interest from financial institutions. During FY2016-17, the average cost of borrowing was brought down to 7.93% as against 8.7% in 2015-16.

JKD

> DO MORE THAN YOUR DUTY. IF YOU WANT TO DO YOUR DUTY PROPERLY, YOU SHOULD DO JUST A LITTLE MORE THAN WHAT IS REQUIRED
>
> – Bruce Lee

The JKD Differentiator

The bulk of training in most Martial Arts is by learning the Katas or prearranged sequences. More or less, it is subjecting a seeker to mechanical ways of learning. There is less to little fighting. In Jeet Kune Do, one learns to fight under the expert supervision of an instructor. It ensures safety and scientific learning. It is akin to mentoring and coaching.



The Master knows too well that for people to be happy in what they pursue; there are three prerequisites. First, they must be all for it i.e. motivated. Second, they must not do too much of it in a short span i.e. maintain a work-life balance. Third, they must have a sense of success in it i.e. ownership. It is then and only then people give their 100%.

People make an organization. They represent the smallest unit of a company. Yet, they are the flag-bearers. In this world, when the technology, product or distribution doesn't offer any distinct advantages, the people make the real difference to the top-line as well as the bottom-line of a company.

The organisational culture at Shree acts as a binding glue for making people work in close-knit teams and feel like members of an extended family i.e. The 'Shree Family'. They are self-starters, motivated to do even better at their jobs day in and day out. This is driven by the Shree way of caring for its people in such a way that they are seen as co-owners rather than workers working for remuneration. This culture, the sense of ownership, is the real reason behind people walking the extra mile for Company.



Illustrating the Trait…

Happy and motivated employees create a happy and robust eco-system around a company. In the 'Man, Machine and Material' mix, Man is always on top of the pyramid, bringing out the best in all the three in the mix. Shree believes in the power of its people. This belief has only strengthened over time with some of the most amazing solutions coming from our highly committed people. People at Shree relish challenging assignments rather than business as usual and status quo.

The challenge for the organisation lies in institutionalising this process of idea generation from all quarters so that they are not limited to an occasional trickle but come out continuously. Thus to motivate employees to innovate in their domain and think out of the box, Shree has set-up a reward and recognition program for celebrating innovation. All employees are free to submit innovative ideas implemented by them in an internal system and the same is reviewed by a cross-functional group of leaders. Based on the nature of innovation implemented, the teams that implemented these ideas are publically appreciated and rewarded at company-wide celebrations held on the Republic Day and the Independence Day. The idea is to make our people feel that their innovations and idea generation is appreciated by Company and the organisation is willing to trust them by supporting them in novel ideas generated by them.

THE STRUCTURE OF NO STRUCTURE

People are not only an asset of an organization. They are the organization. An organization's reputation - good or bad - for being innovative, aggressive, slow, ethical, or values-driven, etc. is actually a reflection on the collective traits of the people it nurtures, their energies and direction. For, people tend to work for a larger objective. Once the organizational objectives and goals are clear

to them, they usually work almost in an auto-pilot mode. Shree has built an over-arching vision and purpose for itself. A vision that fosters creativity, passion for efficiency and overall sustainable growth for all its stakeholders. People at Shree, know fully well the goal and purpose of their organization. This clarity of purpose together with a congenial work environment motivates them to put Shree at the forefront of the industrial landscape through their hard work, commitment and a passion and zeal to apply novel ways of working.

Organisations needs to value culture of Co-creation above individual achievements as this fosters a work environment where people are able to complement each other's efforts. As compared to mere addition of people efforts in case of individual focused culture, a co-creation culture leads to multiplication of people efforts thereby contributing to greater organizational success. At Shree, its unique work culture is deeply rooted in Indian values and ethos. Interdependence is

At Shree, its unique work culture is deeply rooted in Indian values and ethos.

the cornerstone of people to people interactions. People work in teams that work towards common goals rather than act in silos. This emanates from the 'Care for People' philosophy aimed at ensuring the holistic happiness and getting the best out of people.

Once an employee has been properly on-boarded in Shree Family, our role as an organization is to give him the resources that help him deliver at his job. Work culture at Shree allows people to foster their creativity and ingenuity into their jobs. Detailed supervision and micro-control are least exercised. Shree believes that each member of Shree family should work like an entrepreneur with his interest aligned with organizational interest. Putting trust in our peoples capabilities has been one of the levers that has lead our people to give stellar results in their individual domains.

Another factor that helps us keep our people motivated and charged-up is our fair and transparent performance management system. With every employee fixing his own Key Performance Indicators (KPIs) at the start of the year, there is clarity to an employee as to what are his or her goals for that year. The annual performance management system involves each supervisor giving fair and honest feedback on the performance against the KPIs fixed for that year. Shree has been fair in sharing fruits of its growth with all its people and the same is reflected in our high employee retention rate and our ability to attract external talent whenever there is a need.

The HR function at Shree, drives its initiatives through the four pillars of HR Processes viz. Recruitment, Establishment, Learning & Organization Development, and Employee Engagement. Recruitment process ensures that not only the best talent is available but only those join who exhibit Shree's values. Competency and Culture-fit go hand in hand at Shree. While the hiring process ensures that those who join the organization are aligned to the organization culture, the on-boarding process ensures that new joiners are thoroughly assimilated into the organization and are able to gel with Company's culture and ways of working.



The Establishment function aims at keeping employee related policies and processes friendly and make them feel highly valued at Shree. Similarly, the Learning & Organization Development focuses on building capabilities for the future and driving change as per the needs of the business. The focus here is also on the innate human nature of seeking avenues for personal and professional growth. Employee Engagement works towards creating homogeneity in diversity of a multi-functional, multi-locational, multi-product company that is Shree by making everyone involved with the purpose and object of Company. This is achieved through creation of a conducive work-place and positive environment where every member feels committed and strives to contribute meaningfully for the goals set for himself, for his function and ultimately for the Company. Shree also measures the effectiveness of its people policies and practices regularly by benchmarking them against industry through an annual employee engagement survey that is conducted through an independent third party of repute. The Engagement Survey scores have not only seen a consistent upward trend over the years but also are on par with India's Top 50 best places to work for this year.

Shree is 'pursuing excellence'. Shree is its people. The examples shared here only underline it.

External Recognition to Shree's Internal Values

Shree is Great Place to Work-Certified™ by Great Place to Work® Institute (GPW). The certification has been accorded after a rigorous and objective three step process. The core of the review is feedback on Shree as an organization collected by the agency directly from our employees by way of a Trust Index© Employee Survey. The parameters evaluated are Credibility, Respect & Fairness of management and sense of Pride and Camaraderie in the employees. The second step is a Culture Audit© of the organization that involves a Quantitative & Qualitative Study of Organisation Policies & Practices and their impact. The final step is a Process Audit which involves verifying authenticity of survey results and policies and practices from a randomly selected group of employees.

After passing through the above rigorous evaluation process, Shree has received the coveted accreditation of a "Great Place to Work-Certified™" from Great Place to Work® Institute (GPW) which is a Gold Standard in recognizing work culture and ethos of an organization.

During the year Shree has also received the following external recognitions for its pro-people policies:

- Golden Peacock Award for HR Excellence in 2017 - Instituted by the Institute of Directors (IOD) this award is bestowed for overall excellence in HR and people management practices
- Shree is ranked among top 5 companies for Employee Health & Wellness in India by Society of Human Resource Management (World's largest not-for-profit Human Resource association), India

The above external validations for our HR practices give us motivation and strengthens our belief that a company may have the best strategy and the best assets in the world, but if it doesn't have the hearts and minds of the people who work with it, none of the goals come to life. That's a value system that flows from our top management and is thus a guiding principle for all our people practices.

Celebrating Our Association: 'Kutumb Utsav'

At Shree high focus is given on maintaining work-life balance and increasing social engagement of all our employee. Our unique 'Shree Family' culture (which is a hallmark of our human resource practices) has made pivotal contribution in having more engaged and happy employees in our Company. An on-going unique initiative of our HR function is 'Kutumb Utsav'. Here our endeavour is to make families of our employees a part of their work life by inviting family of selected employee for a day at his/her workplace. This helps them get glimpses of his/her work - life and first hand exposure to company operations. This is helping families of our employees increase their bonding with the organization and as a rub-off the concerned employee's engagement with the company is building further.

Empowering the Youth

Shree always commissions its project on time or ahead of time. Normal assumption would be that this is possible because people handling project work on ground have decades of expertise in their domain which makes them perfect in delivery. However this is not true for Shree. A case in point is setting up of Cooler Section at one of the projects sites. Normally Cooler Section takes two and a half months for setting-up. To experiment if this could be done in a faster way, our Project team decided to not put an experienced engineer but a fresh engineer as incharge for setting up of the section. Thus while detailed dealing with contractor was done by the fresh engineer as section incharge, the experienced senior was given the job of only doing inspection every

morning and give feedback and advise to the young engineer incharge as asked for or required. The enthusiasm and fresh approach of the young section incharge coupled with broad guidance from his seniors helped us complete the Cooler Section work in only 45 days. What was further reassuring was that post commissioning the cooler worked trouble free which indicates the quality of workmanship done at project stage.

Thus while challenging conventional beliefs, our Project team had empowered their young engineers and putting their trust in them took a fresh approach at doing things that yielded them surprising results. No wonder, today 90% of project teams at Shree comprises freshers who after a few months of hand - holding and guidance from their seniors are able to deliver projects in record time that Shree is known for.



Qualified People - Quality Output

Shree's Limestone Mine at Ras has the distinction of being the largest Limestone producing mine in the world. In large operation, speed and efficiency can be a challenge. Shree has taken actions to ensure that its mines are not only the largest but amongst the most efficient in the world. Mine is an area where large number of 'Heavy Earth Moving Machinery' (HEMM) is deployed which consequently has high energy needs and large O&M expense requirements. Shree has adopted a practise wherein only ITI educated youth are recruited as HEMM operators. It may be questioned that an HEMM is nothing but similar to a larger truck/JCB so if an unqualified person can be a truck driver why the insistence at Shree for ITI trained drivers. We have found that an ITI educated person may be slightly higher in cost than an unqualified driver, but he brings immense value to our operations. Prior education coupled with training and experience gained at Shree helps our operators to work with a technical mind-set that helps us minimise O&M requirement and maximise fuel efficiency of our large fleet of HEMMs.

कुटुम्ब



MARTIAL ARTS

> THE LAW OF NON-INTERFERENCE WITH NATURE IS A BASIC PRINCIPLE OF TAOISM [STATING] THAT ONE SHOULD BE IN HARMONY WITH, NOT REBEL AGAINST, THE FUNDAMENTAL LAWS OF THE UNIVERSE
>
> – Bruce Lee

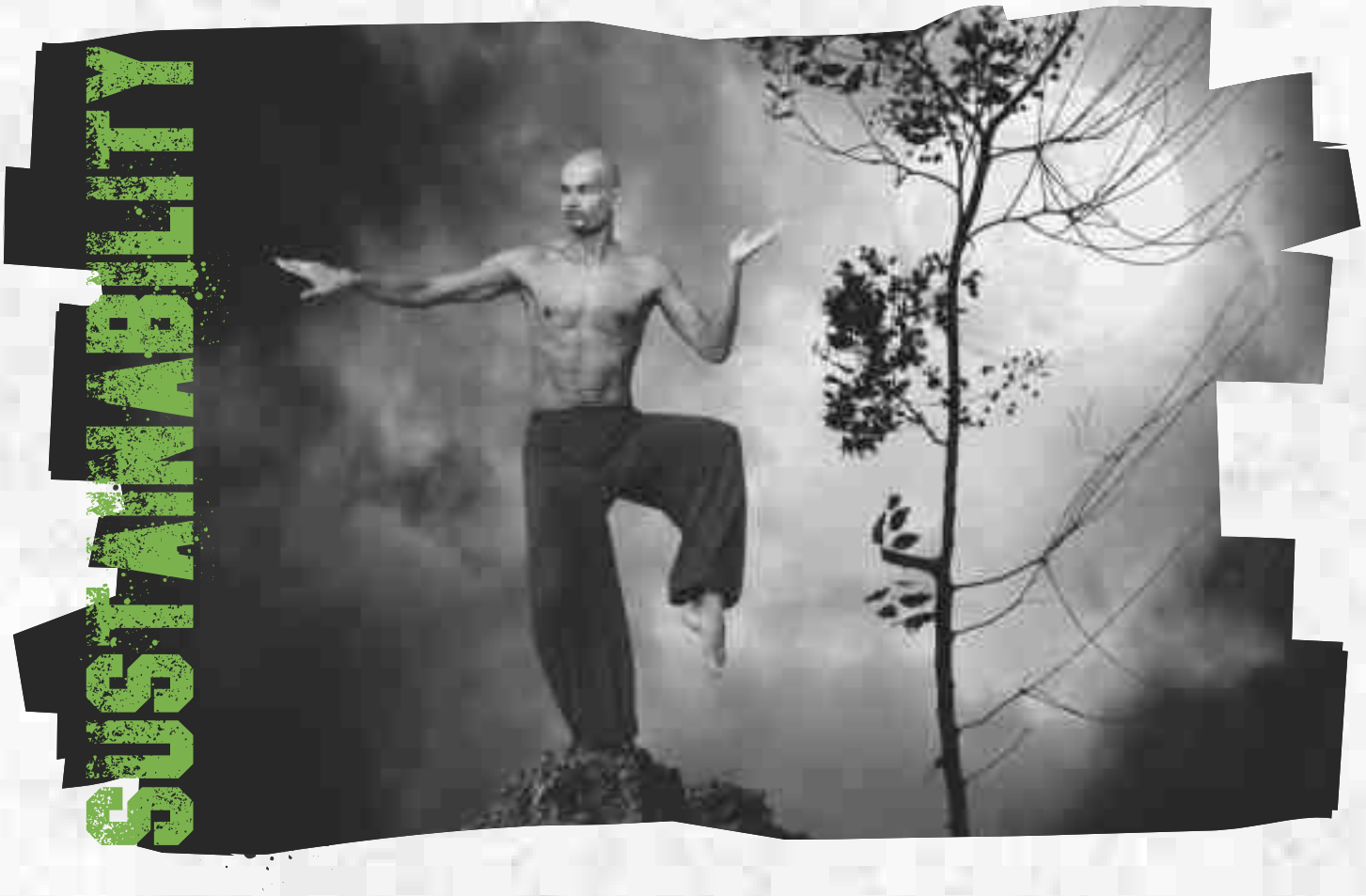
The JKD Differentiator

Most Martial Arts teach an individual to fight but in a format that eventually makes it a sport. In Jeet Kune Do, there is freedom from bondage to styles, patterns and doctrines to cover every aspect of personality and life. In that sense JKD is a holistic art with focus on every aspect of a seeker's life.



The Master is empathy personified. He knows that we humans are children of Mother Nature. It is only when Mother Nature is respected; can her children remain healthy. Respect for Mother Nature is everyone's first responsibility. A true Master is fair. Even in his seemingly harsh push or shove, he is helping others to achieve their true potential.

Sustainability is securing today's growth in a manner that secures interests of the next generations as well as leaves a greener planet to them. Empathy for the society one operates in, is at the roots of sustainability. Shree works with all its stakeholders and contributes towards making a fair, transparent, ethical and greener world for one and all. It wants all its stakeholders to be a part of its sustainable growth journey. Shree has embedded sustainability through its green initiatives across its operations. Its “Samaj Sewa” activities are built as an integral part of its operations and contribute towards development of communities surrounding its operations.



Illustrating the Trait…

Sustainability is about ecology, economy and equity. It is being fair to one and all. It can be called as the best peace policy of the future. Experts also position it as a strategic driver for the future. Shree has been at the forefront of Green Leadership.

Shree is committed to sustainable development and safe-guarding the natural capital. Shree has been ranked 2nd best cement company in carbon related metrics and has received an "A-Grade" in emissions performance and carbon regulation supportiveness from Carbon Disclosure Project (CDP- is an international, not-for-profit organization providing the global system for companies to measure, disclose, manage and share vital environmental information).

At Shree, commitment towards CSR starts right from the top; with the Corporate Social Responsibility Committee (CSR) of the Board of Directors, directly overseeing its CSR performance. No wonder, in a recent study by Economic Times, Shree has been ranked in the Top 10 Indian companies for Sustainability and CSR out of top 217 companies evaluated in India.

THE RIGIDITY OF NO RIGIDITY

Sustainability is intrinsic to Shree. It is part of Company's business model, and viewed as vital to its long-term growth strategy. Company works with key stakeholders to focus on sustainable development through initiatives in energy management, environment and social institution building. The focus is on low carbon emission, use of alternate fuels, water and resource conservation and environment management. More importantly, Company's commitment to sustainable development goes beyond its operating boundaries as it constantly strives to add value to stakeholders by advancing knowledge and improving

lives. CSR program at Shree is built on our core belief that while we grow as an organization, we must be a change agent making a positive and meaningful difference in the life of communities we operate in. We are proud of the opportunities that bring change into the lives of the community. Please read further to know more about such initiatives at Shree.

Culture of Sustainable and Socially Responsible Operations

Being a responsible corporate citizen, Shree has always kept sustainability of its operations a focus area. Shree works with a guiding principle of 'Clean and Green' is profitable and thus all its activities are aimed at ensuring minimal impact on environment and optimal use of natural resources.



To continuously reduce our carbon foot-print Shree has been following a strategy of installing Waste Heat Recovery (WHR) Power Plants at all its existing and upcoming kilns as they cut carbon emissions by generating power without the use of fossil fuel. Similarly high energy efficiency of our Cement and Power Plants also reduces our fuel consumption and consequent emissions. More recently, Shree has made a small beginning by setting up a 62 KW Solar PV Power Plant



near its cement plant facility in Beawar. The plant has employed three different variants of Solar Power systems and helped understand the functioning of Solar Power generation. Company is now evaluating options of setting up MW scale Solar Power Plants near its cement plants in different states.

To minimize our natural mineral consumption Shree has been blending low grade Limestone with high grade Limestone as also producing maximum amount of blended cement (using Fly-Ash in PPC and Slag in PSC) to conserve Limestone. Similarly mineral Gypsum consumption is minimized by maximizing consumption of our captively produced synthetic Gypsum and the Gypsum produced by the Flue Gas Desulphurisation (FGD) plants installed in our power plants. Our adoption of Air Cooled Condensor (ACC) technology at all our power plants and adoption of WHR power (that



eliminate need of Gas Cooling Towers) has directly led to water conservation.

Shree sees as its moral responsibility to conserve biodiversity and do all that can be done to restore nature. Our focus areas are green belt development and water table



restoration. A major focus area is developing plantation in and around our mining and plant areas. The number of saplings (of local plant species) planted are growing year on year and diligent monitoring is done to ensure that high survival rate of planted saplings is maintained. To extend our efforts, saplings are also distributed in local community for mass tree plantation drives in surrounding villages. For water table restoration we are using large pits at all our mines that are continuously deepened to increase the water holding capacity that directly converts into ground water table of surrounding areas.

Increasing the Employability Potential

Shree has been running Computer Training program for youth wherein on passing the course they get NIIT Certificates that increase their employability. At its plants in Rajasthan, Company has also started imparting RSCIT (Rajasthan State



Certificate Course in Information Technology) courses training as RSCIT certification has been found to be useful to individuals in applying for Rajasthan Government jobs.

Often it is found that capable and educated youth staying in villages are unable to apply for and get Government job as they are not able to track new vacancies as and when they come up. Sensing this gap, Shree has taken a novel initiative wherein a Notice Board has been put up by company at Panchayat Bhawans in surrounding villages where all new Government vacancies are displayed for wider dissemination amongst the village youth. This has resulted in local youth getting selected for Government jobs through this small initiative.

Skill Development

To empower local people to be able to earn a livelihood by self-employment, Company runs a lot of livelihood oriented skill development programs. Two-wheeler repair training to



Electricians and mobile repair training for youth, Mason Training Programs, beautician and tailoring course for women, are some of the programs which have found good acceptqnce in local communities as post-training they have potential for direct income generation while staying in the same locality. All participants are provided Certificate, Guide Books and a set of Tool Kit at end of the training. The impact of this initiative is significant. They have turned into micro-entrepreneurs who are now not only earning their livelihood but also generating employment for others under them!

Healthcare

Our key initiatives in healthcare are:

- 24x7 Health Management Centres (HMC) to provide primary healthcare services
- Mobile health camps ('Shree Swashthya Vahini'- dispensary on wheels) in surrounding villages
- 'Mamta Project' where doctors' visit villages for check-up of pregnant women and new-born children and providing free of cost Dietary supplements and medicines
- Specialised 'Mega Health Camps' (Paediatrics, Gynaecologist, etc.) are organized at periodic intervals



To promote Institutional Delivery system in villages we have appointed 'Sakhis' (Rural Health Volunteer) at Village level. These 'Sakhis' act as health educators and promoters in their communities and perform the job of identification and registration of Pregnant Women, ensuring check-ups at Government ANM and Mamta Camps, providing supplementary nutrition, counseling of pregnant women regarding health and ensuring delivery at hospitals. Company provides Ambulance service to aid locals in opting for institutional delivery at hospitals.

Sanitation



Under 'Shree Swachata Project', Company has made efforts like door-to-door contact, organizing regular meetings, creating vigilance committee, distribution of pamphlet for creating awareness about sanitation and personal hygiene. Company also undertakes mason training program in the area of low cost toilet construction. Apart from this, Company has also made financial assistance for construction of toilets in villages. Company also helps villagers to benefit from Government financial assistance programs by hand holding them in doing paper-work needed to get Government financial assistance. It gives us immense pleasure and satisfaction when a good number of Panchayats adopted by our Company have been declared Open Defecation Free (ODF)!

Women Empowerment and Promoting Girl Child

Our key initiatives are:

- To enable the local women become micro-entrepreneurs, we have promoted formation of 'Self Help Groups' at village level where members start small savings that can be then borrowed by the other members for income generation activities. Company provides training on income generating activities such as Stitching and Tailoring, Pickle and Papad making
- Under our 'Baalika Bachao Aandolan' a Fixed Deposit of Rs. 5000 is made in the name of the girl child born to a BPL family and it is available on attaining 18 years age. Company also provides financial assistance and household items to BPL girls getting married after attaining the age of 18 years
- "Shree Ki Pathshala" project is for imparting basic education to young girls at these centres and after that they are encouraged to get admission in nearby schools



- Often it is found that girls tend to have high drop-out rate when moving from school to college due to lack of good quality local level college infrastructure. Acting on this identified infrastructure gap, Company is contributing for a new building of Girls' college in Didwana, District Nagaur, Rajasthan and a girls' hostel in MBM Engineering College, Jodhpur. This will further encourage girls to continue their higher education.



Promotion of Agriculture

Shree has been promoting new agricultural techniques like use of appropriate machinery/equipment by providing subsidy for purchase of various agriculture equipments like sprayer machine, sprinkler set, HDPE pipes, etc. To boost farm yield and farmer's income, we are also providing improved/hybrid seeds to local farmers. Farmers'-exposure visits are organized to local 'Krishi Vigyan Kendra' to improve knowledge-base of farmers on new techniques like Green House scheme, Fruit plant scheme, Farm Pond scheme, Solar energy scheme, etc. Training programs are also organized to create awareness among farmers on insects, pests, plant-diseases, adverse weather conditions and to take benefits of appropriate crop insurance scheme available to farmers.

Community Infrastructure Development

Shree has always been strengthening infrastructure for the benefit of nearby communities. One focus area is providing basic infrastructure like seating arrangements, water & sanitation facilities, additional teachers deputation, furniture, etc. to government schools in vicinity. Company also undertakes construction and repair work of the roads, community centres, boundary wall, stay rooms, waiting stands, etc. in nearby villages.







At Shree, we see CSR not as something externally imposed but our internally driven 'Samaj Sewa'. We are what we are because of our integrated model of sustainability which allows us to undertake the initiatives toward Green world and care for community as integral part of our operations. It is very natural that we want our stakeholders to grow and prosper along with us.

For further details on our sustainability initiatives, please refer to the 'Business Responsibility Report' section on page no. 122.

AWARDS AND ACCOLADES

A glance at the awards won during FY 2016 -17

5 Star Rating for Limestone Mines at Beawar and Ras for Sustainable Development by Indian Bureau of Mines, Ministry of Mines, Govt. of India





National Award for Excellence in Cost Management 2015



Environment Excellence Award 2016 by Mission Energy Foundation for Excellence in Implementation of New Environmental Norms-Existing TPPs Category



Golden Peacock Environment Management Award 2016 by the Institute of Directors, New Delhi



Green-Co Best Practice Award 2016 for best practices in Renewable Energy and GHG Emission Reduction by Confederation of Indian Industry (CII)



Sustainability Disclosure Leadership Award 2016 by the World CSR Congress



CSR Excellence Award 2017 by Govt. of Rajasthan

National Award for Supply Chain and Logistic Excellence by CII for Logistic Excellence among Cement Companies





Golden Peacock HR Excellence Award 2016 by the Institute of Directors, New Delhi

Best Employers Award - 2015 by Employers Association of Rajasthan





Excellence in Community Impact Award by Society of Human Resource Management

PROFILE OF DIRECTORS



Shri B. G. Bangur, Chairman



Shri B. G. Bangur is a B.Com (Hons) from Calcutta University and he brings to Shree Cement an extensive experience in the Industry. He is a Director in The Marwar Textiles (Agency) Pvt. Ltd. He has also been actively associated with various philanthropic and charitable institutions and trusts.

Shri H. M. Bangur, Managing Director



Shri H. M. Bangur is a Chemical Engineer from IIT, Mumbai. He brings to the Board technical insights, which are a driving force of the technical excellence achieved by the Company. Shri Bangur is President of Rajasthan Foundation, Kolkata Chapter. He is also Executive Member of FICCI. Shri Bangur was the President of the Cement Manufacturers' Association (CMA) between 2007 and 2009. He has been awarded with the prestigious "Ernst & Young Entrepreneur of the Year Award 2016". 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.

Shri Prashant Bangur, Joint Managing Director



Shri Prashant Bangur is a graduate 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.

Shri Bangur is a Member of Indian Chamber of Commerce, Kolkata as well as Managing Committee of Bharat Chamber of Commerce & Industry, Kolkata. He is also member of the Managing Committee 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 and considering his contribution and role in sustainable development initiatives, he has been taken as Director on the Board of Management of TERI University. He is also Director in Khemka Properties Pvt. Ltd. & Ragini Properties Private Limited.

Shri R. L. Gaggar, Independent Director



Shri R. L. Gaggar is a B. A. (Hons) from Calcutta University and is a renowned solicitor and advocate based at Kolkata. He is practising as a solicitor and an advocate at the High Court of Kolkata for more than 50 years. Shri Gaggar is also on the Board of Sarda Plywood Industries Ltd., TIL Ltd., Paharpur Cooling Towers Ltd., Sumedha Fiscal Services Ltd., Machino Polymers Ltd., Subhash Kabini Power Corp. Ltd., International Combustion (India) Ltd., Machino Plastics Ltd. and Mayfair Hotels & Resorts Ltd.

Shri Sanjiv Krishnaji Shelgikar, Independent Director



Shri 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 the Finance Department of Videocon Group handling all local IPOs, international mobilisation of debt and equity, global and local mergers and acquisitions, domestic and international structured financial products for the Group's finances. He is on the Board of Joy Holdings Pvt. Ltd., Dhanapur Investments Pvt. Ltd., Magrolia Leasing and Infotech Pvt. Ltd., Archangel Leasing and Infotech Pvt. Ltd., Yunus Social Business Fund Mumbai Pvt. Ltd., Slum Dwellers Development India Pvt. Ltd., Liberty Videocon General Insurance Company Ltd. and Microcredit Initiative of Grameen.

Shri O. P. Setia, Independent Director



Shri O. P. Setia is an M.Com. from Delhi University and an eminent banker. He was the Managing Director of State Bank of India and has held many key positions in its associate banks.

Shri Shreekant Somany, Independent Director



Shri Shreekant Somany is an industrialist who holds a Bachelor of Science degree from Calcutta University and is currently on the Board of Somany Ceramics Ltd., SR Continental Ltd., Somany Global Ltd., Sarvottam Vanijya Ltd., Cosmo Ferrites Ltd., J. K. Tyre and Industrial Ltd. and Scope Vinimoy Pvt. Ltd. He is also the President of Indian Ceramic Society, Chairman of Indian Council of Ceramic Tiles & Sanitaryware and Member of National Council - Confederation of Indian Industry (CII).

Dr. Leena Srivastava, Independent Director



Dr. Leena Srivastava is the Vice Chancellor of the TERI University, New Delhi – a unique inter-disciplinary higher education institution, focused on sustainable development. She is a member of various Committees and Boards both at the international and national levels, including the Advisory Board to the President of ADB on climate change and sustainable development, the Administrative Board of the Sustainable Energy for all initiatives, on the Board of Bharti Infratel Ltd., Strategic Mediaworks Private Limited, Meridian Institute, USA and the Stockholm Resilience Centre, Sweden. Dr. Srivastava has a number of publications to her credit. She has done her Masters in Economics from the University of Hyderabad and a Ph.D. in Energy Economics from the Indian Institute of Science in Bangalore, India.

Dr. Y. K. Alagh, Independent Director



Dr. Y. K. Alagh is a noted economist and visiting professor to several renowned national and international institutions. He holds a Doctoral Degree and Masters Degree in Economics from University of Pennsylvania. He is Chancellor of Gujarat Central University and Vice Chairman of Sardar Patel Institute of Economic and Social Research, Ahmedabad. He is also a Trustee of Institute of Human Development, New Delhi, Member of Advisory Committee of N. M. Sadguru Water & Development Foundation, Dahod (Gujarat). He was earlier the Minister of Power and for Planning & Programme Implementation with additional charge of the Ministry of Science & Technology. He has been Member of Planning Commission (in the rank of Minister of State). He has been Chairman, Bureau of Industrial Costs and Prices, Ministry of Industry. He has several books and over a hundred articles to his credit, published both at home and abroad. He has travelled widely and represented India in a number of high level official delegations and seminars. He was an invitee to the Climate Policy Game Group of The Committee of American Progress, the findings of which were presented in Paris and invited to develop a sustainable development scenario for 2030 for the Canadian G8/G20 Munk Institute for the G20 meeting in Seoul. He is on the Board of Somany Ceramics Ltd. and ADJB Production Pvt. Ltd.

Shri Nitin Desai, Independent Director



Shri Nitin Desai is a graduate from London School of Economics and a well known Economist and has had a long and distinguished career in the Government of India and United Nations. Shri Desai is a Member of Prime Minister's Council on Climate Change, which is coordinating the national action for assessment, adaptation and mitigation of climate change and has set out eight “National Missions” as the way forward in implementing India's climate change strategy. He is a distinguished visiting fellow at The Energy and Resources Institute (TERI), Honorary Professor at the Indian Council for Research in International Economics Relations (ICRIER), 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. He is also a member of the National Broadcasting Standards Authority. Shri Desai has worked at senior levels in the Planning Commission from 1973 to 1987. From 1988 to 1990, he was the Chief Economic Adviser 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 served later as Under Secretary General dealing with economic and social affairs from 1993 to 2003. He is on the Board of Shakti Sustainable Energy Foundation.

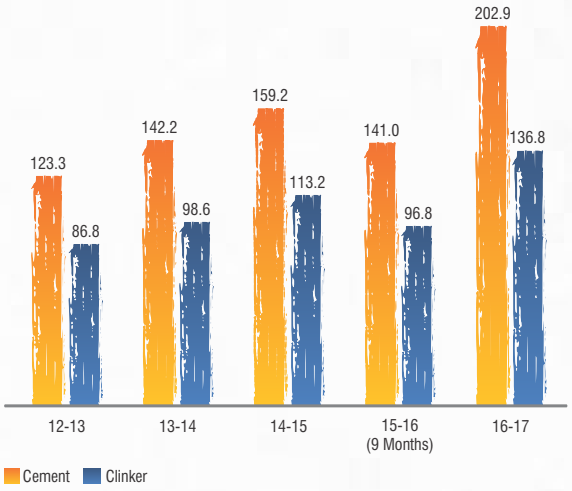
Shri Ramakant Sharma, Director



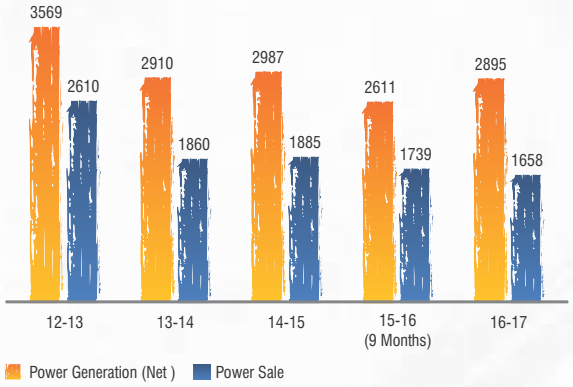
Shri Ramakant Sharma is a science graduate having around 48 years of experience in Public Relations (PR) with various Cement Industries. He is Member of Rajasthan Golf Club and Jaipur Club. He was Ex-president of Jaipur Club and Member of Divisional Rail Users Consultative Committee of North Western Railways.

PERFORMANCE HIGHLIGHTS

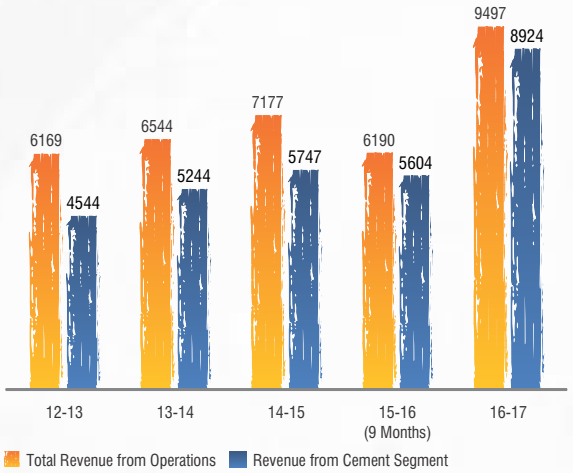
Cement and Clinker Production (Lac Ton)



Power Generation and Power Sale (Million Units)

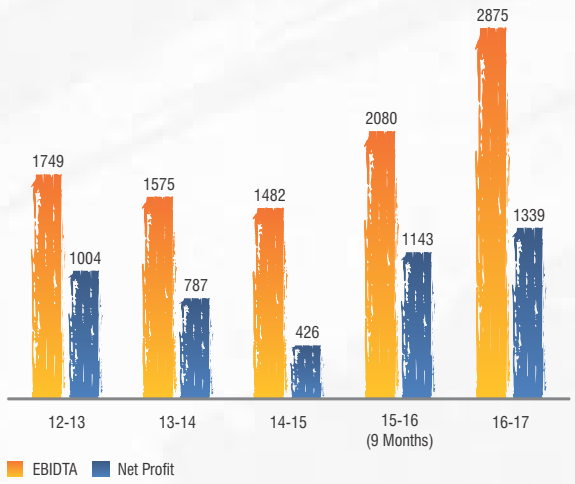


Total Revenue & Revenue from Cement Segment (₹ Crore)

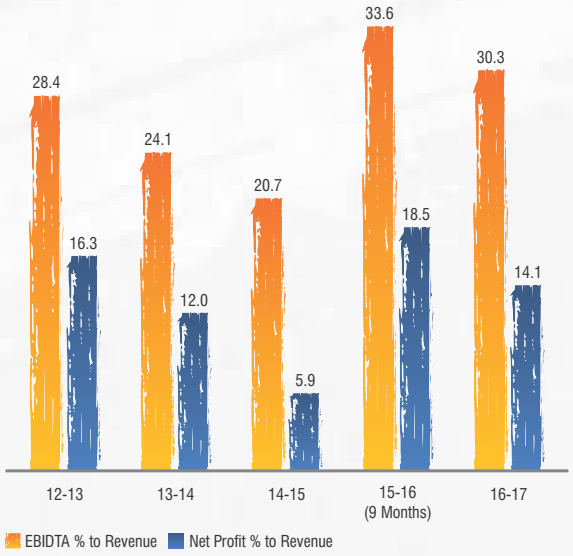


Note: The company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016. Accordingly, the figures for the current year 2016 -17 as well as of previous year 2015 -16 are Ind AS compliant.

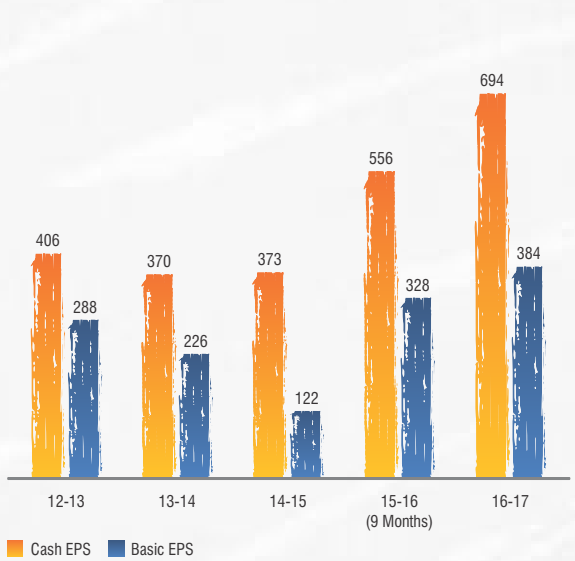
EBIDTA and Net Profit (₹ Crore)



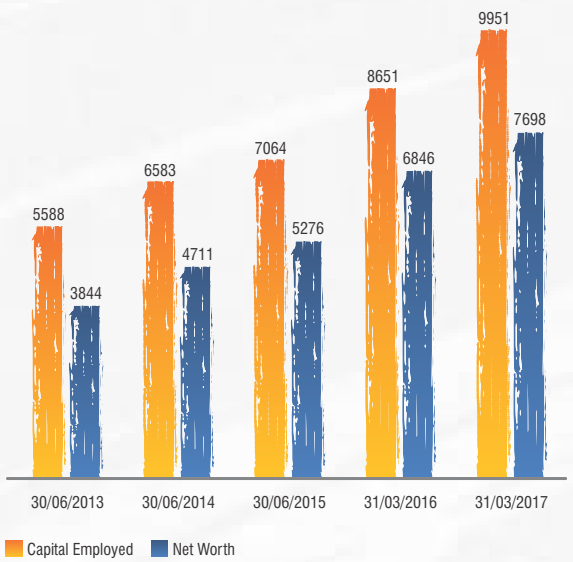
EBIDTA and Net Profit % to Revenue



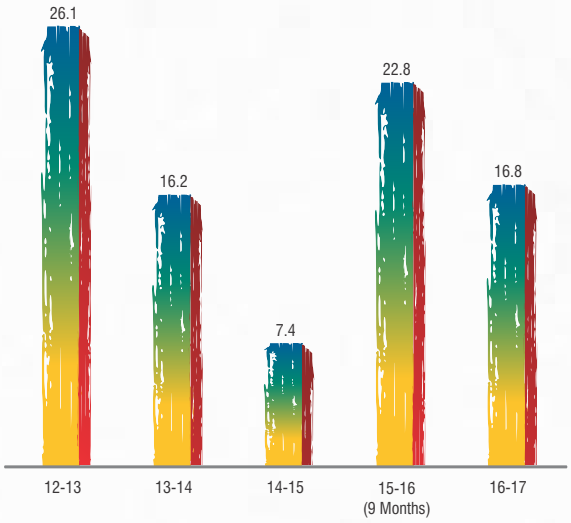
Cash and Basic EPS (₹ per Share)



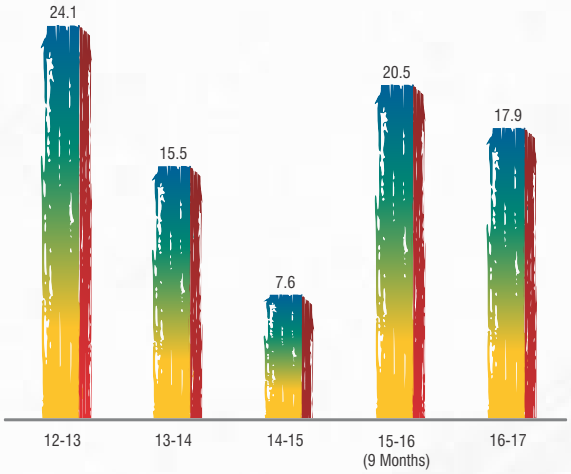
Capital Employed and Net Worth (₹ Crore)



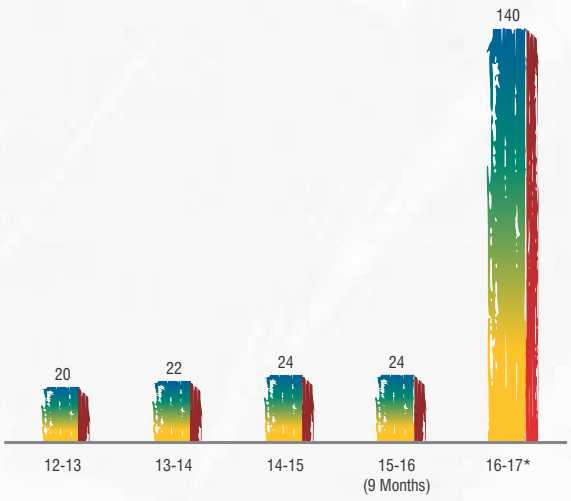
Retun on Net Worth (%)



Return on Average Capital Employed (%)

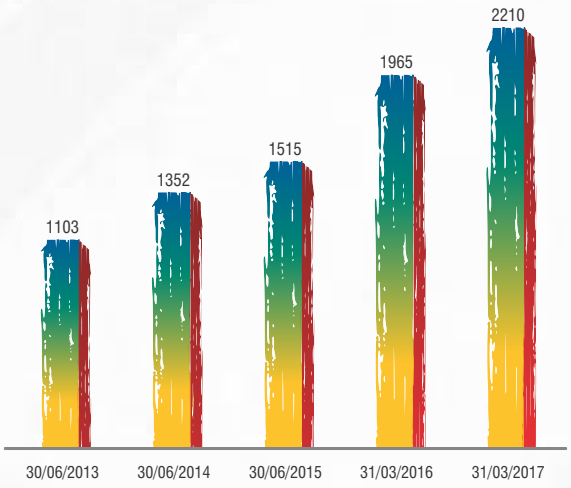


Dividend (₹ per Share)

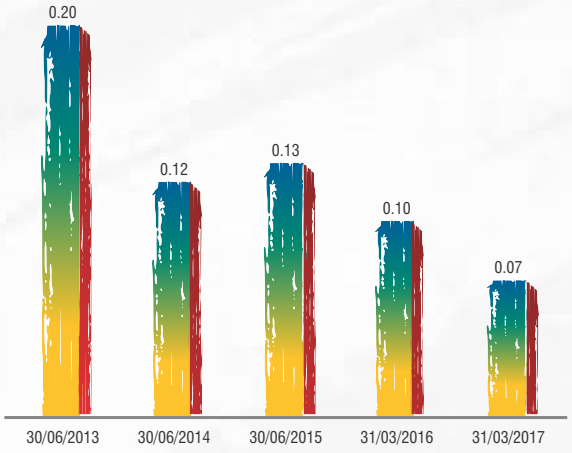


* Including "One-time Special Dividend" of ₹ 100 per share

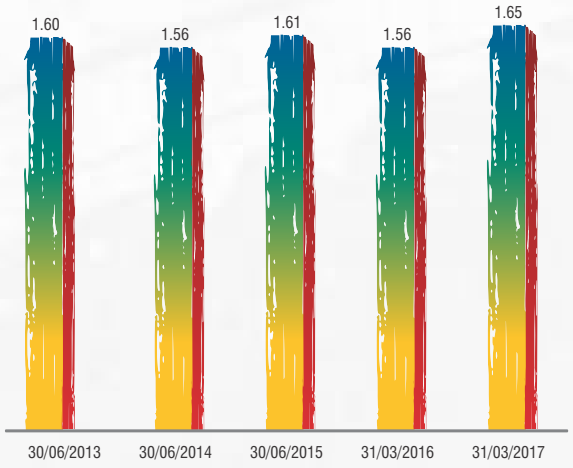
Book Value (₹ per Share)



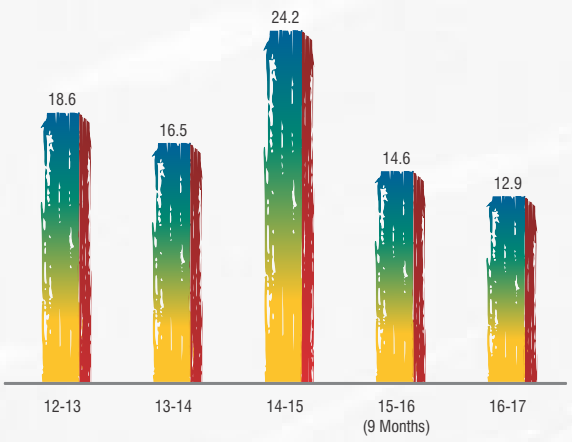
Debt Equity Ratio (Times)



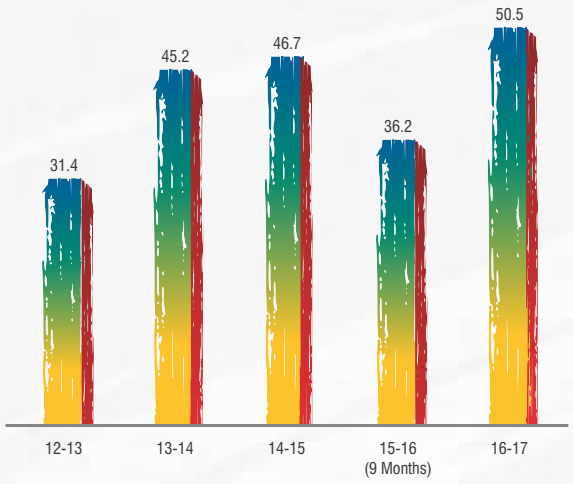
Current Ratio (Times)



Debtors Turnover (Days)



Inventory Turnover (Days)



FIVE YEARS HIGHLIGHTS

Operational Performance

Particulars	2012-13	2013-14	2014-15	2015-16 (9 Months)	2016-17
Cement Production (Lac MT)	123.32	142.22	159.22	140.99	202.87
Cement Sales (Clinker & Cement) (Lac MT)	124.61	142.52	161.62	142.43	205.86
Net Power Generation (Lac Kwh)	35,685	29,101	29,874	26,114	28,947
Power Sales (Lac Kwh)	26,103	18,597	18,851	17,390	16,583
Power Consumption (Kwh/Ton of Cement)	78.23	75.19	73.78	72.13	69.99
Fuel Consumption (% of Clinker)	10.44	10.07	10.04	9.69	9.76

Financial Performance

Profit & Loss Statement

(₹ in Crore except per share data)

Particulars	2012-13	2013-14	2014-15	2015-16 (9 Months)	2016-17
Revenue from Operations	6,169.08	6,544.31	7,176.84	6,189.96	9,496.52
Other Income	188.33	184.96	137.85	672.68	507.71
Total Revenue	**6,357.41**	**6,729.27**	**7,314.69**	**6,862.64**	**10,004.23**
EBIDTA	**1,749.25**	**1,574.76**	**1,481.70**	**2,079.59**	**2,874.94**
Depreciation & Amortizations	435.63	549.91	924.78	827.57	1,214.71
Finance Costs	193.14	129.19	120.63	75.77	129.42
Profit before Tax	1,119.42	815.15	400.83	1,176.25	1,530.81
Tax Expense	115.45	27.91	(25.50)	33.12	191.70
Net Profit	**1,003.97**	**787.24**	**426.33**	**1,143.13**	**1,339.11**
Cash EPS (in ₹)	406.34	369.74	372.81	556.02	694.45
Basic and Diluted EPS (in ₹)	288.19	225.98	122.38	328.13	384.39

Balance Sheet

(₹ in Crore)

Particulars	As at 30th June 2013	As at 30th June 2014	As at 30th June 2015	As at 31st March 2016	As at 31st March 2017
Net Block of Fixed Assets	1,781.94	2,193.77	3,004.33	3,050.17	2,599.12
Shareholders' Fund	3,843.65	4,710.87	5,276.40	6,845.53	7,698.14
Total Capital Employed	5,588.28	6,582.63	7,064.47	8,651.35	9,950.89

Key Ratios

Particulars	2012-13	2013-14	2014-15	2015-16 (9 Months)	2016-17
EBIDTA to Revenue from Operations (%)	28.36	24.06	20.65	33.60	30.27
Return on Equity (Net Worth) (%)	26.13	16.16	7.36	22.83	16.75
Return on Avg. Capital Employed (%)	24.14	15.52	7.64	20.47	17.85

Notes:

1. The Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016. Accordingly, the figures for the current year 2016 -17 as well as of pervious year 2015 -16 are Ind AS compliant.
2. Figures for the Financial Year 2015 -16 have been annualised for calculating Return on Equity (%) and Return on Avg. Capital Employed (%).
3. Figures have been regrouped and rearranged wherever necessary.

TWENTY FIVE YEARS HIGHLIGHTS

Year			Clinker Production (Lac MT)	Cement Production (Lac MT)	Cement Sales (Lac MT)	Gross Revenue (₹ in Crore)	Shareholders' Fund (₹ in Crore)	Book Value (₹ per Share)
1991-92			6.90	7.64	7.53	134.97	46.24	22.24
1992-93			8.04	7.98	8.07	145.28	63.28	25.94
1993-94			8.58	8.76	8.89	156.53	71.24	28.92
1994-95			8.93	9.27	9.27	181.44	88.59	35.99
1995-96			8.88	8.62	8.68	207.66	134.87	46.46
1996-97		(15 months)	10.79	11.85	11.62	251.12	182.03	52.25
1997-98			14.36	17.26	16.62	342.78	190.57	54.70
1998-99			19.45	20.44	20.91	442.15	196.54	56.42
1999-00			22.85	23.12	23.10	484.56	219.39	60.82
2000-01			21.13	23.83	24.00	554.60	247.06	66.61
2001-02		(9 months)	16.25	18.06	18.02	397.22	215.61	57.58
2002-03			22.85	27.47	27.25	582.43	222.40	63.84
2003-04			22.94	28.41	28.41	606.93	251.38	72.16
2004-05			24.83	30.16	30.61	723.03	289.49	83.10
2005-06			27.71	32.20	32.03	824.13	296.30	85.05
2006-07			35.06	47.99	48.33	1,613.14	454.55	130.48
2007-08			46.23	63.37	63.34	2,440.32	672.81	193.13
2008-09			64.18	77.65	77.36	3,091.59	1,210.02	347.33
2009-10			80.45	93.72	92.71	4,014.09	1,833.24	526.23
2010-11			74.65	94.28	93.38	3,879.45	1,986.18	570.13
2011-12		(15 months)	102.88	142.02	142.06	6,478.77	2,733.93	784.77
2012-13			86.82	123.32	122.77	6,169.08	3,843.65	1,103.32
2013-14			98.62	142.22	140.66	6,544.31	4,710.87	1,352.25
2014-15			113.18	159.22	157.45	7,176.84	5,276.40	1,514.59
2015-16		(9 months)	96.83	140.99	141.08	6,189.96	6,845.53	1,965.00
2016-17			**136.82**	**202.87**	**200.73**	**9,496.52**	**7,698.14**	**2,209.75**
GROWTH	Absolute No. of Times	25 Years	19.84	26.55	26.66	70.36	166.48	99.38
		20 Years	15.85	21.39	21.59	47.27	52.86	52.86
		15 Years	6.32	8.42	8.35	17.93	26.78	28.78
		10 Years	3.90	4.23	4.15	5.89	16.94	16.94
		5 Years	1.66	1.79	1.77	1.83	3.52	3.52
	CAGR	**25 Years**	**12.69%**	**14.02%**	**14.03%**	**18.55%**	**22.70%**	**20.20%**
		20 Years	**14.81%**	**16.55%**	**16.60%**	**21.26%**	**21.94%**	**21.94%**
		15 Years	**13.07%**	**15.27%**	**15.20%**	**21.22%**	**24.50%**	**25.11%**
		10 Years	**14.59%**	**15.51%**	**15.30%**	**19.40%**	**32.70%**	**32.70%**
		5 Years	**10.70%**	**12.29%**	**12.05%**	**12.87%**	**28.62%**	**28.62%**

Notes:

1. Gross Revenue for FY 2008 - 09 onwards includes amount of Power Sale.
2. The Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016. Accordingly, the figures for the current year 2016 -17 as well as of previous year 2015 -16 are Ind AS compliant.
3. Figures for the Financial Year 1996 - 97, 2001 - 02 and 2011 - 12 have been annualised for calculating the Growth in Absolute No. of Times and CAGR.
4. Figures have been regrouped and rearranged wherever necessary.

BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Directors take pleasure in presenting the 38th Annual Report together with the Audited Financial Statements, for the year ended 31st March, 2017. The 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	
	2016-17	2015-16 (9 months)	2016-17	2015-16 (9 months)
Revenue from Operations	**9,496.52**	**6,189.96**	**9,496.52**	**6,189.96**
Profit Before Interest, Depreciation and Taxes	2,874.94	2,079.59	2,874.91	2,079.56
Finance Costs	129.42	75.77	129.42	75.77
Depreciation and amortization expenses	1,214.71	827.57	1,214.71	827.57
Profit Before Tax	1,530.81	1,176.25	1,530.78	1,176.22
Tax Expense	191.70	33.12	191.70	33.12
Profit After Tax	**1,339.11**	**1,143.13**	**1,339.08**	**1,143.10**

2. DIVIDEND AND RESERVE

- During the year 2016-17, Company has paid following dividends as Interim Dividend : -
  - First Interim Dividend of ₹ 16/- per share,
  - One-Time Special Dividend of ₹ 100/- per share
- Apart from above, a Final Dividend of ₹ 24/- per share for 2016-17 has been recommended by the Board, which will be paid after approval of Members in ensuing Annual General Meeting (AGM).
- The total dividend payment thus works out to ₹ 140/- per share for year 2016-17 (12 months) as against ₹ 24/- per share for the year 2015-16 (9 months).
- The total dividend relating to the year 2016-17 amounts to ₹ 587.01 crore including dividend distribution tax of ₹ 99.29 crore as against ₹ 100.63 crore including dividend distribution tax of ₹ 17.02 crore for the year 2015-16.

  During the year, ₹ 1000.00 crore was transferred to General Reserve. Opening Balance of ₹ 500.00 crore in Special Reserve was also transferred to General Reserve.

The Board of Directors of the Company in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 had approved the Dividend Distribution Policy on 12th August, 2016. The Policy is uploaded on the Company's website and can be accessed at the link http://shreecement.in/pdf/dividend-policy.pdf.

3. MANAGEMENT OUTLOOK OF MACRO ECONOMY AND INDUSTRY

I. Indian Economy – Developments and Outlook

As per Advance Estimates of National Income released by Government of India, the GDP growth for the year 2016-17 is estimated at 7.1% as compared to 7.9% for 2015-16. The moderation in GDP growth this year is mainly attributable to demonetization announcement of Government. The growth in economy is largely because of healthy growth in agrarian and rural economy which benefitted from a good monsoon after two successive rain-deficient years. The industrial sector continued to show a dismal picture as reflected in Index of Industrial Production (IIP) which is estimated to have grown at around 0.4% during April 16 – Feb 17 on the back of 2.6% recorded in 2015-16. The inflation continued to

stay low as reflected in wholesale price index of 3.7% and Consumer Price Index of 4.5% during 2016-17. As a result, the interest rate saw good moderation during the year. A positive factor of 2016-17 was improved tax collections of the Government as visible in the growth of around 18% in the Gross Tax Collections which will enhance government's ability to spend on infrastructure and other development projects.

Going forward, the interest rates continue to stay benign. There are predictions of a normal monsoon. The capital investment both from private and public sector is showing revival. Government has renewed its thrust on infrastructure development. The passage of GST legislations by the Union and State Governments indicates that the GST regime is likely to be a reality over next few months. Overall, there are expectations for growth in consumption across sectors including construction and building materials.

The Niti Aayog has also released "A Three Year Vision Document for 2017/2020". It has forecasted a vigorous expansion of the Economy. This is predicated on the assumptions of a fiscal turn around. This would revive public investment in infrastructure which in turn will revive private investment. It has also given a positive perspective for the agricultural and manufacturing sectors. The outlook for 2017-18 thus looks bright.

II. Cement Industry – Development and Outlook

All India cement production during 2016-17 is estimated to have clocked a figure of around 280 million tonnes which indicates a de-growth of around 1% over previous year. The demand conditions were badly affected due to demonetization during later part of the year. Overall, the demand conditions were also affected due to relatively low infra spending, subdued conditions in the urban housing space and overall slackness in other sectors of the economy because of demonetization. A good monsoon however helped push demand from the rural and semi urban housing segment.

With the situation coming back to normal after demonetization, construction activities were seen to be picking up from February 2017 onwards. A buoyant mood is visible in economic activities across sectors in the economy. Government has pushed infra spending specially in Road and Railway sectors. The other Government schemes such as Smart City, AMRUT etc. are likely to attract significant investment. There is expectation of pick up in housing activities on the back of lower interest rates and incentives provided for affordable housing. These developments indicate a bright outlook for cement sector during 2017-18.

III. Power Sector - Development and Outlook

Power Sector continues to witness over capacity conditions. The continual capacity addition both in conventional power segment and renewable energy segment is making the situation worse. The sector is also witnessing high regulatory interventions making open market condition for power sector a distant reality. Poor financial health of Distribution Companies continues to adversely affect their power purchase decisions. The demand in short term market is therefore low and erratic leading to poor realizations for generators. The power generators are hardly able to recover their fixed costs. There is however hope that the government's initiatives of UDAY (Ujwal DISCOM Assurance Yojana) and inclination shown by new Government in the State of Uttar Pradesh to supply 24 hours supply may help lift demand to some extent. Overall, outlook for power sector remains grim for 2017-18.

4. STATE OF THE COMPANY AFFAIRS

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 notified by the Ministry of Corporate Affairs, Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April 2016. Accordingly, the financial results for the previous year ended 31st March, 2016 have also been prepared in accordance with Ind AS. The adoption of Ind AS has resulted in change in accounting and disclosures of certain income & expenditures and assets & liabilities. Reconciliation to this effects on the transition from Indian GAAP to Ind AS on the equity as at 1st July, 2015 and 31st March, 2016 and on the net profit for the year ended 31st March, 2016 is disclosed in Note no. 55 in the accompanying standalone financial statements.

Brief summary of the Company's performance is as under:

Particulars		Unit	2016-17	2015-16 (9 months)	+/-% (Annualized)
Cement Production		Lac Tons	202.87	140.99	7.9%
Cement & Clinker Sale		Lac Tons	205.86	142.43	8.4%
Power Generation (Net)		Million Units	2,895	2,611	-16.8%
Power Sale		Million Units	1,658	1,739	-28.5%
Revenues	- Cement	₹ Crore	8,924.11	5,604.49	19.4%
	- Power	₹ Crore	572.41	585.47	-26.7%
	- Total	₹ Crore	9,496.52	6,189.96	15.1%
Operating profit	- Cement	₹ Crore	2,210.73	1,207.33	37.3%
	- Power	₹ Crore	156.50	199.58	-41.2%
	- Other Income	₹ Crore	507.71	672.68	-43.4%
	- Total	₹ Crore	2,874.94	2,079.59	3.7%
EBIDTA Margin to Revenue		%	30.27%	33.60%	
Net Profit		₹ Crore	1,339.11	1,143.13	-12.1%

Cement Business

- Company crossed 20 million ton mark during 2016-17 in its Cement production which registered a growth of 7.9% over previous year to 202.87 lac tons.
- Cement and Clinker Sale volume were up at 205.86 lac tons recording a growth of 8.4% over previous year. This was mainly because of significant strides made by the Company in Eastern India cement market.
- Cement Sales revenue grew 19.4% to ₹ 8,924.11 Crore on account of increased sale volumes as well as improved price realization.
- Company continued to maintain its cost leadership during the year. It contained the raw material costs around the same level as was recorded last year through optimal sourcing and continual efficient usage. It rationalized its power and fuel cost by around 3% during the year through improvement in energy consumption levels as well as better fuel procurement. Logistics cost was however up by 14% mainly because of higher diesel prices and relatively lower ex-factory dispatches.
- As a result of combined effect on account of growth in cement volumes, cost rationalization and improved price realization, the EBITDA of cement business was up by 37.3% to ₹ 2,210.73 Crore.

Power Business

As Company operates in short term power market, its power sales depend on the prevailing fuel prices as it directly affects its cost of generation and consequently sale price. During the first half of 2016-17, fuel prices were soft, the same however increased sharply during the second half. This, coupled with challenging market conditions, impacted overall power sale volumes which dropped to 1658 Million Units in 2016-17 from 1739 Million Units in 2015-16 (9 months). Consequently revenue from Power Sale (including income from power trading) was also recorded lower at ₹ 572.41 Crore in 2016-17 as against ₹ 585.47 Crore in 2015-16 (9 months). EBITDA of Power Business stood at ₹ 156.50 Crore in 2016-17 as against ₹ 199.58 Crore in 2015-16 (9 months).

New / Expansion Projects

During the year, the expansion project of grinding unit at Aurangabad in Bihar was completed which increased its capacity to 3.6 Million Tons Per Annum (MTPA) from 2.0 MTPA. In addition, the capacity of existing units of the Company has also increased as a result of de-bottlenecking, process-flow improvement, installation of balancing equipment and other productivity improvement measures. Accordingly the cement capacity of the Company has increased to 29.30 MTPA from 25.60 MTPA last year.

The work on Clinker capacity Expansion project of 2.6 MTPA at Baloda Bazar in Raipur District of Chhattisgarh is expected to be completed by Quarter ending March 2018. Work on Integrated cement project of 3.0 MTPA at Kodla in Gulbarga District of Karnataka is also progressing as per schedule and is expected to be completed by Quarter ending December 2018.

The official perspective of revival as spelled out by Niti Aayog in its "A Three Year Vision Document for 2017/2020" is a welcome initiative and is consistent with Company's actions on capacity expansion. The Company looks forward to the Governments at the Centre and the States implementing the Vision document.

The policies on reform of Agricultural Markets, housing and transport and power infrastructure in particular will help the Company's capacity addition plans to be successfully implemented.

Coal Linkage

Price Behaviour of imported coal and pet coke observed over the years indicate that they are subject to high fluctuations. Thus, in order to contain the impact of such volatility, Company has started exploring possibility of coal linkages. From 2016-17, Government has started granting coal linkages to cement sector through auction route. Company participated in these auctions and won three Coal linkages at competitive prices for supply from New Kusumunda and Dipka OC coal mines of South Eastern Coalfields Ltd. (Subsidiary of Coal India Ltd.). The coal will be used for company's plant at Raipur in Chhattisgarh. The quality of coal to be supplied under the above coal linkages is "G-Garde" and aggregate quantity allotted is 2.10 lac MTPA. The supply will continue for 3 years from the date of signing of Fuel Supply Agreement(s).

Limestone Block

Having sizable limestone deposits at one location allows one to have larger and rapid capacity set up at one single location apart from cost efficiencies. With this objective, Company decided to participate in an e-auction conducted by Govt. of Chhattisgarh for a limestone deposit at Village Karhi Chandi, District-Baloda Bazar- Bhatapara, Raipur. The deposit is adjacent to Company's Cement Plant in Raipur. Company won the deposit in high competition with other bidders. The deposit was the first ever limestone deposit allotted by Government through the e-auction route. This deposit will augment Company's limestone reserve availability thereby allowing it to scale up its capacity.

5. RISK MANAGEMENT

Business Risk Evaluation and Management is an on-going process within the Organization. The Company has a robust risk management framework to identify, monitor, mitigate and minimize risks and treats the same as a measure to identify business opportunities as well. The framework helps timely identification and assessment of risks as well as ensures timely implementation of appropriate mitigation measures. The framework also allows regular review of the identified risks and their mitigation measures so as to ensure their relevance.

The Audit and Risk Management Committee monitors the risk management plan of the Company for ensuring its effectiveness and reviews the risks inventory from time to time. The key risks identified by the Company and their mitigation measures are as under:

a) **Demand Slackening and Supply Overhang in the Industry -** The slowdown in demand growth and supply overhang due to continual capacity addition pose risk of under-utilization of cement capacities. Company has proactively adopted measures like multi-brand strategy, faster delivery to consumers and consistent quality to contain this risk. It also keeps adding capacity in markets where demand-supply conditions are considered to be relatively favourable. Company's foray into Eastern India market with its plants in Bihar and Chhattisgarh helped it quickly gain extra market share. Company is further strengthening its market position in these markets. Company is now venturing into Southern India market by setting up an integrated cement plant in the State of Karnataka which will help it gain further market share and make it an all India player. All these strategic moves are helping Company in increasing its market share and better capacity utilization rates.

b) **Availability of Water and Other Resources -** Because of constant increase in demand and depletion of traditional resources of water, availability of ground water has been shrinking over the years. Company's plants in Rajasthan are located in water deficient areas and as such conserving water becomes more important. Realizing this, Company installed Air Cooled Condensers (ACC) in all its power plants which though involve additional capital expenditure, have helped Company reduce water consumption

significantly. This is quite significant as hardly any other power plant in the State has installed ACC in its plant. Also, the Company has aggressively installed Waste Heat Recovery systems in its cement plants which use waste hot gases as their input thereby eliminating the need for cooling of such gases and thus saving water. There is Company-wide awareness at all levels to conserve water.

Secondly, conservation of limestone which is a key input for cement production is quite important. While Company has adequate limestone deposits at its existing operational sites, it has been making all efforts to optimize its usage thereby conserving the deposits and enhancing their life. Additionally, Company continuously undertakes exploratory activities at its existing deposits areas to find more reserves. To conserve the high grade limestone, Company is mixing the same with low grade limestone and mines rejects and using it for clinker production.

c) **Fuel Cost –** Company sources fuel from open market and hence is exposed to volatility of market prices of the fuel. Company has deployed multi-fuel usage strategy as well as best technology which allows it to use different fuels and use the most economical fuel among a basket of different fuels as per prevailing trends in the market. To further mitigate the risk of price volatility, Company during the year participated in e-auction of coal linkages and secured linkages for 2.10 Lac ton per annum for its Raipur, Chhattisgarh plant. Additionally, to reduce reliance on conventional fuel, company has aggressively invested in Waste Heat Recovery Power Plants thereby cushioned itself from fuel price volatility to that extent.

d) **Power Prices –** Company sells its surplus power under short term contracts. This is because, it does not have any long term arrangement for coal. This exposes it to price volatility in this segment. The Company is managing this risk by increasing its captive consumption and ensuring advance sale contracts for part of the capacity and keeping the balance for running the same with market volatility.

6. INTERNAL CONTROLS SYSTEM AND THEIR ADEQUACY

In order to ensure orderly and efficient conduct of business, Company's management has put in place necessary internal control systems commensurate with its business requirements, scale of operations, geographical spread and applicable statutes. The Company has an in-house Internal Audit department manned by qualified professionals and an external firm acting as independent internal auditors that reviews internal controls and operating systems and procedures. 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 also put in place a digital legal compliance management system.

Company has designed the necessary 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. Company has documented Standard Operating Procedures (SOPs) for procurement, human resources, sales and marketing, logistics, finance and treasury, financial reporting, compliances and other areas of its operations.

The compliance to these controls and systems including SOPs is periodically reviewed by the Internal Audit function and exceptions are reported. All material audit observations and follow up actions thereon are reported to the Audit and Risk Management Committee. The Committee holds regular discussions with the auditors to ensure adequacy and effectiveness of the internal control systems and monitors implementation of audit recommendations.

7. HUMAN RESOURCES / INDUSTRIAL RELATIONS

A company may have the best technology, best strategy and the best plant and machinery in its business, but if it doesn't have the hearts and minds of the people who work with it, none of it comes to life. At Shree, everyone considers himself as a part of family and identifies himself as part of a one whole. They treat themselves as an entrepreneur and contribute in the working of the Company with a mindset as if every gain or loss caused to the Company is his own. That's a value system that flows from the top management and is a guiding principle for all our people practices. During the year, Company has continued its focus on people related programs aimed at attracting, developing and retaining talent within organization.

a) **Employee Engagement and Talent Management -** Eighty percent of our success comes from our people and twenty per cent from our product. Care for our people and ensuring their holistic happiness and getting the best out of them is the focus of HR function at Shree. This is carried through the four pillars of HR–Recruitment, Establishment, Learning & Organisation Development & Employee Engagement.

Recruitment gets people who are competent and culture fit. While the hiring process ensures that those who join the organization are aligned to the organization culture, our on-boarding process ensures that new joiners are thoroughly assimilated into the organization and are able to gel with Company's culture and ways of working.

Learning & Organisation Development focuses on building capabilities for the future and driving change as per the needs of the business.

Employee Engagement works towards making everyone involved with the purpose and object of the Company. This is achieved through creation of a conducive work-place and positive environment where every member feels committed and strives to contribute meaningfully for the goals set for himself, for his function and ultimately for the Company.

Focus is given on maintaining work-life balance and increasing social engagement of the employee. Unique 'Shree Family' culture which is hallmark of Company's human resource practices has made pivotal contribution in more engaged and happy employees of the Company. On-going initiatives like 'Kutumb Utsav' endeavours to make families part of work life of employees where family of an employee is invited for a day at his/her workplace and have glimpses of his/her work life.

In order to measure the effectiveness of our people policies and practices and benchmark them against the industry, an annual employee engagement survey is conducted through a third party. The Engagement survey scores have seen a consistent upward trend over the years and this year the scores are at par with India's Top 50 best places to work for.

During the year company has received following recognitions as a result of pro-people policies:-

- Golden Peacock Award for HR Excellence 2016 instituted by the Institute of Directors (IOD). The award is bestowed upon organizations that have achieved overall excellence in their HR and people management practices.
- Company is ranked among top 5 companies for Employee Health & Wellness in India by Society of Human Resource Management, India.
- Company is Great Place to Work-Certified™ by Great Place to Work® Institute (GPW). The certification has been accorded after a rigorous and objective review of feedback on credibility, respect, fairness, pride and camaraderie in workplace provided by employees during a Trust Index© Employee Survey and Culture Audit© of variety, originality, all Inclusiveness, human touch and integration conducted by GPW. Certifications by GPW are considered as gold standard for defining work culture and ethos across organizations.

b) **Occupational Health and Safety -** Occupational health and safety is considered a high priority in the Company. It is imbibed in our key corporate values. All plants follow a strict regimen of safety management protocols. Company continuously undertakes various initiatives aimed at providing a healthy and safe workplace to its people (full-time employees as well as contract workers). To strengthen its people's commitment towards safety, Company organises a 'Safety Meeting' on first day of each month at all its plant sites. This occasion brings all employees and workers of a unit at a common platform and provides them a great opportunity for sharing of safety related aspects and encouraging all to adopt safe work practices in their respective areas of operations.

To ensure that the 'safety first' culture continues to grow; Company has developed a practice of periodically organising various safety related events viz. Road Safety Week, National Safety Day, Workshops by experienced Safety Professionals, etc. Such regular events give an opportunity for the Company's Safety Team to create excitement amongst people and thereby boost their awareness and keenness to adopt safe practices in their everyday life. To ensure a safe work environment, Company engages its entire workforce (including contract workers) to highlight any observed unsafe working conditions in the plant so that the same can be suitably and timely corrected. For the same, Company has developed a

'Safety Observation Portal' in which any person can report any observed unsafe condition which then gets shared with the concerned to ensure immediate and appropriate redressal.

Company continues to adopt practices like 'Toolbox Talks' (wherein prior to commencement of any maintenance activity, engineers hold an informal talk with the group of workers to discuss and highlight the safety hazards in the job to be undertaken), Safety Audits (undertaken by internal and external experts so as to identify and eliminate potential safety risks), Mock drills (to build on emergency preparedness to meet any contingency). All these initiatives have resulted in strengthening of safety systems and improving people welfare.

During the year Company organized various workshops for middle and junior level executives to explain the management's role in developing safety culture, strategies for safety culture improvement and various statutory safety provisions. Company voluntarily invited a team of nominated auditors from 'National Safety Council-Mumbai' (an autonomous body set up by Ministry of Labour and Employment-Government of India) to conduct an 'Occupational health and safety audit' of its cement and power plants at its Beawar and Ras sites. While appreciating Company's existing practices, the team of Auditors appreciated the implementation of Hazard Identification & Risk Assessment (HIRA) system across all plant location of company for prevention of injuries.

Company is a member of Cement Sustainability Initiative (CSI) of World Business Council for Sustainable Development (WBCSD). Delegation of Member Companies of Cement Sustainability Initiative (CSI) visited company's Beawar Plant as a part of a Peer Visit program. The objective of the program was to review the implementation of recommended good practices and sharing of safety initiatives for improvement in safety culture. Visiting delegates appreciated the efforts for sustainable improvement in safety culture.

c) **Industrial Relations –** Employee Relations remained cordial during the year. This has enabled Company to build healthy relationship and resolve issues through dialogue and discussions.

Total number of employees as on 31st March, 2017 were 5411.

8. SUSTAINABILITY

Company's commitment to sustainable development goes beyond its operating boundaries, as it continuously aims to add value to stakeholders by advancing knowledge and improving lives. Sustainability is an intrinsic part of the Company's business model and is vital to its long term growth strategy. Company works with key stakeholders and focuses its efforts towards sustainable development through various initiatives for energy management, environment and social institution building. Company's sustainability initiatives are focused on low carbon emission, use of alternate fuels, water & resource conservation and environment management. Sustainability matters are regularly discussed at Board level.

During 2016, Company attained a unique distinction of being the first cement Company in the World, accorded with the highest "5-Star" rating by Whitehopleman, UK an international benchmarking firm that reviews cement plants across the globe and assigns them star ratings based on various parameters like safety, manpower productivity, energy efficiency, product quality, equipment productivity, equipment reliability and environmental impact. It is worth mentioning that no other cement company has ever attained the perfect 5–Star rating during last 18 years of benchmarking done by Whitehopelman. The rating was assigned to the Company for its cement plants at Ras in Rajasthan, India. Prior to the above upgrade, the Company has been getting 4 Star rating for last 15 years.

During the year company was awarded and recognised for its various initiatives towards sustainable development a few which are as under:-

- Sustainability disclosure Leadership Award 2016 under the umbrella of India Sustainability Leadership Summit & Award for transparency in disclosures towards Climate Change.
- Environment Excellence Award 2016 instituted by "Mission Energy foundation" under the category "Excellence in Implementation of New Environmental Norms-Existing TPPs Category", Company was awarded this recognition for its innovative approach for installation of FGD unit and Synthetic Gypsum unit to cut down SOx emissions.
- Indian Bureau of Mines, Ministry of Mines, Govt. of India has awarded Limestone Mines of the

Company at Bangur City Ras and Bangur Nagar Beawar with 5 Star Rating under Star Rating System for Sustainable Development. A 'Star Rating' is awarded to the mining lease holders for their efforts and initiatives toward implementation of the Sustainable Development Framework. The best performing leases are given 5 Stars.

- Golden Peacock Environment Management Award, 2016 by Institute of Directors, New Delhi in recognition of Company's efforts made in Environment Management, Natural Resource conservation, Utilization of alternative fuel & resources, emission control, energy conservation etc.
- Company has won Green-Co Best Practices Award 2016 for its best practices in Renewable Energy and GHG Emission Reduction. The award was instituted by Confederation of Indian Industries (CII).

Sustainability Initiatives - During the year, the initiatives on sustainability continued with improved performance on several parameters of operations. Some of the initiatives taken on the environment front during the year are as under:-

a) **Power Generation from Waste Heat Recovery Plants -** Company considers waste heat recovery power plants as a potent source of renewable energy due to the various benefits of these plants which include conservation of fossil fuels and water, elimination of GHG emissions, controlling fugitive emission, etc. Company has invested in this renewable energy source as a long term environment management plan. Company continues to maintain its distinction of having the largest Waste Heat Recovery capacity in World Cement Industry excluding China. These plants help in reducing Company's dependence on fossil fuel for power generation and consequently cut down the carbon emissions.

b) **Solar Power -** Company has identified Solar energy is one of the focus areas to improve upon its carbon footprint. During the year, Company has made a small beginning by setting up a 62 KW Solar PV Power plant near its cement plant facility in Beawar. The plant has employed three different type of variants including tracking system and help understand the functioning of Solar power generation. Company is evaluating options of setting up MW scale solar power plants near its cement plants in different states.

c) **Alternative Fuels and Raw Materials -** Our dedicated team continued its experiments during the year for working out solutions to use alternative fuels and raw materials in the operations to reduce the consumption and usage of natural resources. Usage of other alternative fuels like paint sludge and industrial wastes was increased during the year. Company's synthetic gypsum plant and FGD plant further continue to reduce its dependence on natural mineral gypsum.

d) **Energy Conservation -** Energy conservation and environment management is a focus area for the Company and is driven at every level of operations. Company's dedicated "Energy Cell" continued to find out innovative solutions of energy saving and improvement. Several measures like installation energy efficient equipments, optimization of processes, modifying/ improvising design & engineering of the equipments, etc. were carried out to improve the energy efficiency in the operations. The results of all these initiatives are visible in continually reducing power and fuel consumption levels of the Company which are one of the lowest in the cement industry.

e) **Environment Management -** On environment management front, measures were undertaken to control/reduce the emissions. In our plants, Continuous Emission Monitoring System have been installed for monitoring and reporting of emission levels on a real time basis on websites of regulatory authorities.

f) **Conservation of Water -** Water being a scarce and precious resource, finds utmost priority in the Company's sustainability initiatives. During the year, Company has created rain water harvesting systems at Raipur plant with few more under development. This apart, Sewage Treatment Plants (STP) were installed for treatment of domestic waste water. In addition, newly installed Waste Heat Recovery plant at Raipur plant is further adding to the

Company's continuous drive towards water consumption. At Ras plant also rain water harvesting systems within and outside plant premises have been created for rain water harvesting.

g) **Sustainability Reporting -** During the year, Company released its 12th Corporate Sustainability Report for year 2015-16 detailing its efforts towards sustainability following GRI G4 guidelines and an independent third party verifying agency has certified the report as "In-accordance" with comprehensive options under GRI G4 Guidelines. Company is also releasing Business Responsibility Report (BRR) as part of its Annual Report covering its compliances towards the Business Responsibility Principles enunciated by the Ministry of Corporate Affairs/ Securities and Exchange Board of India.

h) **Carbon Disclosure Project (CDP) -** CDP is an international, not-for-profit organization providing the global system for companies to measure, disclose, manage and share vital environmental information. Company is ranked 2nd best cement company in carbon related metrics.

9. CORPORATE SOCIAL RESPONSIBILITY

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 is an integral part of the Company's business. During the year company has been awarded "Excellence in Community Impact" Award instituted by Society of Human Resource Management, India (SHRM), SHRM is the world's largest not-for-profit Human Resource association.

In order to oversee all its CSR initiatives and activities, the Company has constituted a Board level Committee - "Corporate Social and Business Responsibility Committee" (CSBR Committee). The major thrust areas of the Company include healthcare, education, women empowerment, infrastructure support, integrated rural development and conservation of natural resources.

The Annual Report on CSR activities of FY 2016-17 with requisite details in the specified format as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached at **Annexure – 1** and forms part of this report.

The CSR Policy of the Company is attached at **Annexure – 2** to the Directors' Report and forms part of the Annual Report. The same may also be accessed on the website of the Company at link http://www.shreecement.in/pdf/Shree-csr-policy.pdf.

10. SUBSIDIARY COMPANIES

The Company has a 100% subsidiary i.e. Shree Global Pte. Ltd., Singapore. There have been no operations in the subsidiary during the year. The Company is not having any Associate Company or Joint Venture. The shareholders, who wish to receive a copy of Annual Accounts of the Subsidiary Company, may request the Company Secretary for the same. As required by Section 129(3) of the Companies Act, 2013 statement showing the salient features of the financial statements of the Subsidiary Company in Form AOC-1, forms part of the Consolidated Financial Statements of Company.

The policy for determining material subsidiaries as approved by the Board can be accessed on the website of the Company at link http://www.shreecement.in/pdf/Shree-material-subsidiary-policy.pdf.

11. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared as required in terms of provisions of Companies Act, 2013 and Listing Regulations by following the applicable Accounting Standards notified by the Ministry of Corporate Affairs and form part of the Annual Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts for the year ended 31st March, 2017 the applicable accounting standards have been followed and there are no material departures from the same;

b) Such accounting policies as are mentioned in the Notes to the Accounts have been selected applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit of the company for the year ended on that date;

c) 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;

d) The annual accounts have been prepared on a going concern basis;

e) 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

f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Board of Directors of the Company in their meeting held on 30th January, 2017 have foreclosed the existing term of Shri Prashant Bangur w.e.f. Close of the Business hour of 31st March, 2017 and re-appointed him as Joint Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2017 subject to approval of the Members in the ensuing Annual General Meeting.
- In accordance with the provisions of the Companies Act, 2013 and Article 112 of the Articles of Association of the Company, Shri Ramakant Sharma, Director will retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

  The Board recommends the re-appointment of Shri Prashant Bangur and Shri Ramakant Sharma. Items seeking approval of members are included in the Notice convening the Annual General Meeting (AGM).

  The Independent Directors hold office for a fixed term of 5 years and are not liable to retire by rotation. In accordance with Section 149(7) of the Companies Act, 2013, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS

In terms of requirements of Listing Regulations and provisions of Companies Act, 2013, the Board carried out annual evaluation of its own performance, performance of its Committees, Individual Directors including the evaluation of Independent Directors during the year.

The Institute of Company Secretaries of India (ICSI) had issued Guidance Note namely "A Guide to Board Evaluation" and suggested various performance evaluation parameters with evaluation forms for carrying out performance evaluation of all the Directors, Chairman, Board as a Whole and Committees of the Board. The Securities and Exchange Board of India has also issued Guidance Note on the Performance Evaluation on 5th January, 2017. Company had adopted the evaluation parameters as suggested by ICSI and SEBI.

The performance of the Board was 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 was evaluated by the Board on the basis of criteria such as composition of Committees, effectiveness of Committee working, independence etc.

The Board and Nomination cum Remuneration Committee evaluated 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.

For the above evaluation, the Board members completed questionnaires providing feedback on different parameters as already sated 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 Nomination cum Remuneration Committee and 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 was 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 was also evaluated in the said meeting.

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

15. 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, organization structure, products, etc. A detailed presentation along similar lines is sent to existing Independent Directors also every year to keep them apprised of the above details.

As 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 familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at link http://www.shreecement.in/pdf/Shree-familiarization-programme-for-independent-directors.pdf.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings / outgo, as required to be disclosed under the Companies Act, 2013 is set out at **Annexure-3** which forms part of this report.

17. 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 working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

18. AUDITORS

Statutory Auditors

M/s. B R Maheswari & Co LLP, Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting. They have given their report on the Annual Financial Statements for Financial Year 2016-17. The Audit Report does not contain any qualification, reservation or adverse remark.

As per the provisions of Section 139 of the Companies Act 2013, the term of office of M/s. B R Maheswari & Co LLP, as Statutory Auditors of the company will conclude from the close of the ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s. B R Maheswari & Co LLP as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Gupta & Dua, Chartered Accountants (ICAI Firm Registration Number 003849N) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 for a period of 5 years commencing from the conclusion of ensuing 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting.

Members' attention is drawn to a Resolution proposing the appointment of M/s. Gupta & Dua, Chartered Accountants, as Statutory Auditors of the Company which is included at Item No. 5 of the Notice convening the Annual General Meeting.

Secretarial Auditors

The Board had appointed M/s. P. Pincha & Associates, Company Secretaries, Jaipur as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2016-17. They have submitted their report in prescribed format and the same is attached at **Annexure – 5**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

The Board has appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur (Firm Registration No. 00024) as Cost Auditors of the Company to conduct Cost Audit for the Financial Year 2016 -17.

19. OTHER DISCLOSURES

i. **Composition of Audit and Risk Management Committee:** The Committee comprises of Shri O. P. Setia as Chairman, Shri Prashant Bangur, Shri R. L. Gaggar, Dr. Y. K. Alagh, Shri Nitin Desai, Shri Shreekant Somany and Shri Sanjiv Krishnaji Shelgikar as other Members. All the recommendations made by the Audit and Risk Management Committee were accepted by the Board.

ii. **Details of Meetings of Board and its Committee:** Details of the composition of the Board and its Committees, Meetings held and attendance of the Directors at such Meetings are provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

iii. **Extract of the Annual Return:** Extract of Annual Return of the Company is annexed at **Annexure - 6** which forms part of this report.

iv. **Particulars of Loan, Guarantees or Investments:** During the year 2016-17, there were no loans or guarantees given by the Company which attracted the provisions of Section 186 of the Companies Act, 2013. The details of investments made covered under provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

v. **Particulars of Contracts or Arrangements with Related Parties:** All Related Party Transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. All such transactions are placed before the Audit Committee for approval. For transactions that are foreseen or are repetitive in nature, prior omnibus approval is obtained from Audit Committee.

There were no material Related Party Contract/ Arrangement/ Transactions made by the Company during the year that would have required Shareholders' approval under provisions of Section 188 of the Companies Act, 2013 or of the Listing Regulations.

The Company has adopted a Related Party Transactions Policy duly approved by the Board, which is uploaded on the Company's website and may be accessed on the link http://www.shreecement.in/pdf/Shree-related-party-transction-policy.pdf.

Details of Related Parties disclosures (transactions) are provided in the Notes to Accounts of the accompanying financial statements.

vi. **Deposits from Public:** The Company has not accepted any deposits from public covered under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

vii. **Vigil Mechanism / Whistle Blower Policy:** The Company has adopted a whistle blower policy and has 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 and Risk Management Committee.

The whistle blower policy may be accessed on the website of the Company at link http://www.shreecement.in/pdf/Shree-whistle-blower-policy.pdf.

viii. **Remuneration Policy:** Company firmly believes that it needs to structure remuneration of its people in a manner that is both competitive and satisfies the needs of its people who are its real assets. 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.

ix. **Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace:** The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under.

Company has formed an 'Internal Complaints Committee' for prevention and redressal of sexual harassment at workplace. The Committee has four members and is chaired by a senior women member of the organization. The Company has not received any complaint of sexual harassment during the financial year 2016-17.

x. **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.

xi. **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.

20. ACKNOWLEDGEMENT

The Directors take this opportunity to express their deep sense of gratitude to its lenders, Central and State Governments and the 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 its various stakeholders of the Company customers, dealers, supplies, transporters, advisors, local community, etc. for their continued committed engagement with the Company. Lastly, the Directors would also like to thank you, the Members of the Company for the confidence and trust reposed in them.

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

Place: Kolkata
Date: 16th May, 2017

ANNEX – 1 TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	**A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs.**	Company believes that for its operations and growth to be sustainable, it has to be responsible. Its long term sustainability is thus underlined by strict adherence to environment preservation, social upliftment and financial prudence. In this line, it has made social development an integral part of its business activities and considers it as a voluntary act rather than an additional activity mandated by statute. Company's CSR initiatives focus on education, healthcare, sustainable livelihood, women empowerment, infrastructure development, environment protection and promotion of art & culture, epitomising a holistic approach to inclusive growth. Company's CSR Policy was approved by the Corporate Social and Business Responsibility Committee (CSBR Committee) of the Board in its meeting held on 28th April, 2014, and subsequently its contents were put up on the Company's website. The web link to the contents of the CSR Policy is http://www.shreecement.in/pdf/Shree-csr-policy.pdf.
2	**The Composition of the CSR Committee.**	Company's CSBR Committee comprises four Independent Directors; one Non-Executive Director and one Working Director and is chaired by an Independent Director. The composition of the Committee as on 31st March, 2017 is set out below: 1. Shri O. P. Setia (Chairman)-Independent and Non-Executive Director 2. Shri Prashant Bangur – Joint Managing Director 3. Shri Nitin Desai - Independent & Non-Executive Director 4. Dr. Leena Srivastava - Independent and Non-Executive Director 5. Shri Sanjiv Krishnaji Shelgikar - Independent and Non-Executive Director 6. Shri Ramakant Sharma - Non-Executive Non-Independent Director
3	**Average net profit of the company for last three financial years.**	The average net profit of the Company for the last three financial years calculated in terms of Section 198 of the Companies Act, 2013 is ₹ 955.49 crore.
4	**Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**	The prescribed CSR expenditure requirement for year 2016-17 is ₹ 19.11 crore.
5	**Details of CSR spent during the financial year**	
	a) Total amount to be spent for the financial year;	Total amount spent towards CSR during year 2016-17 was ₹ 19.29 crore
	b) Amount unspent, if any;	NIL
	c) Manner in which the amount spent during the financial year is detailed below.	The manner in which the amount is spent is annexed.
6	**In case the company has failed to spend the two per-cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report**	Not Applicable
7	**A responsibility statement of the CSBR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**	The CSBR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

Place: Kolkata
Date: 16th May, 2017

H. M. Bangur
Managing Director
DIN: 00244329

O. P. Setia
Chairman – Corporate Social and Business Responsibility Committee
DIN: 00244443

Annexure to CSR Report (Point 5 (c) of the CSR Report)

Amount in ₹ Crore

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) Project or program wise**	**Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads**	**Cumulative Expenditure up-to the reporting period**	**Amount spent: Direct or through Implement-ing agency**
1	Healthcare initiatives	Promoting health care and sanitation	Villages adjoining plants at Beawar, Ras, Khushkhera, Jobner, Suratgarh (Rajasthan), Roorkee (Uttarakhand), Raipur (Chhattisgarh), Panipat (Haryana) and Bulandshahr (Uttar Pradesh)	0.60	0.59	0.59	Direct
2	Arranging drinking water for nearby communities	Making available safe drinking water	Villages adjoining plants at Beawar, Ras, Suratgarh, Jobner (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar), Panipat (Haryana), Bulandshahr (Uttar Pradesh) and Raipur (Chhattisgarh)	0.80	0.80	0.80	Direct
3	Agriculture support to farmers	Measures for reducing inequalities faced by socially and economically backward groups	Villages adjoining plants at Beawar and Ras (Rajasthan)	0.15	0.15	0.15	Direct
4	Initiatives to promote education including consumer education	Promoting education	Villages adjoining plants at Beawar, Ras, Khushkhera, Jobner, Suratgarh (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar), Raipur (Chhattisgarh), Bulandshahr (Uttar Pradesh) & marketing offices of the Company spread across North and East India	6.10	6.07	6.07	Direct
5	Income generation programs & skill enhancement trainings	Employment enhancing vocation skills, Livelihood enhancement projects	Marketing offices in the state of Rajasthan, Haryana, Chhattisgarh, Bihar and Delhi	0.20	0.20	0.20	Direct
6	Women empowerment and capacity building	Promoting gender equality, Empowering women	Villages adjoining plants at Beawar, Ras, Khushkhera, Jobner (Rajasthan), Roorkee (Uttarakhand), Raipur (Chhattisgarh), Bulandshahr (Uttar Pradesh) and Panipat (Haryana)	0.30	0.28	0.28	Direct

Annexure to CSR Report (Point 5 (c) of the CSR Report)

Amount in ₹ Crore

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) Project or program wise**	**Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads**	**Cumulative Expenditure up-to the reporting period**	**Amount spent: Direct or through Implement-ing agency**
7	Basic amenities, security and medical services to old aged people	Creation of facilities for senior citizens	Beawar (Rajasthan), Roorkee (Uttarakhand), Bulandshahr (Uttar Pradesh), Aurangabad (Bihar) and Kolkata (West Bengal)	0.85	0.84	0.84	Direct, Project Pronam through 'The Bengal' trust
8	Plantation program, protection of environment including animal welfare	Ensuing environmental sustainability and Animal Welfare	Villages adjoining plants at Beawar, Ras, Khushkhera (Rajasthan), Raipur (Chhattisgarh), Roorkee (Uttarakhand) and Aurangabad (Bihar)	1.05	1.06	1.06	Direct
9	Contribution to community /social/ cultural institutions of repute engaged in activities in line with the CSR policy	Promotion and protection of art and culture	Beawar, Ras, Khushkhera, Suratgarh, Jaipur (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar), Raipur (Chhasttisgarh) and Panipat (Haryana)	0.90	0.90	0.90	Direct
10	Promotion of sports	Promote rural sports and nationally recognized sports	Villages adjourning plants at Beawar, Ras, Khuhskhera, Suratgarh, Jobner (Rajasthan), Aurangabad (Bihar), Raipur (Chhattisgarh), Panipat (Haryana) and Bulandshahr (Uttar Pradesh)	0.15	0.15	0.15	Direct
11	Integrated rural and infrastructure development	Rural development projects	Villages adjoining plants at Beawar, Ras, Khushkhera, Jobner, Suratgarh (Rajasthan), Roorkee (Uttarakhand), Aurangabad (Bihar), Raipur (Chhattisgarh) and Panipat (Haryana)	7.50	7.48	7.48	Direct
12	CSR Overheads	-	-	0.75	0.77	0.77	-
	Grand Total			**19.35**	**19.29**	**19.29**	

ANNEX–2 TO THE BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY

Shree believes that for its operations and growth to be sustainable it has to be responsible. Its progress is thus underlined by strict adherence to environment preservation, social upliftment and financial prudence. Shree believes in making social development as an integral part of its business activities so as to bring about a meaningful change in the lives of people associated with it. Shree considers social responsibility as a voluntary act rather than an additional activity mandated by statute. It has, therefore, named it as "Samaj Seva".

Shree has in line with the statutory requirement, prepared its CSR policy. Shree maintains that all activities undertaken by it are in accordance with the policy and that the projects and activities undertaken are in full compliance with the schedule VII of Companies Act, 2013.

The contents of Shree's CSR policy are given below:-

1. Vision, Objective and Scope of the Policy

Shree "Samaj Seva" Programmes will focus supporting needy people of the society for their upliftment. Though all its Samaj Seva initiatives will be focusing primarily areas surrounding its operations, sometime it may include people / programs which may not be related to its operations considering overall social upliftment objectives.

2. Mandate of Corporate Social Responsibility

SCL fulfills the statutory criteria and is committed to spend 2% of its Average Net Profit of last three years towards its "Samaj Seva" Initiatives.

3. Board Committee

To oversee the "Samaj Seva" activities, Company has formed a Corporate Social and Business Responsibility (CSBR) Committee of the Board.

4. Identification of projects and Modalities of Project Execution

Shree will ensure participation of all relevant stakeholders in identifying social development interventions which will include consultation with the relevant stakeholders and understanding their requirements and needs.

5. Organisational mechanism

Shree has a dedicated "Samaj Seva" team for undertaking various Initiatives related to Samaj Seva causes included in its policy. Wherever required, assistance of outside agencies will be taken.

6. Implementation

Environment, Social and Governance Committee (ESG Committee) and Senior Management of the Company are charged with implementing the "Samaj Seva" initiatives and establishing a monitoring mechanism in line with the policy of company.

7. Budget - CSR corpus

Shree will allocate necessary budget before start of relevant accounting year for "Samaj Seva" initiatives. Fund allocation for various activities will be made on suitable basis.

8. Performance Management

Shree will maintain a benchmarking approach for measuring the actual performance of all projects undertaken and ESG Committee of company shall review the performance.

9. Information dissemination and Policy Communication

Company's engagement in CSR activities shall be disseminated through its annual reports, CSR Reports, etc.

10. Review of Policy

Policy shall be reviewed by Board on the instance of CSBR Committee on regular basis.

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

Place: Kolkata
Date: 16th May, 2017

ANNEX-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 conversation of Energy

- Installed additional axial cooling fan start and stop with PLC as per the temperature of equipment at Cement Mills
- Installed SPRS in Raw Mill Fan
- Changed conventional aeration blower with tri lobe blower
- Optimization of pressure setting of compressors
- Installed Star-Delta Starter in Gypsum Crusher
- PLC Interlocking for Plant Lighting at Cement Mill & Packing Plant
- Installation of VFDs in various applications
- Modified existing complete assembly of clinker hopper venting bag filter
- Modification in distribution transformer to control the external cooling fan running by WTI Alarm temperature
- Installation of Solar lights at various locations
- Load centre P&V system operation interlocked with temperature by providing RTD and controller
- Grid Rotor Resistance (GRR) cooling blower interlocking done with fan speed at 100% load
- Installation of new limestone conveying belt instead of pneumatic conveying
- Installation of high capacity and energy efficient motor in limestone crushing mills
- Carried out boiler soot blower line inclination work to increase effectiveness of soot blower
- Waste heat recovery boiler refractory dry out process by klin heat instead of burners
- Reduction of Boilers false air ingress
- Installation of vibrating screens for un-burnt carbon recovery of boilers
- Overhauling of Boiler Feed Pump (BFP)
- Modifications in FGD for better productivity and reduced power consumption

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

- Installation of 62 KW Solar PV power plant at Bangur Nagar, Beawar
- Established waste heat recovery based power plants for generation of power through Waste Heat Recovery of Cement Kilns
- Use of Industrial waste

(c) Capital investment on energy conservation equipments : ₹ 53.63 Crore

(B) Technology Absorption

(i) The efforts made towards technology absorption

The 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. The Company considers R&D as an essential tool to achieve sustainable growth. The R&D Center has expertise in interdisciplinary approach which combines chemistry, geology, environment, mechanical, instrumentation, energy management and building material mechanics. The activities of the R&D Center is focused on identifying alternate fuels, utilizing waste material, adopting newer technologies, improving product quality with improved process and optimizing available resources. It makes continuous efforts towards adoption and implementation of new technologies, which assist in reducing the Company's carbon footprint. The Company is a member of Cement sustainability Initiative (CSI), which works under the aegis of World Business Council for Sustainable Development (WBCSD). The Company's Ras cement plants have been awarded 5 Star rating by U.K. based Whitehopleman benchmarking agency.

Training is imparted to R&D personnel in advanced computational methods. Company's R&D officials participate in various national and international seminars on technology up-gradation, adaptations and innovation and share knowledge at various global forums at national and international platforms.

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

1. Energy Conservation
2. Conservation of natural resources
3. Utilization of waste and environment conservation
4. Improvement in equipment efficiency and productivity
5. 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

2016-17

₹ in Crore

Particulars	Beawar	RAS	KKG	SGU	RGU	JGU	BGU	PGU	SRCP	UPGU	Kodla*	Total
Capital Expenditure	0.03	6.53	0.46	0.15	0.15	0.13	-	0.14	-	0.09	0.17	7.85
Recurring Expenditure	5.91	5.13	0.31	0.35	0.46	0.43	0.45	0.14	0.79	0.73	-	14.70
Total Expenditure	**5.94**	**11.66**	**0.77**	**0.50**	**0.61**	**0.56**	**0.45**	**0.28**	**0.79**	**0.82**	**0.17**	**22.55**
Total R&D Expenditure as a % of Turnover												**0.24%**

*Project under execution

2015-16 (9 Months)

₹ in Crore

Particulars	Beawar	RAS	KKG	SGU	RGU	JGU	BGU	PGU	SRCP	UPGU	Total
Capital Expenditure	0.01	0.08	0.23	-	-	0.10	-	0.05	1.13	1.81	3.41
Recurring Expenditure	5.73	3.53	0.50	0.21	0.50	0.61	0.38	0.29	0.69	0.57	13.01
Total Expenditure	**5.74**	**3.61**	**0.73**	**0.21**	**0.50**	**0.71**	**0.38**	**0.34**	**1.82**	**2.38**	**16.42**
Total R&D Expenditure as a % of Turnover											**0.27%**

(C) Total Foreign Exchange Earning and Outgo

₹ in Crore

Particulars	2016-17	2015-16 (9 Months)
Earned	Nil	Nil
Outgo	1,388.57	572.26

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

Place: Kolkata
Date: 16th May, 2017

ANNEX–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 2016-17, the percentage increase in remuneration of each Director, Chief Finance Officer and Company Secretary during the financial year 2016-17 are as under:

Sl. No.	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 2016-17
1	Shri B. G. Bangur - Chairman (Non-Executive)	5.9	30.3%
2	Shri H. M. Bangur - Managing Director / KMP	687.9	13.2%
3	Shri Prashant Bangur - Jt. Managing Director / KMP	275.8	12.1%
4	Shri Ramakant Sharma - Non-Executive Director	6.1	29.8%
5	Shri R. L. Gaggar - Independent & Non-Executive	7.0	30.0%
6	Shri Shreekant Somany - Independent & Non-Executive	6.6	31.3%
7	Shri O. P. Setia - Independent & Non-Executive	7.0	30.0%
8	Dr. Y. K. Alagh - Independent & Non-Executive	7.0	30.0%
9	Shri Nitin Desai - Independent & Non-Executive	6.9	30.4%
10	Dr. Leena Srivastava - Independent & Non-Executive	6.2	29.4%
11	Shri Sanjiv Krishnaji Shelgikar - Independent & Non-Executive	6.5	35.0%
	Key Managerial Personnel [Other than Managing Director (MD) and Joint Managing Director (Jt. MD)]		
1	Shri S. S. Khandelwal - Company Secretary	Not Applicable	19.9%
2	Shri Subhash Jajoo - Chief Finance Officer	Not Applicable	16.1%

Note: As the figures for financial year 2015-16 are of 9 months period, the figures have been annualized for calculating % increase in remuneration.

ii. The percentage increase in the median remuneration of Employees in the Financial Year:

There was 9.04% increase in the median remuneration of employees during 2016-17.

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, 2017 were 5411 which includes 212 employees governed under Collective Bargaining.

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. 2016-17 was 16.4% whereas the increase in the managerial remuneration was 12.9%. 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.

vi. 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

Place: Kolkata
Date: 16th May, 2017

B. G. Bangur
Chairman
DIN: 00244196

ANNEX–5 TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2017

{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-305901

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

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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:

I 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, 2017 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, 2009; **(Not applicable to the Company during the reporting period under audit)**

(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 reporting period under audit)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the reporting period under audit)**

(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, 2009; **(Not applicable to the Company during the reporting period under audit) &**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the reporting period under audit)**

(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, 1957and 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

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

(I) Secretarial Standards 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.

I 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. The changes 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 notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent atleast seven days in advance, 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.

All the decisions at Board Meetings and Board Committee Meetings are carried out unanimously 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.

I 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.

I further report that during the audit period there were no specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **P. Pincha & Associates**
Company Secretaries

Pradeep Pincha
Proprietor
M. No.: FCS 5369
C. P. No.: 4426

Place: Jaipur
Date: 26th April, 2017

(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.)

