



SHREE CEMENT LTD.

CHAIRMAN'S SPEECH

34th ANNUAL GENERAL MEETING

Date: 25TH OCTOBER 2013



Shri B.G. Bangur, Chairman

My dear Shareholders, Friends and Colleagues,

Good Morning!!

I welcome you all to the 34th Annual General Meeting of our Company. **It has been a year of continuous growth for the company.**

The Indian economy has grown at 5% during the year which is lower compared to preceding years. Among other factors, the economy was impacted by decelerating GDP growth, rising fiscal & current account deficits and high inflation which has resulted in a lackluster investment momentum in industry, infrastructure, and other sectors of the Indian economy. Considered against this backdrop of a tough economic environment, your Company has delivered a commendable performance across all its key performance parameters.

The most noteworthy achievement of the year 2012-13 is the Rs.1000 Crore mark in its net profit which the Company has crossed for the first time. The turnover stood at Rs. 5590 Crores for the year under review recording a growth of 20.5% on an annualized basis. The operating profit at Rs.1749.25 crore also clocked an annualized growth of 20.9%. Both Cement and Power businesses have shown satisfactory results.

I am pleased to share that your Company has recommended a dividend of Rs 12 per share which together with interim dividend of Rs. 8 per share adds upto Rs. 20 for the year and displays a growth of 25% on annualized basis.

Going forward, the macro-economic parameters are not expected to show any major trend reversal. Accordingly, cement industry may see continuation of the dull trend for some more time.

Even as economic conditions continue to remain challenging, your Company has embarked on a new chapter of growth to create 25 MTPA cement capacity by 2015. While your Company has been consolidating its position further in the North India cement market by adding further capacity, it has taken concrete steps to create its foothold in East India market. The Company is well on its course to achieve its new target.

Your Company has received many awards some of which are as below:-

- “International Green Apple Award” for environmental best practices by England-based “The Green Organization” presented at the House of Commons, London.
- “Mother Teresa Award for Corporate Citizen 2012” in recognition of various “Samaj Sewa Work” done for nearby community by Loyola Institute of Business Administration, Chennai
- “Social and Corporate Governance Award 2013” in recognition of its Corporate Governance Practices and CSR activities by Bombay Stock Exchange (BSE)

- “Golden Peacock Business Excellence Award” for the year 2013 for Business Excellence achievements in manufacturing globally by ‘Institute of Directors’ Delhi during the Dubai Global Convention on Business Excellence
- “Global HR Excellence Award” for Innovative HR Practices and HR Research at World HRD Congress
- “Nirmata Rajya Mitra Award” by Department of Taxes, Govt. of Rajasthan for maximum tax payment for the year 2011- 12 in “manufacturer category”.

People remain the main pillar of your Company and key contributor to its continued growth. Hence, development of human capital remains our top priority. We ensure that our people have ample opportunities for personal and professional growth. We work on a unique happiness model which seeks to create joy and delight in its people while working for the Company. As a result we have been able to build a spirit and culture of “Business Unusual”. All efforts put in by one and all are driven by unusual blend of innovation, creativity, vision, commitment and spirit of our people which makes the Company’s business a Business Unusual. A high engagement level of its people which stands at 86% as also high retention rate of 94% speaks for itself about the people strength of the Company.

We at Shree are well aware that an organization's commitment to societal value creation is rewarded with a sustainability dimension. We have also experienced that clean and green is profitable. Our sustainability focus is well ingrained in our business strategies and practices.

Our increasing "Green power" generation, use of synthetic gypsum, greater use of fly ash (waste of power plants) and continual creation of new benchmarks on energy efficiency front, both in cement and power operations, are some initiatives that manifest our commitment for the green cause of our planet.

We have aptly named our social activities as "Samaj Sewa" as this is more of a voluntary act at Shree. Our Shree ki Pathshala, Mamta, regular health camps and many other educational, healthcare, sustainable livelihood creation initiatives give a helping hand to local communities surrounding our operations. Recently, Shree ladies club (a club of better halves of our people) with volunteers from Shree Cement, organized a mega scale blood donation camp at all locations of the Company. A total 3678 blood units were collected which is unique and is **a record in Indian Corporate world.**

We have thus well demonstrated that Business and industry can make an invaluable contribution beyond profit to serve the people and preserve the planet.

Before I conclude, I would like to thank our people for their commitment which has enabled the Company create new benchmarks of performance year after year. I also thank our shareholders, lenders, suppliers, customers, government and its various agencies and other stakeholders for their support, faith and trust without whom, our continued growth momentum would not have been possible. I would also thank my fellow Board members for their unstinted support and guidance.

I wish all our stakeholders happiness and prosperity.

Thank You,

B. G. Bangur
Chairman

Beawar,
25th October, 2013