



9th July, 2019

BSE Limited
PJ Towers, Dalal Street
Mumbai – 400001

Dear Sir / Madam,

Sub: Annual General Meeting of members of the Company, soft Copy of Annual Report, Book Closure and E-voting


Pursuant to Regulation(s) 30, 36, 42 & 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are submitting herewith the following information/document:

- A) Regulation 30**
Notice of Annual General Meeting (AGM) of the Company scheduled to be held on Monday, 5th August, 2019.
- B) Regulation 36**
Soft copy of full version of the Annual Report for the FY 2018-19 including, Notice of AGM of the Company scheduled to be held on 5th August, 2019 alongwith Proxy Form, Attendance Slip and Route Map of AGM Venue, as being sent to the Shareholders electronically who have registered their email ids. The same is also available at the Company's website.
- C) Regulation 42**
The Register of Members and the Share Transfer Books of the Company shall remain closed from 30th July, 2019 to 5th August, 2019 (both days inclusive) for annual closing.
- D) Regulation 44**
The Company is also providing e-voting facility to its Shareholders in respect of Resolutions to be passed at the AGM. The Company has engaged the services of Link In-time India Pvt Ltd. (LIPL), as the authorized agency to provide remote e-voting facility. The remote e-voting facility shall be kept open from 10.00 a.m. on 2nd August, 2019 to 5.00 p.m. on 4th August, 2019 for all Shareholders, holding shares (either in physical form or in dematerialized form) as on the cut-off date i.e., 29th July, 2019, to cast their votes electronically. The detailed instructions with respect to voting have been mentioned in the Notice of AGM.