ANNEX–A TO THE SECRETARIAL AUDIT REPORT

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our 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. We 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 **P. Pincha & Associates**
Company Secretaries

Pradeep Pincha
Proprietor
M. No.: FCS 5369
C. P. No.: 4426

Place: Jaipur
Date: 26th April, 2017

ANNEX-6 TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on Financial Year ended on 31st March, 2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

1.	CIN	L26943RJ1979PLC001935
2.	Registration Date	25th October, 1979
3.	Name of the Company	SHREE CEMENT LIMITED
4.	Category/Sub-category of the Company	Category :- Public Company Sub-Category - Limited by shares
5.	Address of the Registered office & contact details	Address : Bangur Nagar, Beawar, Rajasthan – 305901 Phone No. : +91-1462-228101 Fax No. : +91-1462-228117 E-mail ID - khandelwalss@shreecementltd.com www.shreecement.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: Karvy Computershare Pvt. Ltd. Address: Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 Phone No. : +91-40-67161526

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cement & Clinker	NIC Code 2394	93.97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Shree Global Pte. Ltd.	Registration No. 201224813N (Singapore)	Subsidiary Company	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1074484	NIL	1074484	3.09%	1074484	NIL	1074484	3.09%	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corporate	21495313	NIL	21495313	61.70%	21495313	NIL	21495313	61.70%	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1)	**22569797**	**NIL**	**22569797**	**64.79%**	**22569797**	**NIL**	**22569797**	**64.79%**	NIL
(2) Foreign									
a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Total shareholding of Promoter(s) (A) = (A) (1) + (A) (2)	**22569797**	**NIL**	**22569797**	**64.79%**	**22569797**	**NIL**	**22569797**	**64.79%**	**NIL**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1754601	3150	1757751	5.05%	1447695	3150	1450845	4.16%	(0.89%)
b) Banks / FI	13463	10150	23613	0.07%	8306	10150	18456	0.05%	(0.02%)
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	7863	NIL	7863	0.02%	30673	NIL	30673	0.09%	0.07%
g) FIIs / FPIs	4748371	250	4748621	13.63%	5085809	250	5086059	14.60%	0.97%
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B) (1)	**6524298**	**13550**	**6537848**	**18.77%**	**6572483**	**13550**	**6586033**	**18.91%**	**0.14%**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	839215	17000	856215	2.46%	734172	16500	750672	2.15%	(0.31%)
ii) Overseas	3500	3600000	3603500	10.34%	103500	3500000	3603500	10.34%	0.00%
b) Individuals									
I) Individual shareholders holding nominal share capital upto ₹ 1 lakh	834631	270614	1105245	3.17%	887539	252509	1140048	3.27%	0.10%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	127505	NIL	127505	0.37%	135505	NIL	135505	0.39%	0.02%

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
- Clearing Members	9749	NIL	9749	0.03%	24804	NIL	24804	0.07%	0.04%
- Trusts	27366	NIL	27366	0.08%	26866	NIL	26866	0.08%	0.00%
Sub-total (B) (2)	**1841966**	**3887614**	**5729580**	**16.45%**	**1912386**	**3769009**	**5681395**	**16.31%**	**(0.14%)**
Total Public Shareholding (B)=(B) (1) + (B) (2)	**8366264**	**3901164**	**12267428**	**35.21%**	**8484869**	**3782559**	**12267428**	**35.21%**	**NIL**
C. Shares held by Custodian for GDRs & ADRs	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Grand Total (A+B+C)	**30936061**	**3901164**	**34837225**	**100.00%**	**31054666**	**3782559**	**34837225**	**100.00%**	**NIL**

B) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Benu Gopal Bangur	425821	1.22%	NIL	425821	1.22%	NIL	NIL
2	Hari Mohan Bangur	442438	1.27%	NIL	442438	1.27%	NIL	NIL
3	Padma Devi Maheshwari	600	0.00%	NIL	600	0.00%	NIL	NIL
4	Prashant Bangur	57475	0.16%	NIL	57475	0.16%	NIL	NIL
5	Rajkamal Devi Bangur	126100	0.36%	NIL	126100	0.36%	NIL	NIL
6	Ranu Bangur	20000	0.06%	NIL	20000	0.06%	NIL	NIL
7	Riya Puja Jain	2050	0.01%	NIL	2050	0.01%	NIL	NIL
8	Shree Capital Services Ltd.	8984155	25.79%	NIL	8984155	25.79%	NIL	NIL
9	Digvijay Finlease Ltd.	4234780	12.16%	NIL	4234780	12.16%	NIL	NIL
10	Mannakrishna Investments Pvt Ltd.	2042824	5.86%	NIL	2042824	5.86%	NIL	NIL
11	Newa Investments Pvt. Ltd.	1376270	3.95%	NIL	1376270	3.95%	NIL	NIL
12	Ragini Finance Ltd.	1268882	3.64%	NIL	1268882	3.64%	NIL	NIL
13	Didu Investments Pvt. Ltd.	1170909	3.36%	NIL	1170909	3.36%	NIL	NIL
14	NBI Industrial Finance Co. Ltd.	849450	2.44%	NIL	849450	2.44%	NIL	NIL
15	The Venktesh Co. Ltd.	460030	1.32%	NIL	460030	1.32%	NIL	NIL
16	Rajesh Vanijya Pvt. Ltd.	369226	1.06%	NIL	369226	1.06%	NIL	NIL
17	The Didwana Investment Company Ltd.	327400	0.94%	NIL	327400	0.94%	NIL	NIL
18	Western India Commercial Company Ltd.	200650	0.58%	NIL	200650	0.58%	NIL	NIL
19	The Laxmi Salt Company Ltd.	124600	0.36%	NIL	NIL	NIL	NIL	(0.36%)*
20	Asish Creations Private Ltd.	86137	0.25%	NIL	210737	0.61%	NIL	0.36%*
	Total	**22569797**	**64.79%**	**NIL**	**22569797**	**64.79%**	**NIL**	**-**

* Inter-se transfer pursuant to scheme of arrangement sanctioned by Hon'ble Calcutta High Court.

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**The Laxmi Salt Company Ltd.**				
	At the beginning of the year	124600	0.36%	124600	0.36%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Inter-se transfer on 22nd September, 2016 (Pursuant to scheme of arrangement sanctioned by Hon'ble Calcutta High Court)	(24600)	(0.07%)	100000	0.29%
	Inter-se transfer on 29th September, 2016 (Pursuant to scheme of arrangement sanctioned by Hon'ble Calcutta High Court)	(100000)	(0.29%)	NIL	NIL
	At the end of the year (31.03.2017)	NIL	NIL	NIL	NIL
2	**Asish Creations Private Ltd.**				
	At the beginning of the year	86137	0.25%	86137	0.25%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Inter-se transfer on 22nd September, 2016 (Pursuant to scheme of arrangement sanctioned by Hon'ble Calcutta High Court)	24600	0.07%	110737	0.32%
	Inter-se transfer on 29th September, 2016 (Pursuant to scheme of arrangement sanctioned by Hon'ble Calcutta High Court)	100000	0.29%	210737	0.61%
	At the end of the year (31.03.2017)	210737	0.61%	210737	0.61%

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	FLT Limited	3600000	10.33	01.04.2016	No Change			3600000	10.33
				31.03.2017	At the end of the Year (31.03.2017)				
2	Cartica Capital Ltd.	747754	2.15	01.04.2016				747754	2.15
				28.10.2016	Sale	10000	0.03	737754	2.12
				31.03.2017	At the end of the Year (31.03.2017)			737754	2.12
3	UTI Mutual Fund	569310	1.63	01.04.2016				569310	1.63
				08.04.2016	Purchase	400	0.00	569710	1.64
				15.04.2016	Sale	2712	0.01	566998	1.63

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				22.04.2016	Sale	1400	0.00	565598	1.62
				29.04.2016	Sale	1026	0.00	564572	1.62
				06.05.2016	Purchase	650	0.00	565222	1.62
				13.05.2016	Sale	1011	0.00	564211	1.62
				27.05.2016	Sale	2524	0.01	561687	1.61
				03.06.2016	Sale	2832	0.01	558855	1.60
				10.06.2016	Sale	149	0.00	558706	1.60
				17.06.2016	Purchase	350	0.00	559056	1.60
				30.06.2016	Sale	301	0.00	558755	1.60
				01.07.2016	Sale	851	0.00	557904	1.60
				08.07.2016	Purchase	350	0.00	558254	1.60
				15.07.2016	Sale	3497	0.01	554757	1.59
				22.07.2016	Sale	3056	0.01	551701	1.58
				29.07.2016	Sale	3483	0.01	548218	1.57
				05.08.2016	Sale	1314	0.00	546904	1.57
				19.08.2016	Purchase	440	0.00	547344	1.57
				26.08.2016	Purchase	2000	0.01	549344	1.58
				02.09.2016	Sale	3514	0.01	545830	1.57
				16.09.2016	Sale	6290	0.02	539540	1.55
				23.09.2016	Sale	1000	0.00	538540	1.55
				07.10.2016	Sale	3500	0.01	535040	1.54
				28.10.2016	Sale	2500	0.01	532540	1.53
				04.11.2016	Sale	1800	0.01	530740	1.52
				11.11.2016	Sale	1050	0.00	529690	1.52
				25.11.2016	Sale	2000	0.01	527690	1.51
				02.12.2016	Sale	7347	0.02	520343	1.49
				09.12.2016	Sale	7703	0.02	512640	1.47
				16.12.2016	Sale	5176	0.01	507464	1.46
				23.12.2016	Sale	1000	0.00	506464	1.45
				30.12.2016	Sale	3723	0.01	502741	1.44
				06.01.2017	Sale	1826	0.01	500915	1.44
				13.01.2017	Purchase	500	0.00	501415	1.44
				27.01.2017	Sale	900	0.00	500515	1.44
				17.02.2017	Sale	20687	0.06	479828	1.38
				24.02.2017	Sale	29578	0.08	450250	1.29
				03.03.2017	Sale	1700	0.00	448550	1.29
				10.03.2017	Sale	730	0.00	447820	1.29
				24.03.2017	Sale	923	0.00	446897	1.28
				31.03.2017	Sale	927	0.00	445970	1.28
				31.03.2017	At the end of the Year (31.03.2017)			445970	1.28

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	Pinebridge Inv Asia Limited	426645	1.22	01.04.2016				426645	1.22
				08.07.2016	Sale	65000	0.19	361645	1.04
				18.11.2016	Purchase	317	0.00	361962	1.04
				25.11.2016	Purchase	6232	0.02	368194	1.06
				09.12.2016	Purchase	5000	0.01	373194	1.07
				16.12.2016	Purchase	6259	0.02	379453	1.09
				23.12.2016	Purchase	60508	0.17	439961	1.26
				30.12.2016	Purchase	1001	0.00	440962	1.27
				06.01.2017	Purchase	27105	0.08	468067	1.34
				31.03.2017	At the end of the Year (31.03.2017)			468067	1.34
5	ICICI Mutual Fund	333749	0.96	01.04.2016				333749	0.96
				08.04.2016	Purchase	491	0.00	334240	0.96
				15.04.2016	Sale	1636	0.00	332604	0.95
				22.04.2016	Sale	5505	0.02	327099	0.94
				29.04.2016	Sale	702	0.00	326397	0.94
				06.05.2016	Sale	46	0.00	326351	0.94
				13.05.2016	Sale	831	0.00	325520	0.93
				20.05.2016	Purchase	2	0.00	325522	0.93
				27.05.2016	Sale	6609	0.02	318913	0.92
				03.06.2016	Purchase	6	0.00	318919	0.92
				10.06.2016	Sale	82	0.00	318837	0.92
				17.06.2016	Sale	236	0.00	318601	0.91
				24.06.2016	Sale	19250	0.06	299351	0.86
				30.06.2016	Sale	16661	0.05	282690	0.81
				01.07.2016	Sale	11228	0.03	271462	0.78
				08.07.2016	Sale	16731	0.05	254731	0.73
				15.07.2016	Sale	6799	0.02	247932	0.71
				20.07.2016	Sale	11820	0.03	236112	0.68
				05.08.2016	Sale	3107	0.01	233005	0.67
				12.08.2016	Sale	9027	0.03	223978	0.64
				19.08.2016	Purchase	8	0.00	223986	0.64
				26.08.2016	Purchase	9	0.00	223995	0.64
				02.09.2016	Purchase	9	0.00	224004	0.64
				09.09.2016	Sale	786	0.00	223218	0.64
				16.09.2016	Sale	527	0.00	222691	0.64
				23.09.2016	Sale	2699	0.01	219992	0.63
				30.09.2016	Sale	4553	0.01	215439	0.62
				07.10.2016	Sale	1777	0.01	213662	0.61
				14.10.2016	Purchase	8	0.00	213670	0.61
				21.10.2016	Purchase	10	0.00	213680	0.61

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				28.10.2016	Purchase	5	0.00	213685	0.61
				04.11.2016	Sale	3698	0.01	209987	0.60
				11.11.2016	Sale	1909	0.01	208078	0.60
				18.11.2016	Purchase	78	0.00	208156	0.60
				25.11.2016	Sale	6106	0.02	202050	0.58
				02.12.2016	Sale	1182	0.00	200868	0.58
				09.12.2016	Sale	10769	0.03	190099	0.55
				16.12.2016	Sale	734	0.00	189365	0.54
				23.12.2016	Purchase	5262	0.02	194627	0.56
				30.12.2016	Purchase	4327	0.01	198954	0.57
				06.01.2017	Sale	793	0.00	198161	0.57
				13.01.2017	Purchase	4917	0.01	203078	0.58
				20.01.2017	Purchase	11694	0.03	214772	0.62
				27.01.2017	Purchase	1	0.00	214773	0.62
				10.02.2017	Purchase	10159	0.03	224932	0.65
				17.02.2017	Purchase	6502	0.02	231434	0.66
				24.02.2017	Purchase	2937	0.01	234371	0.67
				03.03.2017	Purchase	17	0.00	234388	0.67
				10.03.2017	Sale	13585	0.04	220803	0.63
				17.03.2017	Sale	31830	0.09	188973	0.54
				24.03.2017	Sale	28221	0.08	160752	0.46
				31.03.2017	Purchase	6	0.00	160758	0.46
				31.03.2017	At the end of the Year (31.03.2017)			160758	0.46
6	HDFC Standard Life Insurance Company Limited	263203	0.76	01.04.2016				263203	0.76
				08.04.2016	Purchase	7049	0.02	270252	0.78
				22.04.2016	Purchase	9000	0.03	279252	0.80
				29.04.2016	Sale	937	0.00	278315	0.80
				06.05.2016	Purchase	60	0.00	278375	0.80
				13.05.2016	Sale	10206	0.03	268169	0.77
				20.05.2016	Sale	813	0.00	267356	0.77
				27.05.2016	Purchase	573	0.00	267929	0.77
				03.06.2016	Purchase	799	0.00	268728	0.77
				17.06.2016	Sale	3337	0.01	265391	0.76
				24.06.2016	Sale	1040	0.00	264351	0.76
				08.07.2016	Sale	500	0.00	263851	0.76
				15.07.2016	Purchase	503	0.00	264354	0.76
				22.07.2016	Purchase	310	0.00	264664	0.76
				05.08.2016	Sale	1000	0.00	263664	0.76
				19.08.2016	Sale	1508	0.00	262156	0.75
				26.08.2016	Sale	5444	0.02	256712	0.74

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				02.09.2016	Purchase	461	0.00	257173	0.74
				09.09.2016	Sale	5000	0.01	252173	0.72
				16.09.2016	Sale	3394	0.01	248779	0.71
				23.09.2016	Sale	33	0.00	248746	0.71
				30.09.2016	Sale	14796	0.04	233950	0.67
				07.10.2016	Sale	11171	0.03	222779	0.64
				14.10.2016	Sale	9476	0.03	213303	0.61
				21.10.2016	Sale	5000	0.01	208303	0.60
				04.11.2016	Purchase	2125	0.01	210428	0.60
				11.11.2016	Sale	3803	0.01	206625	0.59
				18.11.2016	Purchase	283	0.00	206908	0.59
				25.11.2016	Sale	3775	0.01	203133	0.58
				16.12.2016	Sale	1715	0.00	201418	0.58
				23.12.2016	Purchase	523	0.00	201941	0.58
				30.12.2016	Purchase	471	0.00	202412	0.58
				06.01.2017	Purchase	447	0.00	202859	0.58
				20.01.2017	Sale	280	0.00	202579	0.58
				27.01.2017	Purchase	1	0.00	202580	0.58
				03.02.2017	Purchase	500	0.00	203080	0.58
				17.02.2017	Sale	100	0.00	202980	0.58
				24.02.2017	Purchase	135	0.00	203115	0.58
				03.03.2017	Sale	1	0.00	203114	0.58
				10.03.2017	Sale	369	0.00	202745	0.58
				17.03.2017	Purchase	150	0.00	202895	0.58
				31.03.2017	Purchase	456	0.00	203351	0.58
				31.03.2017	At the end of the Year (31.03.2017)			203351	0.58
7	Abu Dhabi Investment Authority	244729	0.70	01.04.2016				244729	0.70
				29.04.2016	Sale	6655	0.02	238074	0.68
				06.05.2016	Sale	10765	0.03	227309	0.65
				20.05.2016	Sale	14313	0.04	212996	0.61
				27.05.2016	Sale	217	0.00	212782	0.61
				03.06.2016	Sale	3776	0.01	209006	0.60
				10.06.2016	Sale	13466	0.04	195540	0.56
				12.08.2016	Sale	848	0.00	194692	0.56
				19.08.2016	Sale	1402	0.00	193290	0.55
				26.08.2016	Sale	348	0.00	192942	0.55
				02.09.2016	Sale	1889	0.01	191053	0.55
				16.09.2016	Sale	956	0.00	190097	0.55
				23.09.2016	Sale	4044	0.01	186053	0.53
				25.11.2016	Purchase	3500	0.01	189553	0.54

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				02.12.2016	Sale	1479	0.00	188074	0.54
				23.12.2016	Sale	12487	0.04	175587	0.50
				03.03.2017	Sale	700	0.00	174887	0.50
				17.03.2017	Sale	4655	0.01	170232	0.49
				31.03.2017	Sale	4200	0.01	166032	0.48
				31.03.2017	At the end of the Year (31.03.2017)			166032	0.48
8	SBI Magnum Taxgain Scheme#	218139	0.63	01.04.2016				218139	0.63
				08.04.2016	Sale	5041	0.01	213098	0.61
				15.04.2016	Sale	8607	0.02	204491	0.59
				22.04.2016	Sale	2060	0.01	202431	0.58
				20.05.2016	Sale	1	0.00	202430	0.58
				03.06.2016	Sale	5000	0.01	197430	0.57
				17.06.2016	Sale	9248	0.03	188182	0.54
				01.07.2016	Sale	1780	0.01	186402	0.54
				08.07.2016	Sale	5000	0.01	181402	0.52
				29.07.2016	Sale	166	0.00	181236	0.52
				05.08.2016	Sale	1958	0.01	179278	0.51
				12.08.2016	Sale	4038	0.01	175240	0.50
				26.08.2016	Sale	7800	0.02	167440	0.48
				07.10.2016	Sale	5000	0.01	162440	0.47
				04.11.2016	Purchase	5	0.00	162445	0.47
				11.11.2016	Sale	28750	0.08	133695	0.38
				18.11.2016	Sale	7671	0.02	126024	0.36
				25.11.2016	Sale	16400	0.05	109624	0.31
				02.12.2016	Sale	6694	0.02	102930	0.30
				09.12.2016	Sale	7195	0.02	95735	0.27
				23.12.2016	Sale	20000	0.06	75735	0.22
				20.01.2017	Sale	3248	0.01	72487	0.21
				27.01.2017	Sale	11331	0.03	61156	0.18
				03.02.2017	Sale	10161	0.03	50995	0.15
				10.02.2017	Sale	7175	0.02	43820	0.13
				31.03.2017	Sale	20	0.00	43800	0.13
				31.03.2017	At the end of the Year (31.03.2017)			43800	0.13
9	Kuwait Investment Authority	206108	0.59	01.04.2016				206108	0.59
				13.05.2016	Purchase	2235	0.01	208343	0.60
				20.05.2016	Purchase	5365	0.02	213708	0.61
				03.06.2016	Sale	580	0.00	213128	0.61
				24.06.2016	Purchase	1700	0.00	214828	0.62
				30.06.2016	Purchase	500	0.00	215328	0.62
				01.07.2016	Purchase	132	0.00	215460	0.62

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				08.07.2016	Purchase	527	0.00	215987	0.62
				15.07.2016	Sale	6618	0.02	209369	0.60
				22.07.2016	Purchase	514	0.00	209883	0.60
				29.07.2016	Sale	10708	0.03	199175	0.57
				05.08.2016	Purchase	3039	0.01	202214	0.58
				07.10.2016	Purchase	300	0.00	202514	0.58
				04.11.2016	Purchase	1300	0.00	203814	0.59
				11.11.2016	Purchase	1400	0.00	205214	0.59
				25.11.2016	Purchase	8814	0.03	214028	0.61
				02.12.2016	Purchase	3916	0.01	217944	0.63
				09.12.2016	Purchase	863	0.00	218807	0.63
				16.12.2016	Purchase	278	0.00	219085	0.63
				06.01.2017	Sale	22647	0.07	196438	0.56
				20.01.2017	Purchase	1506	0.00	197944	0.57
				27.01.2017	Purchase	17463	0.06	215407	0.62
				03.02.2017	Purchase	6437	0.02	221844	0.64
				10.02.2017	Purchase	4453	0.01	226297	0.65
				24.02.2017	Purchase	2399	0.01	228696	0.66
				03.03.2017	Purchase	11095	0.03	239791	0.69
				10.03.2017	Purchase	2888	0.01	242679	0.70
				17.03.2017	Purchase	6349	0.02	249028	0.71
				24.03.2017	Purchase	897	0.00	249925	0.72
				31.03.2017	Purchase	18008	0.05	267933	0.77
				31.03.2017	At the end of the Year (31.03.2017)			267933	0.77
10	Kotak Mahindra Mutual Fund	173818	0.50	01.04.2016				173818	0.50
				08.04.2016	Sale	42	0.00	173776	0.50
				15.04.2016	Sale	275	0.00	173501	0.50
				22.04.2016	Sale	678	0.00	172823	0.50
				29.04.2016	Purchase	4879	0.01	177702	0.51
				13.05.2016	Sale	78	0.00	177624	0.51
				20.05.2016	Purchase	26	0.00	177650	0.51
				24.06.2016	Sale	3457	0.01	174193	0.50
				15.07.2016	Sale	600	0.00	173593	0.50
				19.08.2016	Sale	200	0.00	173393	0.50
				23.09.2016	Purchase	6736	0.02	180129	0.52
				30.09.2016	Purchase	1543	0.00	181672	0.52
				07.10.2016	Sale	244	0.00	181428	0.52
				18.11.2016	Purchase	1721	0.00	183149	0.53
				25.11.2016	Purchase	7781	0.02	190930	0.55
				23.12.2016	Purchase	4692	0.01	195622	0.56

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016)		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
				30.12.2016	Purchase	4050	0.01	199672	0.57
				27.01.2017	Purchase	700	0.00	200372	0.58
				17.02.2017	Purchase	5600	0.02	205972	0.59
				24.02.2017	Purchase	6	0.00	205978	0.59
				03.03.2017	Purchase	116	0.00	206094	0.59
				10.03.2017	Purchase	3322	0.01	209416	0.60
				24.03.2017	Purchase	573	0.00	209989	0.60
				31.03.2017	Purchase	351	0.00	210340	0.60
				31.03.2017	At the end of the Year (31.03.2017)			210340	0.60
11	Franklin Templeton Investment Funds *	158901	0.46	01.04.2016				158901	0.46
				24.06.2016	Purchase	18648	0.05	177549	0.51
				30.06.2016	Purchase	6264	0.02	183813	0.53
				01.07.2016	Purchase	1700	0.00	185513	0.53
				05.08.2016	Purchase	34700	0.10	220213	0.63
				07.10.2016	Purchase	1866	0.01	222079	0.64
				04.11.2016	Purchase	13537	0.04	235616	0.68
				11.11.2016	Purchase	14597	0.04	250213	0.72
				10.02.2017	Purchase	54000	0.16	304213	0.87
				17.02.2017	Purchase	21000	0.06	325213	0.93
				31.03.2017	At the end of the Year (31.03.2017)			325213	0.93

Ceased to be in the list of Top 10 Shareholders as on 24.06.2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as at the beginning of the year (01.04.2016).

* Not in the list of Top 10 Shareholders as on 01.04.2016. The same has been reflected above since the shareholder is one of the Top 10 shareholders during the period 01.04.2016 to 31.03.2017.

Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders, wherever required.

E) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**B. G. Bangur - Chairman**				
	At the beginning of the year	425821	1.22%	425821	1.22%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :	No Change			
	At the end of the year (31.03.2017)	425821	1.22%	425821	1.22%
2	**H. M. Bangur – Managing Director (Key Managerial Personnel)**				
	At the beginning of the year	442438	1.27%	442438	1.27%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :	No Change			
	At the end of the year (31.03.2017)	442438	1.27%	442438	1.27%
3	**Prashant Bangur – Jt. Managing Director (Key Managerial Personnel)**				
	At the beginning of the year	57475	0.16%	57475	0.16%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :	No Change			
	At the end of the year (31.03.2017)	57475	0.16%	57475	0.16%
4	**Ramakant Sharma – Non-Executive Director**				
	At the beginning of the year	25	0.00%	25	0.00%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :				
	Transfer of Shares on 10th February, 2017	(25)	(0.00%)	NIL	NIL
	At the end of the year (31.03.2017)	NIL	NIL	NIL	NIL

Other Directors, CFO and Company Secretary of the Company did not hold any shares of the Company during the financial year 2016-17.

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
I) Principal Amount	834.97*	45.54	0.00	880.51
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	8.74	0.00	0.00	8.74
Total (i+ii+iii)	**843.71**	**45.54**	**0.00**	**889.25**
Change in Indebtedness during the financial year				
• Addition (Principal)	16.35	607.18	0.00	623.53
• Reduction (Principal)	165.97	45.54	0.00	211.51
Net Change	**(149.62)**	**561.64**	**0.00**	**412.02**
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	685.35	607.18	0.00	1,292.53
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	9.86	0.00	0.00	9.86
Total (i+ii+iii)	**695.21**	**607.18**	**0.00**	**1,302.39**

* Previous year reported figure was ₹ 817.46 Crores. The same has been revised due to adoption of Ind AS.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lac)

Sl. No.	Particulars of Remuneration	H. M. Bangur (Managing Director)	Prashant Bangur (Jt. Managing Director)	Total
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,694.73	699.83	2,394.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.15	5.20	7.35
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, please specify	2,000.00	750.00	2,750.00
5	**Others, please specify**			
	Retiral Benefits (Contribution to PF and Superannuation Fund) & Others	125.03	77.14	202.17
Total (A)		**3,821.91**	**1,532.17**	**5,354.08**
Ceiling as per the Act				**21,778.60**

B) Remuneration to other directors

(₹ in Lac)

Sl. No.	Particulars of Remuneration	Name of Directors							
		R. L. Gaggar	Shreekant Somany	O. P. Setia	Dr. Y. K. Alagh	Nitin Desai	Dr. Leena Srivastava	Sanjiv Krishnaji Shelgikar	Total
1.	**Independent Directors**								
	Fee for attending board / committee meetings	9.00	6.75	9.00	9.00	8.25	4.50	6.00	52.50
	Commission	30.00	30.00	30.00	30.00	30.00	30.00	30.00	210.00
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	**39.00**	**36.75**	**39.00**	**39.00**	**38.25**	**34.50**	**36.00**	**262.50**
2.	**Other Non-Executive Directors**								
		B. G. Bangur	**Ramakant Sharma**	**Total**					
	Fee for attending board / committee meetings	3.00	3.75	6.75					
	Commission	30.00	30.00	60.00					
	Others, please specify	Nil	Nil	Nil					
	Total (2)	**33.00**	**33.75**	**66.75**					
	Total (B)=(1+2)			**329.25**					

C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lac)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		S. S. Khandelwal (Company Secretary)	Subhash Jajoo (CFO)	Total
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99.08	73.15	172.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.02	0.02
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- Others, please specify	-	-	-
5	**Others, please specify**			
	Retiral Benefits (Contribution to PF & Superannuation Fund) & Others	11.05	8.44	19.49
Total		**110.13**	**81.61**	**191.74**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board

Place: Kolkata
Date: 16th May, 2017

B. G. Bangur
Chairman
DIN: 00244196

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L26943RJ1979PLC001935			
2.	Name of the Company	Shree Cement Limited			
3.	Registered address	Bangur Nagar, Beawar, 305901, Distt: Ajmer, Rajasthan			
4.	Website	www.shreecement.in			
5.	E-mail id	shreebwr@shreecementltd.com			
6.	Financial Year reported	1st April, 2016 to 31st March, 2017			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Codes as per NIC - 2008			
		Group	Class	Sub Class	Description
		239	2394	23941 23942	Manufacture of Clinker and Cement
		351	3510	35102 35106	Power Generation by thermal power plant and using non-conventional sources
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Cement (ii) Power			
9.	Total number of locations where business activity is undertaken by the Company	a. Number of International Locations: NIL b. Number of National Locations: 3 Integrated cement plants, 7 cement grinding units, corporate office and marketing offices			
10.	Markets served by the Company	Mainly in North and East India			

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (₹ Crores)	34.84
2.	Total Turnover (₹ Crores)	9,496.52
3.	Total profit after taxes (₹ Crores)	1,339.11
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.02% of average net profit of last three financial years (CSR spent is ₹ 19.29 Crore)
5.	List of activities in which expenditure in 4 above has been incurred	• Literacy and Education for the Community • Livelihood, employability and Income Generation • Healthcare and sanitation programs • Women empowerment and skill development • Helping old age people • Community infrastructure and rural development • Promotion of art and culture • Environment Sustainability & conservation of natural resources

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes. There is only one subsidiary of the Company viz. Shree Global Pte. Ltd., Singapore.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

   The subsidiary Company has no business operations and it does not have any participation in the BR initiatives of the parent Company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   Other entities do participate but their participation in the Company cannot be measured and expressed in terms of percentage.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   a) **Details of Director responsible for implementation of BR policy/ policies**

   1. DIN : 01556371
   2. Name : Ramakant Sharma
   3. Designation : Director

   b) **Details of the BR head**

No	Particulars	Details
1.	DIN (if applicable)	N.A.
2.	Name	S. S. Khandelwal
3.	Designation	Company Secretary
4.	Telephone number	+91- 1462-228101-6
5.	e-mail id	khandelwalss@shreecementltd.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

   (a) Details of compliance (Reply in Y/N)

The nine principles as per BRR are as given below:-

P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P 3	Businesses should promote the well-being of all employees.
P 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P 5	Businesses should respect and promote human rights.
P 6	Businesses should respect, protect and make efforts to restore the environment.
P 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P 8	Businesses should support inclusive growth and equitable development.
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	Ethics, Transparency and Accountability	Product Responsibility	Employees' Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth (CSR)	Customers' Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	**Do you have a policy/ policies on BR principles**	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	**Has the policy been formulated in consultation with the relevant stakeholders**	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	**Does the policy conform to any national/international standards? If yes, specify? (50 words)**	Company has adopted various standards specified by the ISO. These are 1. ISO 9001:2015 for quality management systems. 2. ISO 14001:2015 for environment management systems. 3. SA 8000:2014 for Social Accountability.								

Sl. No.	Questions	Ethics, Transparency and Accountability	Product Responsibility	Employees' Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth (CSR)	Customers' Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
		Apart from these, other standards which company is complying with are: 1. ILO Guidelines. 2. UN Global Compact and International Finance Corporation guidelines for specific aspects of cement sector. 3. National voluntary Guidelines (NVG) given by Ministry of Corporate Affairs for Social, Environment and Economic responsibility of business. 4. Global Reporting Initiative GRI G4 guidelines. 5. Cement Sustainability Initiative (CSI). All policies on the principles mentioned above are in compliance with these standards. Other than these, our policies are based on the generally accepted practices for the respective principles.									
4	**Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	**Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**	Yes. The Board has formed a "CSBR Committee" consisting of 6 directors which is responsible for overseeing implementation of various policies adopted by the Company. There is also an Environment Social and Governance (ESG) Committee consisting of Senior Executives of the Company, which carries out continuous monitoring and implementation of policies at the operational level.								
6	**Indicate the link for the policy to be viewed online?**	http://www.shreecement.in/pages/policies.php.								
7	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	The policies have been posted on the Company's website for information of all stakeholders. For internal stakeholders, appropriate communication means such as notice boards, placards, company magazines, etc. are used.								
8	**Does the company have in-house structure to implement the policy/policies?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	**Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**	As part of compliance with the ISO standards adopted by the Company, an external agency evaluates the implementation of the ISO standards on an annual basis. Apart from this, Company also has a system of undertaking regular audit/ review of the implementation of various standards. An external consultant also gives an assurance that our Corporate Sustainability Report (which *inter alia* contains compliances with policies and frameworks adopted by the Company) is in line with the Internationally accepted GRI G4 guidelines.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)					-				

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

CSBR Committee of the Board annually reviews and assesses the BR performance of the company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company publishes Corporate Sustainability Report on annual basis. The hyperlink to view the report is http://www.shreecement.in/csr.php.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors/ NGOs / Others?

The policy relating to ethics, bribery and corruption is inclusive in code of conduct which is to be followed by all the employees and Directors of the Company. There are no group /joint ventures of the Company, though it has a subsidiary, but due to its non-operating nature, it does not practically attract any applicability of the policy. However, the Company as far as possible encourages all the associated parties including vendors, suppliers and contractors to follow the principles envisaged in the policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were 6 complaints received from the investors during the period 1st April, 2016 to 31st March, 2017. All these complaints were properly attended and necessary actions were taken. Proper investigation was carried out in respect of complaints which were received as part of vigil mechanism.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

There are two lines of business of the Company viz. manufacturing of cement and generation of power. Company has deployed best in class technology and processes to manufacture cement and generate power which use optimal resources. This apart, Company's efforts in addressing environmental concerns in manufacturing of cement include the following:-

- Utilizing fly-ash, pet-coke and other alternate materials in cement manufacturing to substitute natural materials & fuels
- Implementation of Waste Heat Recovery Plants to address carbon emission, save water and fossil fuels in power generation
- Implementation of CEMS (Continuous Emission Monitoring System) for real-time emission tracking and display at State and Central Pollution Control Boards.
- Replaced ESP and installed Bag House for better emission control
- Modification of Pre-heater in Unit-I from 4 to 6 Stages to reduce energy consumption.

Similar efforts in power generation are as below:

- Installation of Air Cooled Condensers (ACC) in place of Water Cooled Condensers (WCC) in all its power plants including 300 MW power plant to conserve water
- Implementation of Flue Gas Desulphurization plant to capture sulphur from waste gases emitted from power plant
- Continual improvement in efficiency to bring down station heat rate and auxiliary consumption in the plant

Company has AAC block plant at Bulandshahr. These blocks are light weight which provide optimum compressive strength and lower density than the traditional clay bricks or concrete block and provide following advantages-

- Less energy consumption for cooling the interior construction
- Reduce usage of acoustical material and provide sound insulation
- Capable of handling all weathering impact
- Conserve environment by reducing usage of cement, sand
- Provide alternatives of clay bricks resulting in conservation of agriculture soil

Company is focusing on using different options to reduce its carbon footprint and other emissions by using alternative fuels, achieving energy efficiency and other viable methods.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Resources	Units of measurement	Per unit consumption	
		2016-17	2015-16 (9 Months)
Fly-ash	% per ton of cement	23.76	22.38
GBF Slag		2.92	2.23
Power	Kwh/ton of cement	69.99	72.13
Fuel	Kcal/ kg of Clinker	717.60	719.18

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The data regarding reduction during usage by consumers is not available with the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation) ? If yes, what percentage of your inputs was sourced sustainably ? Also, provide details there of, in about 50 words or so.

Company's sourcing practices are targeted at seeking cost optimization ensuring environment sustainability, societal interest and resource efficiency. The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality, life cycle, environment impact, etc. Company gives preference to vendors which comply with the various principles of sustainability. At the time of award of contract to vendors, various clauses are incorporated in the contract document related to health and safety, human resource practices, work environment, etc. Engagement of transporters is done based on conditions like young vehicles, need for drivers to carry pollution certificates, drivers and support staff to always carry safety aprons, helmets, driving license, etc. Company continuously strives for load and route optimization to ensure fuel and environmental efficiency of the fleets.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Company accords priority to local suppliers in its procurement of stores & spares and other consumables. Company takes steps for capacity building of local and small vendors. Company's contractors who supply labour services for plant operations employ workmen from nearby communities. This workforce is educated and provided training for occupational health and safety.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company's products i.e., cement and power are not meant for recycling as cement is used in building and construction which typically have high life span and power is consumed immediately. Fly-ash, a solid waste, generated from power plants is utilized in cement production. Used oil is only the hazardous waste being generated and is sold to recycles authorized by the Central Pollution Control Board (CPCB). Other non-hazardous wastes are sold to recycles. The domestic waste water generated is 100% recycled through Sewage Treatment Plants. Cement plants utilizes the

waste of other industries in the form of alternative fuels and raw materials (AFR) which ultimately provides an ultimate solution to industrial waste disposal.

Principle 3: Businesses should promote the well-being of all employees.

1. **Please indicate the Total number of employees.**

   The total number of employees is 5411 as on 31st March, 2017.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

   Total temporary/Contractual/ Casual employees were 9,170 as on 31st March, 2017 including employees through contractor.

3. **Please indicate the Number of permanent women employees.**

   There were 29 permanent women employees as on 31st March, 2017.

4. **Please indicate the Number of permanent employees with disabilities**

   There were 4 permanent employees with disabilities as on 31st March, 2017.

5. **Do you have an employee association that is recognized by management?**

   Yes, we have recognized trade unions affiliated to various trade union bodies.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Around 8.33% of total permanent employees are members of above trade unions.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Type of Employee	Total (no. as on 31st March, 2017)	Training imparted to number of persons during the year	% Training
Permanent Employees	5,411	4,129	76%
Permanent Women Employees	29	19	66%
Casual/Temporary/ Contractual Employees*	9,170	8,700	95%
Employees with Disabilities	4	5	125%

**includes employees hired through contractors. Casual/ Contractual employees were covered under safety & compliance training*

Company provides equal opportunity to all irrespective of gender, religion, caste, colour and does not discriminate based on any other factor.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   The Company identifies the communities in connection with its manufacturing units and its contractors/ workers as disadvantaged, vulnerable and marginalized stakeholder of the Company.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company for the betterment of its disadvantaged, vulnerable and marginalized stakeholders have taken initiatives in the areas of Corporate Social Responsibility that are mainly targeted to bring meaningful difference in the lives of its associated stakeholders by facilitating healthcare, education and infrastructure support for integrated and sustainable rural development and by providing access to proper sanitation and safe drinking water. Several initiatives towards creation of sustainable livelihood, women empowerment, etc. have also been taken by the Company. Several Village Development Committees have been formed to engage with local community to address and ascertain their needs for the planning, coordinating and routine monitoring of the CSR activities.

Principle 5: Businesses should respect and promote human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors / NGOs / Others?**

   The Policy on Human Rights covers the Company only. There is no group structure or joint venture of the Company. The subsidiary of the Company has no operations at present. Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Nil.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors /NGOs/others.**

   The policy on Environment is applicable and admissible within the Company to the maximum extent possible. The Company also encourages the parties associated with it to follow the governing principles of this policy for the protection and restoration of environment. The subsidiary Company however does not operate at present to attract the applicability of the policy.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes. Company's initiatives such as installation of Waste Heat Recovery Plants, Air Cooled Condensers in power plant, synthetic gypsum plant, installation of flue-gas desulphurization plant, energy conservation and efficiency measures, etc. are aimed to address global warming and climate change issues. This apart, Company is a member of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD) which enables it to benchmark its practices with the International Standards and provides it a forum to participate in global environmental initiatives. The details are available in the Annual Corporate Sustainability Report for which the web link is http://www.shreecement.in/csr.php.

3. **Does the company identify and assess potential environmental risks? Y/N.**

   Yes. Company has Risk Management mechanism in place to identify and assess existing and potential risks across its operations.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   Company was the 1st Cement Company in India to register its project 'Optimum Utilization of Clinker' with the UNFCCC under the Clean Development Mechanism (CDM). Company was granted 4,50,000 CERs by UNFCCC for the above project. Its another project on Waste Heat Recovery based power generation at Ras has been registered with UNFCCC.

   There is no requirement of filing Environment Compliance Report. A Validation and Verification Report is required to be submitted and the same has been filed, wherever required.

5. **Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes. Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc. Details of these initiatives are covered in the Corporate Sustainability Report issued by the Company every year. The weblink for the above reports is http://www.shreecement.in/csr.php.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Emissions/ wastes generated by the Company are within the permissible limits set by CPCB/SPCB for the relevant financial year and the Company ensures submission of report on the emission levels to CPCB/SPCB at regular intervals.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is member of following trade chambers, associations and forums which makes effort towards climate change, global warming and sustainable business development –

   a. Cement Sustainability Initiative (CSI)
   b. Cement Manufacturers' Association (CMA)
   c. The Energy and Resource Institute (TERI)
   d. Bureau of Energy Efficiency (BEE)
   e. Global Reporting Initiative (GRI)

f. Confederation of Indian Industries (CII)

g. Federation of Indian Chamber of Commerce and Industry (FICCI)

h. National Council for Cement & Building Materials (NCCBM).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. if yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company has utilized these forums to advocate framing policies towards advancement of public good. Some of them are as below:

a. Promoting concreted cemented roads through CMA which are beneficial, eco-friendly and cheaper than the conventional tar roads in long term.

b. Recommendation for increased use of fly-ash in cement manufacturing.

c. Promoting installation of waste heat recovery plants in cement manufacturing units which capture hot gases to generate power without using any fossil fuel.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. To oversee implementation of various initiatives, Company has formed a Board Level Committee called Corporate Social and Business Responsibility (CSBR) Committee. The details of various CSR initiatives of the Company are given below:-

- **Literacy and Education for the Community**

Company under its "Shree Ki Pathshala" project is running centres for imparting basic education to girl children aged typically between 9 – 16 years who never attended any school or are drop outs. After receiving basic education equivalent to curriculum of 3rd Class of Board of Secondary Education, Rajasthan in the centres, these girls are encouraged to get admission for formal education in nearby schools or else provided formal certificate by taking examination conducted by National Literacy Mission. In order to improve the quality of education in nearby areas, Company equipped government schools with basic infrastructure like seating arrangements, water & sanitation facilities, additional teachers deputation, furniture and other facilities and supplemented efforts of the State Govt. For technical education, company established computer literacy centres and conducted Computer literacy programmes, constructed classroom buildings, distributed educational materials to needy children. It has collaborated NIIT foundation through which structured course material, assessment and certificates to student are provided by trainers in the training centres. For promoting better and quality pre-school education, Company adopted Anganwadi centres of nearby villages and supported them by supplying items as per their needs like learning & stationary materials, dresses, sweaters, etc. Company also supported to needy students by providing scholarship and extended financial support to undertake further/ higher studies. For promoting girls' education, Company is undertaking construction of a new building of Girls' college in Didwana, District Nagaur, Rajasthan. For the same, it has entered into an MOU with the government administration for carrying out entire civil and electric work of the new building. This project will provide better higher educational facilities for the girls of the town and of nearby areas. Similarly, it has provided financial assistance for construction of girls' hostel in MBM Engineering College, Jodhpur which is being constructed by the MBM Engineering College Alumni Association within the college premises. This will benefit the outside girl students who were hitherto had to take PG/ rental accommodation for pursuing the studies in the college. Moreover, it will also encourage girls to take admission in this prestigious college for technical courses which they otherwise might not have taken or looked for other colleges due to non-availability of suitable residential facilities in the city/ college.

- **Livelihood, employability and Income Generation**

Company undertakes activities to ensure sustainable generation of livelihood for people in the vicinity of its plant areas which include training programmes in repairing household items, plumbing, masonry, etc. Company is providing training to masons to upgrade their professional knowledge about the construction methods and techniques. It gives them an opportunity to learn about the methods of environment friendly usage of cement and other building materials, information about the latest constructing techniques and improve their overall competence. For farmers of the nearby communities, Company provides training and conducts live demonstration of new farming techniques so as to improve their farming productivity. Regular exposure visits to nearby Krishi Vigyan Kendra are also organized for improving knowledge base of the farmers. It also provides supporting tools to farmers and distributes high quality seeds at subsidized rates for improved yield, distributes tarpaulin sheet and

silage to farmers for collecting and preserving food grains during harvesting activities. For livestock management, Company organizes vaccination camps in coordination with nearby veterinary hospital. To improve their productivity, it provides fodder seeds to farmers for cultivation and ensuring availability of green fodder for cattle throughout the year.

- **Healthcare and sanitation programs**

  Company's 24X7 Health Management Centres (HMC) provide primary healthcare services to local communities. Besides, it holds health camps in the nearby villages to cover patients from different specialties like Pediatric, Gynecology and General Medicines. Company's 'Shree Swashthya Vahini' programme provides Mobile Ambulance to take medical care of the nearby villages where there are no medical facilities. In 'Mamta Project', Company organizes health camps or arranges Doctors' visits in the nearby villages to its facilities for medical check-up of pregnant women and new-born children. Under 'Shree Swachhata Project', Company has made efforts like door to door contact, organizing regular meetings, creating vigilance committee, distribution of pamphlet and other materials for creating awareness about sanitation and personal hygiene. This apart, Company has also made financial contribution and provided assistance for construction of toilets to avoid open defecation (ODF) by nearby communities. In order to provide drinking water facility to local villagers, Company constructed public water huts, tube wells, laid underground pipelines and supplied RO water through tankers in nearby villages.

- **Women empowerment and skill development**

  Under 'Shree Shakti Project', Company promotes formation of Self-help groups (SHGs) of local rural women to help inculcating a habit of saving and creating corpus to undertake entrepreneur assignments. The members have taken up activities like cattle farming, fodder growing, irrigation farming, etc. For skill development of rural women, company conducted various training programmes on sewing and cutting, bag making, food processing, beauty parlor, etc. In order to reduce girl infant mortality, Company under its 'Save the Girl Child Campaign' provided help in the form of a fixed deposit of ₹ 5,000 at the time of birth of girl child which is available to her after attaining 18 years of age. Further, Company provides basic required items (like utensil set, sewing machine, bed, cooking stove, cooker, etc.) for marriage of girl of BPL families after attending the age of 18 years.

- **Helping old age people**

  Company is supporting project 'Pronam' for the elderly people of Kolkata under which medical services like ambulance, health check-ups, camps, etc. are organized. This project also provides safety and security services to these people in co-ordination with Kolkata Police including legal help wherever necessary. From time-to-time, it also organizes cultural events for enhancing education and social gathering of the elderly people. It further provides support and basic necessities to old age homes for persons living therein.

- **Community Infrastructure and Rural Development**

  Company regularly undertakes projects in the nearby community to improve infrastructure and living standards of people. In order to remove bottleneck of road connectivity in rural areas, Company undertakes construction and repairing work of the roads in nearby villages of its plants. During the year, strengthening work of 36 KM road passing through 8 villages of Mangaliyawas and Jaitaran Tehsil of Ajmer district was carried out. Company undertook civil works in nearby villages to provide sustainable infrastructure which includes construction/ repair of public institutions, renovation of old buildings and community centres, construction of stage, boundary wall, stay rooms, waiting stands, etc.

- **Promotion of art and culture**

  In order to promote Indian tradition and culture, Company promotes traditional Indian art by organizing tableau (Jhankis) on the occasion of the anniversary of Lord Hanuman temple. The tableaus also convey environmental and social messages like save water, conserve resources, save and educate girl child, etc. It actively contributes and supports events that promote literature, music, poetry, folk, art, etc. and encourages artists, writers, musicians, etc. to showcase their talent. The Company also provides financial and in-form assistance for restoration and upkeep of monuments and sites of historical, cultural and religious importance.

- **Environment Sustainability and conservation of natural resources**

  Company distributes saplings among farmers in nearby villages for tree plantation to cover the open areas and development of green belt. Further, it conducts school plantation programmes wherein it encourages children to plant trees. For conserving water in water scarce area, Company undertook construction, repairing and deepening of water structures like anicuts, nadi, etc. In the state of Chhattisgarh, the Company has undertaken mass tree plantation drive for growing trees on both sides of the road in Baloda Bazar, District to enhance the green cover in the area. For this purpose, a patch of 10 km spanning from village Bharuwadih to village Parkidih has been adopted by the Company for the said work. During the year, Company also supported 'Mukhya Mantri Jal Swavlamban Abhiyan' launched by Government of Rajasthan in the State with the

vision to ensure effective implementation of water harvesting and water conservation related activities in the rural areas.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

   The projects are undertaken by both the internal teams as well as through/ in-coordination with external agencies like NGOs and government institutions.

3. **Have you done any impact assessment of your initiative?**

   Impact assessment is conducted on regular basis in the nearby villages. Based on these impact assessments, Company decides upon appropriate intervention to be undertaken.

4. **What is your company's direct contribution to community development projects-amount in INR and the details of the projects undertaken?**

   Company has spent an amount of ₹ 19.29 crores on various CSR activities during year 2016-17. The details of the amount incurred and areas covered are given in question 1 above and Annual Report on Corporate Social Responsibility Activities i.e. Annexure - 1 to the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. Company has a process of engaging with local community to understand their concern. CSR interventions are carried out on a need based approach which are developed after consultations with the local community to ensure that the activities are adopted by them.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

   Company regularly conducts meetings with customers to educate, appraise and to understand their concerns. All the concerns are taken up and resolved immediately to the satisfaction of the consumer.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

   Company displays all information as mandated by the regulations to ensure full compliance with relevant laws.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   Company never indulges in any anti-competitive behavior and understands that consumers are the most important stakeholder for the company. However in 2006, Builder Association of India filed a complaint against cement industry under MRTP Act. The matter was investigated and the Competition Commission of India (CCI) vide its order dated 31st August, 2016, imposed penalty of ₹ 397.51 Crore on the Company, which has been challenged before the Competition Appellate Tribunal (COMPAT). COMPAT, on submissions made by Company and other respondents, has stayed the operation of the order passed by Commission subject to deposit of 10% penalty in form of Fixed Deposit. The Company has complied with the conditions of the above order for stay and the appeal is pending for final hearing in the Tribunal.

   Further CCI vide order dated 19th January, 2017 held seven cement companies including the Company guilty of violating the provisions of the Competition Act in a tender floated by DS&D, Haryana and imposed penalty of ₹ 18.44 Crore. The Company has filed appeal in COMPAT against the said order of the Commission.

4. **Did your company carry out any consumer survey/ satisfaction trends?**

   Consumer Satisfaction Survey is carried out every year to gauge consumer sentiments and the Company provides adequate grievance handling mechanism to address customer concerns and feedback, which further ensures appropriate measures or improvisations to increase customer satisfaction.

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 2017, 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 Obligations 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 control 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.

   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.

4. 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 asper 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.

5. 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

6. 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, 2017.

7. 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

Place: Kolkata
Date: 16th May, 2017

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 maximization of stakeholders' value. The consistent rewards received by the stakeholders over these years from the Company are testimony to above efforts.

Board of Directors

Composition & Board Diversity

The Company has a very balanced and diverse Board of Directors ('the Board'). The Board comprises of appropriate mix of Executive, Non-Executive and Independent Directors as required under Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to maintain the independence of the Board and to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities. The Board consists of eleven members (including one woman director), two of whom are Executive Directors, two Non-Executive Directors (including Chairman) and seven Independent Directors. The members of the Board are from diverse background having expertise in the fields of law, banking, 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 stakeholder 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 shareholders and other 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 of the Annual Report.

Selection, Appointment and Tenure of Director

As per the approved policy, the Nomination cum Remuneration Committee facilitates the Board in identification and selection of the Directors who shall be of high integrity with relevant expertise and experience so as to have well diverse Board.

The Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law. The Independent Directors are appointed for a fixed term of five years. The Managing Director and Jt. Managing Director are normally appointed for a term of five years. However, he and all other Non-Executive Directors (except Independent Directors) are liable to retire by rotation and are eligible for reappointment, unless otherwise specifically provided under the Articles of Association or under any statute.

As required under Regulation 46(2)(b) of the Listing Regulations, the Company issues formal letters of appointment to the Independent Directors. The specimen thereof has been posted on the website of the Company.

Category and Attendance of Directors

The names and categories of Directors, their attendance at the Board Meetings held during the year 2016-17 and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in public limited companies (excluding the Company) are given below:-

Name of Director	Category	Attendance at AGM held on 12th August, 2016	No. of Board Meetings attended during Year 2016-17	Directorship in Public Companies*	Committee Memberships$	Chairperson of Committees$	No. of shares of the company held as on 31st March, 2017
Shri B.G. Bangur	Chairman (Non-Executive)	YES	4	-	-	-	4,25,821
Shri H.M. Bangur	Managing Director	YES	4	-	-	-	4,42,438
Shri Prashant Bangur	Jt. Managing Director	YES	4	-	-	-	57,475
Shri O. P. Setia	Independent Director	YES	4	-	-	-	-
Shri R. L. Gaggar	Independent Director	YES	4	9	6	-	-
Shri Shreekant Somany	Independent Director	NO	3	6	3	-	-
Dr. Y. K. Alagh	Independent Director	YES	4	1	1	-	-
Shri Nitin Desai	Independent Director	YES	4	-	-	-	-
Dr. Leena Srivastava	Independent Director	YES	4	1	-	-	-
Shri Sanjiv Krishnaji Shelgikar	Independent Director	YES	3	1	-	-	-
Shri Ramakant Sharma	Non-Executive Director	YES	4	-	-	-	-

*Excludes Directorships in Associations, Private Limited Companies, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013.

$Includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (whether listed or not).

Shri H.M. Bangur is son of Shri B.G. Bangur and father of Shri Prashant Bangur. Shri Prashant Bangur is son of Shri H.M. Bangur and grand-son of Shri B.G. Bangur. Except this, there are no inter-se relationships among other Directors.

Four (4) meetings of Board of the Company were held during financial year 2016-17 i.e. on 26th May, 2016, 12th August, 2016, 7th November, 2016 and 30th January, 2017. The gap between any two meetings did not exceed 120 days.

Board Procedures

The Board of Directors of the Company act in their capacity as 'management trustee', being responsible for managing 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

Our definition of 'Independence' of Directors is derived from Listing Regulations and Section 149(6) of the Act. Seven Directors out of eleven Directors of the Company are independent. All Independent Directors make annual 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.

Independent Directors' Separate Meetings

The Independent Directors of the Board met, without the presence of any Non-Independent Director and/or Management Representative, on 30th January, 2017 at Kolkata 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
- Review of 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 in this meeting. A report compiled by external facilitator on the outcome of the meeting was also placed before the Board for its perusal.

Induction and Familiarization 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, operations, markets, organisation structure, products, etc. The said presentation is also provided to existing Independent Directors every year.

As 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 familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed on the website of the Company at link http://shreecement.in/pages/shareholders_information.php.

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. Chairman 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 Shareholders of the Company. Managing Director 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. Jt. Managing Director is also involved in the 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. Core Committee comprising of Senior Executives of Company and Key Functional Heads execute the day-to-day operational matters under the overall guidance and supervision of Managing Director and Jt. Managing Director thereby strengthening the effectiveness of control in managing the affairs of Company.

Board Committees

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

A. Audit and Risk Management Committee

A.1. Terms of Reference

The Audit and Risk Management Committee reviews the matters falling in its terms of reference and addresses larger issues that could be of vital concerns to the Company. The Committee constituted by the Board in terms of Section 177 of the Act meets the requirement of said section as well as of the Listing Regulations.

The terms of reference of the 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, Risk Management framework 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) qualifications, if any, in the draft audit report;

- Review the quarterly financial statements before submission to the Board for approval;
- Reviewing the financial statements of subsidiaries in particular, the investments made by the unlisted subsidiaries of the Company, if any.
- Oversight of the 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 the Statutory Auditors;
- Reviewing and monitoring the Auditor's independence and 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;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls;
- 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 and 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 area of concern;
- To review the functioning of the whistle blower mechanism;
- 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 of the appointment, removal and terms of remuneration of the chief internal auditor of the Company;
- Formulating and recommending the Risk Management Policy Procedure and Plans to the Board and review and evaluation of the Risk Management System;
- Carrying out any other function as is mentioned in the terms of reference of the Audit and Risk Management Committee.

A.2. Composition, meetings and attendance of Audit and Risk Management Committee

All members of the Committee are financially literate, with Shri O. P. Setia, Chairman of the Committee, having the relevant accounting and financial management expertise. During the year under review, the Committee met four (4) times i.e. on 26th May, 2016, 12th August, 2016, 7th November, 2016 and 30th January, 2017. The maximum gap between any two meetings was not more than four months. The composition of the Committee and particulars of attendance at the Committee Meetings are given below:-

Name of Member	Category	Qualification of the Member	No. of Meetings Attended
Shri O. P. Setia - Chairman	Independent & Non-Executive Director	The Chairman is Master of Commerce and Ex-Managing Director of State Bank of India and has held many key positions in its associate banks. He possesses the requisite accounting and financial management expertise.	4
Shri R. L. Gaggar	Independent & Non-Executive Director	Member is a renowned Solicitor and Advocate based at Kolkata. He is practicing at the High Court of Kolkata for over 50 years. He has good accounting and financial management knowledge.	4
Dr. Y. K. Alagh	Independent & Non-Executive Director	Member is a noted Economist. He has good accounting and financial management knowledge.	4
Shri Nitin Desai	Independent & Non-Executive Director	Member is a noted Economist. He has good accounting and financial management knowledge.	4
Shri Shreekant Somany	Independent & Non-Executive Director	Member is Eminent Industrialist having rich experience of Business. He has good accounting and financial management knowledge.	3
Shri Sanjiv Krishnaji Shelgikar	Independent & Non-Executive Director	Member is a veteran Chartered Accountant and possesses the requisite accounting and financial management expertise.	3
Shri Prashant Bangur	Non-Independent & Executive Director	Member has expertise in Corporate Business Planning & Management and has good accounting and financial management knowledge.	4

A.3. Invitees to the Committee

The Chief Finance Officer (CFO) along with representative(s) from Statutory and Internal Auditors of the Company are permanent invitees and remain present in the meetings for responding to the observations of the Committee. The Company Secretary acts as Secretary to the Committee.

B. Nomination cum Remuneration Committee

B.1. Terms of Reference

Committee is empowered to –

- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Carry out evaluation of every Director's performance;
- 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;
- Formulate the criteria for evaluation of performance of Independent Directors of the Company;
- devise a policy on diversity of the Board ;
- Recommend/review remuneration of the Managing Director(s) and Executive Director(s) based on their performance and defined assessment criteria;
- 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 of the Nomination cum Remuneration Committee

The Nomination cum Remuneration Committee consists of all Independent Directors and during the year under review, the Committee met two times on 26th May, 2016 and 30th January, 2017. The composition of the Committee and particulars of attendance at the Committee Meetings are given below:

Name of the Member	Category	No. of Meetings attended
Shri R. L. Gaggar - Chairman	Independent & Non-Executive Director	2
Shri O. P. Setia	Independent & Non-Executive Director	2
Shri Shreekant Somany	Independent & Non-Executive Director	2
Dr. Y. K. Alagh	Independent & Non-Executive Director	2

B.3. Performance evaluation criteria for Independent Directors

The performance evaluation criteria laid down for Independent Directors covers 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.

B.4. Remuneration Policy

The Company believes in nourishing a people-friendly environment aimed at attaining high and sustainable growth where each and every personnel working with it is able to achieve the Company's vision of being the best in the industry.

The objective of the remuneration policy is -

- to enable the Nomination Cum Remuneration Committee to attract highly qualified executives to join Board of Directors and top management;
- to enable the top management to attract, recruit and retain people at senior level positions in the organization;
- to enable the top management working along with senior personnel and Human Resource group of the organization to attract, recruit, motivate and retain the best talent available to join its team;
- to create value for all stakeholders in an efficient and responsible manner; and
- to ensure that the Directors, Executives and prescribed officers are remunerated fairly and responsibly with the long term interest of the Company in mind.

The policy covers appointment and fixing of remuneration for all the Directors as well as Key Management Personnel (KMP) of the Company which includes the Chief Finance Officer and the Company Secretary. It also includes the appointment of other Senior Management Personnel which the Board may decide to appoint and who may report to the top management of the Company. Further, the appointment and remuneration of other employees of the Company shall also be guided by this policy although the specific implementation may be undertaken by the respective department responsible for hiring in the Company.

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(s) like industry trend, remuneration package in other comparable Corporates, job contents and key performance areas, Company's performance etc. The remuneration structure comprises of salary, contribution to provident & superannuation funds, perquisites & allowances and gratuity in accordance with Company's rules. In addition, 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 or Committee 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/Committee of the Board attended by them which is within the limits prescribed under the Act. 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 at the Board, time spent on operational matters and other responsibilities assigned. None of the Non-Executive Director has any pecuniary relationship or transaction with the Company apart from receiving sitting fee and commission.

The details of remuneration package, fees paid, etc. to Directors for the year ended on 31st March, 2017, for information of Members, are given hereunder:-

(₹ in Lacs)

Director	Category	Fixed Component		Performance Linked Incentives (Commission)	Sitting Fees	Total
		Basic Salary	Allowances, Perquisites and other Benefits$			
Shri B.G. Bangur	Non-Executive Chairman	-	-	30.00	3.00	33.00
Shri H. M. Bangur	Managing Director	918.00	903.91	2,000.00	-	3,821.91
Shri Prashant Bangur	Jt. Managing Director	262.50	519.67	750.00	-	1,532.17
Shri R. L. Gaggar	Independent Director	-	-	30.00	9.00	39.00
Shri Shreekant Somany	Independent Director	-	-	30.00	6.75	36.75
Shri O.P. Setia	Independent Director	-	-	30.00	9.00	39.00
Dr. Y. K. Alagh	Independent Director	-	-	30.00	9.00	39.00
Shri Nitin Desai	Independent Director	-	-	30.00	8.25	38.25
Dr. Leena Srivastava	Independent Director	-	-	30.00	4.50	34.50
Shri Sanjiv Krishnaji Selgirkar	Independent Director	-	-	30.00	6.00	36.00
Shri Ramakant Sharma	Non-Executive Director	-	-	30.00	3.75	33.75

$ The Allowances, Perquisite and other Benefits include contribution to Provident Fund, Superannuation Fund, Leave Encashment and Gratuity (if paid). The value of perquisites is calculated in accordance with the rules framed under the Income Tax Act, 1961.

Service Contract, Notice Period, Severance Fees and Stock Options

- The appointment of Shri H.M. Bangur, Managing Director is for five years from the date of his appointment. In case of Shri Prashant Bangur, Jt. Managing Director, his existing term is proposed to be foreclosed and he is proposed to be re-appointed as Jt. Managing Director for a period of five years w.e.f. 1st April, 2017.
- 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

C.1. Terms of Reference

Committee is empowered to –

- Review, on a periodic basis, status of cases relating to transfer, transmission of shares, issue of duplicate shares, etc.;
- Monitor expeditious redressal of investors' grievances;
- Review instances of non-receipt of Annual Report and declared dividend; and
- Consider all other matters related to all security holders of the Company.

C.2. Composition, meeting and attendance of the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of all Independent Directors and during the year under review meet on 30th January, 2017 and reviewed the status of investors' complaints received and resolved during the calendar year 2016.The composition of the Committee and particulars of attendance at the Committee Meeting are given below:-

Name of the Member	Category	No. of Meetings attended
Shri R. L. Gaggar – Chairman	Independent & Non-Executive Director	1
Dr. Y. K. Alagh	Independent & Non-Executive Director	1
Shri Nitin Desai	Independent & Non-Executive Director	1

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

M/s. Karvy Computershare Pvt. Ltd., Hyderabad is acting as the Share Transfer Agent of the Company to carry out the share transfer and other related work. Shri 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, 2017:-

Sl. No.	Nature of Complaints	No. of Complaints received	No. of Complaints resolved
I	Dividend related issues	1	1
II	Duplicate shares related issues	1	1
III	Shares transfer/ transmission/deletion of name related issues	1	1
IV	Annual Report related issues	1	1
V	Dematerialization related issues	2	2
	Total	**6**	**6**

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

D. Corporate Social and Business Responsibility Committee (CSBR Committee)

As required under Section 135 of the Companies Act 2013, the Company has constituted CSBR committee of Directors inter-alia to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on the activities in line with 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 objectives given in CSR policy;
- oversee the Company's activities and contribution with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen;
- review the performance of the Company on environment, governance and sustainability initiatives and matters;
- approve the policies on principles as required in terms of Business Responsibility Reporting requirements and changes/modifications required from time to time in such policies; and
- to approve Company's report on Business Responsibility Reporting requirements.

D.2. Composition, meeting and attendance of the CSBR Committee

During the year under review, the CSBR Committee met once on 26th May, 2016. The composition and attendance details of the Directors in the meeting are as under:

Name of the Member	Category	No. of Meetings attended
Shri O. P. Setia - Chairman	Independent & Non-Executive Director	1
Shri Prashant Bangur	Non-Independent & Executive Director	1
Shri Nitin Desai	Independent & Non-Executive Director	1
Dr. Leena Srivastava	Independent & Non-Executive Director	1
Shri Sanjiv Krishnaji Shelgikar	Independent & Non-Executive Director	1
Shri Ramakant Sharma	Non-Executive Director	1

General Body Meetings

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

Special Resolution passed through Postal Ballot

There were no resolutions passed through postal ballot during the year 2016-17.

Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary. The Audit and Risk Management Committee of the Company reviews the financial statements, in particular, the investments, if any, made by its unlisted subsidiary company during the financial year. Copies of Minutes of the Board Meeting of Subsidiary Company are tabled at the subsequent 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 on the website of the Company at link http://www.shreecement.in/pages/policies.php.

Disclosures

- **Related Party Transactions:** During the year, the related party transactions entered into by the Company were on arm's length basis and were in ordinary course of business of the Company. There were no material significant transactions with the related party as defined under section 188 of the Act. All related party transactions have been approved by the Audit and Risk Management Committee either on specific basis or under omnibus approval. The policy on Related Party Transactions as approved by the Audit and Risk Management Committee and the Board is available on Company's website and can be accessed at link http://www.shreecement.in/pages/policies.php.
- **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.
- **Accounting Treatment:** Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit and Risk Management Committee in consultation with the Auditors.
- **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 Audit and Risk Management Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- **Vigil mechanism:** 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 or ethics policy. 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 and Risk Management Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit and Risk Management Committee.
- **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 Listing Regulations are as under:-

  a. **Non-Executive Chairman's Office:** The Company maintains a separate office for the Chairman of the Company who is Non-Executive Director with all necessary infrastructure. All assistance is made available to enable him to discharge his responsibilities effectively.

  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 2016-17 does not contain any modified audit opinion.

  d. **Separate posts of Chairperson and Chief Executive Officer :** Company is having separate posts of Chairman (Non-Executive) and Managing Director.

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

- **Commodity price risk or foreign exchange risk and hedging activities :** Fuel is a major part of input being used by the Company for cement production and power generation, which is exposed to price volatility. Company has adequate price review mechanism to protect it against volatile fuel price movements. Company's foreign exchange risk emanates from forex borrowings and import of fuel and other raw materials. All the forex borrowings are fully hedged against foreign currency fluctuations. As regards import of fuel and other raw materials, the Company decides about the hedging based on prevailing market conditions, macro-economic factors, period of exposure, etc. The Company does not enter into any derivative instruments for trading or speculative purposes.

- **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
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
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	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 2016-17 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 a Code of Conduct known as Policy on Ethics, Transparency and Accountability for all the Board Members and Employees of the Company. The code covers, amongst other things, Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable development, health & safety, transparency and compliance of laws & regulations, etc. 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 2016-17. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

Prevention of Insider Trading

As per the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015, the Company has formulated and implemented a Code of Internal Procedure and Conduct for regulating, monitoring and reporting trading by Insiders. All the Designated Persons as defined in the code are governed by this Code. The Company has appointed Shri S. S. Khandelwal, Company Secretary as Compliance Officer who is responsible for setting forth procedures & implementation of the Code.

Company has also formulated and uploaded on its official website 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, Shri S.S. Khandelwal as Chief Investor Relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

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 subject 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.in. These results are also published in leading newspapers normally with Economic Times, Mint, Business Line, Dainik Bhaskar within forty-eight hours.
- 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. Annual Report, inter-alia, includes communication from Chairman, Managing Director and Jt. Managing Director.
- Company also sends reminders to all shareholders, whose dividends have remained unclaimed, before depositing the monies to Investors' Education and Protection Fund (IEPF).
- **NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (Listing Centre):** Both NEAPS and Listing Centre are web-based applications designed for corporates by the respective stock exchanges. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, media releases, etc. are filed electronically on these platforms.
- **SEBI Complaints Redress System (SCORES):** This is a centralised web-based complaint redressal system designed by SEBI for investors. Companies can online upload of 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:** Company's website www.shreecement.in contains a separate dedicated section 'Investor Centre' wherein all information related to Members/ Investors has been made available. A corporate presentation about the Company is also available on the website.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day & Date of AGM	Time	Venue
Monday, 31st July, 2017	1:00 PM	'Rangmanch Auditorium', Bangur Nagar, Beawar - 305 901, Distt.: Ajmer, Rajasthan

Details of the Annual General Meeting held in the last three years are as under:

Year Ended	Day & Date of AGM	Time	Venue
30th June, 2014	Monday, 10th November, 2014	11:30 AM	"Satkar", Bangur Nagar, Beawar–305 901, Distt.: Ajmer, Rajasthan
30th June, 2015	Saturday, 14th November, 2015	11.30 AM	"Satkar", Bangur Nagar, Beawar–305 901, Distt.: Ajmer, Rajasthan
31st March, 2016	Friday, 12th August, 2016	12:15 PM	"Rangmanch Auditorium", Bangur Nagar, Beawar - 305901, Distt.: Ajmer, Rajasthan

Special Resolution(s) passed in previous three AGMs:

Date of AGM	Special Resolution(s) passed by Members
10th November, 2014	a) Payment of remuneration to Non-Executive Directors b) Authorization to Board of Directors for Borrowings under Section 180(1)(c) c) Authorization to Board of Directors for creation of charges/mortgages in respect of borrowings under section 180(1)(a) d) Authorization to Board of Directors for issue of Non-convertible Debentures (NCDs) through Private Placement pursuant to Section 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
14th November, 2015	Authorization to Board of Directors for issue of Non-convertible Debentures (NCDs) through Private Placement pursuant to Section 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
12th August, 2016	a) Re-designation of Shri Prashant Bangur from Whole-time Director to Joint Managing Director w.e.f. 2nd February, 2016 for remaining period of his tenure b) Re-appointment of Shri H. M. Bangur as Managing Director of the Company for a period of five years w.e.f. 1st April, 2016 and terms and conditions as to his remuneration c) Authorization to Board of Directors for issue of Non-convertible Debentures (NCDs) through Private Placement pursuant to Section 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Financial Year and Tentative Financial Calendar

Company follows period of 1st April to 31st March as its Financial Year. Tentative financial calendar for the Financial Year 2017-18 is as under:-

Un-audited/Limited Review Results:	
First Quarter ending on 30th June, 2017	Within 45 days from the end of quarter
Second Quarter/half year ending on 30th September, 2017	Within 45 days from the end of quarter
Third Quarter ending on 31st December, 2017	Within 45 days from the end of quarter
Audited Results:	
Year ending on 31st March, 2018	Within 60 days from the end of the year

Date of Book Closure

Tuesday, 25th July, 2017 to Monday, 31st July, 2017 (Both days inclusive)

Dividend Payment Date

Sl. No.	Particular	Record Date	Payment Date
1	1st Interim Dividend for year 2016-17	23rd August, 2016	24th August, 2016
2	One-time Special Dividend	7th February, 2017	9th February, 2017

The Board of Directors at their Meeting held on 16th May, 2017, recommended Final Dividend @ ₹ 24/- per share for the financial year 2016-17, subject to approval of the members at the ensuing Annual General Meeting of the Company. The Dividend shall be paid to the members whose names appear as Beneficial Owners in the list of Beneficial Owners as at the end of the business on 24th July, 2017 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose and whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agent ("RTA") viz. Karvy Computershare Private Limited on or before 24th July, 2017. The dividend if declared at the Annual General Meeting shall be paid on or after 2nd August, 2017.

Dividend Policy

The Company has been paying uninterrupted and increasing dividends since year 2000-2001 and the management is confident of maintaining the same. The yearly out-go of dividend is dependent on the prevalent macro-economic conditions as well as the industry specific scenario. In the past five years, the Company has been maintaining dividend pay-out ratio of 200% or more. The Board of Directors have framed a Dividend Policy which is posted on the website of the Company can be accessed at link http://shreecement.in/pages/policies.php.

Listing on Stock Exchange(s)

Name of Stock Exchange	Stock Code
BSE Limited P J Towers, Dalal Street, Fort, Mumbai - 400 001	500387
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	SHREECEM EQ

Name of the Depositories (for Demat only)	ISIN
National Securities Depository Ltd. Trade World, 'A' Wing, 4 & 5 Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400 013	INE070A01015
Central Depository Services (India) Ltd. P J Towers, 17th Floor, Dalal Street, Fort, Mumbai - 400 001	INE070A01015

The Company has paid listing fees to all the Stock Exchanges where its securities are listed for the financial year 2016-17.

Corporate Identification Number (CIN): L26943RJ1979PLC001935

Market Price data

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Share)	High (₹)	Low (₹)	Volume (No. of Shares)
April-16	13,235.00	12,001.00	36,351	13,240.00	11,988.80	1,81,892
May-16	13,900.00	12,200.00	19,922	13,888.00	12,201.00	2,30,014
Jun-16	14,800.00	13,260.00	49,243	14,775.00	13,020.00	2,21,020
Jul-16	16,474.65	14,544.85	55,478	16,499.00	14,550.00	3,15,876
Aug-16	17,650.00	15,811.00	18,365	17,650.00	16,013.00	2,80,192
Sept-16	18,100.00	15,888.00	8,722	18,099.00	15,801.00	2,88,224
Oct-16	18,519.00	16,500.05	14,601	18,490.00	16,509.60	2,14,538
Nov-16	17,280.00	12,555.00	20,579	17,300.00	13,010.00	4,62,411
Dec-16	16,200.00	13,161.60	90,581	15,680.00	13,140.30	3,14,085
Jan-17	16,099.95	13,980.20	31,533	16,080.00	13,930.05	3,46,603
Feb-17	16,700.00	14,915.30	38,743	16,718.10	14,930.25	3,29,212
Mar-17	17,488.00	15,741.05	25,028	17,500.00	15,654.00	3,54,814
TOTAL			**4,09,146**			**35,38,881**

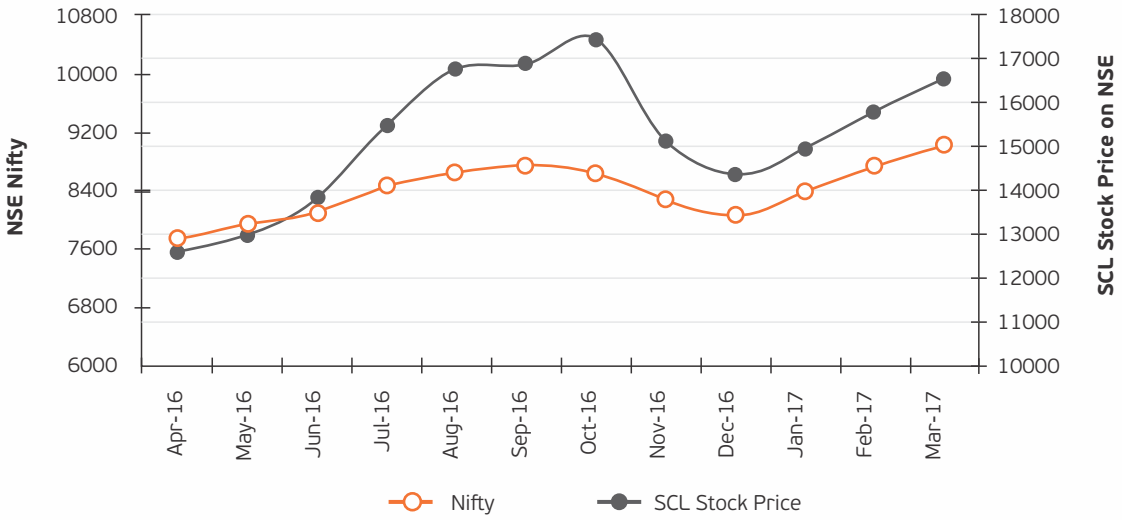
Performance in comparison to broad-based indices

Indices	BSE (Sensex)	SCL Quote at BSE (₹)	NSE (Nifty)	SCL Quote at NSE (₹)
1st April, 2016 (Open)	25,301.70	12,244.45	7,718.05	12,296.30
31st March, 2017 (Close)	29,620.50	17,020.00	9,173.75	17,083.20
Increase/(Decrease)	4,318.80	4,775.55	1,455.70	4,786.90

Movement of Shree's stock vis-à-vis Sensex in FY 2016-17
(Average of monthly high-low)



Movement of Shree's stock vis-a-vis Nifty in FY 2016-17
(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/Share Transfer Agent. As regards transfer of shares in physical form, the transfer document can be lodged with Karvy Computershare Pvt. Ltd., Registrar and Share Transfer Agent or with the Company.

The physical shares along with valid, duly executed and stamped Securities Transfer Form (Form No. SH-4) signed by the member (or on his/ her behalf) and the transferee, as and when received, are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferees after observing compliance with the rules in force. The Compliance Officer i.e. Company Secretary has been delegated the power to approve registration of transfers/ transmission/ transposition of shares. Duly transferred share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. As required under Regulation 40(9) of the Listing Regulations, a practising Company Secretary has examined the records relating to Share Transfer Deeds, Registers and other related documents on half-yearly basis and has certified compliance with the provisions of the above regulation. Such compliance certificates are forwarded to BSE and NSE where the Company's shares are listed.

Nomination facility

As per requirements of the Act, facility for making nomination is available for Members in respect of shares held by them. Investor holding shares in physical form may register nomination in their folio(s) by sending duly completed nomination form as enclosed with this Annual Report to the Registrar and Share Transfer Agent of the Company. Investors holding share in electronic form should contact their concerned Depository Participant (DP) directly for nomination.

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 Participant (DP) in case the same are held in dematerialised mode or with the Registrar & Share Transfer Agent of the Company in case the shares are held in physical form.

Company, wherever it is possible based on the details submitted by members to R&T 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 are issued in favour of members and dispatched to their recorded address.

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) ('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. During the year, the Company has transferred the amount of unclaimed and unpaid interim dividend of year 2009-10 within the prescribed due date.

For the dates of transfer of unpaid dividend amount to IEPF, please refer the relevant section of Notice of the 38th Annual General Meeting of the Company. Shareholders are requested to approach the Company, if they have not received/encashed their dividend warrants of relevant year.

In compliance with IEPF rules, Company has uploaded the information in respect of dividend amounts remaining unpaid and unclaimed as on date of 37th Annual General Meeting of the Company with Ministry of Corporate Affairs. The same information has been uploaded on Company's website www.shreecement.in 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.

With effect from 7th September, 2016, Members whose unpaid dividends were transferred to IEPF under Companies Act, 1956 and/or Companies Act, 2013 can claim the amounts by following prescribed procedures/guidelines. The same is available at website of the Company at http://shreecement.in/pages/shareholders_information.php or website of the IEPF authority at http://www.iepf.gov.in/IEPFA/refund.html.

Disclosure relating to Demat Suspense Account/ Unclaimed Suspense Account

Regulation 39(4) of Listing Regulations read with Schedule VI of the said regulations provides for 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 held by the Company as on 31st March, 2017 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, 2016	9	545
Number of Shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	0	0
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account at the end of the year i.e. 31st March, 2017	9	545

The voting rights on the aforesaid shares shall remain frozen till the rightful owner claims the shares.

Transfer of underlying shares into Investor Education and Protection Fund (IEPF) (in cases where unclaimed dividend have been transferred to IEPF for a consecutive period of seven years)

In terms of Section 125(6) of the Companies Act, 2013 read with IEPF rules, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said rules, the Company informed the individual shareholder whose shares are liable to be transferred and published a notice in newspaper. In case no claim is received from the shareholders, the Company will transfer the shares in favour of IEPF authority in the prescribed manner. However, once transferred, the shareholders can still claim the shares from IEPF authority by filing Form No. IEPF –5 in the prescribed manner.

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, NSDL and CDSL and is also placed before the Board of Directors.

Furnishing Permanent Account Number (PAN) for share transfer cases

Regulation 40(7) read with Schedule VII of the Listing Regulations provides that transferee(s) as well as transferor(s) shall furnish copy of PAN card for both securities market transactions and off market transactions involving transfer of shares in physical form of listed companies.

It shall also be mandatory to furnish a copy of PAN in the following cases:-

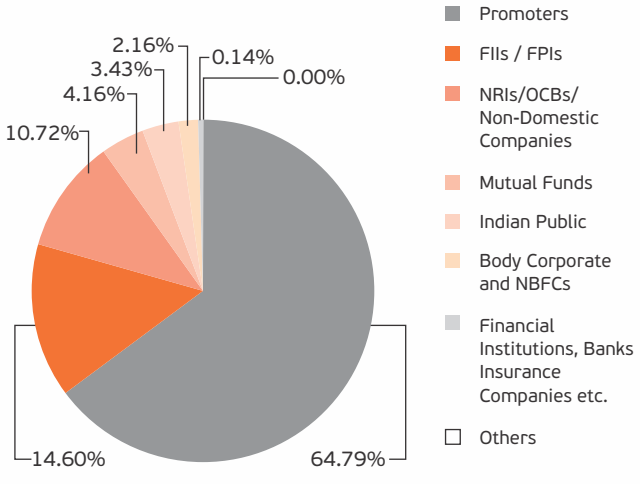
- Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders;
- Transmission of shares to legal heir(s), where deceased shareholder was the sole holder of shares;
- Transposition of share, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders;
- In case of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors, the PAN card as submitted by the transferee(s) can be provided by furnishing sufficient evidence of the identity of the transferees like passport, voter ID card, driving licence, photo identity cards issued by statutory bodies, banks, public sector undertaking, etc.

Distribution of shareholding as on 31st March, 2017

Sl. No.	Slab of shares	No. of Holders	% to Holders	No. of Shares	% to Equity
1.	1 – 50	16,310	78.00%	2,22,527	0.64%
2.	51 – 100	2,005	9.59%	1,77,392	0.51%
3.	101 – 200	947	4.53%	1,54,655	0.44%
4.	201 – 500	767	3.67%	2,71,794	0.78%
5.	501 - 1000	345	1.65%	2,70,961	0.78%
6.	1001 - 5000	316	1.51%	6,87,805	1.97%
7.	5001 - 10000	73	0.35%	5,25,196	1.51%
8.	10001 and above	147	0.70%	3,25,26,895	93.37%
	TOTAL	**20,910**	**100.00%**	**3,48,37,225**	**100.00%**

Shareholding Pattern

Description	No. of Shares held	
	31.03.17	% of holding
Promoters	2,25,69,797	64.79%
FIIs/FPIs	50,86,059	14.60%
NRIs/OCBs/Non-Domestic Companies	37,35,636	10.72%
Mutual Fund	14,50,845	4.16%
Indian Public	11,95,077	3.43%
Body Corporate and NBFC	7,50,672	2.16%
Financial Institutions, Banks, Insurance Companies etc.	49,129	0.14%
Others - Directors/Relatives (non-Promoters)	10	0.00%
Total	**3,48,37,225**	**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, Members are requested to avail the facility of dematerialisation. 89.14% of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2017 (As on 31st March, 2016: 88.80%).

The shares are actively traded at BSE and NSE and have adequate liquidity. Futures and Options contracts on Company's securities have also been permitted for trading at BSE and NSE.

There were no outstanding GDRs / ADRs / Warrants or any other Convertible Instruments as on 31st March, 2017.

Cement and Power Plants

RAJASTHAN	
1.	Beawar : Bangur Nagar, Beawar, Distt.: Ajmer, Rajasthan - 305 901
2.	Ras: Bangur City, Ras, Tehsil: Jaitaran, Distt.: Pali, Rajasthan - 306 107
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
UTTARAKHAND	
6.	Laksar (Roorkee): Akbarpur - Oud, Tehsil: Laksar, Distt.: Haridwar, Uttarakhand - 247 663
BIHAR	
7.	Aurangabad: Industrial Growth Centre Biada, Near Jasoia More, Post: Mojurahi, Distt.: Aurangabad, Bihar - 824 102
CHHATTISGARH	
8.	Baloda Bazar: Village Khapradih, Tehsil- Simga Distt.: Balodabazar, Chhattisgarh - 493 332
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

Registered Office & Address for Correspondence:

Shree Cement Limited
Post Box No. 33,
Bangur Nagar, Beawar - 305 901, Distt: Ajmer, Rajasthan
Phone: +91-1462-228101-06
Fax: +91-1462-228117 / 228119
Toll Free No.: 1800 180 6003 / 6004
Email: shreebwr@shreecementltd.com

Shareholders' Queries:

Shri S. S. Khandelwal
Company Secretary
Tele: +91-1462-228101 - 06
Fax: +91-1462-228117/19
Toll Free: 1800 180 6003 / 6004
Exclusive e-mail ID for shareholders' queries:
investor@shreecementltd.com

Clarifications on financial statement:

Shri Subhash Jajoo
Chief Finance Officer
Phone: +91-33-22390601-05
Fax: +91-33-22434226
E-mail: jajoos@shreecementltd.com

Registrar and Share Transfer Agents:

M/s. Karvy Computershare Pvt. Ltd.
Unit: SHREE CEMENT LIMITED
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad-500032
Contact Person: Mr. K. S. Reddy, Asstt. General Manager

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, 2017.

for **SHREE CEMENT LIMITED**

Place: Kolkata
Date: 16th May, 2017

H. M. Bangur
Managing Director
DIN : 00244329

COMPLIANCE CERTIFICATE FROM CEO/CFO

[Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2017 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 and that 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 and Risk Management 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 and Risk Management 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 they 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.

Place: Kolkata
Date: 16th May, 2017

Subhash Jajoo
Chief Finance Officer

H. M. Bangur
Managing Director
DIN : 00244329

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

SHREE CEMENT LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Shree Cement Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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.
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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

(e) On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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 Ind AS financial statements – Refer Note 33 to the standalone Ind AS 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 amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 42 to the Standalone Ind AS Financial Statements.

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

Sudhir Maheshwari
Partner
Membership No. 081075

Place: Kolkata
Date: 16th May, 2017

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)

1) In respect of its fixed assets:

   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) According to the information and explanations given to us, fixed assets 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 are held in the name of the Company.

2) In respect of its inventories:

   (a) The Management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.

   (b) 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.

3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.

5) 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 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) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

   According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they become payable.

   (b) According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty and Service Tax not deposited by the Company are as follows :

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 on Inputs and capital goods (including interest and penalty)	2.09	2004-05 to 2007-08 & 2009-10 to 2015-16	Commissioner (Appeals) of Central Excise
	Cenvat credit on Inputs and capital goods (including interest and penalty)	10.57	2004-05 to 2010-11& 2013-14 to 2015-16	Customs Excise & Service Tax Appellate Tribunal (CESTAT)

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
Finance Act, 1994	Credit of Service Tax (including interest and penalty)	0.66	2009-10 and 2011-12	Commissioner (Appeals) of Central Excise
	Credit of Service Tax (including interest and penalty)	20.89	2009-10 to 2010-11, 2012-13 & 2014-15	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
Total (A)		**34.21**		
(B) Customs Duty				
Customs Act, 1962	Custom Duty Valuation (including interest)	10.00	2008-09 to 2009-10 & 2012-13	Customs Excise & Service Tax Appellate Tribunal (CESTAT)
Total (B)		**10.00**		
(C) Sales Tax				
Central Sales Tax Act, 1956	Partial Exemption Claim	2.24	1998-99 to 2000-01	Rajasthan High Court, Jodhpur
Total (C)		**2.24**		
Grand Total (A+B+C)		**46.45**		

8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.

9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.

10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.

11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Indian accounting standards.

14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore, reporting under clause 3(xiv) of the Order are not applicable.

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 are not applicable.

16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sudhir Maheshwari
Partner
Membership No. 081075

Place: Kolkata
Date: 16th May, 2017

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, 2017 in conjunction with our audit of the standalone Ind AS 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 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 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, 2017 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

Place: Kolkata
Date: 16th May, 2017

BALANCE SHEET as at 31st March, 2017

(₹ in Crore)

	Note	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	5	2,586.34	3,050.17	2,921.19
Capital Work-in-Progress	35	710.44	264.50	511.10
Intangible Assets	6	12.78	-	-
Financial Assets				
Investments	7	3,388.48	2,950.39	2,069.13
Loans	8	43.59	33.90	34.37
Other Financial Assets	9	200.00	201.18	228.31
Deferred Tax Assets (Net)	24	507.69	371.79	325.06
Non-Current Tax Assets (Net)		20.28	14.09	-
Other Non-Current Assets	10	414.44	768.60	425.82
		7,884.04	7,654.62	6,514.98
Current Assets				
Inventories	11	1,314.50	815.19	918.86
Financial Assets				
Investments	12	654.12	80.08	162.93
Trade Receivables	13	335.12	328.62	476.39
Cash and Cash Equivalents	14	45.40	50.23	30.98
Other Bank Balances	15	65.60	32.81	67.52
Loans	8	8.03	11.02	11.07
Other Financial Assets	9	84.67	134.10	80.76
Current Tax Assets (Net)		-	44.66	-
Other Current Assets	10	774.63	311.95	291.16
		3,282.07	1,808.66	2,039.67
Total Assets		**11,166.11**	**9,463.28**	**8,554.65**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	16	34.84	34.84	34.84
Other Equity	17	7,663.30	6,810.69	5,827.88
		7,698.14	6,845.53	5,862.72
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	18	518.74	530.74	408.01
Other Financial Liabilities	19	365.58	302.69	285.29
Provisions	20	7.28	6.70	6.74
Other Non-Current Liabilities	21	587.36	615.92	570.97
		1,478.96	1,456.05	1,271.01
Current Liabilities				
Financial Liabilities				
Borrowings	22	773.74	195.75	196.30
Trade Payables	23	351.68	257.24	310.71
Other Financial Liabilities	19	386.11	476.51	660.66
Other Current Liabilities	21	475.29	229.81	243.04
Provisions	20	0.85	1.05	4.09
Current Tax Liabilities (Net)		1.34	1.34	6.12
		1,989.01	1,161.70	1,420.92
Total Equity and Liabilities		**11,166.11**	**9,463.28**	**8,554.65**
Significant Accounting Policies	3			

The accompanying notes are an integral part of the 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

Place : Kolkata
Date : 16th May, 2017

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2017

(₹ in Crore)

	Note	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Revenue from Operations	25	9,496.52	6,189.96
Other Income	26	507.71	672.68
		10,004.23	**6,862.64**
EXPENSES			
Cost of Materials Consumed	27	680.66	449.30
Changes in Inventories of Finished Goods and Work-in-Progress	28	(53.48)	3.28
Employee Benefits Expense	29	537.18	369.86
Power and Fuel		1,444.27	1,122.95
Freight and Forwarding Expenses	30	1,874.00	1,141.62
Excise Duty on Sales		1,067.36	676.32
Finance Costs	31	129.42	75.77
Other Expenses	32	1,604.25	1,032.64
		7,283.66	4,871.74
Captive Consumption of Cement [Net of Excise Duty ₹ 3.51 crore (Previous year ₹ 1.75 crore)]		(24.95)	(12.92)
		7,258.71	4,858.82
PROFIT BEFORE DEPRECIATION AND TAX		**2,745.52**	**2,003.82**
Depreciation and Amortisation Expense	5, 6 & 36	1,214.71	827.57
PROFIT BEFORE TAX		**1,530.81**	**1,176.25**
Tax Expense	44		
Current Tax		324.13	122.14
Tax Expense relating to earlier years (Net)		2.13	(55.34)
Deferred Tax (Credit) / Charge		(134.56)	(33.68)
		191.70	33.12
PROFIT FOR THE PERIOD		**1,339.11**	**1,143.13**
OTHER COMPREHENSIVE INCOME			
Items that will not be Reclassified to Profit or Loss	39(b)	3.70	5.32
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.28)	(1.84)
Items that will be Reclassified to Profit or Loss	38	(3.88)	(6.84)
Income Tax relating to Items that will be Reclassified to Profit or Loss		1.34	2.37
		(0.12)	(0.99)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit and Other Comprehensive Income for the Period)		**1,338.99**	**1,142.14**
Earnings per Equity Share of ₹ 10 each (In ₹)	50		
Cash		694.45	556.02
Basic and Diluted		384.39	328.13
Significant Accounting Policies	3		

The accompanying notes are an integral part of the 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

Place : Kolkata
Date : 16th May, 2017

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

CASH FLOW STATEMENT for the year ended 31st March, 2017

(₹ in Crore)

Particulars		For the Year ended 31.03.2017		For the Nine Months ended 31.03.2016	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit Before Tax		**1,530.81**		**1,176.25**
	Adjustments For :				
	Depreciation and Amortisation Expense	1,214.71		827.57	
	Unrealised Foreign Exchange Rate Differences (Net)	22.38		(0.95)	
	Balances Written Back (Net)	(5.48)		(9.00)	
	Provision No Longer Required	(9.53)		(0.38)	
	Provision for Doubtful Receivables (Net)	0.02		0.03	
	Net Gain on Sale of Investments	(11.41)		(5.34)	
	(Gain)/ Loss on Fair Value of Financial Assets through Profit or Loss	(24.67)		0.92	
	Interest Income	(250.43)		(151.20)	
	Dividend Income on Financial Assets Designated at Fair Value through Profit or Loss	(58.23)		(38.40)	
	Profit on Sale of Property, Plant & Equipments (Net) / Assets Written Off	4.05		8.76	
	Finance Costs	129.42	1,010.83	75.77	707.78
	Operating Profit Before Working Capital Changes		**2,541.64**		**1,884.03**
	Adjustments For :				
	(Increase) / Decrease in Trade and Other Receivables	16.53		(281.21)	
	(Increase) / Decrease in Inventories	(499.31)		103.67	
	Increase / (Decrease) in Trade & Other Payables and Provisions	431.86	(50.92)	2.77	(174.77)
	Cash Generated From Operations		**2,490.72**		**1,709.26**
	Direct Taxes Paid (Net of Refunds)		(289.07)		(143.11)
	Net Cash From Operating Activities		**2,201.65**		**1,566.15**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(1,280.90)		(735.58)	
	Proceeds from Sale of Property, Plant and Equipments	1.60		1.66	
	Payments for Intangible Assets	(15.35)		(3.15)	
	Purchases of Investments in Bonds, Debentures and Preference Shares	(1,272.62)		(655.15)	
	Proceeds from Sale/ Redemption of Bonds, Debentures and Preference Shares	369.50		267.47	
	(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(221.58)		(271.23)	
	Investments in a Subsidiary Company	(0.13)		-	
	Investments in Bank Deposits	(61.85)		(45.91)	
	Maturity of Bank Deposits	30.83		89.71	
	Change in Earmarked Balances with Banks (Unpaid Dividend)	(1.77)		(0.09)	
	Dividend Received	37.70		40.83	
	Interest Received (Including Interest on Zero Coupon Bonds)	366.67		46.88	
	Net Cash Used in Investing Activities		**(2,047.90)**		**(1,264.56)**

(₹ in Crore)

Particulars	For the Year ended 31.03.2017		For the Nine Months ended 31.03.2016	
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	-		265.84	
Repayment of Long Term Borrowings	(146.33)		(300.28)	
Proceeds from Short Term Borrowings	629.60		46.60	
Repayment of Short Term Borrowings	(45.82)		-	
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	8.02		(34.51)	
Interest and Financial Charges Paid	(127.77)		(89.17)	
Dividend and Tax Paid thereon (Interim, Special and Final)	(484.61)		(159.24)	
Net Cash From / (Used in) Financing Activities		**(166.91)**		**(270.76)**
Net Increase /(Decrease) in Cash and Cash Equivalents		**(13.16)**		**30.83**
Cash and Cash Equivalents as at the beginning of the Year		**36.37**		**5.54**
Cash and Cash Equivalents as at the end of the Year		**23.21**		**36.37**

The accompanying notes are an integral part of the Financial Statements.

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 Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Balances with Banks	44.66	49.74	30.59
Cash on Hand	0.74	0.49	0.39
	45.40	50.23	30.98
Less: Bank Overdraft	22.19	13.86	25.44
	23.21	**36.37**	**5.54**

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

Place : Kolkata
Date : 16th May, 2017

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2017

A. EQUITY SHARE CAPITAL (Refer Note 16)

Particulars	Numbers	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 01.07.2015	3,48,37,225	34.84
As at 31.03.2016	3,48,37,225	34.84
As at 31.03.2017	3,48,37,225	34.84

B. OTHER EQUITY (Refer Note 17)

For the Nine Months ended 31st March, 2016

(₹ in Crore)

Particulars	Reserves and Surplus						Effective Portion of Cash Flow Hedges	Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Special Reserve	General Reserve	Retained Earnings		
Opening Balance as at 01.07.2015	**15.00**	**26.53**	**200.00**	**500.00**	**3,000.00**	**2,089.86**	**(3.51)**	**5,827.88**
Profit for the Period						1,143.13		1,143.13
Other Comprehensive Income for the Period								
Re-measurements of the Defined Benefit Plans (Net of Tax)						3.48		3.48
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 38)							(4.47)	(4.47)
Transfer from Debenture Redemption Reserve to General Reserve			(200.00)		200.00	-		-
Transfer to/(from) Retained Earnings					300.00	(300.00)		-
Interim Dividends on Equity Shares (Note 1 below)						(83.61)		(83.61)
Tax on Interim Dividends						(17.02)		(17.02)
Final Dividend on Equity Shares (Note 2 below)						(48.77)		(48.77)
Tax on Final Dividend						(9.93)		(9.93)
Closing Balance as at 31.03.2016	**15.00**	**26.53**	**-**	**500.00**	**3,500.00**	**2,777.14**	**(7.98)**	**6,810.69**

For the year ended 31st March, 2017

(₹ in Crore)

Particulars	Reserves and Surplus					Effective Portion of Cash Flow Hedges	Total
	Capital Redemption Reserve	Securities Premium Reserve	Special Reserve	General Reserve	Retained Earnings		
Opening Balance as at 01.04.2016	**15.00**	**26.53**	**500.00**	**3,500.00**	**2,777.14**	**(7.98)**	**6,810.69**
Profit for the Year					1,339.11		1,339.11
Other Comprehensive Income for the year							
Re-measurements of the Defined Benefit Plans (Net of Tax)					2.42		2.42
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 38)						(2.54)	(2.54)
Transfer from Special Reserve to General Reserve			(500.00)	500.00	-		-
Transfer to /(from) Retained Earnings				1,000.00	(1,000.00)		-
Interim Dividend on Equity Shares (Note 3 below)					(55.74)		(55.74)
Tax on Interim Dividend					(11.34)		(11.34)
Special Dividend on Equity Shares (Note 4 below)					(348.37)		(348.37)
Tax on Special Dividend					(70.93)		(70.93)
Closing Balance as at 31.03.2017	**15.00**	**26.53**	**-**	**5,000.00**	**2,632.29**	**(10.52)**	**7,663.30**

Note 1 : Interim Dividend declared at the rate of ₹ 24 per share of ₹ 10 each for FY 2015-16.

Note 2 : Final Dividend declared at the rate of ₹ 14 per share of ₹ 10 each for FY 2014-15.

Note 3 : Interim Dividend declared at the rate of ₹ 16 per share of ₹ 10 each for FY 2016-17.

Note 4 : Special Dividend declared at the rate of ₹ 100 per share of ₹ 10 each for FY 2016-17.

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

Place : Kolkata
Date : 16th May, 2017

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

Notes Forming Part of 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 on two recognized stock exchanges in India. The registered office of the Company is located at Bangur Nagar, Beawar, District- Ajmer - 305901 (Rajasthan) India.

The Company is engaged in manufacturing and supply of cement and power generation. Currently its manufacturing operations are spread over North and Eastern India. It is recognized as one of the most efficient and environment friendly Company in the global cement industry.

For Company's principal shareholders, Refer Note No. 16.

These financial statements are approved and adopted by the Board of Directors of the Company in their meeting dated 16th May, 2017.

2. Basis of Preparation and Statement of Compliance

The 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, as amended by the Companies (Indian Accounting Standards) (Amendment), Rules, 2016. For all periods up to and including the period ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first Ind AS financial statements. Refer Note 55 for information on how the Company adopted Ind AS.

The Company had adopted change in its accounting year in terms of section 2(41) of the Companies Act, 2013 from Financial Year 2015-2016. Accordingly the said financial year of the Company was of a nine months period from 1st July, 2015 to 31st March, 2016. Hence, the figures for the current financial year are not comparable to those of the previous year.

3. Significant Accounting Policies

a) Basis of Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivatives financial instruments
- Certain Financial assets measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crore, except otherwise indicated.

b) Property, Plant and Equipment

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition (Refer Note 55). Subsequently, 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 of acquisition/ bringing the asset to its working condition for its intended use (net of credit availed, if any).

When significant parts of the plant and equipment are required to be replaced at intervals the Company depreciates them separately based on their specific useful lives.

Capital work in progress is carried at cost and directly attributable expenditure during construction period which is allocated to the property, plant and equipment on the completion of project.

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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 & Machinery	3-20 Years
Building	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture & Fixtures	5 Years

Leasehold land is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

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 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.

c) Intangible Assets

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Intangible Assets at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Intangible Assets on the date of transition (Refer Note 55). Subsequently, Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any).

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.

The residual values, useful lives and method of depreciation of Intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Impairment of Non-Financial Assets

The carrying amount of 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.

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 recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

e) Revenue Recognition

Revenue is measured at fair value of consideration received or receivable. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

- Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Revenue is disclosed net of sales tax / VAT, discounts, volume rebates and returns, as applicable. Revenue is inclusive of excise duty.
- Dividend income is recognized when the right to receive the payment is established.
- Interest is recognized using the Effective Interest rate (EIR) method.
- Insurance, Railway and other Claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.

f) 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, 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 government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognised 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 present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mine. 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 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.

g) 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 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.

h) 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.

2) Work-in-progress and Finished goods

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 finished goods includes excise duty. Cost is determined on a weighted average basis.

3) Energy Saving Certificates

These are valued at lower of cost and net realizable value.

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.

i) Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

1) Assets Taken on Finance Lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2) Operating Lease

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

j) Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). 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.

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 asset 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.

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.

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.

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.

Re-measurement gains and losses

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 OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

3) Other Long Term Benefits

Encashable leave in case of employees covered by Cement Wage Board 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 arises.

l) 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 assets are recognized as income on a systematic basis over the useful life of the related assets.

m) Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker. The identification of geographical segment is based on the areas in which major operating divisions of the Company operates.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

n) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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, other financial assets and investments.

Subsequent measurement

Financial assets are subsequently measured at amortised cost or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

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.

Investments in Subsidiaries

The Company has accounted for its investment in subsidiary at cost.

Impairment of Financial Assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. If credit risks has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss.

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 derivatives 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 overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification are described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss 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.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 forward currency contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such Derivatives financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured 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.

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 designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These Cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps 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 Profit and Loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

o) 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 and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of 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 action, 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 normal value as reduced by appropriate allowances for estimated irrecoverable amounts. 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 mine 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 bonds 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. For sensitivity analysis Refer Note 39.

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
Tangible Assets :									
Free Hold Land	537.00	70.52	-	607.52	0.80	1.07	-	1.87	605.65
Lease Hold Land	202.44	82.15	-	284.59	2.45	5.88	-	8.33	276.26
Buildings	355.60	97.93	-	453.53	31.66	101.72	-	133.38	320.15
Plant and Equipment	2,704.06	478.84 (a)	9.37	3,173.53	769.74	1,067.01	3.98	1,832.77	1,340.76
Railway Siding	20.15	3.27	-	23.42	2.94	4.47	-	7.41	16.01
Furniture and Fixtures	16.59	6.12	0.23	22.48	3.24	12.53	0.21	15.56	6.92
Office Equipments	19.11	15.07	2.33	31.85	6.31	16.11	2.21	20.21	11.64
Vehicles	13.91	8.81	2.75	19.97	1.55	11.81	2.34	11.02	8.95
Total	**3,868.86**	**762.71**	**14.68**	**4,616.89**	**818.69**	**1,220.60(b)**	**8.74**	**2,030.55**	**2,586.34**

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.07.2015	Additions During the Period	Deductions/ Adjustments During the Period	As at 31.03.2016	Opening as at 01.07.2015	Provisions During the Period	Deductions/ Adjustments During the Period	Up to 31.03.2016	As at 31.03.2016
Tangible Assets :									
Free Hold Land	504.20	32.80	-	537.00	-	0.80	-	0.80	536.20
Lease Hold Land	196.67	5.77	-	202.44	-	2.45	-	2.45	199.99
Buildings	266.94	97.98	9.32	355.60	-	31.66	-	31.66	323.94
Plant and Equipment	1,894.66	815.10 (a)	5.70	2,704.06	-	773.05	3.31	769.74	1,934.32
Railway Siding	16.82	3.33	-	20.15	-	2.94	-	2.94	17.21
Furniture and Fixtures	14.31	2.48	0.20	16.59	-	3.43	0.19	3.24	13.35
Office Equipments	13.16	7.37	1.42	19.11	-	7.52	1.21	6.31	12.80
Vehicles	14.43	2.34	2.86	13.91	-	3.57	2.02	1.55	12.36
Total	**2,921.19**	**967.17**	**19.50**	**3,868.86**	**-**	**825.42(b)**	**6.73**	**818.69**	**3,050.17**

(a) Includes ₹ 1.48 crore (for Nine Months Period ended 31.03.2016 ₹ 3.41 crore) for capital expenditure on research and development.
(b) Depreciation for the year includes ₹ 8.46 crore (for Nine Months Period ended 31.03.2016 ₹ 1.00 crore) on assets during construction period.
(c) The Company has elected to measure all of its Property, Plant and Equipment at their previous GAAP carrying value on the date of transition to Ind AS. 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.

6. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
Intangible Assets :									
Computer Software	3.15	5.27	-	8.42	3.15	2.43	-	5.58	2.84
Mining Rights	-	10.08	-	10.08	-	0.14	-	0.14	9.94
Total	**3.15**	**15.35**	**-**	**18.50**	**3.15**	**2.57**	**-**	**5.72**	**12.78**

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.07.2015	Additions During the Period	Deductions/ Adjustments During the Period	As at 31.03.2016	Opening as at 01.07.2015	Provisions During the Period	Deductions/ Adjustments During the Period	Up to 31.03.2016	As at 31.03.2016
Intangible Assets :									
Computer Software	-	3.15	-	3.15	-	3.15	-	3.15	-
Total	**-**	**3.15**	**-**	**3.15**	**-**	**3.15**	**-**	**3.15**	**-**

(a) The Company has elected to measure the intangible assets at their previous GAAP carrying value on the date of transition to Ind AS.

7. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
Investments at Amortised Cost (A)							
QUOTED							
Bonds and Non Convertible Debentures (NCD)							
National Bank for Agriculture and Rural Development (Refer Note 7.3)							
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20,000	-	-	2,09,340	376.06	2,09,340	353.88
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	-	-	86,640	150.35	86,640	141.43
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	-	-	5,000	8.63	5,000	8.13
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	180	0.33	180	0.30	180	0.29
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180	0.33	180	0.30	180	0.28
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460	0.83	460	0.77	460	0.72
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65	0.11	65	0.10	65	0.10
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	2,54,660	441.81	3,14,660	503.48	3,14,660	473.69
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	11,800	20.35	11,800	18.78	11,800	17.67
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	16,160	27.54	16,160	25.34	16,160	23.81
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	1,26,845	215.02	1,26,845	197.96	1,26,845	186.17
National Housing Bank (Refer Note 7.3)							
Zero Coupon NHB Bonds - 24DC18	10,000	3,27,711	285.09	3,27,711	263.15	3,27,711	247.66
Zero Coupon NHB Bonds - 31MR19	10,000	83,760	71.27	83,760	65.76	83,760	61.88
Indian Railway Finance Corporation Limited							
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.07	150	15.07	-	-
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.05	100	10.06	-	-
7.18% IRFC Tax Free Bonds - 19FB23	1,000	8,00,000	82.63	2,50,000	25.10	-	-
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.19	250	25.20	-	-
7.15% IRFC Tax Free Bonds- 21AG25	10,00,000	159	15.94	159	15.94	-	-
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	105	10.67	-	-	-	-
7.34% IRFC Tax Free Bonds - 19FB28	1,000	3,60,000	38.04	-	-	-	-
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	50	5.94	-	-	-	-
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	56.02	5,00,000	50.00	5,00,000	50.00
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	52.47	1,76,350	17.64	-	-
Power Finance Corporation							
8.70% Power Finance Corporation Bonds - 14MY20	10,00,000	-	-	-	-	880	87.99
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	500	50.48	200	20.21	-	-
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	26.53	-	-	-	-
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	34.62	-	-	-	-
Power Grid Corporation							
8.64% Power Grid Corporation of India Bonds - 08JL21	12,50,000	-	-	-	-	120	14.97

7. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
National Highways Authority of India							
8.20% NHAI Tax Free Bonds - 25JN22	1,000	14,66,095	149.04	11,88,951	119.30	11,88,951	119.32
8.27% NHAI Tax Free Bonds - 05FB24	1,000	2,50,000	27.90	-	-	-	-
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.08	250	25.09	-	-
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	330	33.57	-	-	-	-
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	250	29.69	-	-	-	-
8.75% NHAI Tax Free Bonds - 05FB29	1,000	2,50,000	29.57	-	-	-	-
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	100	10.45	-	-	-	-
7.35% NHAI Tax Free Bonds - 11JN31	1,000	1,42,849	14.28	1,42,849	14.28	-	-
7.39% NHAI Tax Free Bonds - 09MR31	1,000	3,85,462	38.55	3,85,462	38.55	-	-
Housing and Urban Development Corporation Limited							
8.10% HUDCO Tax Free Bonds - 05MR22	1,000	10,16,424	107.43	-	-	-	-
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.30	2,50,000	25.35	-	-
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	50	5.13	-	-	-	-
7.07% HUDCO Tax Free NCD - 01OT25	10,00,000	300	30.28	100	9.97	-	-
7.00% HUDCO Tax Free NCD - 09OT25	10,00,000	100	10.12	-	-	-	-
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.38	-	-	-	-
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	4,30,000	46.81	1,00,000	9.70	1,00,000	9.82
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	2,80,279	31.79	2,80,279	28.03	-	-
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	13,75,439	139.80	4,51,746	45.17	-	-
India Infrastructure Finance Company Limited							
7.21% IIFCL Tax Free Bonds - 21NV22	10,00,000	150	15.26	-	-	-	-
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	6,50,000	65.51	5,50,000	55.38	-	-
6.86% IIFCL Tax Free Bonds - 26MR23	1,000	50,000	5.17	-	-	-	-
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.28	50	5.31	-	-
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	50,000	5.37	50,000	5.41	-	-
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.51	-	-	-	-
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	2,00,000	20.67	-	-	-	-
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,00,000	10.53	-	-	-	-
Rural Electrification Corporation							
7.21% REC Tax Free Bonds - 21NV22	10,00,000	250	25.25	-	-	-	-
8.46% REC Tax Free Bonds - 29AG28	10,00,000	150	17.56	-	-	-	-
8.46% REC Tax Free Bonds - 24SP28	1,000	1,50,000	17.56	-	-	-	-
Indian Renewable Energy Development Agency Limited							
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	88.17	7,60,903	76.32	-	-
7.17% IREDA Tax Free Bonds - 01OT25	10,00,000	150	15.76	-	-	-	-
National Bank for Agriculture and Rural Development							
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,00,796	40.08	4,00,796	40.08	-	-
National Housing Bank							
8.46% NHB Tax Free NCD - 30AG28	10,00,000	150	17.58	-	-	-	-
Canfin Homes Limited							
8.41% Canfin Homes NCD - 30JN19	10,00,000	141	14.08	141	14.07	-	-
Housing Development Finance Corporation Limited							
8.75% HDFC NCD - 04MR21	1,00,00,000	50	50.42	-	-	-	-

7. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
LIC Housing Finance Limited							
8.75% LIC Housing NCD - 12FB21	10,00,000	630	63.52	-	-	-	-
9.30% LIC Housing NCD - 14SP22	10,00,000	150	15.49	150	15.56	-	-
IL&FS Financial Services Limited							
8.75% ILFS NCD - 14JU21	1,000	1,45,000	14.50	-	-	-	-
IDFC Bank Limited							
8.70% IDFC NCD - 23JU25	10,00,000	500	50.59	-	-	-	-
Total (A)			**2,858.46**		**2,332.87**		**1,797.81**
Investments at Fair Value through Profit or Loss (B)							
QUOTED							
Preference Shares							
Infrastructure Leasing and Financial Services Limited							
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	37.69	28,000	36.84	28,000	36.57
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	69.92	52,000	68.20	52,000	68.15
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5th October, 2022	7,500	13,500	20.59	13,500	19.92	-	-
IL&FS Financial Services Ltd.							
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	52.03	33,400	50.58	-	-
Zee Entertainment Enterprises Limited							
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annual instalments from 5th March, 2018 to 5th March, 2022	10	19,98,61,622	147.13	4,50,00,000	39.23	-	-
UNQUOTED							
Preference Shares							
Tata Capital Limited							
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18th August, 2021	1,000	10,00,000	101.29	10,00,000	100.26	10,00,000	99.78
8.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21st April, 2022	1,000	4,00,000	40.88	4,00,000	40.18	4,00,000	39.90

7. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
7.50% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 15th September 2023	1,000	6,00,000	60.24	-	-	-	-
In Units of Mutual Funds							
L&T Triple Ace Bond Fund-Bonus	10	-	-	1,47,78,590	21.53	1,47,78,590	20.30
Reliance Income Fund Growth Plan-Bonus Option	10	-	-	50,25,686	6.93	50,25,686	6.50
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	-	-	2,32,43,489	24.99	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	-	-	2,26,44,722	24.89	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	-	-	5,67,06,597	60.21	-	-
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	-	-	2,36,78,727	25.13	-	-
IDFC Arbitrage Fund-Dividend-(Direct Plan)	10	-	-	1,94,20,493	25.14	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	-	-	3,05,85,160	43.48	-	-
JM Arbitrage Advantage Fund - (Direct) - Dividend Option	10	-	-	2,78,46,362	29.89	-	-
Total (B)			**529.77**		**617.40**		**271.20**
Investments at Cost (C)							
UNQUOTED							
Subsidiary Company Fully Paid Equity Shares							
Shree Global Pte. Ltd.	1 USD	40,000	0.25	20,000	0.12	20,000	0.12
Total (C)			**0.25**		**0.12**		**0.12**
TOTAL (A+B+C)			**3,388.48**		**2,950.39**		**2,069.13**

7.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
Quoted Investments:						
- In Bonds, Debentures and Preference shares	3,185.82	3,245.99	2,547.64	2,593.73	1,902.53	1,914.91
Total	**3,185.82**	**3,245.99**	**2,547.64**	**2,593.73**	**1,902.53**	**1,914.91**
7.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS	**202.66**		**402.75**		**166.60**	

7.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.

8. FINANCIAL ASSETS - LOANS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Loans and Advances to Staff and Workers	4.77	2.31	1.88	5.94	5.62	3.82
Security Deposits (Refer Note 41)	38.82	31.59	32.49	2.09	5.40	7.25
	43.59	**33.90**	**34.37**	**8.03**	**11.02**	**11.07**

9. FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Derivative Financial Instruments	-	1.18	19.31	-	7.79	17.18
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	209.00	-	-	-
Interest Accrued on Bonds, Debentures and Deposits	-	-	-	57.07	24.53	15.27
Others	-	-	-	27.60	101.78	48.31
	200.00	**201.18**	**228.31**	**84.67**	**134.10**	**80.76**

9.1 Others include amount receivable on sale of investments and dividend receivable etc.

10. OTHER ASSETS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Advances to Suppliers and Contractors	-	-	-	50.47	41.00	67.36
Capital Advances	393.03	349.52	319.57	-	-	-
Assets Held for Disposal	-	-	-	0.13	0.09	-
Prepaid Expenses	-	-	-	3.86	3.18	4.61
Other receivables	21.41	419.08	106.25	720.17	267.68	219.19
	414.44	**768.60**	**425.82**	**774.63**	**311.95**	**291.16**

10.1 Other receivables includes Sales tax, Cenvat credit, Government grants and other dues from Government etc.

11. INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Raw Materials [Includes in transit ₹ 3.55 crore (As at 31.03.2016 ₹ 2.81 crore, as at 01.07.2015 ₹ 2.39 crore)]	31.23	43.94	27.26
Fuel [Includes in transit ₹ 397.39 crore (As at 31.03.2016 ₹ 65.19 crore, as at 01.07.2015 ₹ 239.31 crore)]	632.34	208.63	334.87
Stores and Spares	396.91	367.25	359.84
Packing Materials	16.89	11.72	9.96
Work-in-Progress [Includes in transit ₹ 18.71 crore (As at 31.03.2016 ₹ 7.64 crore, as at 01.07.2015 ₹ 11.11 crore)]	127.70	114.67	97.28
Finished Goods [Includes in transit ₹ 48.86 crore (As at 31.03.2016 ₹ 17.92 crore, as at 01.07.2015 ₹ 28.71 crore)]	109.43	68.98	89.65
Energy Saving Certificates	-	-	-
	1,314.50	**815.19**	**918.86**

Total 1,58,257 Nos. Energy Saving Certificates held as on 31.03.2017 (as on 31.03.2016 Nil, as on 01.07.2015 Nil)

12. CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
Investments at Amortised Cost (A)							
QUOTED							
Bonds							
National Bank for Agriculture and Rural Development							
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	16,640	31.31	-	-	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	5,000	9.35	-	-	-	-
Indian Railway Finance Corporation							
8.50% Indian Railway Finance Corporation Bonds - 22JU20	10,00,000	-	-	-	-	650	64.87
Rural Electrification Corporation							
8.65% Rural Electrification Corporation Bonds - 15JN19	10,00,000	-	-	-	-	200	19.97
8.65% Rural Electrification Corporation Bonds - 22JN20	10,00,000	-	-	-	-	50	4.99
Total (A)			**40.66**		**-**		**89.83**
Investments at Fair Value through Profit or Loss (B)							
QUOTED							
Preference Shares							
Zee Entertainment Enterprises Limited							
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annual instalments from 5th March, 2018 to 5th March, 2022	10	1,99,861,622	36.78	-	-	-	-
UNQUOTED							
Preference Shares							
L&T Finance Holding Limited							
8.75% Non Convertible Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 25th March, 2016	100	-	-	-	-	6,155,000	61.67
8.75% Non Convertible Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 31st March, 2016	100	-	-	-	-	1,141,136	11.43
In Units of Mutual Funds							
L&T Triple Ace Bond Fund-Bonus	10	1,47,78,590	23.18	-	-	-	-
Reliance Income Fund Growth Plan-Bonus Option	10	50,25,686	7.69	-	-	-	-
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	2,32,43,489	24.98	-	-	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	2,26,44,722	25.00	-	-	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	15,01,34,434	162.04	-	-	-	-
HDFC Arbitrage Fund-Wholesale Plan-Normal Dividend - Direct Plan	10	9,36,81,622	100.66	-	-	-	-

12. CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
ICICI Prudential Equity Arbitrage Fund-Direct Plan-Dividend	10	13,90,30,598	202.80	-	-	-	-
Edelweiss Arbitrage Fund Direct Plan Dividend Option - Payout	10	2,85,91,034	30.33	-	-	-	-
Kotak Floater Short Term-Direct Plan-Growth	10	-	-	40,257	10.01	-	-
UTI - Money Market Fund - Institutional Plan - Direct - Growth	10	-	-	58,923	10.01	-	-
HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth	10	-	-	31,628	10.01	-	-
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	-	-	40,948	10.01	-	-
Axis Liquid Fund - Direct Growth (CFDGG)	10	-	-	59,591	10.01	-	-
IDFC Cash Fund - Growth (Direct Plan)	10	-	-	54,358	10.01	-	-
ICICI Prudential Liquid-Direct Plan-Growth	10	-	-	4,46,245	10.01	-	-
Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Direct Plan	10	-	-	4,95,910	10.01	-	-
Total (B)			**613.46**		**80.08**		**73.10**
TOTAL (A+B)			**654.12**		**80.08**		**162.93**

12.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
Quoted Investments:						
- In Bonds and Preference Shares	77.44	77.91	-	-	89.83	90.22
Total	**77.44**	**77.91**	**-**	**-**	**89.83**	**90.22**
12.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS	**576.68**		**80.08**		**73.10**	

13. TRADE RECEIVABLES

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Secured, Considered Good	-	-	-	198.52	152.05	116.66
Unsecured						
Considered Good	-	-	-	136.60	176.57	359.73
Considered Doubtful	0.47	0.45	0.42	-	-	-
	0.47	0.45	0.42	335.12	328.62	476.39
Less: Allowance for Doubtful Trade Receivables	0.47	0.45	0.42	-	-	-
	-	**-**	**-**	**335.12**	**328.62**	**476.39**

Refer Note 48 for information about credit risk and market risk of Trade Receivables.

14. CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Balances with Banks	44.66	49.74	30.59
Cash on Hand	0.74	0.49	0.39
	45.40	**50.23**	**30.98**

15. OTHER BANK BALANCES

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Earmarked Balance with Banks for Unpaid Dividend (Refer note 19.1)	3.59	1.82	1.73
Margin Money (Pledged with Banks)	1.88	1.83	2.50
Fixed Deposits With Banks (Refer note 15.1 to 15.3 below)			
Maturity more than 3 months and upto 12 months	60.13	29.16	63.29
Maturity more than 12 months	200.00	200.00	209.00
Less: Fixed Deposits maturity more than 12 months disclosed under other Non-Current Financial Assets (Refer note 9)	(200.00)	(200.00)	(209.00)
	65.60	**32.81**	**67.52**

15.1 Includes deposits of ₹ 20.00 crore (As at 31.03.2016 ₹ 19.00 crore, as at 01.07.2015 ₹ 19.00 crore) are pledged with banks against overdraft facilities. (Refer Note 22.2)

15.2 Includes ₹ 39.75 crore (As at 31.03.2016 ₹ 10.00 crore, as at 01.07.2015 ₹ 53.19 crore), given as security to Government department and others.

15.3 Includes ₹ Nil (As at 31.03.2016 ₹ Nil, as at 01.07.2015 ₹ 30.00 crore) are earmarked against debentures due for redemption in next 12 months as per provisions of Companies Act, 2013.

16. SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Authorised			
6,00,00,000 (As at 31.03.2016 6,00,00,000, As at 01.07.2015 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00	60.00
15,00,000 (As at 31.03.2016 15,00,000, As at 01.07.2015 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00	15.00
	75.00	**75.00**	**75.00**
Issued, Subscribed and Paid-up			
3,48,37,225 (As at 31.03.2016 3,48,37,225, As at 01.07.2015 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84	34.84
	34.84	**34.84**	**34.84**

16.1 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY

Name of Shareholders	Number of Shares Held as at 31.03.2017	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2016	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 01.07.2015	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86	20,42,824	5.86

16.2 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.

16.3 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.

16.4 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

16.5 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:

As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Nil	Nil	Nil

16.6 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.

17. OTHER EQUITY

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 Reserve

Securities Premium Reserve 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 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.

18. BORROWINGS

(₹ in Crore)

	Non-Current Portion			Current Maturities		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Secured						
Redeemable Non Convertible Debentures (NCDs)						
Nil (As at 31.03.2016 Nil, As at 01.07.2015 2,000) 8.42% NCDs of ₹ 10,00,000/- each	-	-	-	-	-	200.00
External Commercial Borrowings	518.70	530.66	282.89	-	28.97	131.25
Term Loans from Banks	-	-	125.00	-	125.00	-
Vehicle Loan from Others	0.04	0.08	0.12	0.05	0.05	0.04
	518.74	**530.74**	**408.01**	**0.05**	**154.02**	**331.29**
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 19)	-	-	-	(0.05)	(154.02)	(331.29)
	518.74	**530.74**	**408.01**	**-**	**-**	**-**

18.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN

(₹ in Crore)

Sl. No.	Nature of Securities	Effective Interest Rate (EIR)	Loan Amount as at 31.03.2017	Loan Amount as at 31.03.2016	Loan Amount as at 01.07.2015	Terms of Repayment
	Non Convertible Debentures					
1	These debentures (redeemable at par) are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable fixed assets on the first charge basis, pari passu with other term lenders. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnagar (Gujarat).	8.42%	-	-	200.00	Redeemed during the year 2015-16
	External Commercial Borrowings					
2	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	6 Months USD LIBOR+2.5% (Fixed rate of 9.42% including the effect of related cross currency and interest rate swaps)	-	28.97	83.44	Paid during the year 2016-17
		6 Months USD LIBOR+2.5% (Fixed rate of 9.65% including the effect of related cross currency and interest rate swaps)	-	-	75.68	Paid during the year 2015-16
3	Specific charge over immovable assets of the Company situated at Beawar, Rajasthan and movable fixed assets of all the plant locations. The charge shall rank pari passu with existing lenders.	6 Months USD LIBOR+1% (Fixed rate of 8.30% including the effect of related cross currency and interest rate swaps)	259.35	265.33	255.02	Fully Repayable on 08.05.2020
			259.35	265.33	-	Fully Repayable on 24.09.2020
	Term Loan from Banks					
4	These Term loan from Bank are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	9.50%	-	125.00	125.00	Paid during the year 2016-17
	Vehicle Loan from Others					
5	Secured by Hypothecation of the vehicle	10.09%	0.09	0.13	0.16	Repayable in 19 equated monthly installments w.e.f. 03.04.2017
	TOTAL		**518.79**	**684.76**	**739.30**	
	Less: Current Maturities of Long Term Debt		**0.05**	**154.02**	**331.29**	
	Total Non-Current Portion		**518.74**	**530.74**	**408.01**	

There is no default in repayment of principal and interest thereon.

19. FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Current Maturities of Long-Term Debt	-	-	-	0.05	154.02	331.29
Interest Accrued but not Due on Borrowings	-	-	-	9.86	8.74	11.15
Derivative Financial Instruments	18.22	3.61	3.94	44.92	-	-
Unpaid Dividends (Refer Note 19.1)	-	-	-	3.59	1.82	1.73
Security Deposits from Customers, Vendors & Others	347.36	299.08	281.35	2.44	2.89	6.82
Payable for Capital goods	-	-	-	59.44	96.89	96.85
Others (Refer Note 19.2)	-	-	-	265.81	212.15	212.82
	365.58	**302.69**	**285.29**	**386.11**	**476.51**	**660.66**

19.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31.03.2017, 31.03.2016 and 01.07.2015. (Refer note 15)

19.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

20. PROVISIONS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Provision for Employee Benefits						
Gratuity [Refer note 39(b)]	-	-	-	0.17	0.09	0.10
Other Staff Benefit Schemes	1.30	1.06	0.94	0.28	0.20	3.13
Other Provisions						
Wealth Tax	-	-	-	-	-	0.26
Mines Reclamation Expenses (Refer Note 51)	5.98	5.64	5.80	0.40	0.76	0.60
	7.28	**6.70**	**6.74**	**0.85**	**1.05**	**4.09**

21. OTHER LIABILITIES

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Customers Advances	-	-	-	149.32	92.85	93.04
Withholding and Other Taxes Payable	-	-	-	55.27	47.81	74.62
Provident Fund and Superannuation Payable	-	-	-	10.66	8.96	6.99
Other Statutory Liabilities	587.36	615.92	570.97	260.04	80.19	68.39
	587.36	**615.92**	**570.97**	**475.29**	**229.81**	**243.04**

22. CURRENT BORROWINGS

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Secured			
Loans Repayable on Demand from Banks (Refer Note 22.1)	144.37	136.35	170.86
Bank Overdraft (Refer Note 22.2)	22.19	13.86	25.44
Unsecured			
Buyers Credit from Banks	607.18	45.54	-
	773.74	**195.75**	**196.30**

22.1 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 and also secured by joint equitable mortgage on all the immovable assets of the Company situated at Beawar on second charge basis.

22.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 15.1)

22.3 There is no default in repayment of principal and interest thereon.

23. TRADE PAYABLES

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Due to Micro and Small Enterprises	8.01	5.49	4.57
Others	343.67	251.75	306.14
	351.68	**257.24**	**310.71**

23.1 Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under the said Act.

24. DEFERRED TAX ASSETS (NET)

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Deferred Tax Assets:			
Arising on account of:			
Long-term and Short-term Capital Losses	16.56	15.79	14.24
Expenses allowed for tax purpose when paid	203.01	187.67	172.28
Depreciation and Amortization	229.87	59.76	49.20
Cash Flow Hedges	5.57	4.23	1.86
MAT Credit Entitlement	73.08	107.40	95.87
Others	0.16	1.18	7.90
Deferred Tax Liabilities:			
Arising on account of:			
Others	20.56	4.24	16.29
Net Deferred Tax Assets/ (Liabilities)	**507.69**	**371.79**	**325.06**

25. REVENUE FROM OPERATIONS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine months ended 31.03.2016
Sale of Products		
Cement	8,775.12	5,591.20
Clinker	148.99	13.29
Power	571.44	581.03
	9,495.55	**6,185.52**
Revenue from Power Trading		
Revenue from Traded Power	33.72	167.81
Less: Purchase of Traded Power	32.84	163.39
	0.88	**4.42**
Other Operating Revenue	**0.09**	**0.02**
	9,496.52	**6,189.96**

26. OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Interest Income		
On Deposits	22.30	18.62
On Bonds and Debentures	226.98	115.57
On Income Tax and Sales Tax Refund	0.45	11.18
Others	0.70	5.83
Dividend Income on Financial Assets designated at Fair Value through Profit or Loss	58.23	38.40
Net Gain on Sale of Investments		
Designated at Amortised cost	8.12	1.72
Designated at Fair Value through Profit or Loss	3.29	3.62
Net Gain / (Loss) on Fair Value of Financial Assets through Profit or Loss	24.67	(0.92)
Profit on Sale of Property, Plant and Equipments (Net)	1.02	0.60
Sales Tax Subsidies	145.94	457.76
Provision No Longer Required	9.53	0.38
Balances Written Back (Net)	5.48	9.00
Other Non Operating Income	1.00	10.92
	507.71	**672.68**

27. COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Raw Materials Consumed		
Gypsum	176.19	133.52
Fly Ash	246.43	166.13
Red Ochre and Slag	93.51	46.16
Sulphuric Acid	39.49	25.23
Others	125.04	78.26
	680.66	**449.30**

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016	(Increase) / Decrease
Closing Stock			
Work-in-Progress	127.70	114.67	(13.03)
Finished Goods	109.43	68.98	(40.45)
	237.13	**183.65**	**(53.48)**
Opening Stock			
Work-in-Progress	114.67	97.28	(17.39)
Finished Goods	68.98	89.65	20.67
	183.65	**186.93**	**3.28**
(Increase) / Decrease	**(53.48)**	**3.28**	

29. EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Salaries, Wages and Bonus	465.69	324.54
Contribution to Provident and other Funds (Refer note 39)	58.63	36.56
Staff Welfare Expenses	12.86	8.76
	537.18	**369.86**

30. FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
On Finished Products	1,309.97	808.92
On Inter Unit Clinker Transfer	564.03	332.70
	1,874.00	**1,141.62**

31. FINANCE COSTS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Interest Expenses	127.09	85.53
Bank and Finance Charges	1.85	0.80
Unwinding of Discount on Provision	0.48	0.36
Exchange Differences Regarded as an Adjustment to Borrowing Cost	-	0.72
	129.42	**87.41**
Less: Interest Capitalised	-	11.64
	129.42	**75.77**

32. OTHER EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Stores and Spares Consumed	285.44	210.75
Packing Materials Consumed	292.31	188.55
Royalty and Cess	239.38	183.55
Mines Reclamation Expenses	0.18	0.11
Excise Duty on Captive Consumption of Clinker	23.91	17.92
Repairs to Plant and Machinery	199.84	123.90
Repairs to Buildings	18.94	12.40
Rent	19.43	13.59
Insurance	3.45	2.12
Rates and Taxes	26.71	14.87
Travelling	34.03	23.91
Commission to Non-executive Directors	2.70	1.58
Directors' Sitting Fees and Expenses	0.75	0.45
Advertisement and Publicity	81.50	53.69
Sales Promotion and Other Selling Expenses	141.15	76.06
Excise duty variance on Closing/Opening Stock	6.56	(1.96)
Foreign Exchange Rate Differences (Net)	21.36	2.62
Corporate Social Responsibility Expenses	19.29	14.75
Assets Written Off	5.07	9.36
Provision for Doubtful Receivables (Net)	0.02	0.03
Miscellaneous (Refer Note 32.1)	182.23	84.39
	1,604.25	**1,032.64**

32.1 MISCELLANEOUS EXPENSES INCLUDE THE PAYMENTS MADE TO AUDITORS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine months ended 31.03.2016
Statutory Auditors		
Audit Fees	0.30	0.27
Tax Audit Fees	0.06	0.06
Certification / Other Services	0.11	0.11
Reimbursement of Expenses	0.13	0.10
Cost Auditors		
Audit Fees	0.03	0.03
Certification / Other Services	0.01	0.02
Reimbursement of Expenses [₹ 15,820 (Previous year ₹ 13,431)]	-	-

33. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

a. Custom duty ₹ 80.66 crore (As at 31.03.2016 ₹ 56.56 crore, As at 01.07.2015 ₹ 56.56 crore).

b. Income tax matters ₹ 0.28 crore (As at 31.03.2016 ₹ 3.26 crore, As at 01.07.2015 ₹ Nil).

c. (i) The Competition Commission of India (CCI) had, vide its order dated 31st August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The CCI passed the above order pursuant to the directions of the Competition Appellate Tribunal (COMPAT) issued vide its order dated 11th December, 2015 whereby CCI order dated 30th July, 2012 was set aside and matter was remitted back to CCI for fresh adjudication. The Company has filed an appeal against the said order with the COMPAT. On Company's appeal, COMPAT, vide its order dated 7th November, 2016, has granted stay on CCI order on the condition that the Company deposits 10% of the penalty amounting to ₹ 39.75 crore. The Company has deposited the said amount in compliance of the order. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal and thus pending final disposal of the appeal, the matter has been disclosed as contingent liability. Total contingent liability amounting to ₹ 422.57 crore (including interest of ₹ 25.06 crore up to 31.03.2017).

(ii) In another matter, CCI has vide its order dated 19th January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with a reference filed by the Government of Haryana in respect of tender invited by Director Supplies & Disposals, Haryana, for supply of cement. Company has filed an appeal before the COMPAT against the above order. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal and thus pending final disposal of the appeal, the same has 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 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. 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 ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.

34. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 1,127.07crore (As at 31.03.2016 ₹ 201.21 crore, As at 01.07.2015 ₹ 249.60 crore).

35. Capital work-in-progress includes directly attributable expenses of ₹ 49.02 crore (As at 31.03.2016 ₹ 10.60 crore) which includes depreciation of ₹ 8.46 crore (for Nine Months ended 31.03.2016 ₹ Nil) on assets during construction period.

36. The Company has reviewed the useful lives and residual values of the Property, Plant and Equipment and Intangible assets in accordance with requirement of Ind AS and revised the useful lives of Property, Plant and Equipment and Intangible assets. Accordingly, depreciation for the current year is higher by ₹ 527.24 crore (Including charge of ₹ 23.27 crore, being the carrying amount of certain items of Property, Plant and Equipment with no remaining useful life [as revised]) and profit after tax is lower by ₹ 344.77 crore.

37. EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ in Crore)

Particulars	2016-2017												2015-16
	Beawar	RAS	KKG	SGU	RGU	JGU	BGU	PGU	SRCP	UPGU	Kodla	Total	
Capital	0.03	6.53	0.46	0.15	0.15	0.13	-	0.14	-	0.09	0.17	7.85	3.41
Revenue	5.91	5.13	0.31	0.35	0.46	0.43	0.45	0.14	0.79	0.73	-	14.70	13.01
Total	**5.94**	**11.66**	**0.77**	**0.50**	**0.61**	**0.56**	**0.45**	**0.28**	**0.79**	**0.82**	**0.17**	**22.55**	**16.42**

38. THE MOVEMENT OF EFFECTIVE PORTION OF CASH FLOW HEDGES ARE SHOWN BELOW

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Opening Balance	**(7.98)**	**(3.51)**
Gain/(loss) recognized on cash flow hedges	(15.78)	10.88
Income tax relating to gain/(loss) recognized on cash flow hedges	5.46	(3.76)
Reclassified to Statement of Profit and Loss in Foreign exchange rate differences	11.90	(17.72)
Income tax relating to Reclassified to Statement of Profit and Loss	(4.12)	6.13
Closing Balance	**(10.52)**	**(7.98)**

39. EMPLOYEE BENEFITS (REFER NOTE 29)

(a) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Superannuation Fund	7.64	4.79
Provident Fund	33.73	24.07
National Pension Scheme	1.37	0.90
ESIC	0.04	0.01
Total	**42.78**	**29.77**

(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 31.03.2017	For the Nine Months ended 31.03.2016
Changes in Defined Benefit Obligations:		
Present value of defined benefit obligation at the beginning of the year	158.23	147.92
Current Service Cost	18.36	12.13
Interest Cost	11.87	8.88
Remeasurements (gains)/losses	(1.27)	(4.98)
Benefits paid	(3.99)	(5.72)
Present Value of Defined Benefit Obligation at the end of the year	**183.20**	**158.23**

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Change in Plan Assets:		
Fair value of plan assets at the beginning of the year	158.14	147.82
Expected Return on Plan Assets	11.86	12.24
Remeasurements gains/(losses)	2.43	0.34
Contribution by employer	14.59	3.46
Benefits paid	(3.99)	(5.72)
Fair Value of Plan Assets at the end of the year	**183.03**	**158.14**
Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	18.36	12.13
Interest cost	11.87	8.88
Expected Return on Plan Assets	(11.86)	(12.24)
Expenses Recognized in the Statement of Profit and Loss	**18.37**	**8.77**
Expenses recognized in Other Comprehensive Income (OCI)		
Return on plan assets (excluding amount included in net Interest expense)	(2.43)	(0.34)
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	5.08	4.51
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(6.35)	(9.49)
Total recognized in Other Comprehensive Income	**(3.70)**	**(5.32)**
Total recognized in Total Comprehensive Income	**14.67**	**3.45**
Amount recognized in the Balance Sheet consists of		
Present Value of Defined Benefit Obligation	183.20	158.23
Fair Value of Plan Assets	183.03	158.14
Net Liability	0.17	0.09
The Major Categories of Plan Assets as a % of Total Plan		
Qualifying Insurance Policy	100%	100%

The Principal actuarial assumption used:

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Discount rate	7.50% per annum	8.00% per annum
Salary Growth Rate	13.02% per annum	13.30% per annum
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.50% per annum	8.00% 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. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	1.00% p.a. (44 to 60 Years)	1.00% p.a. (44 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. Same assumptions were considered for comparative period i.e. 2015-2016 as considered in previous GAAP on transition to Ind AS.

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 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 31.03. 2017 are as follows:

Assumptions	Discount rate		Future Salary		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 Obligation (₹ in Crore)	(19.81)	23.83	22.35	(19.08)	(7.40)	8.57

Sensitivity Analysis for significant assumptions as on 31.03.2016 are as follows:

Assumptions	Discount rate		Future Salary		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 Obligation (₹ in Crore)	(16.54)	19.90	18.70	(15.96)	(6.05)	7.01

The Company expects to contribute ₹ 15 Crore (Previous Year ₹ 15 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2017 is 14 years (as at 31.03.2016: 14 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted).

Particulars	(₹ in Crore)
01st April 2017 to 31st March 2018	17.84
01st April 2018 to 31st March 2019	6.96
01st April 2019 to 31st March 2020	7.23
01st April 2020 to 31st March 2021	7.47
01st April 2021 to 31st March 2022	6.61
01st April 2022 Onwards	60.31

(c) Provident fund managed by a trust set up by the Company

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2017.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016
Plan assets at year end, at fair value	55.03	45.00
Present value of defined obligation at year end	55.03	45.00
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Discount Rate	7.50%	7.75%
Expected Guaranteed Interest Rate	8.65%	8.80%
Expected Rate of Return on Assets	8.71%	8.80%

(d) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹ 13.16 crore (₹ 8.79 crore for Nine Months ended 31.03.2016).

40. SEGMENT REPORTING

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

(₹ in Crore)

Particulars	2016-17				2015-16			
	Cement*	Power	Inter Segment Eliminations	Total	Cement*	Power	Inter Segment Eliminations	Total
External Sales	8,924.11	572.41	-	9,496.52	5,604.49	585.47	-	6,189.96
Inter Segment Revenue	-	883.48	(883.48)	-	-	581.11	(581.11)	-
Total Revenue	**8,924.11**	**1,455.89**	**(883.48)**	**9,496.52**	**5,604.49**	**1,166.58**	**(581.11)**	**6,189.96**
Results								
Segment Results (Profit before Finance Costs & Tax)	574.58	740.91	-	1,315.49	580.55	477.45	-	1,058.00
Add: Un-allocated Income								
Interest Income				250.43				151.20
Dividend Income				58.23				38.40
Fair Value gain/(loss) on FVTPL Financial Assets				24.67				(0.92)
Net Gain on Sale of Investments				11.41				5.34
Less: Finance Costs				129.42				75.77
Profit before Tax				1,530.81				1,176.25
Less : Tax Expenses				191.70				33.12
Profit after Tax				**1,339.11**				**1,143.13**
Segment Assets	5,657.41	546.82	-	6,204.23	5,256.69	417.80	-	5,674.49
Un-allocated Assets				4,961.88				3,788.79
Total Assets				**11,166.11**				**9,463.28**
Segment Liabilities	1,590.27	157.44	-	1,747.71	1,296.18	123.58	-	1,419.76
Un-allocated Liabilities and Provisions				1,720.26				1,197.99
Total Liabilities				**3,467.97**				**2,617.75**
Depreciation and Amortization	1,125.76	88.95	-	1,214.71	661.68	165.89	-	827.57
Capital expenditure	1,190.27	77.24	-	1,267.51	725.10	28.57	-	753.67
Significant Non -Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

Segment Assets and Liabilities as at 01.07.2015:

(₹ in Crore)

Particulars	Cement	Power	Inter-Segment Eliminations	Total
Segment Assets	4,876.38	716.75	-	5,593.13
Un-allocated Assets				2,961.52
Total Assets				**8,554.65**
Segment Liabilities	1,255.43	189.53	-	1,444.96
Un-allocated Liabilities and Provisions				1,246.97
Total Liabilities				**2,691.93**

Reconciliation of Assets:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Segment Assets	**6,204.23**	**5,674.49**	**5,593.13**
Investments (Current & Non Current)	4,042.60	3,030.47	2,232.06
Cash and Cash Equivalents	45.40	50.23	30.98
Other Bank Balances	65.60	32.81	67.52
Derivative Financial Instruments	-	8.97	36.49
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	209.00
Interest Accrued on Bonds, Debentures and Deposits	57.07	24.53	15.27
Other Current Financial Assets - Others	23.24	2.70	45.14
Other Current Assets	-	8.54	-
Deferred Tax Assets (Net)	507.69	371.79	325.06
Non- Current Tax Assets (Net)	20.28	14.09	-
Current Tax Assets (Net)	-	44.66	-
Total Assets	**11,166.11**	**9,463.28**	**8,554.65**

Reconciliation of Liabilities:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Segment Liabilities	**1,747.71**	**1,419.76**	**1,444.96**
Borrowings (Current & Non Current)	1,292.48	726.49	604.31
Current maturities of Long Term Debt	0.05	154.02	331.29
Interest Accrued but not Due on Borrowings	9.86	8.74	11.15
Security Deposits from Customers & Vendors (Current & Non Current)	349.80	301.97	288.17
Liabilities for Current Tax (Net)	1.34	1.34	6.12
Unpaid Dividends	3.59	1.82	1.73
Derivative Financial Instruments (Current & Non Current)	63.14	3.61	3.94
Provision for Wealth Tax	-	-	0.26
Total Liabilities	**3,467.97**	**2,617.75**	**2,691.93**

B. Geographical Segment is identified as the secondary segment and details are given below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Segment Revenue from Operations		
Within India	9,414.90	6,184.48
Outside India	81.62	5.48
Total	**9,496.52**	**6,189.96**

All the assets of the Company are within India.

41. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)

Relationships:

(a) Parties where control exists:

(i) Shree Global Pte. Ltd. Subsidiary Company

(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) Rajasthan Forum
(vi) The Bengal
(vii) Sant Parmanand Hospital

(c) Key Management Personnel:

(i)	Shri H. M. Bangur	Managing Director
(ii)	Shri Prashant Bangur	Joint Managing Director

(d) Relatives to Key Management Personnel:

(i)	Shri B. G. Bangur	Father of Shri H. M. Bangur

Disclosure of Related Party Transactions:

(a) Parties where control exists:

(₹ in Crore)

Particulars	2016-17	2015-16
Equity contribution		
- Shree Global Pte. Ltd.	0.13	-

(b) Enterprises over which KMPs are able to exercise control/significant influence:

(₹ in Crore)

Particulars	2016-17	2015-16
Usage charges of common facilities		
- The Kamla Company Limited	0.58	0.42
- Aqua Infra Project Limited	0.11	0.08
Payment for office rent		
- Alfa Buildhome Pvt. Ltd.	2.16	1.57
- Shree Capital Service Ltd.	0.24	0.18
Sale of Goods		
- Sant Parmanand Hospital	0.06	0.08
Contribution towards Social Activities		
- Rajasthan Forum	0.25	0.51
- The Bengal	0.74	0.41
- Sant Parmanand Hospital	0.06	0.04

(₹ in Crore)

Security deposit balance at the year end	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
- Alfa Buildhome Pvt. Ltd.	0.45	0.45	0.45

(c) Key Management Personnel :

(₹ in Crore)

Particulars	2016-17	2015-16
Short Term benefits	51.52	34.32
Post - Employment benefits*	2.02	1.26
Total	**53.54**	**35.58**

*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	2016-17	2015-16
Director commission, Sitting fee and reimbursement of expenses		
- Shri B.G. Bangur	0.35	0.22

Refer note 39 for information on transactions with post-employment benefit plans.

42. As per Notification G.S.R. 308(E) dated 30.03.2017 issued by the Ministry of Corporate Affairs, the details of Specified Bank Notes (SBNs) held and transacted during the period from 08.11.2016 to 30.12.2016:

(₹ in Crore)

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	**0.38**	**0.14**	**0.52**
(+) Permitted Receipts	-	0.53	0.53
(-) Permitted Payments	-	0.05	0.05
(-) Amount deposited in Banks	0.38	0.02	0.40
Closing Cash in hand as on 30.12.2016	**-**	**0.60**	**0.60**

43. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses forward contracts and cross currency and interest rate swaps to manage some of its transaction exposure.

The details of such contracts outstanding as on the balance sheet date are as follows:

Type of Contract	Purpose
Cross Currency & Interest Rate Swaps	Hedge the external commercial borrowings
Forward Contracts	Hedge the buyers' credit and expected purchases

Cross Currency and Interest Rate Swaps

The objective of cross currency and interest rate swap 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. Outstanding notional amount for swap contract is USD 8 crore, USD 8.44 crore and USD 6.50 crore as on 31.03.2017, 31.03.2016 and 01.07.2015 respectively.

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 of hedge effectiveness test. 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 cross currency and interest rate swap agreements are as under:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Asset	Liability	Asset	Liability	Asset	Liability
Cross Currency and Interest rate Swap	-	18.22	8.97	3.61	36.49	3.94

Foreign Currency Forward Contracts

The Company has taken buyers' credit. These buyers' credit are denominated in foreign currency. In order to protect itself from volatility in exchange rate, the Company enters into forward contract to buy notional foreign currency on each payment date as agreed in the loan contract. The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases.

The 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 are as under:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Asset	Liability	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	-	44.92	-	-	-	-

Outstanding notional amount for forward contracts is USD 9.38 crore, EURO 1.40 crore and JPY 13.50 crore as on 31.03.2017 (Nil as on 31.03.2016 and 01.07.2015).

The loss due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the Statement of Profit and Loss is ₹ 44.92 crore (₹ Nil for the Nine Months ended 31.03.2016) for the Year ended 31.03.2017.

44. INCOME TAX EXPENSE

(₹ in Crore)

PARTICULARS	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Current Tax	324.13	122.14
Deferred Tax		
- Relating to origination and reversal of temporary differences	(168.88)	(22.15)
- MAT Credit Utilization / (Entitlement)	34.32	(11.53)
Tax Expense attributable to Current Year's/Period's Profit	**189.57**	**88.46**
Adjustments in respect of Income Tax of Earlier Years		
- Current Tax	2.13	(44.66)
- MAT Credit Entitlement	-	(10.68)
	2.13	**(55.34)**
Income Tax Expense reported in the Statement of Profit and Loss	**191.70**	**33.12**
Deferred Tax related to Items recognized in Other Comprehensive Income during the Year/Period		
- Net (gain)/Loss on revaluation of cash flow hedges	1.34	2.37
Current Tax related to Items recognized in Other Comprehensive Income during the Year/Period		
- Net (gain)/Loss on remeasurement of defined benefit plan	(1.28)	(1.84)
Income Tax charged to Other Comprehensive Income	**0.06**	**0.53**

45. 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 31.03.2017	For the Nine Months ended 31.03.2016
Profit Before Tax	1,530.81	1,176.25
Applicable Statutory Enacted Income Tax Rate	34.608%	34.608%
Computed Tax Expense	529.78	407.08
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(26.87)	(49.38)
Items (Net) not Deductible for Tax/not Liable to Tax	(291.79)	(238.37)
Tax losses Unutilized / Items Taxed at Different Rate	(38.95)	(27.60)
Tax Expense Relating to Earlier Years (Net)	2.13	(55.34)
Others	17.40	(3.27)
Income Tax Expense Reported	**191.70**	**33.12**

46. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure availability of funds at competitive cost for its operational and development needs and maintain a 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 31.03.2017 and 31.03.2016. There have been no breaches of the 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 reserves and surplus and effective portion of cash flow hedge 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 31.03.2017	As at 31.03.2016	As at 01.07.2015
Equity Share Capital	34.84	34.84	34.84
Reserves and Surplus (including effective portion of cash flow hedge)	7,663.30	6,810.69	5,827.88
Total Equity	7,698.14	6,845.53	5,862.72
Long Term Debt	518.79	684.76	739.30
Debt to Equity Ratio	**0.07**	**0.10**	**0.13**

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 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets Designated at Fair Value Through Profit or Loss						
Investments in Mutual Funds and Preference Shares	1,143.23	1,143.23	697.48	697.48	344.30	344.30
Derivatives not Designated as Hedges						
Forward Contracts	-	-	-	-	-	-
Derivatives Designated as Hedges						
Cross Currency and Interest Rate Swaps	-	-	8.97	8.97	36.49	36.49
Financial Assets Designated at Amortized Cost						
Investments in Bonds and Debentures	2,899.12	2,959.76	2,332.87	2,378.96	1,887.64	1,900.41
Loans	51.62	51.62	44.92	44.92	45.44	45.44
Trade Receivables	335.12	335.12	328.62	328.62	476.39	476.39
Cash and Cash Equivalents and Other Bank Balances	111.00	111.00	83.04	83.04	98.50	98.50
Other Financial Assets	284.67	296.61	326.31	334.51	272.58	276.09
Total Financial Assets	**4,824.76**	**4,897.34**	**3,822.21**	**3,876.50**	**3,161.34**	**3,177.62**
Financial Liabilities Designated at Fair Value Through Profit or Loss						
Derivatives not Designated as Hedges						
Forward Contracts	44.92	44.92	-	-	-	-
Derivatives Designated as Hedges						
Cross Currency and Interest Rate Swaps	18.22	18.22	3.61	3.61	3.94	3.94
Financial Liabilities Designated at Amortized Cost						
Non-Current Borrowings at Floating Rate	518.70	518.70	530.66	530.66	282.89	282.89
Non-Current Borrowings at Fixed Rate	0.04	0.04	0.08	0.08	125.12	125.12
Current Maturities of Long Term Debt	0.05	0.05	154.02	154.02	331.29	331.29
Short Term Borrowings	773.74	773.74	195.75	195.75	196.30	196.30
Trade Payables	351.68	351.68	257.24	257.24	310.71	310.71
Other Financial Liabilities	688.50	688.50	621.57	621.57	610.72	610.72
Total Financial Liabilities	**2,395.85**	**2,395.85**	**1,762.93**	**1,762.93**	**1,860.97**	**1,860.97**

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 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 derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities grouped into Level 1 to Level 3 as described below:

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.

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 Company's asset and liabilities grouped into Level 1 to Level 3 as described below:

Assets and Liabilities Measured at Fair Value (Accounted)

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value				
Investments				
Mutual funds	576.68	-	-	576.68
Preference Shares	-	566.55	-	566.55
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	-	-	-
Financial Liabilities Measured at Fair Value				
Derivatives not Designated as Hedges	-	44.92	-	44.92
Derivatives Designated as Hedges	-	18.22	-	18.22

(₹ in Crore)

Particulars	As at 31.03.2016			
	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value				
Investments				
Mutual funds	342.27	-	-	342.27
Preference Shares	-	355.21	-	355.21
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	8.97	-	8.97
Financial Liabilities Measured at Fair Value				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	3.61	-	3.61

(₹ in Crore)

Particulars	As at 01.07.2015			
	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value				
Investments				
Mutual funds	26.80	-	-	26.80
Preference Shares	-	317.50	-	317.50
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	36.49	-	36.49
Financial Liabilities Measured at Fair Value				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	3.94	-	3.94

Assets and Liabilities for which Fair Value is disclosed (only disclosed)

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	-	2,959.76	-	2,959.76
Loans	-	51.62	-	51.62
Other Financial Assets	-	296.61	-	296.61
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	0.04	-	0.04
Other Financial Liabilities	-	688.50	-	688.50

(₹ in Crore)

Particulars	As at 31.03.2016			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	-	2,378.96	-	2,378.96
Loans	-	44.92	-	44.92
Other Financial Assets	-	334.51	-	334.51
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	0.08	-	0.08
Other Financial Liabilities	-	621.57	-	621.57

(₹ in Crore)

Particulars	As at 01.07.2015			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	-	1,900.41	-	1,900.41
Loans	-	45.44	-	45.44
Other Financial Assets	-	276.09	-	276.09
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	125.12	-	125.12
Other Financial Liabilities	-	610.72	-	610.72

During the year ended 31.03.2017 and 31.03.2016, 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 31.03.2017, 31.03.2016 and 01.07.2015, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
Financial Assets				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
Derivatives 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	-
Derivatives Financial Instruments-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				
Derivatives 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	-
Derivatives Financial Instruments-not Designated as Hedging Instrument				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

Assets and Liabilities for which Fair Value is disclosed

Particulars	Fair value hierarchy	Valuation technique	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
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 derivatives, 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, and 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 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 instruments will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivatives 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 31.03.2017 and 31.03.2016.

The sensitivity analyses 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 exposes it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The company uses derivatives 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 and Buyer's credit obligations with floating interest rates.

The Company's policy is to manage its floating interest rate 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.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crore)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax
31.03.2017		
US Dollar Borrowings	+50	(0.41)
	-50	0.41
31.03.2016		
US Dollar Borrowings	+50	(0.04)
	-50	0.04

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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 forward currency 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 demonstrates the sensitivity in the USD, JPY, EURO and GBP to the Indian Rupee with all other variable held constant.

(₹ in Crore)

Particulars	Change in Currency Exchange Rate	Effect on Profit Before Tax
For the Year ended 31.03.2017		
USD	+5%	(3.54)
	-5%	3.54
JPY	+5%	0.42
	-5%	(0.42)
EURO	+5%	4.98
	-5%	(4.98)
GBP	+5%	(0.01)
	-5%	0.01
For the Nine Months ended 31.03.2016		
USD	+5%	(3.82)
	-5%	3.82
EURO	+5%	(0.13)
	-5%	0.13
GBP	+5%	(0.01)
	-5%	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 counterparty will not meet its obligation under a financial instruments 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 financial institutions 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 and security deposits 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	Past Due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
Trade Receivables					
As at 31.03.2017					
Secured	158.88	38.83	0.57	0.24	198.52
Unsecured	118.98	11.04	0.39	6.66	137.07
Gross Total	**277.86**	**49.87**	**0.96**	**6.90**	**335.59**
Allowance for doubtful trade receivables	-	-	-	0.47	0.47
Net Total	**277.86**	**49.87**	**0.96**	**6.43**	**335.12**
As at 31.03.2016					
Secured	125.72	26.04	0.08	0.21	152.05
Unsecured	151.92	18.78	0.05	6.27	177.02
Gross Total	**277.64**	**44.82**	**0.13**	**6.48**	**329.07**
Allowance for doubtful trade receivables	-	-	-	0.45	0.45
Net Total	**277.64**	**44.82**	**0.13**	**6.03**	**328.62**
As at 01.07.2015					
Secured	99.67	16.77	-	0.22	116.66
Unsecured	178.89	175.06	0.07	6.13	360.15
Gross Total	**278.56**	**191.83**	**0.07**	**6.35**	**476.81**
Allowance for doubtful trade receivables	-	-	-	0.42	0.42
Net Total	**278.56**	**191.83**	**0.07**	**5.93**	**476.39**

Movement in Allowance for Doubtful Trade Receivables are given below: (₹ in Crore)

Particulars	2016-17	2015-16
Opening Balance	**0.45**	**0.42**
Add: Provision made during the year/period (Refer note 32)	0.02	0.03
Less: Utilized during the year/period	-	-
Closing Balance	**0.47**	**0.45**

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 ₹ 4,824.76 crore as at 31.03.2017 and ₹ 3,822.21 crore as at 31.03.2016, 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.

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 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 31.03.2017 (₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	773.79	518.74	-	1,292.53
Trade Payables	351.68	-	-	351.68
Derivative Financial Instruments	44.92	18.22	-	63.14
Other Financial Liabilities	341.14	347.36	-	688.50
Total	**1,511.53**	**884.32**	**-**	**2,395.85**

As at 31.03.2016 (₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	349.77	530.74	-	880.51
Trade Payables	257.24	-	-	257.24
Derivative Financial Instruments	-	3.61	-	3.61
Other Financial Liabilities	322.49	299.08	-	621.57
Total	**929.50**	**833.43**	**-**	**1,762.93**

As at 01.07.2015 (₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	527.59	408.01	-	935.60
Trade Payables	310.71	-	-	310.71
Derivative Financial Instruments	-	3.94	-	3.94
Other Financial Liabilities	329.37	281.35	-	610.72
Total	**1,167.67**	**693.30**	**-**	**1,860.97**

49. COLLATERALS

Inventory, Trade Receivables, Other Financial Assets, Property, Plant and Equipment are pledged/hypothecated as collateral/security against the borrowings. Refer Note 18 and 22.

50. EARNINGS PER SHARE (EPS)

A. Basic and Diluted EPS:

Particulars		2016-17	2015-16
Profit or Loss attributable to ordinary Equity shareholders	₹ in crore	1,339.11	1,143.13
Equity Share Capital	₹ in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	384.39	328.13

B. Cash EPS : (Profit for the year+ Depreciation and Amortisation Expense +Deferred tax)/ Weighted average number of equity shares outstanding

51. PROVISION FOR MINES RECLAMATION EXPENSES

(₹ in Crore)

Particulars	2016-17	2015-16
Opening Balance	**6.40**	**6.40**
Add: Provision made during the year (Refer Note 32)	0.18	0.11
Add: Unwinding of Discount of Provision (Refer Note 31)	0.48	0.36
Less: Utilized during the year	0.68	0.47
Closing Balance	**6.38**	**6.40**

52. OPERATING LEASES

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

53. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

Dividend proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2017 (Note 1)	As at 31.03.2016	As at 01.07.2015 (Note 2)
Dividend Proposed for Equity Shareholders	83.61	-	48.77
Dividend Tax	17.02	-	9.93
Total	**100.63**	**-**	**58.70**

Note 1 : ₹ 24 per share for FY 2016-2017

Note 2 : ₹ 14 per share for FY 2014-2015

54. 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.