Thanking you,

Yours faithfully,

For Shree Digvijay Cement Company Limited


Suresh Meher
Vice President (Legal) & Company Secretary

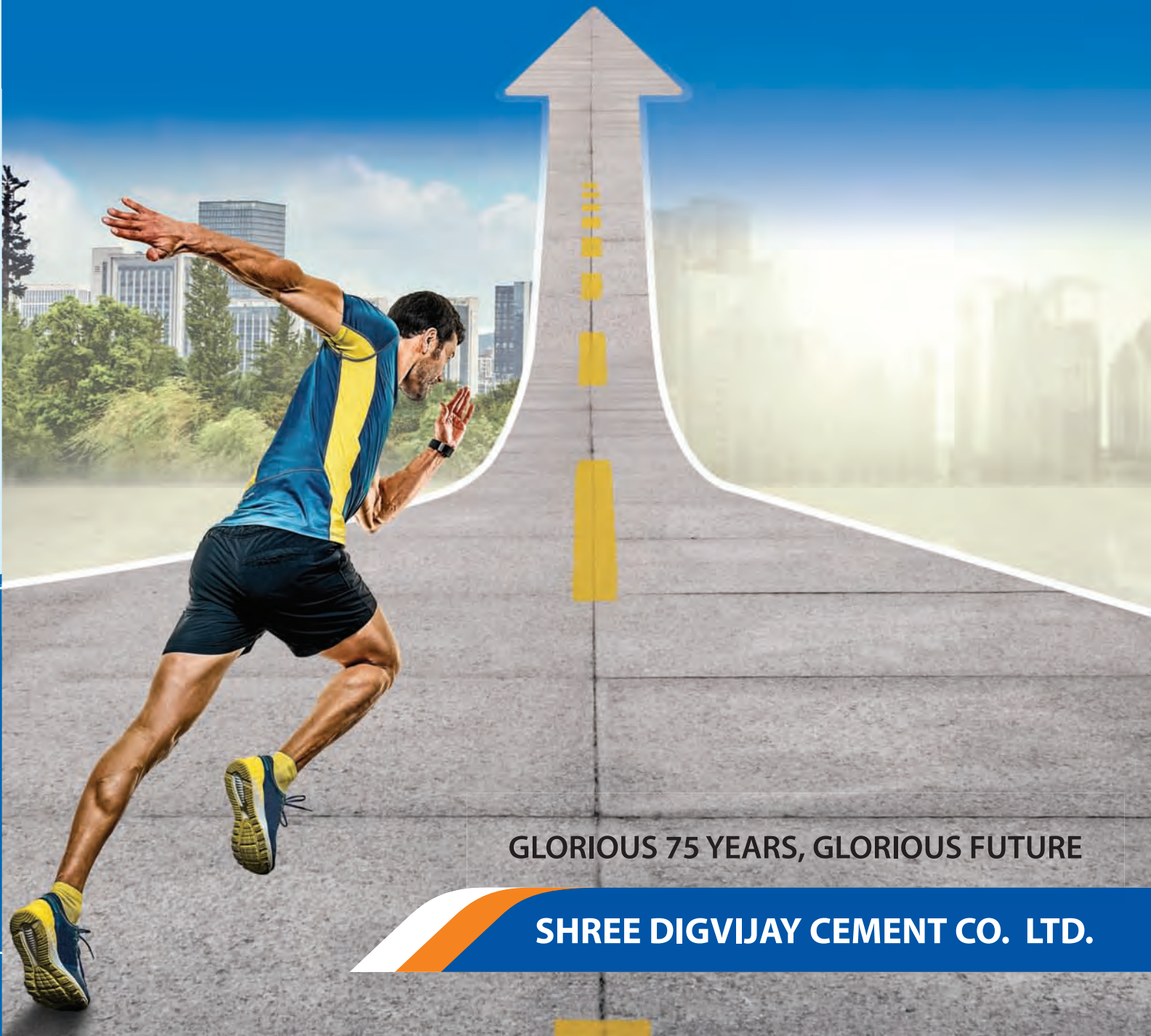
Encl: as above

**SHREE DIGVIJAY
CEMENT CO. LTD.**

Regd. Office & Works: P.O Digvijaygram 361 140, Jamnagar, Gujarat, India.
Call +91 288 2344 272 / 75 | Fax +91 288 2344 092 | Web www.digvijaycement.co
CIN: L26940GJ1944PLC000749



74TH
ANNUAL REPORT
2018-19



GLORIOUS 75 YEARS, GLORIOUS FUTURE

SHREE DIGVIJAY CEMENT CO. LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Mr. Anil Singhvi
- Executive Chairman
(from 30th April, 2019)
- Mr. A. K. Chhatwani
- Independent Director
- Mr. A. Kumaresan
- Independent Director
- Mr. Mahesh Gupta
- Independent Director
(from 30th April, 2019)
- Ms. Mini Menon
- Independent Director
(from 30th April, 2019)
- Mr. Pramod Kabra
- Non-Executive Non-Independent Director
(from 30th April, 2019)
- Mr. K.K. Rajeev Nambiar
- CEO & Managing Director
- Mr. Jorge Alejandro Wagner
- Non-Executive Non-Independent Director
(till 30th April, 2019)
- Mr. Persio Morassutti
- Non-Executive Non-Independent Director
(till 30th April, 2019)
- Ms. Meike Albrecht
- Non-Executive Non-Independent Director
(till 30th April, 2019)

AUDIT COMMITTEE

- Mr. A. K. Chhatwani - Chairman
Mr. Mahesh Gupta - Member
Ms. Mini Menon - Member
Mr. Anil Singhvi - Member
Mr. Pramod Kabra - Member

NOMINATION AND REMUNERATION COMMITTEE

- Mr. Mahesh Gupta - Chairman
Mr. Anil Singhvi - Member
Ms. Mini Menon - Member
Mr. Pramod Kabra - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

- Ms. Mini Menon - Chairman
Mr. Pramod Kabra - Member
Mr. Anil Singhvi - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. Anil Singhvi - Chairman
Mr. Pramod Kabra - Member
Mr. Rajeev Nambiar - Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Suresh Meher- V. P. (Legal) and Company Secretary

EXECUTIVES

- Mr. Vikas Kumar - CFO
Mr. P.R.Singh - V. P. (Marketing)
Mr. T.L. Narendran - V. P. (Project & Procurement)
Dr. Girish Mehta - V. P. (HR & Logistics)
Mr. R.Krishnakumar - V. P. (Manufacturing)

AUDITORS

BSR & Associates LLP,
Chartered Accountants,
(Firm Registration No.116231W/W-100024)
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M.Joshi Marg,
Mahalaxmi,
Mumbai- 400 011

COST AUDITORS

M/s Kiran J. Mehta & Co.
Cost Accountants
257, Ellis Bridge Shopping Centre,
Ahmedabad- 380 006

SECRETARIAL AUDITORS

M/s Manoj Hurkat & Associates
Practising Company Secretaries
306, Arth Complex, B/h. L.G. Showroom
Navrangpura,
Ahmedabad - 380009

REGISTERED OFFICE AND WORKS

P.O. Digvijaygram – 361 140
Via. Jamnagar (Gujarat)

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Unit – Shree Digvijay Cement Co. Ltd.)
C-201, 247 Park
LBS Marg, Vikhroli (West)
Mumbai – 400 083

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FORM OF PROXY

ATTENDANCE SLIP

SHREE DIGVIJAY CEMENT CO. LTD.



GLORIOUS 75 YEARS... GLORIOUS FUTURE

SHREE DIGVIJAY CEMENT CO. LTD is extremely proud to be marking its 75th anniversary – a significant milestone that very few companies achieve. It is particularly gratifying to be celebrating this anniversary as the future for cement business looks so bright with demand being more sustainable. Your company is poised to grow and deliver long years of consistent performance in the further years to come.

With a deep understanding of market insights, your company continues to drive innovation across operations and adapted the go-to-market strategies, taking into account the diversity and the evolving channels of distribution. To strengthen our presence in the evolving markets, we have created new customer loyalty programmes and focus on promoting of blended cements. Simultaneously, we recognized the need for responsible growth and focused on creating greener and more efficient manufacturing with utilization of waste fuels, more efficient energy consumption and lesser generation of waste.

One of the major strengths of your company continues to be relentless focus on operations and cost efficiencies with close to 100% capacity utilization. I would also like to thank you, all our shareholders, for your continued support in our journey to deliver value to all our stakeholders.