55. FIRST TIME ADOPTION OF IND AS

1. Basis of Preparation

These financial statements, for the year ended 31.03.2017, are the Company's first Ind-AS Financial Statements. For periods up to and including the year ended 31.03.2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on 31.03.2017, together with the restated comparative period data as at and for the year ended 31.03.2016, as described in the significant accounting policies and basis of preparation. In preparing these financial statements, the Company's opening balance sheet was prepared as at 01.07.2015 (i.e. transition date opening balance as at 01.07.2015), the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statement, including the balance sheet as at 01.07.2015 and the financial statements as at and for the period ended 31.03.2016.

2. Exemptions applied

Ind AS 101- First Time Adoption of Indian Accounting Standards allows first time adopters certain optional exemptions from the retrospective application of requirements under Ind AS. The Company has availed the benefit of and applied the following exemptions:

a) Ind AS 103 Business Combinations has not been applied to acquisition of cement grinding unit, which are considered business under Ind AS that occurred before 01.07.2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with respective Ind AS. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognize or exclude any previously recognized amounts as a result of Ind AS recognition requirement except goodwill which was adjusted as per Ind AS 101.

b) Carrying value of all Property, Plant and equipment and Intangible Assets as recognized in previous Indian GAAP financial is recognized as deemed cost at the transition date under Ind AS.

c) The Company uses derivative financial instruments, such as cross currency and interest rate swaps, to hedge its foreign currency and interest rate risk. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Company has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP also qualify for hedge accounting in accordance with Ind AS 109 on the transition date. Accordingly, the Company has applied the hedge accounting in accordance with Ind AS 109 and gain/loss are recorded in Other Comprehensive Income.

3. Estimates

The estimates at 01.07.2015 and 31.03.2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

4. Reconciliation of Balance Sheet as at 01.07.2015

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		2,921.19	-	2,921.19
Capital Work-in-Progress		511.10	-	511.10
Goodwill	(2)(a)	83.14	(83.14)	-
Financial Assets				
Investments	(9)(a)&(b)	1,498.98	570.15	2,069.13
Loans		34.37	-	34.37
Other Financial Assets	Note 1 below	-	228.31	228.31
Deferred Tax Assets (Net)	(9)(f)	195.19	129.87	325.06
Non-Current Tax Assets (Net)	(9)(f)	95.87	(95.87)	-
Other Non-Current Assets		425.82	-	425.82
		5,765.66	**749.32**	**6,514.98**
Current Assets				
Inventories		918.86	-	918.86
Financial Assets				
Investments	(9)(a)&(b)	163.63	(0.70)	162.93
Trade Receivables		476.39	-	476.39
Cash and Cash Equivalents		30.98	-	30.98
Other Bank Balances	Note 1 below	276.52	(209.00)	67.52
Loans		11.07	-	11.07
Other Financial Assets	Note 1 below	15.27	65.49	80.76
Current Tax Assets (Net)		-	-	-
Other Current Assets	Note 1 below	339.47	(48.31)	291.16
		2,232.19	**(192.52)**	**2,039.67**
Total Assets		**7,997.85**	**556.80**	**8,554.65**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		34.84	-	34.84
Other Equity	7	5,241.56	586.32	5,827.88
		5,276.40	**586.32**	**5,862.72**

4. Reconciliation of Balance Sheet as at 01.07.2015 (Contd...)

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	(9)(c)&(j)	401.41	6.60	408.01
Other Financial Liabilities	Note 1 below	281.35	3.94	285.29
Provisions	(9)(e)	19.11	(12.37)	6.74
Other Non-Current Liabilities		570.97	-	570.97
		1,272.84	**(1.83)**	**1,271.01**
Current Liabilities				
Financial Liabilities				
Borrowings	Note 1 below	214.95	(18.65)	196.30
Trade Payables	Note 1 below	292.37	18.34	310.71
Other Financial Liabilities	Note 1 below	629.34	31.32	660.66
Other Current Liabilities		243.04	-	243.04
Provisions	(9)(l)	62.79	(58.70)	4.09
Current Tax Liabilities (Net)		6.12	-	6.12
		1,448.61	**(27.69)**	**1,420.92**
Total Equity and Liabilities		**7,997.85**	**556.80**	**8,554.65**

Note 1: Reclassification adjustments under Ind AS.

5. Reconciliation of Balance Sheet as at 31.03.2016

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		3,050.17	-	3,050.17
Capital Work-in-Progress		264.50	-	264.50
Intangible Assets		-	-	-
Financial Assets				
Investments	(9)(a)&(b)	2,286.20	664.19	2,950.39
Loans		33.90	-	33.90
Other Financial Assets	Note 1 below	-	201.18	201.18
Deferred Tax Assets (Net)	(9)(f)	263.37	108.42	371.79
Non-Current Tax Assets (Net)	(9)(f)	121.49	(107.40)	14.09
Other Non-Current Assets		768.60	-	768.60
		6,788.23	**866.39**	**7,654.62**
Current Assets				
Inventories		815.19	-	815.19
Financial Assets				
Investments	(9)(b)	80.00	0.08	80.08
Trade Receivables		328.62	-	328.62
Cash and Cash Equivalents		50.23	-	50.23
Other Bank Balances	Note 1 below	232.81	(200.00)	32.81
Loans		11.02	-	11.02
Other Financial Assets	Note 1 below	24.54	109.56	134.10
Current Tax Assets (Net)	Note 1 below	-	44.66	44.66
Other Current Assets		458.38	(146.43)	311.95
		2,000.79	**(192.13)**	**1,808.66**
Total Assets		**8,789.02**	**674.26**	**9,463.28**

5. Reconciliation of Balance Sheet as at 31.03.2016 (Contd...)

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		34.84	-	34.84
Other Equity	7	6,145.38	665.31	6,810.69
		6,180.22	**665.31**	**6,845.53**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	(9)(c)&(j)	520.92	9.82	530.74
Other Financial Liabilities	Note 1 below	299.08	3.61	302.69
Provisions	(9)(e)	18.88	(12.18)	6.70
Other Non-Current Liabilities		615.92	-	615.92
		1,454.80	**1.25**	**1,456.05**
Current Liabilities				
Financial Liabilities				
Borrowings		195.75	-	195.75
Trade Payables	Note 1 below	258.38	(1.14)	257.24
Other Financial Liabilities	Note 1 below	468.81	7.70	476.51
Other Current Liabilities	Note 1 below	228.67	1.14	229.81
Provisions		1.05	-	1.05
Current Tax Liabilities (Net)		1.34	-	1.34
		1,154.00	**7.70**	**1,161.70**
Total Equity and Liabilities		**8,789.02**	**674.26**	**9,463.28**

Note 1: Reclassification adjustments under Ind AS.

6. Reconciliation of Statement of Profit and Loss for the period ended 31.03.2016

(₹ in Crore)

	Note	As per Indian GAAP for Nine Months period ended 31.03.2016	Ind AS Transition Impact	As per Ind As for Nine Months period ended 31.03.2016
Revenue from Operations	(9)(g)&(h)	5,567.75	622.21	6,189.96
Other Income	(9)(a),(b) &(g)	120.11	552.57	672.68
		5,687.86	**1,174.78**	**6,862.64**
EXPENSES				
Cost of Materials Consumed	(9)(h)	470.50	(21.20)	449.30
Changes in Inventories of Finished Goods and Work-in-Progress		3.28	-	3.28
Employee Benefits Expense	(9)(k)	364.54	5.32	369.86
Power and Fuel	(9)(g)	1,130.90	(7.95)	1,122.95
Freight and Forwarding Expenses		1,141.62	-	1,141.62
Excise Duty on Sales	(9)(h)	-	676.32	676.32
Finance Costs	(9)(e)&(j)	75.12	0.65	75.77
Other Expenses	(9)(h)	1,149.57	(116.93)	1,032.64
		4,335.53	536.21	4,871.74
Captive Consumption of Cement [Net of Excise Duty ₹ 1.75 crore]		(12.92)	-	(12.92)
		4,322.61	**536.21**	**4,858.82**
PROFIT BEFORE DEPRECIATION AND TAX		**1,365.25**	**638.57**	**2,003.82**
Depreciation and Amortisation Expense		908.41	(80.84)	827.57
Exceptional Items				
Assets Constructed at Others' Premises Written Off		2.30	(2.30)	-
PROFIT BEFORE TAX		**454.54**	**721.71**	**1,176.25**

6. Reconciliation of Statement of Profit and Loss for the period ended 31.03.2016 (Contd...)

(₹ in Crore)

	Note	As per Indian GAAP for Nine Months period ended 31.03.2016	Ind AS Transition Impact	As per Ind As for Nine Months period ended 31.03.2016
Tax Expense	(9)(f)			
Current Tax		123.98	(1.84)	122.14
Tax Expense relating to earlier years (Net)		(55.34)	-	(55.34)
Deferred Tax (Credit) / Charge		(69.03)	35.35	(33.68)
		(0.39)	33.51	33.12
PROFIT FOR THE PERIOD		**454.93**	**688.20**	**1,143.13**
OTHER COMPREHENSIVE INCOME				
Items that will not be Reclassified to Profit or Loss	(9)(k)	-	5.32	5.32
Income Tax relating to Items that will not be Reclassified to Profit or Loss		-	(1.84)	(1.84)
Items that will be Reclassified to Profit or Loss	(9)(c)	-	(6.84)	(6.84)
Income Tax relating to Items that will be Reclassified to Profit or Loss		-	2.37	2.37
		-	(0.99)	(0.99)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit & Other Comprehensive Income for the Period)		**454.93**	**687.21**	**1,142.14**

7. Reconciliation of Equity:

(₹ in Crore)

Particulars	Note	As at 31.03.2016	As at 01.07.2015
Equity as per Indian GAAP (A)		**6,180.22**	**5,276.40**
Adjustments on account of:			
Measuring investments at amortized cost	(9)(a)	639.44	544.54
Measuring investments at Fair Value through Profit or Loss	(9)(b)	24.83	24.91
Adjustment to Goodwill as per Ind AS 101	(2)(a)	-	(83.14)
Cash flow hedges	(9)(c)	(12.21)	(5.36)
Discounting of provision for mines reclamation expenses	(9)(e)	12.18	12.37
De-recognition of Proposed dividend and tax on dividend	(9)(l)	-	58.70
Amortization of upfront fees on borrowings based on EIR	(9)(j)	0.05	0.30
Deferred Tax adjustments on above items (Net)	(9)(f)	1.02	34.00
Total Ind AS Adjustments (B)		**665.31**	**586.32**
Equity as per Ind AS (A+B)		**6,845.53**	**5,862.72**

8. Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the Nine Months ended 31.03.2016:

(₹ in Crore)

Particulars	Note	For the Nine Months ended 31.03.2016
Net Profit as per Indian GAAP (A)		**454.93**
Adjustments on account of:		
Measuring investments at amortized cost	(9)(a)	94.90
Measuring investments at Fair Value through Profit or Loss	(9)(b)	(0.12)
Government grants accounted through Profit and Loss	(9)(g)	549.52
Reversal of amortization of Goodwill	(2)(a)	83.14
Remeasurement gain on defined benefit plan	(9)(k)	(5.32)
Amortization of upfront fees on borrowings based on EIR	(9)(j)	(0.25)
Unwinding of discount on provision for mines reclamation expenses	(9)(e)	(0.36)
Others		0.20
Tax adjustments on above items (Net)	(9)(f)	(33.51)
Total Ind AS Adjustments (B)		**688.20**
Net Profit as per Ind AS (A+B)		**1,143.13**
Other Comprehensive Income (Net of tax)	(9)(c),(k)	(0.99)
Total Comprehensive Income as per Ind AS		**1,142.14**

9. Footnotes to the reconciliation of equity as at 01.07.2015 and 31.03.2016 and Profit or loss for the nine months period ended 31.03.2016:

a) Financial Assets at Amortized Cost

Under Indian GAAP, the Company accounted for long term investments in bonds and debentures as investments measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated these investments as financial assets measured at amortized cost. At the date of transition to Ind AS, difference between amortized cost and the Indian GAAP carrying value has been recognized in retained earnings. Subsequent to the date of transition to Ind AS, interest income has been recognized based on EIR method.

b) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Under Indian GAAP, the Company accounted for long term investments in preference shares and mutual funds as investments measured at cost less provision for other than temporary diminution in the value of investments and current investments at lower of cost or market value. Under Ind AS, the Company has designated these investments as financial assets measured at fair value through profit or loss. Ind AS requires that investment designated at FVTPL, are measured at fair value. At the date of transition to Ind AS, difference between fair value and the Indian GAAP carrying value has been recognized in retained earnings. Subsequent to the date of transition to Ind AS, fair value gain or loss has been recognized to Statement of Profit and Loss.

c) Derivative Financial Instruments

The fair value of cross currency and interest rate swaps is recognized under Ind AS. Under Indian GAAP, there is no mandatory standard that deals with accounting of swaps, hence the same was not recognized. The swaps, which were designated as hedging instruments under Indian GAAP, have been designated as at the date of transition to Ind AS as hedging instruments in a cash flow hedge. The corresponding adjustments have been recognized as a separate component of equity, under the effective portion of cash flow hedge reserve.

d) Defined Benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire costs, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains or 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 the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income. Thus, the employee benefit cost is increased by ₹ 5.32 crore and remeasurement gain on defined benefit plan has been recognized in the other comprehensive income, net of tax.

e) Provisions

Under Indian GAAP, the Company has accounted for provisions, including long term provisions, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risk for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost. This led to a decrease in the provision for mines reclamation expenses on the date of transition by ₹ 12.37 crore and which was adjusted to retained earnings.

f) Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12-Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of asset or liability in the balance sheet and its corresponding tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

MAT Credit entitlement is in the nature of deferred tax under Ind AS. Hence on transition to Ind AS MAT credit entitlement of ₹ 95.87 crore as on 01.07.2015 and ₹ 107.40 crore as on 31.03.2016 has been grouped under deferred tax assets from current tax assets.

g) Government Grants

Under Indian GAAP, Government grants in the nature of promoter's contribution are recognized to capital reserve. Under Ind AS, all Government grants has to be recognized to the Statement of Profit and Loss. Accordingly, Government grants recognized to the Statement of Profit and Loss. Further, the government grants credited to capital reserve under erstwhile Indian GAAP have also been reclassified to retained earnings as per Ind AS 101 - First Time Adoption of Indian Accounting Standards.

h) Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss accordingly, sale of goods under Ind AS for the Nine Months ended 31.03.2016 has increased by ₹ 676.32 crore.

Under Ind AS cash discount and other sale incentives are required to be netted off from sale of products which was accounted as expenses under Indian GAAP. Hence sale of products is decreased by ₹116.72 crore for the period ended 31.03.2016.

Under Ind AS when goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. Thus sale of products and cost of material consumed has been decreased by ₹ 21.20 crore for the period ended 31.03.2016.

i) Statement of Cash Flows

The impact of transition from Indian GAAP to Ind AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under Ind AS in balance Sheet, Statement of Profit and Loss and differences in the definition of cash and cash equivalents in Ind AS and Indian GAAP.

j) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are charged upfront to Statement of Profit and Loss for the period/year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit and Loss using effective interest method.

k) Other Comprehensive Income

Under Indian GAAP, the company has not presented Other Comprehensive Income (OCI) separately. Hence it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

l) Proposed Dividend and Tax on Proposed Dividend

Under Indian GAAP, proposed dividends including tax on proposed dividend are recognized as liability in the period to which they relate, irrespective of the approval by shareholders. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the Company (when approved by shareholders in a general meeting) or paid. Therefore, the proposed dividend and tax on proposed dividend of ₹ 58.70 crore as on 01.07.2015 has been derecognized and recognized in 2015-16 on approval by shareholders and payment.

56. Previous year figures have been regrouped and rearranged wherever necessary.

Signature to Note 1 to 56
For and on behalf of the Board

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

Place : Kolkata
Date : 16th May, 2017

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of
Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

SHREE CEMENT LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Shree Cement Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit (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 Ind AS 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 Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2017 and its consolidated profit (financial performance including other comprehensive income) its consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 0.12 crore as at 31st March, 2017, total revenues of ₹ Nil and net cash flows amounting to ₹ 0.09 crore for the year ended on that date, as considered in the consolidated Ind AS financial

statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary 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 such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, 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 financial statements / financial information certified by the Management.

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 Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statement have been kept so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated 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 Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS 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 Holding Company as on 31st March, 2017 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31st March, 2017, 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 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 Ind AS financial statement disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34 to the consolidated Ind AS 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 Holding Company;

      iv. The Holding Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Holding Company. Refer Note 43 to the Consolidated Ind AS Financial Statements.

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

Sudhir Maheshwari
Partner
Membership No. 081075

Place: Kolkata
Date: 16th May, 2017

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").

We have audited the internal financial controls over financial reporting of Shree Cement Limited ("the Holding Company") as of 31st March, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company 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 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 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 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, the Holding 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, 2017 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

Place: Kolkata
Date: 16th May, 2017

CONSOLIDATED BALANCE SHEET as at 31st March, 2017

(₹ in Crore)

	Note	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	6	2,586.34	3,050.17	2,921.19
Capital Work-in-Progress	36	710.44	264.50	511.10
Intangible Assets	7	12.78	-	-
Financial Assets				
Investments	8	3,388.23	2,950.27	2,069.01
Loans	9	43.59	33.90	34.37
Other Financial Assets	10	200.00	201.18	228.31
Deferred Tax Assets (Net)	25	507.69	371.79	325.06
Non-Current Tax Assets (Net)		20.28	14.09	-
Other Non-Current Assets	11	414.44	768.60	425.82
		7,883.79	7,654.50	6,514.86
Current Assets				
Inventories	12	1,314.50	815.19	918.86
Financial Assets				
Investments	13	654.12	80.08	162.93
Trade Receivables	14	335.12	328.62	476.39
Cash and Cash Equivalents	15	45.50	50.24	31.02
Other Bank Balances	16	65.60	32.81	67.52
Loans	9	8.05	11.04	11.09
Other Financial Assets	10	84.67	134.10	80.76
Current Tax Assets (Net)		-	44.66	-
Other Current Assets	11	774.63	311.95	291.16
		3,282.19	1,808.69	2,039.73
Total Assets		**11,165.98**	**9,463.19**	**8,554.59**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	17	34.84	34.84	34.84
Other Equity	18	7,663.16	6,810.58	5,827.79
		7,698.00	6,845.42	5,862.63
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	19	518.74	530.74	408.01
Other Financial Liabilities	20	365.58	302.69	285.29
Provisions	21	7.28	6.70	6.74
Other Non-Current Liabilities	22	587.36	615.92	570.97
		1,478.96	1,456.05	1,271.01
Current Liabilities				
Financial Liabilities				
Borrowings	23	773.74	195.75	196.30
Trade Payables	24	351.69	257.26	310.74
Other Financial Liabilities	20	386.11	476.51	660.66
Other Current Liabilities	22	475.29	229.81	243.04
Provisions	21	0.85	1.05	4.09
Current Tax Liabilities (Net)		1.34	1.34	6.12
		1,989.02	1,161.72	1,420.95
Total Equity and Liabilities		**11,165.98**	**9,463.19**	**8,554.59**
Significant Accounting Policies	4			

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

Place : Kolkata
Date : 16th May, 2017

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

(₹ in Crore)

	Note	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Revenue from Operations	26	9,496.52	6,189.96
Other Income	27	507.71	672.68
		10,004.23	**6,862.64**
EXPENSES			
Cost of Materials Consumed	28	680.66	449.30
Changes in Inventories of Finished Goods and Work-in-Progress	29	(53.48)	3.28
Employee Benefits Expense	30	537.18	369.86
Power and Fuel		1,444.27	1,122.95
Freight and Forwarding Expenses	31	1,874.00	1,141.62
Excise Duty on Sales		1,067.36	676.32
Finance Costs	32	129.42	75.77
Other Expenses	33	1,604.28	1,032.67
		7,283.69	4,871.77
Captive Consumption of Cement [Net of Excise Duty ₹ 3.51 crore (Previous year ₹ 1.75 crore)]		(24.95)	(12.92)
		7,258.74	4,858.85
PROFIT BEFORE DEPRECIATION AND TAX		**2,745.49**	**2,003.79**
Depreciation and Amortisation Expense	6, 7 & 37	1,214.71	827.57
PROFIT BEFORE TAX		**1,530.78**	**1,176.22**
Tax Expense	45		
Current Tax		324.13	122.14
Tax Expense relating to earlier years (Net)		2.13	(55.34)
Deferred Tax (Credit) / Charge		(134.56)	(33.68)
		191.70	33.12
PROFIT FOR THE PERIOD		**1,339.08**	**1,143.10**
OTHER COMPREHENSIVE INCOME			
Items that will not be Reclassified to Profit or Loss	40(b)	3.70	5.32
Income Tax relating to Items that will not be Reclassified to Profit or Loss		(1.28)	(1.84)
Items that will be Reclassified to Profit or Loss	39	(3.88)	(6.83)
Income Tax relating to Items that will be Reclassified to Profit or Loss		1.34	2.37
		(0.12)	(0.98)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit and Other Comprehensive Income for the Period)		**1,338.96**	**1,142.12**
Earnings per Equity Share of ₹ 10 each (In ₹)	51		
Cash		694.44	556.01
Basic and Diluted		384.38	328.13
Significant Accounting Policies	4		

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

Place : Kolkata
Date : 16th May, 2017

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2017

(₹ in Crore)

Particulars		For the Year ended 31.03.2017		For the Nine Months ended 31.03.2016	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit Before Tax		**1,530.78**		**1,176.22**
	Adjustments For :				
	Depreciation and Amortisation Expense	1,214.71		827.57	
	Unrealised Foreign Exchange Rate Differences (Net)	22.38		(0.95)	
	Balances Written Back (Net)	(5.48)		(9.00)	
	Provision No Longer Required	(9.53)		(0.38)	
	Provision for Doubtful Receivables (Net)	0.02		0.03	
	Net Gain on Sale of Investments	(11.41)		(5.34)	
	(Gain)/ Loss on Fair Value of Financial Assets through Profit or Loss	(24.67)		0.92	
	Interest Income	(250.43)		(151.20)	
	Dividend Income on Financial Assets Designated at Fair Value through Profit or Loss	(58.23)		(38.40)	
	Profit on Sale of Property, Plant and Equipments (Net) / Assets Written Off	4.05		8.76	
	Finance Costs	129.42	1,010.83	75.77	707.78
	Operating Profit Before Working Capital Changes		**2,541.61**		**1,884.00**
	Adjustments For :				
	(Increase) / Decrease in Trade and Other Receivables	16.53		(281.21)	
	(Increase) / Decrease in Inventories	(499.31)		103.67	
	Increase / (Decrease) in Trade & Other Payables and Provisions	431.85	(50.93)	2.77	(174.77)
	Cash Generated From Operations		2,490.68		1,709.23
	Direct Taxes Paid (Net of Refunds)		(289.07)		(143.11)
	Net Cash From Operating Activities		**2,201.61**		**1,566.12**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(1,280.90)		(735.58)	
	Proceeds from Sale of Property, Plant and Equipments	1.60		1.66	
	Payments for Intangible Assets	(15.35)		(3.15)	
	Purchases of Investments in Bonds, Debentures and Preference Shares	(1,272.62)		(655.15)	
	Proceeds from Sale/ Redemption of Bonds, Debentures and Preference Shares	369.50		267.47	
	(Purchases) / Proceeds of Investments in Mutual Funds (Net)	(221.58)		(271.23)	
	Investments in Bank Deposits	(61.85)		(45.91)	
	Maturity of Bank Deposits	30.83		89.71	
	Change in Earmarked Balances with Banks (Unpaid Dividend)	(1.77)		(0.09)	
	Dividend Received	37.70		40.83	
	Interest Received (Including Interest on Zero Coupon Bonds)	366.67		46.88	
	Net Cash Used in Investing Activities		**(2,047.77)**		**(1,264.56)**

(₹ in Crore)

Particulars	For the Year ended 31.03.2017		For the Nine Months ended 31.03.2016	
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	-		265.84	
Repayment of Long Term Borrowings	(146.33)		(300.28)	
Proceeds from Short Term Borrowings	629.60		46.60	
Repayment of Short Term Borrowings	(45.82)		-	
Proceeds / (Repayment) of Short Term Borrowings (Net) (upto Three months maturity)	8.02		(34.51)	
Interest and Financial Charges Paid	(127.77)		(89.17)	
Dividend and Tax Paid thereon (Interim, Special and Final)	(484.61)		(159.24)	
Net Cash From / (Used in) Financing Activities		**(166.91)**		**(270.76)**
Net Increase /(Decrease) in Cash and Cash Equivalents		**(13.07)**		**30.80**
Cash and Cash Equivalents as at the beginning of the Year		**36.38**		**5.58**
Cash and Cash Equivalents as at the end of the Year		**23.31**		**36.38**

The accompanying notes are an integral part of the Consolidated Financial Statements.

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 Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Balances with Banks	44.76	49.75	30.63
Cash on Hand	0.74	0.49	0.39
	45.50	50.24	31.02
Less: Bank Overdraft	22.19	13.86	25.44
	23.31	**36.38**	**5.58**

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

Place : Kolkata
Date : 16th May, 2017

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2017

A. EQUITY SHARE CAPITAL (Refer Note 17)

Particulars	Numbers	₹ in Crore
Equity shares of ₹10 each, issued, subscribed and fully paid-up		
As at 01.07.2015	3,48,37,225	34.84
As at 31.03.2016	3,48,37,225	34.84
As at 31.03.2017	3,48,37,225	34.84

B. OTHER EQUITY (Refer Note 18)

For the Nine Months ended 31st March, 2016

(₹ in Crore)

Particulars	Reserves and Surplus						Items of OCI		Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges	
Opening Balance as at 01.07.2015	**15.00**	**26.53**	**200.00**	**500.00**	**3,000.00**	**2,089.77**	**-**	**(3.51)**	**5,827.79**
Profit for the Period						1,143.10			1,143.10
Other Comprehensive Income for the Period									
Re-measurements of the Defined Benefit Plans (Net of Tax)						3.48			3.48
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 39)								(4.47)	(4.47)
Exchange Differences on Translation of Foreign Operation							0.01		0.01
Transfer from Debenture Redemption Reserve to General Reserve			(200.00)		200.00	-			-
Transfer to /(from) Retained Earnings					300.00	(300.00)			-
Interim Dividends on Equity Shares (Note 1 below)						(83.61)			(83.61)
Tax on Interim Dividends						(17.02)			(17.02)
Final Dividend on Equity Shares (Note 2 below)						(48.77)			(48.77)
Tax on Final Dividend						(9.93)			(9.93)
Closing Balance as at 31.03.2016	**15.00**	**26.53**	**-**	**500.00**	**3,500.00**	**2,777.02**	**0.01**	**(7.98)**	**6,810.58**

For the year ended 31st March, 2017

(₹ in Crore)

Particulars	Reserves and Surplus					Items of OCI		Total
	Capital Redemption Reserve	Securities Premium Reserve	Special Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedges	
Opening Balance as at 01.04.2016	**15.00**	**26.53**	**500.00**	**3,500.00**	**2,777.02**	**0.01**	**(7.98)**	**6,810.58**
Profit for the Year					1,339.08			1,339.08
Other Comprehensive Income for the Year								
Re-measurements of the Defined Benefit Plans (Net of Tax)					2.42			2.42
Net movement of Cash Flow Hedges (Net of Tax) (Refer Note 39)							(2.54)	(2.54)
Exchange Differences on Translation of Foreign Operation						-		-
Transfer from Special Reserve to General Reserve			(500.00)	500.00	-			-
Transfer to /(from) Retained Earnings				1,000.00	(1,000.00)			-
Interim Dividend on Equity Shares (Note 3 below)					(55.74)			(55.74)
Tax on Interim Dividend					(11.34)			(11.34)
Special Dividend on Equity Shares (Note 4 below)					(348.37)			(348.37)
Tax on Special Dividend					(70.93)			(70.93)
Closing Balance as at 31.03.2017	**15.00**	**26.53**	**-**	**5,000.00**	**2,632.14**	**0.01**	**(10.52)**	**7,663.16**

Note 1 : Interim Dividend declared at the rate of ₹ 24 per share of ₹ 10 each for FY 2015-16.

Note 2 : Final Dividend declared at the rate of ₹ 14 per share of ₹ 10 each for FY 2014-15.

Note 3 : Interim Dividend declared at the rate of ₹ 16 per share of ₹ 10 each for FY 2016-17.

Note 4 : Special Dividend declared at the rate of ₹ 100 per share of ₹ 10 each for FY 2016-17.

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

Place : Kolkata
Date : 16th May, 2017

For and on behalf of the Board

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

Notes Forming Part of Consolidated Financial Statements

1. Corporate Information

The Consolidated Financial Statements comprise financial statements of Shree Cement Limited ("the Company") and its subsidiary company (which alongwith Shree Cement Limited, the parent, constitute the Group).

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 on two recognized stock exchanges in India. The registered office of the Company is located at Bangur Nagar, Beawar, District- Ajmer-305901 (Rajasthan) India.

The Company is engaged in manufacturing and supply of cement and power generation. Currently its manufacturing operations are spread over North and Eastern India. It is recognized as one of the most efficient and environment friendly Company in the global cement industry.

For Company's principal shareholders, Refer Note No. 17.

These consolidated financial statements are approved and adopted by the Board of Directors of the Company in their meeting dated 16th May, 2017.

2. Basis of Preparation and Statement of Compliance

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, as amended by the Companies (Indian Accounting Standards) (Amendment), Rules, 2016. For all periods up to and including the period ended 31st March, 2016, the Company prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended 31st March, 2017 are the first Ind AS consolidated financial statements. Refer Note 58 for information on how the Company adopted Ind AS.

The Company had adopted change in its accounting year in terms of section 2(41) of the Companies Act, 2013 from Financial Year 2015-2016. Accordingly the said financial year of the Company was of a nine months period from 1st July, 2015 to 31st March, 2016. Hence, the figures for the current financial year are not comparable to those of the previous year.

3. Principles of Consolidation

The Subsidiaries considered in the preparation of these Consolidated Financial Statements are:

Sl. No.	Name of the Subsidiary Company	Country of Incorporation	%age Shareholding	
			As at 31.03.2017	As at 31.03.2016
1	Shree Global Pte. Ltd.	Singapore	100%	100%

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, read together with rule 7 of the Companies (Accounts) Rules, 2014.

b) The Financial Statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating Intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110.

c) 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.

d) 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, 2017.

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 year. The exchange differences arising on translation for consolidation are recognized in Other Comprehensive Income (OCI). On disposal of foreign operation, the component of OCI relating to that particular foreign operation is recognized to the profit or loss.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition to Ind AS, i.e. 01.07.2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

4. Significant Accounting Policies

a) Basis of Measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivatives financial instruments
- Certain Financial assets measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crore, except otherwise indicated.

b) Property, Plant and Equipment

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition (Refer Note 58). Subsequently, 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 of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any).

When significant parts of the plant and equipment are required to be replaced at intervals the Company depreciates them separately based on their specific useful lives.

Capital work in progress is carried at cost and directly attributable expenditure during construction period which is allocated to the property, plant and equipment on the completion of project.

Borrowing costs directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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 & Machinery	3-20 Years
Building	20 Years
Roads	10 Years
Railway Siding	20 Years
Vehicles	5-6 Years
Office Equipment	3-5 Years
Furniture & Fixtures	5 Years

Leasehold land is amortized over the period of lease on a straight line basis. Freehold land containing mineral reserve is amortized over its estimated commercial life based on the units-of-production method.

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 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.

c) Intangible Assets

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Intangible Assets at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Intangible Assets on the date of transition (Refer Note 58). Subsequently, Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost of

acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any).

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.

The residual values, useful lives and method of depreciation of Intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Impairment of Non-Financial Assets

The carrying amount of 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.

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 recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

e) Revenue Recognition

Revenue is measured at fair value of consideration received or receivable. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

- Revenue from sale of goods and power is recognized when significant risks and rewards of ownership is transferred to the buyer. Revenue is disclosed net of sales tax / VAT, discounts, volume rebates and returns, as applicable. Revenue is inclusive of excise duty.
- Dividend income is recognized when the right to receive the payment is established.
- Interest is recognized using the Effective Interest rate (EIR) method.
- Insurance, Railway and other Claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognized as income only when revenue is virtually certain which generally coincides with receipts.

f) 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, 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 government securities interest rate. When discounting is used, the increase in the provision due to the passage of time is recognised 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 present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mine. 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 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.

g) 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 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.

h) 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.

2) Work-in-progress and Finished goods

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 finished goods includes excise duty. Cost is determined on a weighted average basis.

3) Energy Saving Certificates

These are valued at lower of cost and net realizable value.

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.

i) Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

1) Assets Taken on Finance Lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2) Operating Lease

Leases other than finance leases are operating leases. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

j) Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). 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.

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 asset 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.

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.

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.

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.

Re-measurement gains and losses

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 OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

3) Other Long Term Benefits

Encashable leave in case of employees covered by Cement Wage Board 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 arises.

l) 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 assets are recognized as income on a systematic basis over the useful life of the related assets.

m) Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the internal business reporting systems. These business segments are reviewed by the chief operating decision maker. The identification of geographical segment is based on the areas in which major operating divisions of the Company operates.

Inter Segment Transfers are accounted for as if the sales or transfers were to third parties at market price.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Assets, Liabilities, Revenue and Expenses which are not allocable to segments are included under "unallocated".

n) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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, other financial assets and investments.

Subsequent measurement

Financial assets are subsequently measured at amortised cost or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

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.

Impairment of Financial Assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. If credit risks has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss.

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 derivatives 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 overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification are described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss 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.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 forward currency contracts and cross currency & interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such Derivatives financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are

subsequently remeasured 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.

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 designates these cross currency and interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

These Cross currency and interest rate swaps are stated at fair value at each reporting date. Changes in the fair value of these swaps 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 Profit and Loss when the hedged transaction affects the profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

o) 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 and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of 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 action, 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 normal value as reduced by appropriate allowances for estimated irrecoverable amounts. 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 mine 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 bonds 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. For sensitivity analysis Refer Note 40.

6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
Tangible Assets :									
Free Hold Land	537.00	70.52	-	607.52	0.80	1.07	-	1.87	605.65
Lease Hold Land	202.44	82.15	-	284.59	2.45	5.88	-	8.33	276.26
Buildings	355.60	97.93	-	453.53	31.66	101.72	-	133.38	320.15
Plant and Equipment	2,704.06	478.84 (a)	9.37	3,173.53	769.74	1,067.01	3.98	1,832.77	1,340.76
Railway Siding	20.15	3.27	-	23.42	2.94	4.47	-	7.41	16.01
Furniture and Fixtures	16.59	6.12	0.23	22.48	3.24	12.53	0.21	15.56	6.92
Office Equipments	19.11	15.07	2.33	31.85	6.31	16.11	2.21	20.21	11.64
Vehicles	13.91	8.81	2.75	19.97	1.55	11.81	2.34	11.02	8.95
Total	**3,868.86**	**762.71**	**14.68**	**4,616.89**	**818.69**	**1,220.60 (b)**	**8.74**	**2,030.55**	**2,586.34**

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	Opening as at 01.07.2015	Additions During the period	Deductions/ Adjustments During the period	As at 31.03.2016	Opening as at 01.07.2015	Provisions During the period	Deductions/ Adjustments During the period	Up to 31.03.2016	As at 31.03.2016
Tangible Assets :									
Free Hold Land	504.20	32.80	-	537.00	-	0.80	-	0.80	536.20
Lease Hold Land	196.67	5.77	-	202.44	-	2.45	-	2.45	199.99
Buildings	266.94	97.98	9.32	355.60	-	31.66	-	31.66	323.94
Plant and Equipment	1,894.66	815.10 (a)	5.70	2,704.06	-	773.05	3.31	769.74	1,934.32
Railway Siding	16.82	3.33	-	20.15	-	2.94	-	2.94	17.21
Furniture and Fixtures	14.31	2.48	0.20	16.59	-	3.43	0.19	3.24	13.35
Office Equipments	13.16	7.37	1.42	19.11	-	7.52	1.21	6.31	12.80
Vehicles	14.43	2.34	2.86	13.91	-	3.57	2.02	1.55	12.36
Total	**2,921.19**	**967.17**	**19.50**	**3,868.86**	**-**	**825.42 (b)**	**6.73**	**818.69**	**3,050.17**

(a) Includes ₹1.48 crore (for Nine Months Period ended 31.03.2016 ₹ 3.41 crore) for capital expenditure on research and development.
(b) Depreciation for the year includes ₹ 8.46 crore (for Nine Months Period ended 31.03.2016 ₹ 1.00 crore) on assets during construction period.
(c) The Company has elected to measure all of its Property, Plant and Equipment at their previous GAAP carrying value on the date of transition to Ind AS. 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.

7. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.04.2016	Additions During the Year	Deductions/ Adjustments During the Year	As at 31.03.2017	Opening as at 01.04.2016	Provisions During the Year	Deductions/ Adjustments During the Year	Up to 31.03.2017	As at 31.03.2017
Intangible Assets :									
Computer Software	3.15	5.27	-	8.42	3.15	2.43	-	5.58	2.84
Mining Rights	-	10.08	-	10.08	-	0.14	-	0.14	9.94
Total	**3.15**	**15.35**	**-**	**18.50**	**3.15**	**2.57**	**-**	**5.72**	**12.78**

Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
	Opening as at 01.07.2015	Additions During the Period	Deductions/ Adjustments During the Period	As at 31.03.2016	Opening as at 01.07.2015	Provisions During the Period	Deductions/ Adjustments During the Period	Up to 31.03.2016	As at 31.03.2016
Intangible Assets :									
Computer Software	-	3.15	-	3.15	-	3.15	-	3.15	-
Total	**-**	**3.15**	**-**	**3.15**	**-**	**3.15**	**-**	**3.15**	**-**

(a) The Company has elected to measure the intangible assets at their previous GAAP carrying value on the date of transition to Ind AS.

8. NON-CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
Investments at Amortised Cost (A)							
QUOTED							
Bonds and Non Convertible Debentures (NCD)							
National Bank for Agriculture and Rural Development (Refer Note 8.3)							
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AG17	20,000	-	-	2,09,340	376.06	2,09,340	353.88
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	-	-	86,640	150.35	86,640	141.43
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	-	-	5,000	8.63	5,000	8.13
Zero Coupon NABARD Bhavishya Nirman Bonds - 01AP18	20,000	180	0.33	180	0.30	180	0.29
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MY18	20,000	180	0.33	180	0.30	180	0.28
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JU18	20,000	460	0.83	460	0.77	460	0.72
Zero Coupon NABARD Bhavishya Nirman Bonds - 01NV18	20,000	65	0.11	65	0.10	65	0.10
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN19	20,000	2,54,660	441.81	3,14,660	503.48	3,14,660	473.69
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB19	20,000	11,800	20.35	11,800	18.78	11,800	17.67
Zero Coupon NABARD Bhavishya Nirman Bonds - 01MR19	20,000	16,160	27.54	16,160	25.34	16,160	23.81
Zero Coupon NABARD Bhavishya Nirman Bonds - 31MR19	20,000	1,26,845	215.02	1,26,845	197.96	1,26,845	186.17
National Housing Bank (Refer Note 8.3)							
Zero Coupon NHB Bonds - 24DC18	10,000	3,27,711	285.09	3,27,711	263.15	3,27,711	247.66
Zero Coupon NHB Bonds - 31MR19	10,000	83,760	71.27	83,760	65.76	83,760	61.88
Indian Railway Finance Corporation Limited							
7.21% IRFC Tax Free Bonds - 26NV22	10,00,000	150	15.07	150	15.07	-	-
7.22% IRFC Tax Free Bonds - 30NV22	10,00,000	100	10.05	100	10.06	-	-
7.18% IRFC Tax Free Bonds - 19FB23	1,000	8,00,000	82.63	2,50,000	25.10	-	-
7.19% IRFC Tax Free Bonds - 31JL25	10,00,000	250	25.19	250	25.20	-	-
7.15% IRFC Tax Free Bonds- 21AG25	10,00,000	159	15.94	159	15.94	-	-
7.04% IRFC Tax Free Bonds - 03MR26	10,00,000	105	10.67	-	-	-	-
7.34% IRFC Tax Free Bonds - 19FB28	1,000	3,60,000	38.04	-	-	-	-
8.48% IRFC Tax Free Bonds - 21NV28	10,00,000	50	5.94	-	-	-	-
8.63% IRFC Tax Free Bonds - 26MR29	1,000	5,50,000	56.02	5,00,000	50.00	5,00,000	50.00
7.28% IRFC Tax Free Bonds- 21DC30	1,000	1,51,000	15.10	151,000	15.10	-	-
7.35% IRFC Tax Free Bonds - 22MR31	1,000	5,11,350	52.47	176,350	17.64	-	-
Power Finance Corporation							
8.70% Power Finance Corporation Bonds - 14MY20	10,00,000	-	-	-	-	880	87.99
7.21% PFC Tax Free Bonds - 22NV22	10,00,000	500	50.48	200	20.21	-	-
7.16% PFC Tax Free Bonds - 17JL25	10,00,000	250	26.53	-	-	-	-
8.46% PFC Tax Free Bonds - 30AG28	10,00,000	300	34.62	-	-	-	-
Power Grid Corporation							
8.64% Power Grid Corporation of India Bonds - 08JL21	12,50,000	-	-	-	-	120	14.97

8. NON-CURRENT INVESMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
National Highways Authority of India							
8.20% NHAI Tax Free Bonds - 25JN22	1,000	14,66,095	149.04	11,88,951	119.30	11,88,951	119.32
8.27% NHAI Tax Free Bonds - 05FB24	1,000	2,50,000	27.90	-	-	-	-
7.11% NHAI Tax Free Bonds - 18SP25	10,00,000	250	25.08	250	25.09	-	-
7.02% NHAI Tax Free Bonds - 18FB26	10,00,000	330	33.57	-	-	-	-
8.48% NHAI Tax Free Bonds - 22NV28	10,00,000	250	29.69	-	-	-	-
8.75% NHAI Tax Free Bonds - 05FB29	1,000	2,50,000	29.57	-	-	-	-
7.28% NHAI Tax Free Bonds - 18SP30	10,00,000	100	10.45	-	-	-	-
7.35% NHAI Tax Free Bonds - 11JN31	1,000	1,42,849	14.28	1,42,849	14.28	-	-
7.39% NHAI Tax Free Bonds - 09MR31	1,000	3,85,462	38.55	3,85,462	38.55	-	-
Housing and Urban Development Corporation Limited							
8.10% HUDCO Tax Free Bonds - 05MR22	1,000	10,16,424	107.43	-	-	-	-
7.34% HUDCO Tax Free Bonds - 16FB23	1,000	2,50,000	25.30	2,50,000	25.35	-	-
7.19% HUDCO Tax Free NCD - 31JL25	10,00,000	50	5.13	-	-	-	-
7.07% HUDCO Tax Free NCD - 01OT25	10,00,000	300	30.28	100	9.97	-	-
7.00% HUDCO Tax Free NCD - 09OT25	10,00,000	100	10.12	-	-	-	-
7.02% HUDCO Tax Free Bonds - 08FB26	1,000	2,80,066	28.38	-	-	-	-
8.20%/8.35% HUDCO Tax Free Bonds - 05MR27	1,000	4,30,000	46.81	1,00,000	9.70	1,00,000	9.82
7.39% HUDCO Tax Free Bonds - 08FB31	1,000	2,80,279	31.79	2,80,279	28.03	-	-
7.39% HUDCO Tax Free Bonds - 15MR31	1,000	13,75,439	139.80	4,51,746	45.17	-	-
India Infrastructure Finance Company Limited							
7.21% IIFCL Tax Free Bonds - 21NV22	10,00,000	150	15.26	-	-	-	-
7.19% IIFCL Tax Free Bonds - 22JN23	1,000	6,50,000	65.51	5,50,000	55.38	-	-
6.86% IIFCL Tax Free Bonds - 26MR23	1,000	50,000	5.17	-	-	-	-
8.11% IIFCL Tax Free Bonds - 05SP23	10,00,000	50	5.28	50	5.31	-	-
8.41% IIFCL Tax Free Bonds - 22JN24	1,000	50,000	5.37	50,000	5.41	-	-
7.38% IIFCL Tax Free Bonds - 21NV27	10,00,000	150	15.51	-	-	-	-
7.36% IIFCL Tax Free Bonds - 22JN28	1,000	2,00,000	20.67	-	-	-	-
7.02% IIFCL Tax Free Bonds - 26MR28	1,000	1,00,000	10.53	-	-	-	-
Rural Electrification Corporation							
7.21% REC Tax Free Bonds - 21NV22	10,00,000	250	25.25	-	-	-	-
8.46% REC Tax Free Bonds - 29AG28	10,00,000	150	17.56	-	-	-	-
8.46% REC Tax Free Bonds - 24SP28	1,000	1,50,000	17.56	-	-	-	-
Indian Renewable Energy Development Agency Limited							
7.49% IREDA Tax Free Bonds - 21JN31	1,000	8,68,838	88.17	7,60,903	76.32	-	-
7.17% IREDA Tax Free Bonds - 01OT25	10,00,000	150	15.76	-	-	-	-
National Bank for Agriculture and Rural Development							
7.35% NABARD Tax Free Bonds - 23MR31	1,000	4,00,796	40.08	4,00,796	40.08	-	-
National Housing Bank							
8.46% NHB Tax Free NCD - 30AG28	10,00,000	150	17.58	-	-	-	-
Canfin Homes Limited							
8.41% Canfin Homes NCD - 30JN19	10,00,000	141	14.08	141	14.07	-	-

8. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
Housing Development Finance Corporation Limited							
8.75% HDFC NCD - 04MR21	1,00,00,000	50	50.42	-	-	-	-
LIC Housing Finance Limited							
8.75% LIC Housing NCD - 12FB21	10,00,000	630	63.52	-	-	-	-
9.30% LIC Housing NCD - 14SP22	10,00,000	150	15.49	150	15.56	-	-
IL&FS Financial Services Limited							
8.75% ILFS NCD - 14JU21	1,000	1,45,000	14.50	-	-	-	-
IDFC Bank Limited							
8.70% IDFC NCD - 23JU25	10,00,000	500	50.59	-	-	-	-
Total (A)			**2,858.46**		**2,332.87**		**1,797.81**
Investments at Fair Value through Profit or Loss (B)							
QUOTED							
Preference Shares							
Infrastructure Leasing and Financial Services Limited							
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	37.69	28,000	36.84	28,000	36.57
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	69.92	52,000	68.20	52,000	68.15
16.46% Non Convertible Redeemable Cumulative Preference Shares (Fully Paid-up), redeemable at premium in 7 years from the date of issue, i.e. 5th October, 2022	7,500	13,500	20.59	13,500	19.92	-	-
IL&FS Financial Services Ltd.							
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	52.03	33,400	50.58	-	-
Zee Entertainment Enterprises Limited							
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annual instalments from 5th March, 2018 to 5th March, 2022	10	19,98,61,622	147.13	4,50,00,000	39.23	-	-
UNQUOTED							
Preference Shares							
Tata Capital Limited							
8.33% Non Convertible Cumulative Redeemable Non-Participating Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 18th August, 2021	1,000	10,00,000	101.29	10,00,000	100.26	10,00,000	99.78

8. NON-CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
8.33% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 21st April, 2022	1,000	4,00,000	40.88	4,00,000	40.18	4,00,000	39.90
7.50% Non Convertible Cumulative Redeemable Preference Shares (Fully Paid-up), redeemable at par in 7 years from the date of issue, i.e. 15th, September 2023	1,000	6,00,000	60.24	-	-	-	-
In Units of Mutual Funds							
L&T Triple Ace Bond Fund-Bonus	10	-	-	1,47,78,590	21.53	1,47,78,590	20.30
Reliance Income Fund Growth Plan-Bonus Option	10	-	-	50,25,686	6.93	50,25,686	6.50
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	-	-	2,32,43,489	24.99	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	-	-	2,26,44,722	24.89	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	-	-	5,67,06,597	60.21	-	-
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	-	-	2,36,78,727	25.13	-	-
IDFC Arbitrage Fund - Dividend- (Direct Plan)	10	-	-	1,94,20,493	25.14	-	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	-	-	3,05,85,160	43.48	-	-
JM Arbitrage Advantage Fund - (Direct) - Dividend Option	10	-	-	2,78,46,362	29.89	-	-
Total (B)			**529.77**		**617.40**		**271.20**
TOTAL (A+B)			**3,388.23**		**2,950.27**		**2,069.01**

8.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
Quoted Investments:						
- In Bonds, Debentures and Preference shares	3,185.82	3,245.99	2,547.64	2,593.73	1,902.53	1,914.91
Total	**3,185.82**	**3,245.99**	**2,547.64**	**2,593.73**	**1,902.53**	**1,914.91**
8.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS		**202.41**		**402.63**		**166.48**

8.3 NABARD Bhavishya Nirman Bonds and NHB Zero Coupon Bonds are held as Capital Assets under Section 2(48) of the Income Tax Act, 1961.