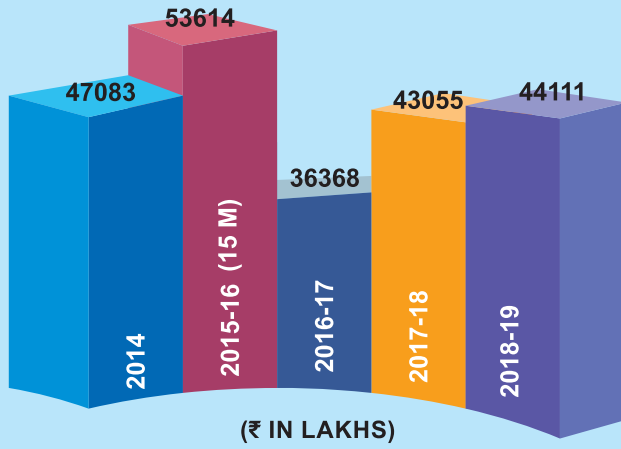
Best Regards,

K.K Rajeev Nambiar

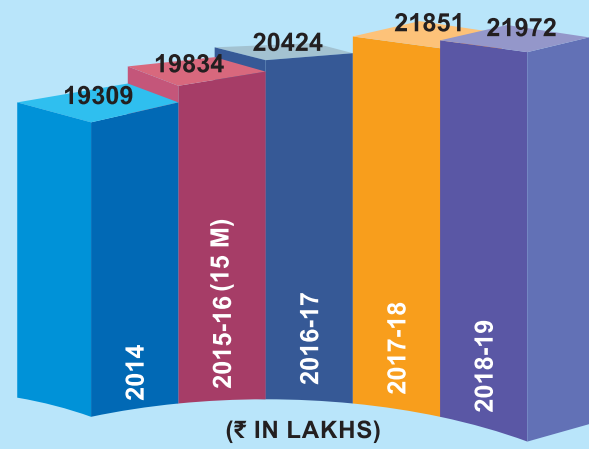
CEO & Managing Director

KEY PERFORMANCE INDICATORS

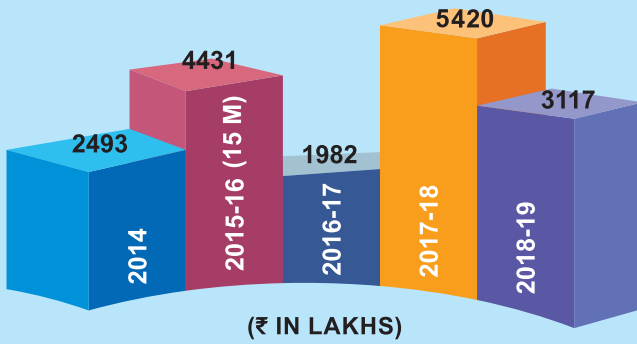
REVENUE GROWTH



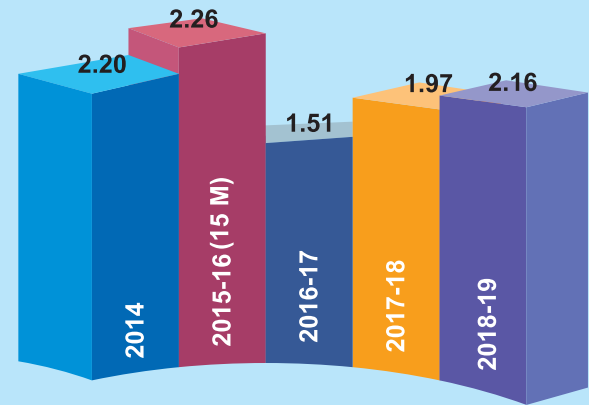
NET WORTH



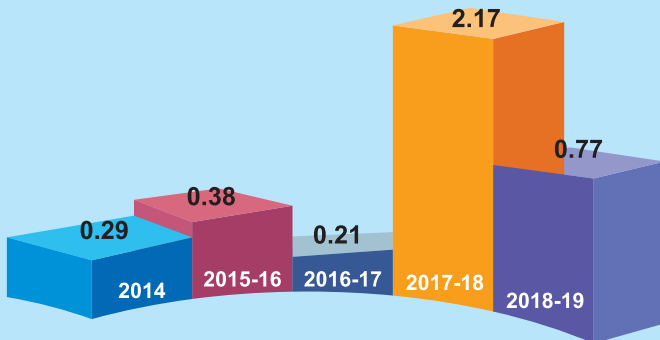
EBITDA



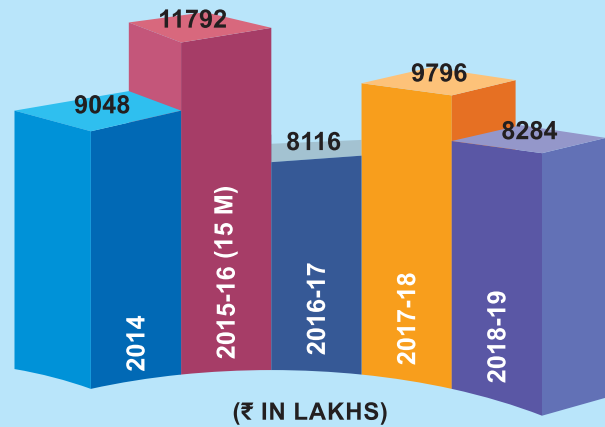
FIXED ASSET TURNOVER RATIO



DEBT COVERAGE RATIO



CONTRIBUTION TO EXCHEQUER



BUILDING THE NATION SINCE 1944

OUR AREAS OF OPERATIONS

BUILDING



RESIDENTIAL &
NON-RESIDENTIAL
BUILDINGS



COMMERCIAL
SHOPPING
MALL



AFFORDABLE
HOUSING



PUBLIC
BUILDINGS

INFRASTRUCTURE



TRANSPORT



ROADS



DAMS



INDUSTRIES



OIL
&
GAS

NOTICE

NOTICE is hereby given that the Seventy-Fourth Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT COMPANY LIMITED** (CIN L26940G1944PLC000749) will be held at the Registered Office of the Company at **DIGVIJAYGRAM 361 140** Via: Jamnagar, Gujarat on Monday, 5th August, 2019 at 3:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt

The Audited Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and the Auditors' thereon.