9. FINANCIAL ASSETS - LOANS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Loans and Advances to Staff and Workers	4.77	2.31	1.88	5.94	5.62	3.82
Security Deposits (Refer Note 42)	38.82	31.59	32.49	2.11	5.42	7.27
	43.59	**33.90**	**34.37**	**8.05**	**11.04**	**11.09**

10. FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Derivative Financial Instruments	-	1.18	19.31	-	7.79	17.18
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	209.00	-	-	-
Interest Accrued on Bonds, Debentures and Deposits	-	-	-	57.07	24.53	15.27
Others	-	-	-	27.60	101.78	48.31
	200.00	**201.18**	**228.31**	**84.67**	**134.10**	**80.76**

10.1 Others include amount receivable on sale of investments and dividend receivable etc.

11. OTHER ASSETS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
(Unsecured, Considered Good)						
Advances to Suppliers and Contractors	-	-	-	50.47	41.00	67.36
Capital Advances	393.03	349.52	319.57	-	-	-
Assets Held for Disposal	-	-	-	0.13	0.09	-
Prepaid Expenses	-	-	-	3.86	3.18	4.61
Other receivables	21.41	419.08	106.25	720.17	267.68	219.19
	414.44	**768.60**	**425.82**	**774.63**	**311.95**	**291.16**

11.1 Other receivables includes Sales tax, Cenvat credit, Government grants and other dues from Government etc.

12. INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Raw Materials [Includes in transit ₹ 3.55 crore (As at 31.03.2016 ₹ 2.81 crore, as at 01.07.2015 ₹ 2.39 crore)]	31.23	43.94	27.26
Fuel [Includes in transit ₹ 397.39 crore (As at 31.03.2016 ₹ 65.19 crore, as at 01.07.2015 ₹ 239.31 crore)]	632.34	208.63	334.87
Stores and Spares	396.91	367.25	359.84
Packing Materials	16.89	11.72	9.96
Work-in-Progress [Includes in transit ₹ 18.71 crore (As at 31.03.2016 ₹ 7.64 crore, as at 01.07.2015 ₹ 11.11 crore)]	127.70	114.67	97.28
Finished Goods [Includes in transit ₹ 48.86 crore (As at 31.03.2016 ₹ 17.92 crore, as at 01.07.2015 ₹ 28.71 crore)]	109.43	68.98	89.65
Energy Saving Certificates	-	-	-
	1,314.50	**815.19**	**918.86**

Total 1,58,257 Nos. Energy Saving Certificates held as on 31.03.2017 (as on 31.03.2016 Nil, as on 01.07.2015 Nil)

13. CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
Investments at Amortised Cost (A)							
QUOTED							
Bonds							
National Bank for Agriculture and Rural Development							
Zero Coupon NABARD Bhavishya Nirman Bonds - 01JN18	20,000	16,640	31.31	-	-	-	-
Zero Coupon NABARD Bhavishya Nirman Bonds - 01FB18	20,000	5,000	9.35	-	-	-	-
Indian Railway Finance Corporation							
8.50% Indian Railway Finance Corporation Bonds - 22JU20	10,00,000	-	-	-	-	650	64.87
Rural Electrification Corporation							
8.65% Rural Electrification Corporation Bonds - 15JN19	10,00,000	-	-	-	-	200	19.97
8.65% Rural Electrification Corporation Bonds - 22JN20	10,00,000	-	-	-	-	50	4.99
Total (A)			**40.66**		**-**		**89.83**
Investments at Fair Value through Profit or Loss (B)							
QUOTED							
Preference Shares							
Zee Entertainment Enterprises Limited							
6% Cumulative Redeemable Non Convertible Preference Shares (Fully Paid-up), redeemable at par in 5 equal annual instalments from 5th March, 2018 to 5th March, 2022	10	1,99,861,622	36.78	-	-	-	-
UNQUOTED							
Preference Shares							
L&T Finance Holding Limited							
8.75% Non Convertible Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 25th March, 2016	100	-	-	-	-	6,155,000	61.67
8.75% Non Convertible Cumulative Compulsory Redeemable Preference Shares (Fully Paid-up), redeemable at par in 3 years from the date of issue, i.e. 31st March, 2016	100	-	-	-	-	1,141,136	11.43
In Units of Mutual Funds							
L&T Triple Ace Bond Fund-Bonus	10	1,47,78,590	23.18	-	-	-	-
Reliance Income Fund Growth Plan-Bonus Option	10	50,25,686	7.69	-	-	-	-
Kotak Equity Arbitrage Fund - Monthly Dividend (Regular Plan)	10	2,32,43,489	24.98	-	-	-	-
Birla Sun Life Enhanced Arbitrage Fund - Dividend - Direct Plan - Payout	10	2,26,44,722	25.00	-	-	-	-
Reliance Arbitrage Advantage Fund - Direct Monthly Dividend Plan	10	15,01,34,434	162.04	-	-	-	-
HDFC Arbitrage Fund - Wholesale Plan - Normal Dividend - Direct Plan	10	9,36,81,622	100.66	-	-	-	-

13. CURRENT INVESTMENTS (contd....)

(₹ in Crore)

Particulars	Face Value (In ₹)	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
		No.	Amount	No.	Amount	No.	Amount
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend	10	13,90,30,598	202.80	-	-	-	-
Edelweiss Arbitrage Fund Direct Plan Dividend Option - Payout	10	2,85,91,034	30.33	-	-	-	-
Kotak Floater Short Term - Direct Plan - Growth	10	-	-	40,257	10.01	-	-
UTI - Money Market Fund - Institutional Plan - Direct - Growth	10	-	-	58,923	10.01	-	-
HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth	10	-	-	31,628	10.01	-	-
Reliance Liquid Fund - Cash Plan - Direct Growth Plan	10	-	-	40,948	10.01	-	-
Axis Liquid Fund - Direct Growth (CFDGG)	10	-	-	59,591	10.01	-	-
IDFC Cash Fund - Growth (Direct Plan)	10	-	-	54,358	10.01	-	-
ICICI Prudential Liquid - Direct Plan-Growth	10	-	-	4,46,245	10.01	-	-
Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Direct Plan	10	-	-	4,95,910	10.01	-	-
Total (B)			**613.46**		**80.08**		**73.10**
TOTAL (A+B)			**654.12**		**80.08**		**162.93**

13.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
Quoted Investments:						
- In Bonds and Preference Shares	77.44	77.91	-	-	89.83	90.22
Total	**77.44**	**77.91**	**-**	**-**	**89.83**	**90.22**
13.2 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS	**576.68**		**80.08**		**73.10**	

14. TRADE RECEIVABLES

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Secured, Considered Good	-	-	-	198.52	152.05	116.66
Unsecured						
Considered Good	-	-	-	136.60	176.57	359.73
Considered Doubtful	0.47	0.45	0.42	-	-	-
	0.47	0.45	0.42	335.12	328.62	476.39
Less: Allowance for Doubtful Trade Receivables	0.47	0.45	0.42	-	-	-
	-	**-**	**-**	**335.12**	**328.62**	**476.39**

Refer Note 49 for information about credit risk and market risk of Trade Receivables.

15. CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Balances with Banks	44.76	49.75	30.63
Cash on Hand	0.74	0.49	0.39
	45.50	**50.24**	**31.02**

16. OTHER BANK BALANCES

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Earmarked Balance with Banks for Unpaid Dividend (Refer note 20.1)	3.59	1.82	1.73
Margin Money (Pledged with Banks)	1.88	1.83	2.50
Fixed Deposits With Banks (Refer note 16.1 to 16.3 below)			
Maturity more than 3 months and upto 12 months	60.13	29.16	63.29
Maturity more than 12 months	200.00	200.00	209.00
Less: Fixed Deposits maturity more than 12 months disclosed under other Non-Current Financial Assets (Refer note 10)	(200.00)	(200.00)	(209.00)
	65.60	**32.81**	**67.52**

16.1 Includes deposits of ₹ 20.00 crore (As at 31.03.2016 ₹ 19.00 crore, as at 01.07.2015 ₹ 19.00 crore) are pledged with banks against overdraft facilities. (Refer Note 23.2)

16.2 Includes ₹ 39.75 crore (As at 31.03.2016 ₹ 10.00 crore, as at 01.07.2015 ₹ 53.19 crore), given as security to Government department and others.

16.3 Includes ₹ Nil (As at 31.03.2016 ₹ Nil, as at 01.07.2015 ₹ 30.00 crore) are earmarked against debentures due for redemption in next 12 months as per provisions of Companies Act, 2013.

17. SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Authorised			
6,00,00,000 (As at 31.03.2016 6,00,00,000, As at 01.07.2015 6,00,00,000) Equity Shares of ₹ 10/- each	60.00	60.00	60.00
15,00,000 (As at 31.03.2016 15,00,000, As at 01.07.2015 15,00,000) Cumulative Preference Shares of ₹ 100/- each	15.00	15.00	15.00
	75.00	**75.00**	**75.00**
Issued, Subscribed and Paid-up			
3,48,37,225 (As at 31.03.2016 3,48,37,225, As at 01.07.2015 3,48,37,225) Equity Shares of ₹ 10/- each fully paid-up	34.84	34.84	34.84
	34.84	**34.84**	**34.84**

17.1 - DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY

Name of Shareholders	Number of Shares Held as at 31.03.2017	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 31.03.2016	% of Total Paid-up Equity Share Capital	Number of Shares Held as at 01.07.2015	% of Total Paid-up Equity Share Capital
Shree Capital Services Limited	89,84,155	25.79	89,84,155	25.79	89,84,155	25.79
Digvijay Finlease Limited	42,34,780	12.16	42,34,780	12.16	42,34,780	12.16
FLT Limited	36,00,000	10.33	36,00,000	10.33	36,00,000	10.33
Mannakrishna Investments Private Limited	20,42,824	5.86	20,42,824	5.86	20,42,824	5.86

17.2 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.

17.3 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.

17.4 As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

17.5 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:

As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Nil	Nil	Nil

17.6 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.

18. OTHER EQUITY

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 Reserve

Securities Premium Reserve 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 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.

19. BORROWINGS

(₹ in Crore)

	Non-Current Portion			Current Maturities		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Secured						
Redeemable Non Convertible Debentures (NCDs)						
Nil (As at 31.03.2016 Nil, As at 01.07.2015 2,000) 8.42% NCDs of ₹ 10,00,000/- each	-	-	-	-	-	200.00
External Commercial Borrowings	518.70	530.66	282.89	-	28.97	131.25
Term Loans from Banks	-	-	125.00	-	125.00	-
Vehicle Loan from Others	0.04	0.08	0.12	0.05	0.05	0.04
	518.74	**530.74**	**408.01**	**0.05**	**154.02**	**331.29**
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 20)	-	-	-	(0.05)	(154.02)	(331.29)
	518.74	**530.74**	**408.01**	**-**	**-**	**-**

19.1 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN

(₹ in Crore)

Sl. No.	Nature of Securities	Effective Interest Rate (EIR)	Loan Amount as at 31.03.2017	Loan Amount as at 31.03.2016	Loan Amount as at 01.07.2015	Terms of Repayment
	Non Convertible Debentures					
1	These debentures (redeemable at par) are secured by joint equitable mortgage over all the immovable assets and by way of hypothecation of all the movable fixed assets on the first charge basis, pari passu with other term lenders. These debentures are also secured by a legal mortgage over immovable property of the Company situated at Jamnagar (Gujarat).	8.42%	-	-	200.00	Redeemed during the year 2015-16
	External Commercial Borrowings					
2	These all Term loans from Banks are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	6 Months USD LIBOR+2.5% (Fixed rate of 9.42% including the effect of related cross currency and interest rate swaps)	-	28.97	83.44	Paid during the year 2016-17
		6 Months USD LIBOR+2.5% (Fixed rate of 9.65% including the effect of related cross currency and interest rate swaps)	-	-	75.68	Paid during the year 2015-16
3	Specific charge over immovable assets of the Company situated at Beawar, Rajasthan and movable fixed assets of all the plant locations. The charge shall rank pari passu with existing lenders.	6 Months USD LIBOR+1% (Fixed rate of 8.30% including the effect of related cross currency and interest rate swaps)	259.35	265.33	255.02	Fully Repayable on 08.05.2020
			259.35	265.33	-	Fully Repayable on 24.09.2020
	Term Loan from Banks					
4	These Term loan from Bank are secured by joint equitable mortgage on all the immovable fixed assets and by way of hypothecation of all the movable fixed assets of the Company on the first charge basis, pari passu with other term lenders. The above charge(s) rank pari passu inter-se among these Lenders.	9.50%	-	125.00	125.00	Paid during the year 2016-17
	Vehicle Loan from Others					
5	Secured by Hypothecation of the vehicle	10.09%	0.09	0.13	0.16	Repayable in 19 equated monthly installments w.e.f. 03.04.2017
	TOTAL		**518.79**	**684.76**	**739.30**	
	Less: Current Maturities of Long Term Debt		**0.05**	**154.02**	**331.29**	
	Total Non-Current Portion		**518.74**	**530.74**	**408.01**	

There is no default in repayment of principal and interest thereon.

20. FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Current Maturities of Long-Term Debt	-	-	-	0.05	154.02	331.29
Interest Accrued but not Due on Borrowings	-	-	-	9.86	8.74	11.15
Derivative Financial Instruments	18.22	3.61	3.94	44.92	-	-
Unpaid Dividends (Refer Note 20.1)	-	-	-	3.59	1.82	1.73
Security Deposits from Customers, Vendors & Others	347.36	299.08	281.35	2.44	2.89	6.82
Payable for Capital goods	-	-	-	59.44	96.89	96.85
Others (Refer Note 20.2)	-	-	-	265.81	212.15	212.82
	365.58	**302.69**	**285.29**	**386.11**	**476.51**	**660.66**

20.1 There are no amounts due and outstanding to Investor Education and Protection Fund as at 31.03.2017, 31.03.2016 and 01.07.2015. (Refer note 16)

20.2 Others include the liability related to Employees, Rebate and Discount to Customers etc.

21. PROVISIONS

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Provision for Employee Benefits						
Gratuity [Refer note 39(b)]	-	-	-	0.17	0.09	0.10
Other Staff Benefit Schemes	1.30	1.06	0.94	0.28	0.20	3.13
Other Provisions						
Wealth Tax	-	-	-	-	-	0.26
Mines Reclamation Expenses (Refer Note 52)	5.98	5.64	5.80	0.40	0.76	0.60
	7.28	**6.70**	**6.74**	**0.85**	**1.05**	**4.09**

22. OTHER LIABILITIES

(₹ in Crore)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Customers Advances	-	-	-	149.32	92.85	93.04
Withholding and Other Taxes Payable	-	-	-	55.27	47.81	74.62
Provident Fund and Superannuation Payable	-	-	-	10.66	8.96	6.99
Other Statutory Liabilities	587.36	615.92	570.97	260.04	80.19	68.39
	587.36	**615.92**	**570.97**	**475.29**	**229.81**	**243.04**

23. CURRENT BORROWINGS

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Secured			
Loans Repayable on Demand from Banks (Refer Note 23.1)	144.37	136.35	170.86
Bank Overdraft (Refer Note 23.2)	22.19	13.86	25.44
Unsecured			
Buyers Credit from Banks	607.18	45.54	-
	773.74	**195.75**	**196.30**

23.1 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 and also secured by joint equitable mortgage on all the immovable assets of the Company situated at Beawar on second charge basis.

23.2 Bank Overdraft is secured against pledge of Fixed Deposits and payable on demand. (Refer Note 16.1)

23.3 There is no default in repayment of principal and interest thereon.

24. TRADE PAYABLES

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Due to Micro and Small Enterprises	8.01	5.49	4.57
Others	343.68	251.77	306.17
	351.69	**257.26**	**310.74**

24.1 Trade Payables are based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small, and Medium Enterprises as required to be disclosed under the said Act.

25. DEFERRED TAX ASSETS (NET)

(₹ in Crore)

	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Deferred Tax Assets:			
Arising on account of:			
Long-term and Short-term Capital Losses	16.56	15.79	14.24
Expenses allowed for tax purpose when paid	203.01	187.67	172.28
Depreciation and Amortization	229.87	59.76	49.20
Cash Flow Hedges	5.57	4.23	1.86
MAT Credit Entitlement	73.08	107.40	95.87
Others	0.16	1.18	7.90
Deferred Tax Liabilities:			
Arising on account of:			
Others	20.56	4.24	16.29
Net Deferred Tax Assets/ (Liabilities)	**507.69**	**371.79**	**325.06**

26. REVENUE FROM OPERATIONS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Sale of Products		
Cement	8,775.12	5,591.20
Clinker	148.99	13.29
Power	571.44	581.03
	9,495.55	**6,185.52**
Revenue from Power Trading		
Revenue from Traded Power	33.72	167.81
Less: Purchase of Traded Power	32.84	163.39
	0.88	**4.42**
Other Operating Revenue	**0.09**	**0.02**
	9,496.52	**6,189.96**

27. OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Interest Income		
On Deposits	22.30	18.62
On Bonds and Debentures	226.98	115.57
On Income Tax and Sales Tax Refund	0.45	11.18
Others	0.70	5.83
Dividend Income on Financial Assets designated at Fair Value through Profit or Loss	58.23	38.40
Net Gain on Sale of Investments		
Designated at Amortised cost	8.12	1.72
Designated at Fair Value through Profit or Loss	3.29	3.62
Net Gain / (Loss) on Fair Value of Financial Assets through Profit or Loss	24.67	(0.92)
Profit on Sale of Property, Plant and Equipments (Net)	1.02	0.60
Sales Tax Subsidies	145.94	457.76
Provision No Longer Required	9.53	0.38
Balances Written Back (Net)	5.48	9.00
Other Non Operating Income	1.00	10.92
	507.71	**672.68**

28. COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Raw Materials Consumed		
Gypsum	176.19	133.52
Fly Ash	246.43	166.13
Red Ochre and Slag	93.51	46.16
Sulphuric Acid	39.49	25.23
Others	125.04	78.26
	680.66	**449.30**

29. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	For the year ended 31.03.2017	For the Nine Months Ended 31.03.2016	(Increase) / Decrease
Closing Stock			
Work-in-Progress	127.70	114.67	(13.03)
Finished Goods	109.43	68.98	(40.45)
	237.13	**183.65**	**(53.48)**
Opening Stock			
Work-in-Progress	114.67	97.28	(17.39)
Finished Goods	68.98	89.65	20.67
	183.65	**186.93**	**3.28**
(Increase) / Decrease	**(53.48)**	**3.28**	

30. EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Salaries, Wages and Bonus	465.69	324.54
Contribution to Provident and other Funds (Refer note 40)	58.63	36.56
Staff Welfare Expenses	12.86	8.76
	537.18	**369.86**

31. FREIGHT AND FORWARDING EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
On Finished Products	1,309.97	808.92
On Inter Unit Clinker Transfer	564.03	332.70
	1,874.00	**1,141.62**

32. FINANCE COSTS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Interest Expenses	127.09	85.53
Bank and Finance Charges	1.85	0.80
Unwinding of Discount on Provision	0.48	0.36
Exchange Differences Regarded as an Adjustment to Borrowing Cost	-	0.72
	129.42	87.41
Less: Interest Capitalised	-	11.64
	129.42	**75.77**

33. OTHER EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Stores and Spares Consumed	285.44	210.75
Packing Materials Consumed	292.31	188.55
Royalty and Cess	239.38	183.55
Mines Reclamation Expenses	0.18	0.11
Excise Duty on Captive Consumption of Clinker	23.91	17.92
Repairs to Plant and Machinery	199.84	123.90
Repairs to Buildings	18.94	12.40
Rent	19.43	13.59
Insurance	3.45	2.12
Rates and Taxes	26.71	14.87
Travelling	34.03	23.91
Commission to Non-executive Directors	2.70	1.58
Directors' Sitting Fees and Expenses	0.75	0.45
Advertisement and Publicity	81.50	53.69
Sales Promotion and Other Selling Expenses	141.15	76.06
Excise duty variance on Closing/Opening Stock	6.56	(1.96)
Foreign Exchange Rate Differences (Net)	21.36	2.62
Corporate Social Responsibility Expenses	19.29	14.75
Assets Written Off	5.07	9.36
Provision for Doubtful Receivables (Net)	0.02	0.03
Miscellaneous (Refer Note 33.1)	182.26	84.42
	1,604.28	**1,032.67**

33.1 - MISCELLANEOUS EXPENSES INCLUDE THE PAYMENTS MADE TO AUDITORS

(₹ in Crore)

	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Statutory Auditors		
Audit Fees	0.30	0.27
Tax Audit Fees	0.06	0.06
Certification / Other Services	0.11	0.11
Reimbursement of Expenses	0.13	0.10
Cost Auditors		
Audit Fees	0.03	0.03
Certification / Other Services	0.01	0.02
Reimbursement of Expenses [₹ 15,820 (Previous year ₹ 13,431)]	-	-

34. CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

a. Custom duty ₹ 80.66 crore (As at 31.03.2016 ₹ 56.56 crore, As at 01.07.2015 ₹ 56.56 crore).

b. Income tax matters ₹ 0.28 crore (As at 31.03.2016 ₹ 3.26 crore, As at 01.07.2015 ₹ Nil).

c. (i) The Competition Commission of India (CCI) had, vide its order dated 31st August, 2016 imposed a penalty of ₹ 397.51 crore on the Company for alleged violation of Competition Act. The CCI passed the above order pursuant to the directions of the Competition Appellate Tribunal (COMPAT) issued vide its order dated 11th December, 2015 whereby CCI order dated 30th July, 2012 was set aside and matter was remitted back to CCI for fresh adjudication. The Company has filed an appeal against the said order with the COMPAT. On Company's appeal, COMPAT, vide its order dated 7th November, 2016, has granted stay on CCI order on the condition that the Company deposits 10% of the penalty amounting to ₹ 39.75 crore. The Company has deposited the said amount in compliance of the order. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal and thus pending final disposal of the appeal, the matter has been disclosed as contingent liability. Total contingent liability amounting to ₹ 422.57 crore (including interest of ₹ 25.06 crore up to 31.03.2017).

(ii) In another matter, CCI has vide its order dated 19th January, 2017 imposed a penalty of ₹ 18.44 crore on the Company in connection with a reference filed by the Government of Haryana in respect of tender invited by Director Supplies & Disposals, Haryana, for supply of cement. Company has filed an appeal before the COMPAT against the above order. Based on the Company's own assessment and advice given by its legal counsels, Company has strong case in appeal and thus pending final disposal of the appeal, the same has 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 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. 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 ₹ 73.08 crore received and ₹ 282.30 crore not received though accounted for.

35. Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 1,127.07 crore (As at 31.03.2016 ₹ 201.21 crore, As at 01.07.2015 ₹ 249.60 crore).

36. Capital work-in-progress includes directly attributable expenses of ₹ 49.02 crore (As at 31.03.2016 ₹ 10.60 crore) which includes depreciation of ₹ 8.46 crore (for Nine Months ended 31.03.2016 ₹ Nil) on assets during construction period.

37. The Company has reviewed the useful lives and residual values of the Property, Plant and Equipment and Intangible assets in accordance with requirement of Ind AS and revised the useful lives of Property, Plant and Equipment and Intangible assets. Accordingly, depreciation for the current year is higher by ₹ 527.24 crore (Including charge of ₹ 23.27 crore, being the carrying amount of certain items of Property, Plant and Equipment with no remaining useful life [as revised]) and profit after tax is lower by ₹ 344.77 crore.

38. EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ in Crore)

Particulars	2016-2017												2015-16
	Beawar	RAS	KKG	SGU	RGU	JGU	BGU	PGU	SRCP	UPGU	Kodla	Total	
Capital	0.03	6.53	0.46	0.15	0.15	0.13	-	0.14	-	0.09	0.17	7.85	3.41
Revenue	5.91	5.13	0.31	0.35	0.46	0.43	0.45	0.14	0.79	0.73	-	14.70	13.01
Total	**5.94**	**11.66**	**0.77**	**0.50**	**0.61**	**0.56**	**0.45**	**0.28**	**0.79**	**0.82**	**0.17**	**22.55**	**16.42**

39. THE MOVEMENT OF EFFECTIVE PORTION OF CASH FLOW HEDGES AND FOREIGN CURRENCY TRANSLATION RESERVE ARE SHOWN BELOW

Effective Portion of Cash Flow Hedges:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Opening Balance	**(7.98)**	**(3.51)**
Gain/(loss) recognized on cash flow hedges	(15.78)	10.88
Income tax relating to gain/(loss) recognized on cash flow hedges	5.46	(3.76)
Reclassified to Statement of Profit and Loss in Foreign exchange rate differences	11.90	(17.72)
Income tax relating to Reclassified to Statement of Profit and Loss	(4.12)	6.13
Closing Balance	**(10.52)**	**(7.98)**

Foreign Currency Translation Reserve:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Opening Balance	**0.01**	**-**
Exchange Differences on Translation of Foreign Operation [₹ (28,983) for current year]	-	0.01
Closing Balance	**0.01**	**0.01**

40. EMPLOYEE BENEFITS (REFER NOTE 30)

(a) Contribution to defined contribution plans recognized as expenses are as under:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Superannuation Fund	7.64	4.79
Provident Fund	33.73	24.07
National Pension Scheme	1.37	0.90
ESIC	0.04	0.01
Total	**42.78**	**29.77**

(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 31.03.2017	For the Nine Months ended 31.03.2016
Changes in Defined Benefit Obligations:		
Present value of defined benefit obligation at the beginning of the year	158.23	147.92
Current Service Cost	18.36	12.13
Interest Cost	11.87	8.88
Remeasurements (gains)/losses	(1.27)	(4.98)
Benefits paid	(3.99)	(5.72)
Present Value of Defined Benefit Obligation at the end of the year	**183.20**	**158.23**

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Change in Plan Assets:		
Fair value of plan assets at the beginning of the year	158.14	147.82
Expected Return on Plan Assets	11.86	12.24
Re-measurements gains/(losses)	2.43	0.34
Contribution by employer	14.59	3.46
Benefits paid	(3.99)	(5.72)
Fair Value of Plan Assets at the end of the year	**183.03**	**158.14**
Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	18.36	12.13
Interest cost	11.87	8.88
Expected Return on Plan Assets	(11.86)	(12.24)
Expenses Recognized in the Statement of Profit and Loss	**18.37**	**8.77**
Expenses recognized in Other Comprehensive Income (OCI)		
Return on plan assets (excluding amount included in net Interest expense)	(2.43)	(0.34)
Actuarial (gains)/losses arising from changes in demographic assumptions	NA	NA
Actuarial (gains)/losses arising from changes in financial assumptions	5.08	4.51
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(6.35)	(9.49)
Total recognized in Other Comprehensive Income	**(3.70)**	**(5.32)**
Total recognized in Total Comprehensive Income	**14.67**	**3.45**
Amount recognized in the Balance Sheet consists of		
Present Value of Defined Benefit Obligation	183.20	158.23
Fair Value of Plan Assets	183.03	158.14
Net Liability	0.17	0.09
The Major Categories of Plan Assets as a % of Total Plan		
Qualifying Insurance Policy	100%	100%

The Principal actuarial assumption used:

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Discount rate	7.50% per annum	8.00% per annum
Salary Growth Rate	13.02% per annum	13.30% per annum
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.50% per annum	8.00% 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. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	1.00% p.a. (44 to 60 Years)	1.00% p.a. (44 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. Same assumptions were considered for comparative period i.e. 2015-2016 as considered in previous GAAP on transition to Ind AS.

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 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 31.03.2017 are as follows:

Assumptions	Discount rate		Future Salary		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 Obligation (₹ in Crore)	(19.81)	23.83	22.35	(19.08)	(7.40)	8.57

Sensitivity Analysis for significant assumptions as on 31.03.2016 are as follows:

Assumptions	Discount rate		Future Salary		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 Obligation (₹ in Crore)	(16.54)	19.90	18.70	(15.96)	(6.05)	7.01

The Company expects to contribute ₹15 Crore (Previous Year ₹ 15 crore) to gratuity fund in next year.

The weighted average duration of the defined benefit obligation as at 31.03.2017 is 14 years (as at 31.03.2016: 14 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted).

Particulars	(₹ in Crore)
01st April 2017 to 31st March 2018	17.84
01st April 2018 to 31st March 2019	6.96
01st April 2019 to 31st March 2020	7.23
01st April 2020 to 31st March 2021	7.47
01st April 2021 to 31st March 2022	6.61
01st April 2022 Onwards	60.31

(c) Provident fund managed by a trust set up by the Company:

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below, there is no short fall as at 31.03.2017.

The details of the plan assets and obligations position are as follows:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016
Plan assets at year end, at fair value	55.03	45.00
Present value of defined obligation at year end	55.03	45.00
Liability recognized in the Balance Sheet	-	-

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Discount Rate	7.50%	7.75%
Expected Guaranteed Interest Rate	8.65%	8.80%
Expected Rate of Return on Assets	8.71%	8.80%

(d) Amount recognized as an expense in respect of leave encashment and compensated absences are ₹13.16 crore (₹ 8.79 crore for Nine Months ended 31.03.2016).

41. SEGMENT REPORTING

A. The Company has two primary business segments, namely Cement and Power.

Revenue, Results and other information:

(₹ in Crore)

Particulars	2016-17				2015-16			
	Cement*	Power	Inter Segment Eliminations	Total	Cement*	Power	Inter Segment Eliminations	Total
External Sales	8,924.11	572.41	-	9,496.52	5,604.49	585.47	-	6,189.96
Inter Segment Revenue	-	883.48	(883.48)	-	-	581.11	(581.11)	-
Total Revenue	**8,924.11**	**1,455.89**	**(883.48)**	**9,496.52**	**5,604.49**	**1,166.58**	**(581.11)**	**6,189.96**
Results								
Segment Results (Profit before Finance Costs and Tax)	574.55	740.91	-	1,315.46	580.52	477.45	-	1,057.97
Add: Un-allocated Income								
Interest Income				250.43				151.20
Dividend Income				58.23				38.40
Fair Value gain/(loss) on FVTPL Financial Assets				24.67				(0.92)
Net Gain on Sale of Investments				11.41				5.34
Less: Finance Costs				129.42				75.77
Profit before Tax				1,530.78				1,176.22
Less : Tax Expenses				191.70				33.12
Profit after Tax				**1,339.08**				**1,143.10**
Segment Assets	5,657.43	546.82	-	6,204.25	5,256.71	417.80	-	5,674.51
Un-allocated Assets				4,961.73				3,788.68
Total Assets				**11,165.98**				**9,463.19**
Segment Liabilities	1,590.28	157.44	-	1,747.72	1,296.20	123.58	-	1,419.78
Un-allocated Liabilities and Provisions				1,720.26				1,197.99
Total Liabilities				**3,467.98**				**2,617.77**
Depreciation and Amortization	1,125.76	88.95	-	1,214.71	661.68	165.89	-	827.57
Capital expenditure	1,190.27	77.24	-	1,267.51	725.10	28.57	-	753.67
Significant Non -Cash Expenses other than Depreciation and Amortization	-	-	-	-	-	-	-	-

*the figures of cement segment includes those of Autoclaved Aerated Concrete (AAC) Block business being a cementitious product.

Segment Assets and Liabilities as at 01.07.2015:

(₹ in Crore)

Particulars	Cement	Power	Inter-Segment Eliminations	Total
Segment Assets	4,876.40	716.75	-	5,593.15
Un-allocated Assets				2,961.44
Total Assets				**8,554.59**
Segment Liabilities	1,255.46	189.53	-	1,444.99
Un-allocated Liabilities and Provisions				1,246.97
Total Liabilities				**2,691.96**

Reconciliation of Assets:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Segment Assets	**6,204.25**	**5,674.51**	**5,593.15**
Investments (Current & Non Current)	4,042.35	3,030.35	2,231.94
Cash and Cash Equivalents	45.50	50.24	31.02
Other Bank Balances	65.60	32.81	67.52
Derivative Financial Instruments	-	8.97	36.49
Fixed Deposits with Banks (maturity more than 12 months)	200.00	200.00	209.00
Interest Accrued on Bonds, Debentures and Deposits	57.07	24.53	15.27
Other Current Financial Assets - Others	23.24	2.70	45.14
Other Current Assets	-	8.54	-
Deferred Tax Assets (Net)	507.69	371.79	325.06
Non- Current Tax Assets (Net)	20.28	14.09	-
Current Tax Assets (Net)	-	44.66	-
Total Assets	**11,165.98**	**9,463.19**	**8,554.59**

Reconciliation of Liabilities:

(₹ in Crore)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
Segment Liabilities	**1,747.72**	**1,419.78**	**1,444.99**
Borrowings (Current & Non Current)	1,292.48	726.49	604.31
Current maturities of Long Term Debt	0.05	154.02	331.29
Interest Accrued but not Due on Borrowings	9.86	8.74	11.15
Security Deposits from Customers & Vendors (Current & Non Current)	349.80	301.97	288.17
Liabilities for Current Tax (Net)	1.34	1.34	6.12
Unpaid Dividends	3.59	1.82	1.73
Derivative Financial Instruments (Current & Non Current)	63.14	3.61	3.94
Provision for Wealth Tax	-	-	0.26
Total Liabilities	**3,467.98**	**2,617.77**	**2,691.96**

B. Geographical Segment is identified as the secondary segment and details are given below:

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Segment Revenue from Operations		
Within India	9,414.90	6,184.48
Outside India	81.62	5.48
Total	**9,496.52**	**6,189.96**

All the assets of the Company are within India.

42. RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)

Relationships:

(a) 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) Rajasthan Forum
(vi) The Bengal
(vii) Sant Parmanand Hospital

(b) Key Management Personnel:

(i)	Shri H.M. Bangur	Managing Director
(ii)	Shri Prashant Bangur	Joint Managing Director

(c) Relatives to Key Management Personnel:

(i)	Shri B.G. Bangur	Father of Shri H.M. Bangur

Disclosure of Related Party Transactions:

(a) Enterprises over which KMPs are able to exercise control/significant influence:

(₹ in Crore)

Particulars	2016-17	2015-16
Usage charges of common facilities		
- The Kamla Company Limited	0.58	0.42
- Aqua Infra Project Limited	0.11	0.08
Payment for office rent		
- Alfa Buildhome Pvt. Ltd.	2.16	1.57
- Shree Capital Service Ltd.	0.24	0.18
Sale of Goods		
- Sant Parmanand Hospital	0.06	0.08
Contribution towards Social Activities		
- Rajasthan Forum	0.25	0.51
- The Bengal	0.74	0.41
- Sant Parmanand Hospital	0.06	0.04

(₹ in Crore)

Security deposit balance at the year end	As at 31.03.2017	As at 31.03.2016	As at 01.07.2015
- Alfa Buildhome Pvt. Ltd.	0.45	0.45	0.45

(b) Key Management Personnel:

(₹ in Crore)

Particulars	2016-17	2015-16
Short Term benefits	51.52	34.32
Post - Employment benefits*	2.02	1.26
Total	**53.54**	**35.58**

*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.

(c) Relatives to Key Management Personnel:

(₹ in Crore)

Particulars	2016-17	2015-16
Director commission, Sitting fee and reimbursement of expenses		
- Shri B.G. Bangur	0.35	0.22

Refer note 40 for information on transactions with post-employment benefit plans.

43. As per Notification G.S.R. 308(E) dated 30.03.2017 issued by the Ministry of Corporate Affairs, the details of Specified Bank Notes (SBNs) held and transacted during the period from 08.11.2016 to 30.12.2016:

(₹ in Crore)

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	**0.38**	**0.14**	**0.52**
(+) Permitted Receipts	-	0.53	0.53
(-) Permitted Payments	-	0.05	0.05
(-) Amount deposited in Banks	0.38	0.02	0.40
Closing Cash in hand as on 30.12.2016	**-**	**0.60**	**0.60**

44. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses forward contracts and cross currency and interest rate swaps to manage some of its transaction exposure.

The details of such contracts outstanding as on the balance sheet date are as follows:

Type of Contract	Purpose
Cross Currency & Interest Rate Swaps	Hedge the external commercial borrowings
Forward Contracts	Hedge the buyers' credit and expected purchases

Cross Currency and Interest Rate Swaps

The objective of cross currency and interest rate swap 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. Outstanding notional amount for swap contract is USD 8 crore, USD 8.44 crore and USD 6.50 crore as on 31.03.2017, 31.03.2016 and 01.07.2015 respectively.

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 of hedge effectiveness test. 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 cross currency and interest rate swap agreements are as under:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Asset	Liability	Asset	Liability	Asset	Liability
Cross Currency and Interest rate Swap	-	18.22	8.97	3.61	36.49	3.94

Foreign Currency Forward Contracts

The Company has taken buyers' credit. These buyers' credit are denominated in foreign currency. In order to protect itself from volatility in exchange rate, the Company enters into forward contract to buy notional foreign currency on each payment date as agreed in the loan contract. The Company also enters into other forward contracts with intention to reduce the foreign exchange risk of expected purchases.

The 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 are as under:

(₹ in Crore)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Asset	Liability	Asset	Liability	Asset	Liability
Foreign Currency Forward Contracts	-	44.92	-	-	-	-

Outstanding notional amount for forward contracts is USD 9.38 crore, EURO 1.40 crore and JPY 13.50 crore as on 31.03.2017 (Nil as on 31.03.2016 and 01.07.2015).

The loss due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the Statement of Profit and Loss is ₹ 44.92 crore (₹ Nil for the Nine Months ended 31.03.2016) for the Year ended 31.03.2017.

45. INCOME TAX EXPENSE

(₹ in Crore)

Particulars	For the Year ended 31.03.2017	For the Nine Months ended 31.03.2016
Current Tax	324.13	122.14
Deferred Tax		
- Relating to origination and reversal of temporary differences	(168.88)	(22.15)
- MAT Credit Utilization / (Entitlement)	34.32	(11.53)
Tax Expense attributable to Current Year's/Period's Profit	**189.57**	**88.46**
Adjustments in respect of Income Tax of Earlier Years		
- Current Tax	2.13	(44.66)
- MAT Credit Entitlement	-	(10.68)
	2.13	**(55.34)**
Income Tax Expense reported in the Statement of Profit and Loss	**191.70**	**33.12**
Deferred Tax related to Items recognized in Other Comprehensive Income during the Year/Period		
- Net (gain)/Loss on revaluation of cash flow hedges	1.34	2.37
Current Tax related to Items recognized in Other Comprehensive Income during the Year/Period		
- Net (gain)/Loss on remeasurement of defined benefit plan	(1.28)	(1.84)
Income Tax charged to Other Comprehensive Income	**0.06**	**0.53**

46. 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 31.03.2017	For the Nine Months ended 31.03.2016
Profit Before Tax	1,530.78	1,176.22
Applicable Statutory Enacted Income Tax Rate	34.608%	34.608%
Computed Tax Expense	529.77	407.07
Increase/(Reduction) in Taxes on Account of		
Additional Allowances for Tax Purpose	(26.87)	(49.38)
Items (Net) not Deductible for Tax/not Liable to Tax	(291.79)	(238.37)
Tax losses Unutilized / Items Taxed at Different Rate	(38.95)	(27.60)
Tax Expense Relating to Earlier Years (Net)	2.13	(55.34)
Others	17.41	(3.26)
Income Tax Expense Reported	**191.70**	**33.12**

47. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure availability of funds at competitive cost for its operational and development needs and maintain a 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 31.03.2017 and 31.03.2016. There have been no breaches of the 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 reserves and surplus and effective portion of cash flow hedge & foreign currency translation reserve 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 31.03.2017	As at 31.03.2016	As at 01.07.2015
Equity Share Capital	34.84	34.84	34.84
Reserves and Surplus (including effective portion of cash flow hedge & foreign currency translation reserve)	7,663.16	6,810.58	5,827.79
Total Equity	7,698.00	6,845.42	5,862.63
Long Term Debt	518.79	684.76	739.30
Debt to Equity Ratio	**0.07**	**0.10**	**0.13**

48. 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 31.03.2017		As at 31.03.2016		As at 01.07.2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets Designated at Fair Value Through Profit or Loss						
Investments in Mutual Funds and Preference Shares	1,143.23	1,143.23	697.48	697.48	344.30	344.30
Derivatives not Designated as Hedges						
Forward Contracts	-	-	-	-	-	-
Derivatives Designated as Hedges						
Cross Currency and Interest Rate Swaps	-	-	8.97	8.97	36.49	36.49
Financial Assets Designated at Amortized Cost						
Investments in Bonds and Debentures	2,899.12	2,959.76	2,332.87	2,378.96	1,887.64	1,900.41
Loans	51.64	51.64	44.94	44.94	45.46	45.46
Trade Receivables	335.12	335.12	328.62	328.62	476.39	476.39
Cash and Cash Equivalents and Other Bank Balances	111.10	111.10	83.05	83.05	98.54	98.54
Other Financial Assets	284.67	296.61	326.31	334.51	272.58	276.09
Total Financial Assets	**4,824.88**	**4,897.46**	**3,822.24**	**3,876.53**	**3,161.40**	**3,177.68**
Financial Liabilities Designated at Fair Value Through Profit or Loss						
Derivatives not Designated as Hedges						
Forward Contracts	44.92	44.92	-	-	-	-
Derivatives Designated as Hedges						
Cross Currency and Interest Rate Swaps	18.22	18.22	3.61	3.61	3.94	3.94
Financial Liabilities Designated at Amortized Cost						
Non-Current Borrowings at Floating Rate	518.70	518.70	530.66	530.66	282.89	282.89
Non-Current Borrowings at Fixed Rate	0.04	0.04	0.08	0.08	125.12	125.12
Current Maturities of Long Term Debt	0.05	0.05	154.02	154.02	331.29	331.29
Short Term Borrowings	773.74	773.74	195.75	195.75	196.30	196.30
Trade Payables	351.69	351.69	257.26	257.26	310.74	310.74
Other Financial Liabilities	688.50	688.50	621.57	621.57	610.72	610.72
Total Financial Liabilities	**2,395.86**	**2,395.86**	**1,762.95**	**1,762.95**	**1,861.00**	**1,861.00**

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 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 derivatives counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair Value Hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities grouped into Level 1 to Level 3 as described below:

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.

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 Company's asset and liabilities grouped into Level 1 to Level 3 as described below:

Assets and Liabilities Measured at Fair Value (Accounted)

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value				
Investments				
Mutual funds	576.68	-	-	576.68
Preference Shares	-	566.55	-	566.55
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	-	-	-
Financial Liabilities Measured at Fair Value				
Derivatives not Designated as Hedges	-	44.92	-	44.92
Derivatives Designated as Hedges	-	18.22	-	18.22

(₹ in Crore)

Particulars	As at 31.03.2016			
	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value				
Investments				
Mutual funds	342.27	-	-	342.27
Preference Shares	-	355.21	-	355.21
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	8.97	-	8.97
Financial Liabilities Measured at Fair Value				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	3.61	-	3.61

(₹ in Crore)

Particulars	As at 01.07.2015			
	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value				
Investments				
Mutual funds	26.80	-	-	26.80
Preference Shares	-	317.50	-	317.50
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	36.49	-	36.49
Financial Liabilities Measured at Fair Value				
Derivatives not Designated as Hedges	-	-	-	-
Derivatives Designated as Hedges	-	3.94	-	3.94

Assets and Liabilities for which Fair Value is disclosed (only disclosed)

(₹ in Crore)

Particulars	As at 31.03.2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	-	2,959.76	-	2,959.76
Loans	-	51.64	-	51.64
Other Financial Assets	-	296.61	-	296.61
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	0.04	-	0.04
Other Financial Liabilities	-	688.50	-	688.50

(₹ in Crore)

Particulars	As at 31.03.2016			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	-	2,378.96	-	2,378.96
Loans	-	44.94	-	44.94
Other Financial Assets	-	334.51	-	334.51
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	0.08	-	0.08
Other Financial Liabilities	-	621.57	-	621.57

(₹ in Crore)

Particulars	As at 01.07.2015			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Bonds and Debentures	-	1,900.41	-	1,900.41
Loans	-	45.46	-	45.46
Other Financial Assets	-	276.09	-	276.09
Financial Liabilities				
Non-Current Borrowings at Fixed Rate	-	125.12	-	125.12
Other Financial Liabilities	-	610.72	-	610.72

During the year ended 31.03.2017 and 31.03.2016, 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 31.03.2017, 31.03.2016 and 01.07.2015, respectively:

Particulars	Fair Value Hierarchy	Valuation Techniques	Inputs Used	Quantitative Information about Significant Unobservable Inputs
Financial Assets				
Investments in Preference Shares	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows	-
Derivatives 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	-
Derivatives Financial Instruments - 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				
Derivatives 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	-
Derivatives Financial Instruments- not Designated as Hedging Instrument				
Forward Contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows	-

Assets and Liabilities for which Fair Value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial Assets			
Investments in Bonds and Debentures	Level 2	Market valuation techniques	Prevailing yield to discount future cash flows
Loans and 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
Other Financial Liabilities – Non Current	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, 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, and 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 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 instruments will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivatives 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 31.03.2017 and 31.03.2016.

The sensitivity analyses 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 exposes it to a variety of financial risk including the effect of changes in foreign currency exchange rates and interest rates. The company uses derivatives 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 and Buyer's credit obligations with floating interest rates.

The Company's policy is to manage its floating interest rate 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.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crore)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax
31.03.2017		
US Dollar Borrowings	+50	(0.41)
	-50	0.41
31.03.2016		
US Dollar Borrowings	+50	(0.04)
	-50	0.04

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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 forward currency 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 demonstrates the sensitivity in the USD, JPY, EURO and GBP to the Indian Rupee with all other variable held constant.

(₹ in Crore)

Particulars	Change in Currency Exchange Rate	Effect on Profit Before Tax
For the Year ended 31.03.2017		
USD	+5%	(3.54)
	-5%	3.54
JPY	+5%	0.42
	-5%	(0.42)
EURO	+5%	4.98
	-5%	(4.98)
GBP	+5%	(0.01)
	-5%	0.01
For the Nine Months ended 31.03.2016		
USD	+5%	(3.82)
	-5%	3.82
EURO	+5%	(0.13)
	-5%	0.13
GBP	+5%	(0.01)
	-5%	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 counterparty will not meet its obligation under a financial instruments 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 financial institutions 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 and security deposits 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	Past Due			Total
		Up to 6 months	6 to 12 months	Above 12 months	
Trade Receivables					
As at 31.03.2017					
Secured	158.88	38.83	0.57	0.24	198.52
Unsecured	118.98	11.04	0.39	6.66	137.07
Gross Total	**277.86**	**49.87**	**0.96**	**6.90**	**335.59**
Allowance for doubtful trade receivables	-	-	-	0.47	0.47
Net Total	**277.86**	**49.87**	**0.96**	**6.43**	**335.12**
As at 31.03.2016					
Secured	125.72	26.04	0.08	0.21	152.05
Unsecured	151.92	18.78	0.05	6.27	177.02
Gross Total	**277.64**	**44.82**	**0.13**	**6.48**	**329.07**
Allowance for doubtful trade receivables	-	-	-	0.45	0.45
Net Total	**277.64**	**44.82**	**0.13**	**6.03**	**328.62**
As at 01.07.2015					
Secured	99.67	16.77	-	0.22	116.66
Unsecured	178.89	175.06	0.07	6.13	360.15
Gross Total	**278.56**	**191.83**	**0.07**	**6.35**	**476.81**
Allowance for doubtful trade receivables	-	-	-	0.42	0.42
Net Total	**278.56**	**191.83**	**0.07**	**5.93**	**476.39**

Movement in Allowance for Doubtful Trade Receivables are given below:

(₹ in Crore)

Particulars	2016-17	2015-16
Opening Balance	**0.45**	**0.42**
Add: Provision made during the year/period (Refer note 33)	0.02	0.03
Less: Utilized during the year/period	-	-
Closing Balance	**0.47**	**0.45**

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 ₹ 4,824.88 crore as at 31.03.2017 and ₹ 3,822.24 crore as at 31.03.2016, which is 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 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 31.03.2017

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	773.79	518.74	-	1,292.53
Trade Payables	351.69	-	-	351.69
Derivative Financial Instruments	44.92	18.22	-	63.14
Other Financial Liabilities	341.14	347.36	-	688.50
Total	**1,511.54**	**884.32**	**-**	**2,395.86**

As at 31.03.2016

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	349.77	530.74	-	880.51
Trade Payables	257.26	-	-	257.26
Derivative Financial Instruments	-	3.61	-	3.61
Other Financial Liabilities	322.49	299.08	-	621.57
Total	**929.52**	**833.43**	**-**	**1,762.95**

As at 01.07.2015

(₹ in Crore)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	527.59	408.01	-	935.60
Trade Payables	310.74	-	-	310.74
Derivative Financial Instruments	-	3.94	-	3.94
Other Financial Liabilities	329.37	281.35	-	610.72
Total	**1,167.70**	**693.30**	**-**	**1,861.00**

50. COLLATERALS

Inventory, Trade Receivables, Other Financial Assets, Property, Plant and Equipment are pledged/hypothecated as collateral/security against the borrowings. Refer Note 19 and 23.

51. EARNINGS PER SHARE (EPS)

A. Basic and Diluted EPS:

Particulars		2016-17	2015-16
Profit or Loss attributable to ordinary Equity shareholders	₹ in crore	1,339.08	1,143.10
Equity Share Capital	₹ in crore	34.84	34.84
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	3,48,37,225	3,48,37,225
Earnings Per Share – Basic and Diluted	₹	384.38	328.13

B. Cash EPS : (Profit for the year+ Depreciation and Amortisation Expense +Deferred tax)/ Weighted average number of equity shares outstanding

52. PROVISION FOR MINES RECLAMATION EXPENSES

(₹ in Crore)

Particulars	2016-17	2015-16
Opening Balance	**6.40**	**6.40**
Add: Provision made during the year (Refer Note 33)	0.18	0.11
Add: Unwinding of Discount of Provision (Refer Note 32)	0.48	0.36
Less: Utilized during the year	0.68	0.47
Closing Balance	**6.38**	**6.40**

53. OPERATING LEASES

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms.

54. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

Dividend proposed to be distributed

(₹ in Crore)

Particulars	As at 31.03.2017 (Note 1)	As at 31.03.2016	As at 01.07.2015 (Note 2)
Dividend Proposed for Equity Shareholders	83.61	-	48.77
Dividend Tax	17.02	-	9.93
Total	**100.63**	**-**	**58.70**

Note 1 : ₹ 24 per share for FY 2016-2017.

Note 2 : ₹ 14 per share for FY 2014-2015.

55. 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.

56. 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

Particulars	Shree Global Pte. Ltd.	
	Amount In USD	Amount In INR
Share Capital	40,000	24,91,050
Reserves & Surplus	(24,695.11)	(14,98,703)
Total Assets	18,279.49	11,85,216
Total Liabilities	2,974.60	1,92,869
Investments	-	-
Turnover	-	-
Profit / (Loss) before taxation	(4,659.17)	(3,12,036)
Provision for Taxation	-	-
Profit / (Loss) after taxation	(4,659.17)	(3,12,036)
Proposed Dividend	-	-
% of shareholding	100	100

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)	Statement of Profit and Loss (Average rate)
United States Dollars (USD) - Indian Rupee	64.84	66.97

Name of subsidiary company which are yet to commence operations-

Sr. No.	Name of Subsidiary Companies
1.	Shree Global Pte. Ltd.

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, 2017.

57. 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 Comprehe-nsive Income	₹ in Crore	As % of Consolidated Total Comprehensive Income	₹ in Crore
Parent								
Shree Cement Limited	100.00	7,698.14	100.00	1,339.11	100.00	(0.12)	100.00	1,338.99
Subsidiaries - Indian								
No Indian Subsidiary	-	-	-	-	-	-	-	-
Subsidiaries - Foreign								
Shree Global Pte. Limited	-	0.10	-	(0.03)	-	-*	-	(0.03)
Adjustment due to consolidation	-	(0.24)	-	-	-	-	-	-
TOTAL	**100.00**	**7,698.00**	**100.00**	**1,339.08**	**100.00**	**(0.12)**	**100.00**	**1,338.96**

* ₹ 28,983

58. FIRST TIME ADOPTION OF IND AS

1. Basis of Preparation

These consolidated financial statements, for the year ended 31.03.2017, are the Company's first Ind-AS Financial Statements. For periods up to and including the year ended 31.03.2016, the Company prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared consolidated financial statements which comply with Ind-AS applicable for periods ending on 31.03.2017, together with the restated comparative period data as at and for the year ended 31.03.2016, as described in the significant accounting policies and basis of preparation. In preparing these consolidated financial statements, the Company's opening

balance sheet was prepared as at 01.07.2015 (i.e. transition date opening balance as at 01.07.2015), the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP consolidated financial statement, including the consolidated balance sheet as at 01.07.2015 and the consolidated financial statements as at and for the period ended 31.03.2016.

2. Exemptions applied

Ind AS 101- First Time Adoption of Indian Accounting Standards allows first time adopters certain optional exemptions from the retrospective application of requirements under Ind AS. The Company has availed the benefit of and applied the following exemptions:

a) Ind AS 103 Business Combinations has not been applied to acquisition of cement grinding unit, which are considered business under Ind AS that occurred before 01.07.2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with respective Ind AS. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognize or exclude any previously recognized amounts as a result of Ind AS recognition requirement except goodwill which was adjusted as per Ind AS 101.

b) Carrying value of all Property, Plant and equipment and Intangible Assets as recognized in previous Indian GAAP financial is recognized as deemed cost at the transition date under Ind AS.

c) The Company uses derivative financial instruments, such as cross currency and interest rate swaps, to hedge its foreign currency and interest rate risk. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Company has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP also qualify for hedge accounting in accordance with Ind AS 109 on the transition date. Accordingly, the Company has applied the hedge accounting in accordance with Ind AS 109 and gain/loss are recorded in Other Comprehensive Income.

3. Estimates

The estimates at 01.07.2015 and 31.03.2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

4. Reconciliation of Consolidated Balance Sheet as at 01.07.2015

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		2,921.19	-	2,921.19
Capital Work-in-Progress		511.10	-	511.10
Goodwill	(2)(a)	83.14	(83.14)	-
Financial Assets				
Investments	(9)(a)&(b)	1,498.86	570.15	2,069.01
Loans		34.37	-	34.37
Other Financial Assets	Note 1 below	-	228.31	228.31
Deferred Tax Assets (Net)	(9)(f)	195.19	129.87	325.06
Non-Current Tax Assets (Net)	(9)(f)	95.87	(95.87)	-
Other Non-Current Assets		425.82	-	425.82
		5,765.54	**749.32**	**6,514.86**
Current Assets				
Inventories		918.86	-	918.86
Financial Assets				
Investments	(9)(a)&(b)	163.63	(0.70)	162.93
Trade Receivables		476.39	-	476.39
Cash and Cash Equivalents		31.02	-	31.02
Other Bank Balances	Note 1 below	276.52	(209.00)	67.52
Loans		11.09	-	11.09
Other Financial Assets	Note 1 below	15.27	65.49	80.76
Current Tax Assets (Net)		-	-	-
Other Current Assets	Note 1 below	339.47	(48.31)	291.16
		2,232.25	**(192.52)**	**2,039.73**
Total Assets		**7,997.79**	**556.80**	**8,554.59**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		34.84	-	34.84
Other Equity	7	5,241.47	586.32	5,827.79
		5,276.31	**586.32**	**5,862.63**

4. Reconciliation of Consolidated Balance Sheet as at 01.07.2015 (Contd...)

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	(9)(c)&(j)	401.41	6.60	408.01
Other Financial Liabilities	Note 1 below	281.35	3.94	285.29
Provisions	(9)(e)	19.11	(12.37)	6.74
Other Non-Current Liabilities		570.97	-	570.97
		1,272.84	**(1.83)**	**1,271.01**
Current Liabilities				
Financial Liabilities				
Borrowings	Note 1 below	214.95	(18.65)	196.30
Trade Payables	Note 1 below	292.40	18.34	310.74
Other Financial Liabilities	Note 1 below	629.34	31.32	660.66
Other Current Liabilities		243.04	-	243.04
Provisions	(9)(l)	62.79	(58.70)	4.09
Current Tax Liabilities (Net)		6.12	-	6.12
		1,448.64	**(27.69)**	**1,420.95**
Total Equity and Liabilities		**7,997.79**	**556.80**	**8,554.59**

Note 1: Reclassification adjustments under Ind AS.

5. Reconciliation of Consolidated Balance Sheet as at 31.03.2016

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		3,050.17	-	3,050.17
Capital Work-in-Progress		264.50	-	264.50
Intangible Assets		-	-	-
Financial Assets				
Investments	(9)(a)&(b)	2,286.08	664.19	2,950.27
Loans		33.90	-	33.90
Other Financial Assets	Note 1 below	-	201.18	201.18
Deferred Tax Assets (Net)	(9)(f)	263.37	108.42	371.79
Non-Current Tax Assets (Net)	(9)(f)	121.49	(107.40)	14.09
Other Non-Current Assets		768.60	-	768.60
		6,788.11	**866.39**	**7,654.50**
Current Assets				
Inventories		815.19	-	815.19
Financial Assets				
Investments	(9)(b)	80.00	0.08	80.08
Trade Receivables		328.62	-	328.62
Cash and Cash Equivalents		50.24	-	50.24
Other Bank Balances	Note 1 below	232.81	(200.00)	32.81
Loans		11.04	-	11.04
Other Financial Assets	Note 1 below	24.54	109.56	134.10
Current Tax Assets (Net)	Note 1 below	-	44.66	44.66
Other Current Assets		458.38	(146.43)	311.95
		2,000.82	**(192.13)**	**1,808.69**
Total Assets		**8,788.93**	**674.26**	**9,463.19**

5. Reconciliation of Balance Sheet as at 31.03.2016 (Contd...)

(₹ in Crore)

	Note	As per Indian GAAP	Ind AS Transition Impact	As per Ind AS
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		34.84	-	34.84
Other Equity	7	6,145.27	665.31	6,810.58
		6,180.11	**665.31**	**6,845.42**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	(9)(c)&(j)	520.92	9.82	530.74
Other Financial Liabilities	Note 1 below	299.08	3.61	302.69
Provisions	(9)(e)	18.88	(12.18)	6.70
Other Non-Current Liabilities		615.92	-	615.92
		1,454.80	**1.25**	**1,456.05**
Current Liabilities				
Financial Liabilities				
Borrowings		195.75	-	195.75
Trade Payables	Note 1 below	258.40	(1.14)	257.26
Other Financial Liabilities	Note 1 below	468.81	7.70	476.51
Other Current Liabilities	Note 1 below	228.67	1.14	229.81
Provisions		1.05	-	1.05
Current Tax Liabilities (Net)		1.34	-	1.34
		1,154.02	**7.70**	**1,161.72**
Total Equity and Liabilities		**8,788.93**	**674.26**	**9,463.19**

Note 1: Reclassification adjustments under Ind AS.

6. Reconciliation of Consolidated Statement of Profit and Loss for the period ended 31.03.2016

(₹ in Crore)

	Note	As per Indian GAAP for Nine Months period ended 31.03.2016	Ind AS Transition Impact	As per Ind As for Nine Months period ended 31.03.2016
Revenue from Operations	(9)(g)&(h)	5,567.75	622.21	6,189.96
Other Income	(9)(a),(b)&(g)	120.11	552.57	672.68
		5,687.86	**1,174.78**	**6,862.64**
EXPENSES				
Cost of Materials Consumed	(9)(h)	470.50	(21.20)	449.30
Changes in Inventories of Finished Goods and Work-in-Progress		3.28	-	3.28
Employee Benefits Expense	(9)(k)	364.54	5.32	369.86
Power and Fuel	(9)(g)	1,130.90	(7.95)	1,122.95
Freight and Forwarding Expenses		1,141.62	-	1,141.62
Excise Duty on Sales	(9)(h)	-	676.32	676.32
Finance Costs	(9)(e)&(j)	75.12	0.65	75.77
Other Expenses	(9)(h)	1,149.60	(116.93)	1,032.67
		4,335.56	536.21	4,871.77
Captive Consumption of Cement [Net of Excise Duty ₹ 1.75 crore]		(12.92)	-	(12.92)
		4,322.64	**536.21**	**4,858.85**
PROFIT BEFORE DEPRECIATION AND TAX		**1,365.22**	**638.57**	**2,003.79**
Depreciation and Amortisation Expense		908.41	(80.84)	827.57
Exceptional Items				
Assets Constructed at Others' Premises Written Off		2.30	(2.30)	-
PROFIT BEFORE TAX		**454.51**	**721.71**	**1,176.22**

6. Reconciliation of Consolidated Statement of Profit and Loss for the period ended 31.03.2016 (Contd...)

(₹ in Crore)

	Note	As per Indian GAAP for Nine Months period ended 31.03.2016	Ind AS Transition Impact	As per Ind As for Nine Months period ended 31.03.2016
Tax Expense	(9)(f)			
Current Tax		123.98	(1.84)	122.14
Tax Expense relating to earlier years (Net)		(55.34)	-	(55.34)
Deferred Tax (Credit) / Charge		(69.03)	35.35	(33.68)
		(0.39)	33.51	33.12
PROFIT FOR THE PERIOD		**454.90**	**688.20**	**1,143.10**
OTHER COMPREHENSIVE INCOME				
Items that will not be Reclassified to Profit or Loss	(9)(k)	-	5.32	5.32
Income Tax relating to Items that will not be Reclassified to Profit or Loss		-	(1.84)	(1.84)
Items that will be Reclassified to Profit or Loss	(9)(c)	-	(6.83)	(6.83)
Income Tax relating to Items that will be Reclassified to Profit or Loss		-	2.37	2.37
		-	(0.98)	(0.98)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit & Other Comprehensive Income for the Period)		**454.90**	**687.22**	**1,142.12**

7. Reconciliation of Equity:

(₹ in Crore)

Particulars	Note	As at 31.03.2016	As at 01.07.2015
Equity as per Indian GAAP (A)		**6,180.11**	**5,276.31**
Adjustments on account of:			
Measuring investments at amortized cost	(9)(a)	639.44	544.54
Measuring investments at Fair Value through Profit or Loss	(9)(b)	24.83	24.91
Adjustment to Goodwill as per Ind AS 101	(2)(a)	-	(83.14)
Cash flow hedges	(9)(c)	(12.21)	(5.36)
Discounting of provision for mines reclamation expenses	(9)(e)	12.18	12.37
De-recognition of Proposed dividend and tax on dividend	(9)(l)	-	58.70
Amortization of upfront fees on borrowings based on EIR	(9)(j)	0.05	0.30
Deferred Tax adjustments on above items (Net)	(9)(f)	1.02	34.00
Total Ind AS Adjustments (B)		**665.31**	**586.32**
Equity as per Ind AS (A+B)		**6,845.42**	**5,862.63**

8. Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the Nine Months ended 31.03.2016:

(₹ in Crore)

Particulars	Note	For the Nine Months ended 31.03.2016
Net Profit as per Indian GAAP (A)		**454.90**
Adjustments on account of:		
Measuring investments at amortized cost	(9)(a)	94.90
Measuring investments at Fair Value through Profit or Loss	(9)(b)	(0.12)
Government grants accounted through Profit and Loss	(9)(g)	549.52
Reversal of amortization of Goodwill	(2)(a)	83.14
Remeasurement gain on defined benefit plan	(9)(k)	(5.32)
Amortization of upfront fees on borrowings based on EIR	(9)(j)	(0.25)
Unwinding of discount on provision for mines reclamation expenses	(9)(e)	(0.36)
Others		0.20
Tax adjustments on above items (Net)	(9)(f)	(33.51)
Total Ind AS Adjustments (B)		**688.20**
Net Profit as per Ind AS (A+B)		**1,143.10**
Other Comprehensive Income (Net of tax)	(9)(c),(k)	(0.98)
Total Comprehensive Income as per Ind AS		**1,142.12**

9. Footnotes to the reconciliation of equity as at 01.07.2015 and 31.03.2016 and Profit or loss for the nine months period ended 31.03.2016:

a) Financial Assets at Amortized Cost

Under Indian GAAP, the Company accounted for long term investments in bonds and debentures as investments measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated these investments as financial assets measured at amortized cost. At the date of transition to Ind AS, difference between amortized cost and the Indian GAAP carrying value has been recognized in retained earnings. Subsequent to the date of transition to Ind AS, interest income has been recognized based on EIR method.

b) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Under Indian GAAP, the Company accounted for long term investments in preference shares and mutual funds as investments measured at cost less provision for other than temporary diminution in the value of investments and current investments at lower of cost or market value. Under Ind AS, the Company has designated these investments as financial assets measured at fair value through profit or loss. Ind AS requires that investment designated at FVTPL, are measured at fair value. At the date of transition to Ind AS, difference between fair value and the Indian GAAP carrying value has been recognized in retained earnings. Subsequent to the date of transition to Ind AS, fair value gain or loss has been recognized to Statement of Profit and Loss.

c) Derivative Financial Instruments

The fair value of cross currency and interest rate swaps is recognized under Ind AS. Under Indian GAAP, there is no mandatory standard that deals with accounting of swaps, hence the same was not recognized. The swaps, which were designated as hedging instruments under Indian GAAP, have been designated as at the date of transition to Ind AS as hedging instruments in a cash flow hedge. The corresponding adjustments have been recognized as a separate component of equity, under the effective portion of cash flow hedge reserve.

d) Defined Benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire costs, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains or 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 the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income. Thus, the employee benefit cost is increased by ₹ 5.32 crore and remeasurement gain on defined benefit plan has been recognized in the other comprehensive income, net of tax.

e) Provisions

Under Indian GAAP, the Company has accounted for provisions, including long term provisions, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risk for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost. This led to a decrease in the provision for mines reclamation expenses on the date of transition by ₹ 12.37crore and which was adjusted to retained earnings.

f) Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12-Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of asset or liability in the balance sheet and its corresponding tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

MAT Credit entitlement is in the nature of deferred tax under Ind AS. Hence on transition to Ind AS MAT credit entitlement of ₹ 95.87 crore as on 01.07.2015 and ₹ 107.40 crore as on 31.03.2016 has been grouped under deferred tax assets from current tax assets.

g) Government Grants

Under Indian GAAP, Government grants in the nature of promoter's contribution are recognized to capital reserve. Under Ind AS, all Government grants has to be recognized to the Statement of Profit and Loss. Accordingly, Government grants recognized to the Statement of Profit and Loss. Further, the government grants credited to capital reserve under erstwhile Indian GAAP have also been reclassified to retained earnings as per Ind AS 101 - First Time Adoption of Indian Accounting Standards.

h) Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss accordingly, sale of goods under Ind AS for the Nine Months ended 31.03.2016 has increased by ₹ 676.32 crore.

Under Ind AS cash discount and other sale incentives are required to be netted off from sale of products which was accounted as expenses under Indian GAAP. Hence sale of products is decreased by ₹116.72 crore for the period ended 31.03.2016.

Under Ind AS when goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. Thus sale of products and cost of material consumed has been decreased by ₹ 21.20 crore for the period ended 31.03.2016.

i) Statement of Cash Flows

The impact of transition from Indian GAAP to Ind AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under Ind AS in balance Sheet, Statement of Profit and Loss and differences in the definition of cash and cash equivalents in Ind AS and Indian GAAP.

j) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are charged upfront to Statement of Profit and Loss for the period/year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit and Loss using effective interest method.

k) Other Comprehensive Income

Under Indian GAAP, the company has not presented Other Comprehensive Income (OCI) separately. Hence it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

l) Proposed Dividend and Tax on Proposed Dividend

Under Indian GAAP, proposed dividends including tax on proposed dividend are recognized as liability in the period to which they relate, irrespective of the approval by shareholders. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the Company (when approved by shareholders in a general meeting) or paid. Therefore, the proposed dividend and tax on proposed dividend of ₹ 58.70 crore as on 01.07.2015 has been derecognized and recognized in 2015-16 on approval by shareholders and payment.

59. Previous year figures have been regrouped and rearranged wherever necessary.

Signature to Note 1 to 59
For and on behalf of the Board

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

Place : Kolkata
Date : 16th May, 2017

B. G. Bangur
Chairman
DIN: 00244196

H. M. Bangur
Managing Director
DIN: 00244329

Prashant Bangur
Joint Managing Director
DIN: 00403621

S. S. Khandelwal
Company Secretary

O. P. Setia
Independent Director & Chairman of Audit and Risk Management Committee
DIN: 00244443

Subhash Jajoo
Chief Finance Officer

RATIO ANALYSIS

FINANCIAL PERFORMANCE RATIOS

	2012-13	2013-14	2014-15	2015-16	2016-17
Raw Material Cost / Total Turnover (%)	8.11	9.13	10.31	10.23	9.69
Fuel & Power Cost / Total Turnover (%)	23.98	21.07	22.01	18.14	15.21
Manpower & Admin Cost / Total Turnover (%)	7.02	7.88	8.72	8.68	8.97
Finance Cost / Total Turnover (%)	3.13	1.97	1.68	1.22	1.36
EBIDTA (With other Income) / Total Turnover (%)	28.36	24.06	20.65	33.60	30.27
EBIDTA (Without other Income) / Total Turnover (%)	31.41	21.24	18.72	22.73	24.93
Profit Before Depreciation& Tax (With other Income)/ Total Turnover (%)	25.22	22.09	18.96	32.37	28.91
Profit Before Depreciation & Tax (Without other Income) / Total Turnover (%)	22.17	19.26	17.04	21.50	23.56
Depreciation / Total Turnover (%)	7.06	8.40	12.89	13.37	12.79
Net Profit / Total Turnover (%)	16.27	12.03	5.94	18.47	14.10
Cash Profit / Total Turnover (%)	22.95	19.68	18.10	31.29	25.47
ROCE [PBIT (With other Income)/ Avg. Capital Employed] (%)	24.14	15.52	7.64	20.47	17.85
ROCE [PBIT (Without other Income)/ Avg. Capital Employed] (%)	20.68	12.48	5.62	9.47	12.39
Return on Net Worth (%)	26.13	16.16	7.36	22.83	16.75
Turnover / Average Capital Employed (%)	113.47	107.54	105.18	101.19	102.10
EBIDTA (With Other Income) / Net Turnover (%)	31.29	26.75	22.96	37.72	34.11
EBIDTA (Without Other Income) / Net Turnover (%)	27.92	23.61	20.82	25.52	28.08
Earnings Per Share (₹)	288.19	225.98	122.38	328.13	384.39
Cash Earning Per Share (₹)	406.34	369.74	372.81	556.02	694.45

BALANCE SHEET RATIOS

	2012-13	2013-14	2014-15	2015-16	2016-17
Debt -Equity Ratio (Times)	0.20	0.12	0.13	0.10	0.07
Debtors Turnover (Days)	18.62	16.54	24.23	14.60	12.88
Inventory Turnover (Days)	31.39	45.16	46.73	36.22	50.52
Current Ratio (Times)	1.60	1.56	1.61	1.56	1.65
Quick Ratio (Times)	1.23	1.02	0.98	0.86	0.99
Book Value Per Share (₹)	1,103.32	1,352.25	1,514.59	1,965.00	2,209.75

Notes:

1. The Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2016. Accordingly, the figures for the current year 2016-17 as well as of previous year 2015-16 are Ind AS compliant.
2. Figures for the Financial Year 2015-16 (being 9 months period) have been annualized wherever necessary.

CORPORATE INFORMATION

Board of Directors

Shri B. G. Bangur	-	Chairman
Shri H. M. Bangur	-	Managing Director
Shri Prashant Bangur	-	Joint Managing Director
Shri R. L. Gaggar		
Shri O. P. Setia		
Shri Shreekant Somany		
Dr. Y. K. Alagh		
Shri Nitin Desai		
Dr. Leena Srivastava		
Shri Sanjiv Krishnaji Shelgikar		
Shri Ramakant Sharma		

Senior Executives

Shri Diwakar Payal	-	President (Marketing)
Shri P.N. Chhangani	-	President (Works)
Shri Kuldeep Verma	-	Joint President (Marketing)
Shri Sanjay Mehta	-	Joint President (Commercial) and Chief Happiness Officer
Shri K.C. Gandhi	-	Joint President (Materials Management)
Shri Shrinath Savoor	-	Joint President (Strategy)
Shri Arvind Khicha	-	Senior Vice President (Commercial)
Shri M.M. Rathi	-	Senior Vice President (Power Plants)
Shri Vinay Saxena	-	Senior Vice President (Operations)
Shri R.K. Agarwal	-	Senior Vice President (Projects)
Shri Manoj Kumar Mahla	-	Vice President (P&A)
Shri Narip Bajwa	-	Vice President (Marketing)
Shri Himanshu Dewan	-	Vice President (Marketing)
Shri Sharad Rajvanshi	-	Vice President (Marketing)
Shri S.P. Nema	-	Vice President (Project)
Shri R.N. Dani	-	Vice President (Costing & MIS)
Shri S.K. Soni	-	Vice President (Sales Accounts)
Shri K.K. Jain	-	Vice President (Accounts & Contract Cell)
Shri Sanjay Jain	-	Vice President (Operations)
Shri S.C. Maheshwari	-	Vice President (Operations)
Shri A.K. Gupta	-	Vice President (Project - Civil)
Shri Sanjay Kumar Sharma	-	Vice President (P&A)
Shri N.C. Jain	-	Joint Vice President (Finance & Internal Audit)
Shri Anil Shukla	-	Joint Vice President (Purchase)
Shri Yogesh Mehta	-	Joint Vice President (Logistics)
Shri Devendra Tripathi	-	Joint Vice President (Logistics)
Shri Anil Kaushik	-	Joint Vice President (Marketing)
Shri K.K. Talwar	-	Joint Vice President (Marketing)
Shri S.K. Gupta	-	Joint Vice President (Project Accounts)
Shri A.K. Srivastav	-	Joint Vice President (Project - Mechanical)
Shri K.L. Mahajan	-	Joint Vice President (Operations)
Shri Manoranjan Kumar	-	Chief Information Officer (IT & ERP)

Company Secretary

Shri S. S. Khandelwal

Chief Finance Officer

Shri Subhash Jajoo

Bankers

State Bank of India
ICICI Bank Ltd.
Axis Bank Ltd.
Standard Chartered Bank
HDFC Bank Ltd.
DBS Bank Ltd.
The Bank of Tokyo-Mitsubishi UFJ Ltd.
JP Morgan Chase Bank N. A.
BNP Paribas
Sumitomo Mitsui Banking Corporation

Advertising Consultant

Shri Alyque Padamsee

Statutory Auditors

M/s. B R Maheswari & Co LLP, New Delhi

Secretarial Auditors

M/s. P. Pincha & Associates, Jaipur

Cost Auditors

M/s. K. G. Goyal & Associates, Jaipur

Internal Auditors

M/s. P. K. Ajmera & Co., Ahmedabad

Registered Office

Bangur Nagar, Beawar - 305 901,
Distt. Ajmer, Rajasthan
Phone: +91-1462-228101-06
Fax: +91-1462-228117/19
Toll Free No.: 1800 180 6003-04
website: www.shreecement.in
email: sclbwr@shreecementltd.com

Corporate Office

21, Strand Road, Kolkata - 700 001
Phone: +91-33-22390601-05
Fax: +91-33-22434226
email: sclcal@shreecementltd.com

COMPANY'S PLANTS & MARKETING OFFICES

Integrated Cement Plants and Power Plants

Beawar:
Bangur Nagar, Beawar - 305 901,
Distt.: Ajmer, Rajasthan (India)
Phone: +91-1462-228101-06
Fax: +91-1462-228117 / 228119
Email:shreebwr@shreecementltd.com

Ras:
Bangur City, Ras, Tehsil: Jaitaran - 306 107
Distt.: Pali, Rajasthan (India)
Phone: +91-1462-228101-06
Fax: +91-1462-228117 / 228119
Email:shreebwr@shreecementltd.com

Raipur:
Village Khapradih,
Tehsil- Simga,
Distt.: Balodabazar,
Chhattisgarh (India)
Phone: +91-771-2430007 / 2430023

Split 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:
Industrial Growth Centre, Biada, Near Jasoia
More, Post: Mojurahi, Distt.: Aurangabad, Bihar.

Bulandshahr:
12, Sikandrabad Industrial Area, Sikandrabad,
Distt.: Bulandshahr, Uttar Pradesh

Marketing Offices

Shree Ultra Cement	Bangur Cement	Rockstrong Cement
Delhi: 122-123, Hans Bhawan 1 Bahadur Shah Zafar Marg, New Delhi - 110 002 Phone: +91-11-23370828, 23379829 Fax: +91-11-23370499	**Delhi:** 6B, 6th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi - 110 001 Phone: +91-11-23702794-95 Fax: +91-11-23702796	**Delhi:** 10-A, DCM Building, 16-Barakhamba Road Connaught Place, New Delhi - 110 001 Phone: +91-11-23731084-85 Fax: +91-11-23731084
Jaipur: SB-187, 2nd Floor, Shree Corporate Tower Opp. Rajasthan University, JLN Marg, Jaipur - 302 015 Phone: +91-141-6611200 Fax: +91-141-6611219	**Jaipur:** SB-187, 3rd Floor, Shree Corporate Tower Opp. Rajasthan University, JLN Marg, Jaipur - 302 015 Phone: +91-141-6611000, 6611322 Fax: +91-141-6611315	**Jaipur:** SB-187, 4th Floor, Shree Corporate Tower Opp. Rajasthan University, JLN Marg, Jaipur - 302 015 Phone: +91-141-6611000 Fax: +91-141-6611421

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Members Feedback Form for
Shree Cement Limited
Annual Report 2016-17

SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)
Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119
E-Mail: shreebwr@shreecementltd.com **Website:** www.shreecement.in
CIN: L26943RJ1979PLC001935

Name: _____ e-mail id: _____

Address: _____

_____ Pin: _____

DP ID: _____ Client ID: _____

Folio No. (In case of physical holding): _____

No. of Equity Shares held: _____

Signature of Member

	Excellent	Very Good	Good	Satisfactory	Needs improvement
Statutory Section					
- Board's Report & MDA, Report on Corporate Governance & BRR					
- Reporting of Financial Statements					
Non-Statutory Section					
- Theme of Annual Report					
- Chairman, MD, Jt. MD, President (Marketing) and President (Works) Messages					
- Other theme based write-ups					

Suggest what other issues should be covered in the Report?

_____

_____

Suggest the areas, if any, where more details should be reported?

_____

_____

Please mail your feedback to:

S. S. Khandelwal
Company Secretary
Shree Cement Limited
Bangur Nagar, Beawar – 305 901, Distt. Ajmer, Rajasthan
Ph: +91-1462-228101-06 Fax: +91-1462-228117/119
E-mail: investor@shreecementltd.com



Cement Facilities of Company at Ras, Rajasthan

Research, Concept, Content, Design and Development by
marshmallow
A Creative Division of Metieta Advertising Pvt. Ltd.
ping@marshmallow.in

Shree Cement

www.shreecement.in

CIN No. L26943RJ1979PLC001935

Shree Cement

SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)
Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119
E-Mail: shreebwr@shreecementltd.com **Website:** www.shreecement.in
CIN: L26943RJ1979PLC001935

NOTICE

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the Members of **SHREE CEMENT LIMITED** will be held at the Registered Office of the Company at **"Rangmanch Auditorium", Bangur Nagar, Beawar – 305 901, District Ajmer (Rajasthan)** on Monday, 31st July, 2017 at 1.00 P.M., to transact the following business: -

Ordinary Business:

1. To receive, consider and adopt:

   a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017 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, 2017 and the Report of the Auditors thereon.

2. To confirm the payment of Interim Dividend for the financial year ended 31st March, 2017 and One-time Special Dividend on equity shares.

3. To declare final dividend on equity shares for the financial year ended 31st March, 2017.

4. To appoint a Director in place of Shri Ramakant Sharma (DIN:01556371), who retires by rotation and being eligible, offers himself for re-appointment.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   ''RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendations of the Audit and Risk Management Committee, M/s. Gupta & Dua, Chartered Accountants (Firm Registration No.: 003849N) be and are hereby appointed as the Statutory Auditors of the Company in place of retiring auditors M/s. B R Maheswari & Co LLP, Chartered Accountants (Firm Registration No. 001035N/N500050), to hold office from the conclusion of this 38th Annual General Meeting (AGM) till the conclusion of the 43rd AGM (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Special Business:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of 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 thereof, for the time being in force), the remuneration of ₹ 3,50,000/- (Rupees Three Lac Fifty Thousand only) plus applicable tax and out of pocket expenses payable to M/s. K.G. Goyal and Associates (Firm Registration No. 000024), Cost Accountants appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2018, be and is hereby ratified and confirmed."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Shri Prashant Bangur (DIN: 00403621), as Joint Managing Director of the Company for a period of five years w.e.f 1st April, 2017 upon such terms and conditions and remuneration as specified and set out in the annexed Explanatory Statement to the Notice convening this Annual General Meeting, with authority to the Board of Directors to alter or vary the same from time to time with effect from such date or dates and in such manner as may be agreed to between the Board of Directors and Shri Prashant Bangur."

"RESOLVED FURTHER THAT in absence or inadequacy of the profits in any Financial Year, Shri Prashant Bangur shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites, commission and other benefits as stated in the Explanatory Statement, subject however, to the necessary approvals/ceilings specified under Schedule V of the Companies Act, 2013 (including any statutory modification(s) and re-enactment thereof for the time being in force)."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to offer or invite subscriptions for secured redeemable non-convertible debentures, in one or more series / tranches during a period of one year from the date of passing of this resolution upto an amount not exceeding overall borrowing limits of the Company as approved from time to time on private placement basis to bank(s)/financial institution(s)/Trust(s)/ Pension Funds/Mutual Funds and other entities/individuals including but not limited to Multilateral Development Organization, Institutional Investors, Companies, other eligible investor(s) and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and to deal with all matters connected therewith or incidental thereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof formed for the purpose), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above resolution, including determining the terms and conditions of the secured non-convertible debentures."

By order of the Board
for **SHREE CEMENT LIMITED**

Place: Kolkata
Date: 16th May, 2017

S. S. KHANDELWAL
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING 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. 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 MEETING. A PROXY FORM IS SENT 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 Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.

3. Explanatory Statement setting out the material facts concerning each item of Special Business to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of Notice.

4. Members/ Proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. 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 Annual General Meeting and ending with the conclusion of the said meeting, provided he/she has given to the Company a notice, in writing, of his intention to inspect not less than three days before the commencement of the said meeting.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 25th July, 2017 to Monday, 31st July, 2017 (both days inclusive), for the purpose of payment of final dividend, if approved by the Members.

8. The final dividend, as recommended by the Board, if approved at the AGM, will be paid on or after 2nd August, 2017 to those Members:

   (i) whose names appear as Beneficial Owners in the list of Beneficial Owners as at the end of the business on 24th July, 2017 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose; and

   (ii) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agent ("RTA") viz. Karvy Computershare Private Limited on or before 24th July, 2017.

9. (A) The Company has transferred all unclaimed dividend declared upto the Accounting year 1994-95 to the General Revenue Account of the Central Govt. as required under Companies (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Pursuant to Section 125 of the Companies Act, 2013 all unclaimed/ unpaid dividends up to the financial year ended 31st March, 1995, transferred by the Company to the General Revenue Account of the Central Government, shall also be credited by the Central Government to the Investor Education and Protection Fund.

   (B) Pursuant to provisions of Section 205A of the Companies Act, 1956 /Section 124 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends for the years 1995-96 to 2009-10 (Interim Dividend) from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 12th August, 2016 (date of last Annual General Meeting) on the website of the Company (www.shreecement.in), as well as on the website of the Ministry of Corporate Affairs.

   The Members who have not yet encashed the dividend warrant(s) for the year 2009-10 (Final Dividend) and onwards are requested to approach to the Company with their warrants for re-validation.

The details of unpaid dividend and last date of transfer in IEPF are given hereunder:

Year	Type of Dividend	Dividend per share (₹)	Date of declaration of Dividend	Dividend Amount unpaid as on 31.03.2017 (₹ Lac)	Last date for transfer of unpaid dividend in Investor Educational and Protection Fund
2009-10	Final	8	14.08.2010	9.14	19.09.2017
2010-11	Interim	6	31.01.2011	6.57	06.03.2018
	Final	8	01.08.2011	9.27	06.09.2018
2011-12	First Interim	6	23.01.2012	7.40	28.02.2019
	Second Interim	6	15.05.2012	7.60	20.06.2019
	Final	8	16.10.2012	10.66	21.11.2019
2012-13	Interim	8	29.04.2013	11.27	04.06.2020
	Final	12	25.10.2013	18.13	30.11.2020
2013-14	First Interim	10	27.01.2014	16.75	04.03.2021
	Second Interim	12	25.08.2014	19.70	30.09.2021
2014-15	Interim	10	25.08.2014	16.41	30.09.2021
	Final	14	14.11.2015	22.29	20.12.2022
2015-16	First Interim	12	02.02.2016	18.12	10.03.2023
	Second Interim	12	10.03.2016	17.01	15.04.2023
2016-17	First Interim	16	12.08.2016	23.48	17.09.2023
	One-Time Special Dividend	100	30.01.2017	144.92	07.03.2024

Members may claim refund of their dividend which has been transferred in IEPF from the IEPF Authority by following the procedure prescribed under the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

(C) Pursuant to the enforcement of the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "Rules"), the Company is required to transfer the shares in respect of which dividends have remained unpaid/ unclaimed for a period of seven consecutive years or more to the Investor Education and Protection Fund (IEPF) Demat Account established by the Central Government. As required under the said rules, the Company has informed the individual shareholder whose shares are liable to be transferred and published a notice in newspaper. In case no claim is received from the shareholders, the Company will transfer the shares in favour of IEPF authority in the prescribed manner. However, once transferred, the shareholders can still claim the shares from IEPF authority by filing Form No. IEPF-5 in the prescribed manner.

10. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The Company and its Registrar and Share Transfer Agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also required to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialized form and with the Registrar & Share Transfer Agent (R&T) in respect of shares held in physical form.

11. 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 made available at the commencement of the meeting and shall remain open and accessible to the Members during the continuance of the meeting.
12. 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, during business hours up to the date of the Meeting.
13. Karvy Computershare Pvt. Ltd. is acting as Share Transfer Agent (RTA) for both physical and electronic form of shareholdings. All communications relating to shares should be addressed to:-

    Karvy Computershare Pvt. Ltd.

    Unit: **SHREE CEMENT LIMITED**

    Karvy Selenium Tower B, Plot No 31 & 32,

    Gachibowli, Financial District,

    Nanakramguda, Serilingampally,

    Hyderabad – 500 032

    Attn: Mr. K.S. Reddy, Assistant General Manager
14. 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, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar viz. Karvy Computershare Pvt. Ltd. / Company.
15. 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 RTA or can download from the Company's website viz. www.shreecement.in under the section 'Investor Center'. Members holding shares in electronic form (demat mode) shall approach their DPs for completing the nomination formalities.
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
17. Non-Resident Indian Members are requested to inform R&T, immediately on:
    (a) Change in their residential status on return to India for permanent settlement;
    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.
18. 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 meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail ID's with the Company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs). If there is any change in the e-mail ID already registered with the Company, 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 electronic form.
19. Notice of this Annual General Meeting and the Annual Report of the Company for the year 2016-17 will also be available on the website of the company viz. www.shreecement.in.
20. **Instructions for E-Voting and other instructions relating thereto are as under:**
    (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting 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 meeting but shall not be entitled to cast their vote again at the AGM.
    (iii) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide remote e-voting facility.

(iv) The Board of Directors of the Company has appointed Shri Pradeep Pincha, Practicing Company Secretary, as Scrutinizer to scrutinize the remote e-voting in a fair and transparent manner.

(v) Voting rights of the shareholders (for voting through remote e-voting or through polling papers at the meeting) shall be in proportion to share of the paid-up equity share capital of the Company as on the cut-off date i.e. 24th July, 2017. 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 meeting.

(vi) Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 24th July, 2017, may obtain the User ID and password in the manner as mentioned below:

(a) If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS : **MYEPWD**<space>E-Voting Event Number+Folio No. or **MYEPWD**<space>DP ID Client ID to **9212993399**

Example for NSDL:

MYEPWD<SPACE>IN12345612345678

Example for CDSL:

MYEPWD<SPACE>1402345612345678

Example for Physical:

MYEPWD<SPACE>XXXXSCL12345

(b) If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

(c) Member may call Karvy's toll free number 1-800-3454-001.

(d) Member may also send an e-mail request to evoting@karvy.com.

(vii) If the Member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

(viii) Instructions and other information relating to remote e-voting:

A. In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the RTA/ Depository Participant(s)]:

(a) Launch internet browser by typing the URL: https://evoting.karvy.com

(b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.com or contact toll free number 1-800-3454-001 for your existing password.

(c) After entering these details appropriately, click on "LOGIN".

(d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(e) You need to login again with the new credentials.

(f) On successful login, the system will prompt you to select the E-Voting Event Number for Shree Cement Limited.

(g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

(h) Members holding shares under multiple folios / demat accounts shall choose the

voting process separately for each of the folios / demat accounts.

(i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

(j) You may then cast your vote by selecting an appropriate option and click on "Submit".

(k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF/JPEG Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: ppincha@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "SHREE CEMENT LIMITED_EVENT NO."

B. In case a Member receives physical copy of the Notice by Post [for Members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

(a) User ID and initial password - These will be sent separately.

(b) Please follow all steps from Sr. No. (a) to (l) as mentioned at point no. (A) above, to cast your vote.

(ix) The remote e-voting facility will be available during the following period:

(a) Commencement of remote e-voting: 9.00 A.M. (IST) on 28th July, 2017

(b) End of remote e-voting: 5.00 P.M. (IST) on 30th July, 2017

(c) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

(d) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting i.e. 31st July, 2017.

(x) A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled by Karvy for voting thereafter and the facility shall be blocked therewith.

(xi) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

(xii) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website i.e. https://evoting.karvy.com or write an email to Shri S.S. Khandelwal, Company Secretary at khandelwalss@shreecementltd.com.

ANNEXURE TO THE NOTICE DATED 16TH MAY, 2017

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

[This Explanatory Statement is provided for information of the members though not required as per Section 102 of the Companies Act, 2013]

Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("Act") read with applicable Rules framed thereunder, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provides for additional transition period of three years from the commencement of the Act i.e. 1st April, 2014. M/s B R Maheswari & Co LLP, Chartered Accountants, who are Statutory Auditors of the Company, complete their term as Statutory Auditors (including additional transition period of three years) on the conclusion of the 38th Annual General Meeting of Members of the Company.

In view of the above, M/s Gupta and Dua, Chartered Accountants (Firm Registration No. 003849N) have been proposed by the Board to be appointed as Statutory Auditors of the Company for a term of five years commencing from the conclusion of this 38th Annual General Meeting (AGM) till the conclusion of the 43rd AGM, subject to ratification of their appointment at every AGM, if so required under the Act.

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. 5 of the Notice for approval by the Members.

Item No. 6

The Board of Directors of your Company on the recommendation of the Audit and Risk Management Committee had 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 the cost records of the Company for the financial year ending on 31st March, 2018.

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 has 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, 2018.

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. 6 of the Notice for approval by the Members.

Item No. 7

Shri Prashant Bangur, was appointed as Whole Time Director (Re-designated as Joint Managing Director w.e.f. 2nd February, 2016) of the Company for a period of 5 years w.e.f. 23rd August, 2012. His tenure as Joint Managing Director would expire on 22nd August, 2017.

Under the stewardship of Shri Bangur, Company has made considerable growth. The Cement Capacity of the Company has more than doubled from 13.50 MTPA in year 2012-13 to 29.30 MTPA in the year 2016-17. The Market Cap of the Company increased from ₹ 12,000 Crore to more than ₹ 50,000 Crore. The Company is today standing in top 100 listed Companies of India in terms of Market Capitalization.

Considering the involvement of Shri Bangur in the business of the Company and growth of the Company during his tenure, the Board of Directors of the Company in its meeting held on 30th January, 2017 on the recommendation of Nomination cum Remuneration Committee, foreclosed the existing term of Shri Prashant Bangur as Joint Managing Director w.e.f. close of business hours of 31st March, 2017 and re-appointed him for a new term of 5 years w.e.f. 1st April, 2017 on the following terms & conditions subject to approval of members:

(a) Period of Appointment: 5 (Five) years w.e.f. 1st April, 2017.

(b) Annual Remuneration:

Total Annual Remuneration including Salary, contribution to Provident & Superannuation Fund, allowances and perquisites [excluding commission and other benefits as mentioned in point nos. (c) and

(d) below] would be ₹ 1000 lac for the year 2017-18 starting from 1st April, 2017 and same shall be payable in such manner as may be agreed to between the Company and Shri Prashant Bangur.

The annual increment in the Remuneration from Financial Year 2018-19 onwards will be decided by the Board of Directors of the Company.

(c) Commission:

Such commission on net profits as may be decided by the Board of Directors in its absolute discretion for each financial year or part thereof.

(d) Other Benefits

Shri Prashant Bangur is entitled to the following benefits in addition to the Annual Remuneration mentioned at point no. (b) and Commission mentioned at point no. (c) above:

(1) Medical Reimbursement: All expenses incurred for self and family in India and/or abroad including hospitalization, nursing home and surgical treatment shall be reimbursed at actual.

(2) Conveyance Facility: The Company shall provide vehicle(s) for both business and personal use and bear all expenses relating to such vehicles, fuel costs, repairs, maintenance, running expenses including driver(s) salary etc.

(3) Club Fee: Payment of fees of clubs including admission and life membership fee.

(4) Telephone, Internet Connection and other communication facilities: The Company shall bear all expenses regarding telephone, internet connectivity and other communication facilities at his residence.

(5) Personal Accident: As per rules of the Company.

(6) Leave Entitlement: Entitled for leave with full pay or encashment thereof as per rules of the Company.

(7) Gratuity: As per the rules of the Company.

The Board is further empowered to make any variation in terms & conditions as to remuneration of Shri Prashant Bangur as may be mutually agreed and subject to such approvals as may be required and within the applicable limits as may be prescribed under Section 196 and 197 read with Schedule V of the Companies Act, 2013.

Minimum Remuneration:

In the absence or inadequacy of the profits in any year, Shri Prashant Bangur shall be entitled to receive and be paid the above remuneration as minimum remuneration in that year by way of salary and other benefits as stated above, subject, however, to the necessary approvals/ceiling specified under Schedule V of the Companies Act, 2013.

Shri Prashant Bangur, being appointee, interested in the resolution. Shri B.G. Bangur and Shri H.M. Bangur, Directors of the Company being relatives are considered interested in the said resolution. The other relatives of Shri Prashant Bangur may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, 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 Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

Item No. 8

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under Section 42 of the Act deals with private placement of securities by a Company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the Company is required to obtain previous approval of its shareholders by way of special resolution once in a year for all the offers or invitations during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of debentures.

Keeping in view the above provisions of the Companies Act, 2013 the Members of the Company, at the 37th Annual General Meeting held on 12th August, 2016, had authorised the Board of Directors of the Company to offer or invite

subscription for non-convertible debentures, in one or more tranches, upto an amount not exceeding overall borrowing limits of the Company. The Members may note that the Company has not made any private placement of non-convertible debentures pursuant to the said authorization.

To augment the financial resources, the Board may, at an appropriate time, offer or invite subscription for secured redeemable non-convertible debentures, in one or more series / tranches on private placement basis. Accordingly, consent of the Members is sought for passing the Special Resolution as set out at Item No. 8 of the Notice. This resolution is an enabling resolution and authorises the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the date of passing this Resolution.

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 Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

By order of the Board
for **SHREE CEMENT LIMITED**

Place: Kolkata
Date: 16th May, 2017

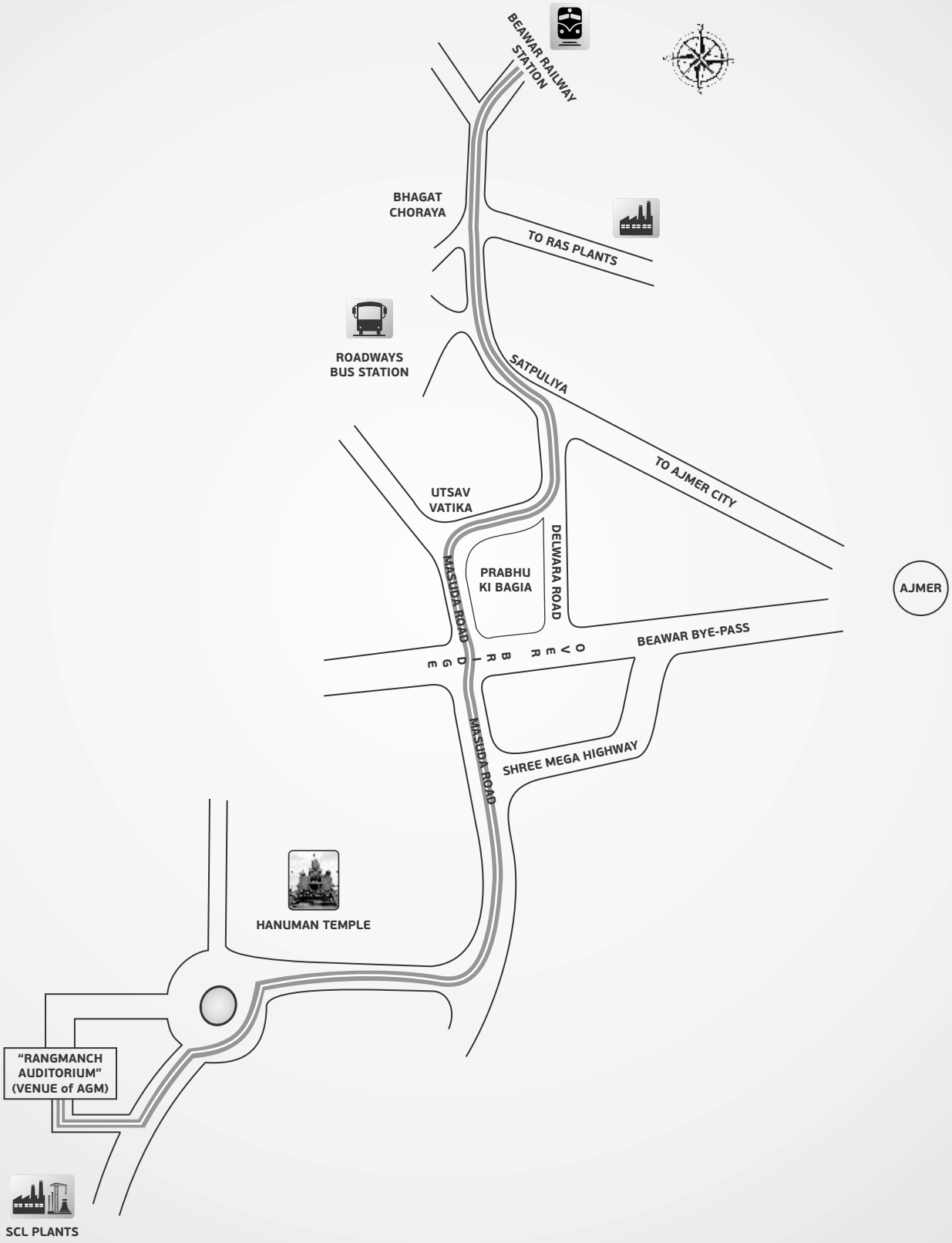
S. S. KHANDELWAL
Company Secretary

ANNEXURE TO ITEM NOS. 4 & 7

As required under Regulation 36(3) of Listing Regulations and Secretarial Standard on General Meeting (SS-2) the details of Directors who are proposed to be appointed/ re-appointed are given below and form part of Notice.

Sl No.	Nature of Information	Item No. 4 of Notice	Item No. 7 of Notice
1	Name	Shri Ramakant Sharma	Shri Prashant Bangur
2	Date of Birth / Age	17th February, 1944 / 73 Years	22nd June, 1980 / 37 Years
3	Nationality	Indian	Indian
4	Date of First Appointment	27th December, 2013	23rd August, 2012
5	Qualification	B. Sc.	B.Sc., M.B.A.
6	Nature of expertise in specific functional area	Public Relationship	Business Planning and Corporate Management
7	Experience (No. of years)	48 Years	13 Years
8	Relationships between Directors / KMP inter-se	N.A.	Son of Shri H.M. Bangur, Managing Director and Grandson of Shri B.G. Bangur, Chairman
9	Shareholding in the Company	Nil	57,475 equity shares
10	No. of Board meetings attended during FY 16-17	Four	Four
11	Directorship in other Companies	Nil	- Khemka Properties Pvt. Ltd - Indian Chamber of Commerce, Calcutta - Ragini Properties Private Limited
12	Chairman / Member of Committee(s) of the Board of the Company	1. Corporate Social and Business Responsibility Committee - Member	1. Audit and Risk Management Committee - Member 2. Corporate Social and Business Responsibility Committee - Member 3. Business Operations Committee - Member 4. Share Transfer Committee - Member
13	Chairman / Member of Committee(s) of the Board of other Public Limited Companies	Nil	Nil
14	Remuneration last drawn	N.A.	Last remuneration drawn is provided in Corporate Governance Section of the Annual Report and Annexure – 6 to the Board's Report

ROUTE MAP TO THE VENUE OF THE 38th AGM OF THE COMPANY



Shree Cement

SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)
Phone: EPABX +91-1462-228101-6 **Fax:** +91-1462-228117/119
E-Mail: shreebwr@shreecementltd.com **Website:** www.shreecement.in
CIN: L26943RJ1979PLC001935

Dear Shareholder,

Subject: Registration of your email ID with the Depository Participant / Company

The Companies Act, 2013 allows the Companies to send annual report /notices/documents and other communication to Shareholders through electronic mode and also provides that an advance opportunity at-least once in a Financial year to be given to the members for registering their e-mail addresses and changes therein.

Your company, accordingly, proposes to effect delivery of annual report/notices/documents and other communication, from time to time, in electronic mode through e-mail, to those members who have provided their e-mail address. Your Company therefore requests you to register your e-mail address with your Depository Participant/Company to receive annual report /notices/documents and other communication in electronic form.

The members are requested to notify the change, from time to time, in their e-mail address to the concerned depository (in case of dematerialized shares) or to the Company / R & T Agent (in case of physical shares), as the case may be.

Thanking you,

Yours faithfully,

S. S. KHANDELWAL
Company Secretary
Encl: E-Mail Registration Form

E-Mail Registration Form
(For members holding shares in physical form only)

To,

M/s Karvy Computershare Private Ltd.
Unit: **Shree Cement Limited**
Karvy Selenium Tower B,
Plot No 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032
Phone No.: +91-40-67161526

M/s. Shree Cement Limited,
Secretarial Department,
Bangur Nagar,
Beawar-305 901,
Distt. Ajmer (Rajasthan)

Folio No.: _____

Name of the 1st Registered Holder: _____

E-Mail address: _____

Contact No.: _____

I/We, member(s) of Shree Cement Limited hereby give my /our consent to receive the annual report / notices / documents and other communications, from time to time, in electronic mode through my/our above e-mail address.

_____
Signature 1st Registered Holder

Place:

Date :

SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)
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CIN: L26943RJ1979PLC001935

FORM NO. SH-13
NOMINATION FORM

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,

SHREE CEMENT LIMITED,
C/o. Karvy Computershare Pvt Ltd,
Attn: Mr. K. S. Reddy
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032

I/We ..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF THE NOMINEE/S -

a)	Name	
b)	Date of Birth	
c)	Father's/Mother's/Spouse's name	
d)	Occupation	
e)	Nationality	
f)	Address	
g)	E-mail id	
h)	Relationship with the Security holder	

(3) IN CASE NOMINEE IS A MINOR -

a)	Date of Birth	
b)	Date of attaining majority	
c)	Name of guardian	
d)	Address of Guardian	

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY -

a)	Name	
b)	Date of Birth	
c)	Father's/Mother's/Spouse's name	
d)	Occupation	
e)	Nationality	
f)	Address	
g)	E-mail id	
h)	Relationship with the Security holder	
(i)	Relationship with the minor nominee	

Name and address of Guardian (to be furnished only in the case the nominee is minor)

.....

.....

Specimen signature of Nominee / Guardian (in case of nominee is minor)

Signature of Security Holder .....

Name and address of the Security Holder .....

.....

.....

Signature of Witness .....

Name & Address of the Witness .....

.....

.....

INSTRUCTIONS :

1. Please read the instructions given below very carefully and follow the same. If the form is not filed as per instructions, the same will be rejected.
2. The cancellation or variation of nomination can be made by Individuals holding shares on their own behalf singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta or Hindu Undivided Family, Holders of Power of Attorney cannot nominate.
3. If in any case a Minor is nominated by way of variation in nomination, the name and address of the Guardian should be provided.
4. Details of all holders in a folio need to be filled. Else the request will be rejected.
5. The cancellation or variation of nomination will be registered only when it is complete in all respects including the signature of all registered holders (as per the specimen lodged with the company).
6. The cancellation or variation of Nomination form shall be filed in duplicate with the Share Transfer Agents M/s. Karvy Computershare Pvt. Ltd., Unit: Shree Cement Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, who will return one copy thereof to the Shareholders. Along with the form, proof of identity (eg. PAN card, Passport etc.) and address proof (eg. Telephone bill, Electricity Bill etc.) of security holder is also required.
7. Upon receipt of a duly executed nomination form, the Company/Share Transfer Agent of the Company will register the form and allot a registration number. The registration number and Folio number should be quoted by the nominee in all future correspondence.
8. This form is meant for shareholders holding shares in physical mode.
9. Shareholders holding shares in dematerialized mode, cancellation/variation in nomination is required to be filled with the Depository Participants (DPs) in their prescribed form.

FOR OFFICE USE ONLY

Nomination Registration Number and Date:

Share Registrar/Company Seal

SHREE CEMENT LIMITED

Regd. Office: Bangur Nagar, Beawar-305 901, District: Ajmer (Rajasthan)
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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 38th Annual General Meeting, to be held on Monday, 31st July, 2017 at 1.00 P.M. at the Registered Office of the Company at **'Rangmanch Auditorium'**, Bangur Nagar, Beawar – 305 901, District Ajmer (Rajasthan) and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

P.T.O.

Resolution No.	Description	For*	Against*
1.	Adoption of Audited financial statements of the Company for the financial year ended 31st March, 2017, the reports of the Board of Directors' and Auditors thereon.		
2.	Confirmation of payment of Interim Dividend and One-time Special Dividend on equity shares.		
3.	To declare Final Dividend on equity shares.		
4.	Re-appointment of Shri Ramakant Sharma, Director of the Company, retires by rotation.		
5.	Appointment of M/s. Gupta & Dua, Chartered Accountants as Statutory Auditors of the Company.		
6.	Approval of the remuneration of the M/s. K.G. Goyal and Associates, Cost Accountants as Cost Auditors of the Company for the financial year ending on 31st March, 2018.		
7.	Approval of re-appointment of Shri Prashant Bangur as Joint Managing Director of the Company for a period of five years w.e.f 1st April, 2017.		
8.	Authorization to Board of Directors for issue of Secured Non-convertible Debentures (NCDs) through Private Placement pursuant to Section 42 & 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.		

* 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 _____ 2017.

Affix 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

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ATTENDANCE SLIP

(to be surrendered at the time of entry)

38TH ANNUAL GENERAL MEETING

Serial No. : _____

Name and Registered Address : _____

_____

_____

_____

Name of Joint Holders : _____

DPID & Client ID / Folio No. : _____

No. of Shares held : _____

Name of Proxy/Representative, if any : _____

I/We hereby record my/our presence at the **38th ANNUAL GENERAL MEETING** of the Members of the Company to be held on Monday, 31st July, 2017 at 1.00 P.M. at **"Rangmanch Auditorium"**, Bangur Nagar, Beawar – 305 901 Distt. Ajmer (Rajasthan).

_____
Signature of Member/Proxy/Representative

Note: Shareholders/Proxy/Representatives are requested to produce this Attendance Slip signed, for admission to meeting venue. The admission may, however, be subject to further verification/checks, as may be deemed necessary.

tear here

SHREE CEMENT LIMITED

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ELECTRONIC VOTING PARTICULARS

38TH ANNUAL GENERAL MEETING

EVEN (Electronic Voting Event Number)	User ID	Password / PIN

Note: Please read the instructions printed under the Note No. 20 to the Notice of the 38th Annual General Meeting. The facility of remote e-voting shall commence at 9.00 A.M. (IST) on 28th July, 2017 and shall remain open upto 5.00 P.M. (IST) on 30th July, 2017. The Voting module shall be disabled by Karvy Computershare Private Limited for voting after 5.00 P.M. on 30th July, 2017.