SPECIAL BUSINESS:

2. De-classification of Votorantim Cimentos EAA Inversiones S.L and Votorantim Cimentos S.A. as the 'Promoters' of the Company

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provision of Regulation 31A and other relevant provisions, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, if any of the Companies Act, 2013, and subject to all requisite approvals including that of BSE Limited and consequent to the completion of the sale of 10,60,30,708 (Ten Crores Sixty Lakhs Thirty Thousand Seven Hundred and Eight) equity shares of the Company by Votorantim Cimentos EAA Inversiones S.L ("Seller 1") and Votorantim Cimentos S.A. ("Seller 2") (Seller 1 and Seller 2 collectively referred to as the "Sellers") on 16th April, 2019 in accordance with the Share Purchase Agreement dated 12th November 2018, executed by and amongst True North Fund VI LLP and the Sellers, as amended, the approval of the Members be and is hereby accorded to de-classify the Sellers as promoters of the Company with effect from 16th April, 2019.

RESOLVED FURTHER THAT after such de-classification, the Sellers shall cease to be the Promoters of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company ("Board") be and is hereby authorized to undertake all such acts, deeds, matters and things and to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, including without limitation, effecting any modifications or changes to the

foregoing, for the purpose of giving effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors or to any Director or Officer(s) or Authorized Representative(s) of the Company in order to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respect."

3. Appointment of Mr. Pramod Kabra as Non-Executive Non-Independent Director:

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 160, 161 and any other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Pramod Kabra (DIN-02252403), who was appointed as an Additional Director with effect from 30th April, 2019 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of ensuing Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

4. Appointment of Mr. Anil Singhvi as Executive Non-Independent Director:

To consider and if thought fit, to pass the following resolution which will be proposed as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 160, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time

SHREE DIGVIJAY CEMENT COMPANY LIMITED

being in force) Mr. Anil Singhvi (DIN-00239589), who was appointed as an Additional Director with effect from 30th April, 2019 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of ensuing Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

5. Appointment of Mr. Anil Singhvi as Executive Chairman of the Company:

To consider and if thought fit to pass with or without modification(s), the following Resolutions as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 2(54), 196, 197, 198, 203 read with Schedule V and rules made thereunder including all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force), and provisions of the Articles of Association of the Company, and subject to approval of the Central Government, if applicable, and such other consent and permissions, as may be necessary, and subject to such modifications and variations as may be approved and acceptable to the appointee, the consent of the shareholders be and are hereby accorded for the appointment of Mr. Anil Singhvi (DIN-00239589), Director, as Executive Chairman of the Company for a period of 5 (five) years from 30th April, 2019 to 29th April, 2024 and upon such terms and conditions as are set out in the resolution and/or agreement and with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment including the remuneration which shall as specified in the explanatory statement attached to the Notice of this Annual General Meeting.

RESOLVED FURTHER THAT the Powers, Duties & Functions of Mr. Anil Singhvi shall have general control and substantial powers of the management and shall exercise and perform all other powers and duties, which in the ordinary course of business may be considered necessary, proper and in the interest of the Company, subject to directions or restrictions as given or imposed by Board of Directors from time to time and by law for time being in force.

RESOLVED FURTHER THAT the approval of the members of the Company be and is hereby specifically given for payment of remuneration excess of 2.5% of the Net Profit (computed in a manner laid down in Section 198 of the Companies Act, 2013) to its Executive Chairman and also payment of remuneration in excess of 5% of the Net Profit to all its Executive Directors for each of the financial years from 2019-20 and onwards, provided the remuneration payable to each of the Executive Directors including the Executive Chairman shall not exceed the individual permissible limits under the applicable provisions of the Companies Act, 2013 and as approved by the members of the Company in General meeting at the time of approving their current tenure of appointment and remuneration.

RESOLVED FURTHER THAT the certified true copy of the aforesaid resolution be forwarded to whomsoever concerned under the signature of any one of Director or Chief Executive Officer or the Company Secretary of the Company

RESOLVED FURTHER THAT any Director or the Chief Executive Officer or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

6. Appointment of Ms. Mini Menon as an Independent Women Director:

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 Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Mini Menon (holding DIN 07500434), who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director (in category of Independent woman Director) of the Company to hold office for a period of 5 years i.e. w.e.f. 30th April, 2019 and upto the date of Annual General Meeting in the year 2024 and that she shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

7. Appointment of Mr. Mahesh Gupta as an Independent Director:

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 Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mahesh Gupta (holding DIN 00046810), who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years i.e. w.e.f. 30th April, 2019 and upto the date of Annual General Meeting in the year 2024 and that he shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

8. Alternation in Authorised Share Capital of the Company by way of reclassification of Preference Shares into Equity Shares:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from Rs.2,50,00,00,000 (Rupees Two Hundred Fifty Crores only) comprising 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10 (Rupees Ten) each and 1,00,00,000 (One Crore) Preference Shares of Rs. 100 (Rupees One Hundred) each to Rs. 2,50,00,00,000 (Rupees Two Hundred Fifty Crores only) comprising entirely 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.10 (Rupees Ten) each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new Clause V:

V. The Authorised Share Capital of the Company is Rs. 2,50,00,00,000 (Rupees Two Hundred and Fifty Crore Only) comprising 25,00,00,000 (TwentyFive Crore) Equity Shares of Rs. 10 (Rupees Ten) each with the power to the Board to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.’

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee constituted for the purpose, be and is hereby authorised to take all such steps as it may deem necessary, proper or expedient to give effect to this resolution.”

9. Approval of ‘SDCCL Employee Stock Option Plan 2019’ to create, offer, issue and allot Options under Employee Stock Option Plan:

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 Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder and also the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the relevant provisions of the Memorandum and Articles of Association of the Company and further subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members’ of the Company, be and are hereby accorded to the introduction and implementation of ‘SDCCL Employee Stock Option Plan 2019’ (“ESOP 2019”/ “Plan”) authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the

SHREE DIGVIJAY CEMENT COMPANY LIMITED

Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations to create, and to grant from time to time, in one or more tranches, not exceeding 70,68,000 (Seventy Lakhs Sixty Eight Thousand) employee stock options to or for the benefit of such person(s), who are in permanent employment of the Company within the meaning of ESOP 2019, including any director, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under ESOP 2019, exercisable into not more than 70,68,000 (Seventy Lakhs Sixty Eight Thousand) equity shares of face value of Rs.10/- (Rupees Ten) each fully paid-up, where one employee stock option would convert in to one equity share upon exercise, on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2019.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2019 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to take requisite steps for listing of the equity shares allotted under ESOP 2019 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from

time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2019.

RESOLVED FURTHER THAT the Board, be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2019 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to decide the number of options to be granted to each of eligible employees / Directors, determining the exercise price as per applicable laws, and to take all steps to implement the above resolutions, and to take all actions and to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESOP 2019 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Director or Officer(s) or Authorized Representative(s) of the Company in order to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respect."

10. Grant of Stock Options of 1% or more of the Issued Share Capital of the Company:

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 Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder and also the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Foreign Exchange Management Act, 1999 and any other rules, regulations and guidelines, and further subject to such other approvals, and also the relevant provisions of the Memorandum and Articles of Association of the Company and further subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, pursuant to the approval of Nomination and Remuneration Committee (“Committee”) of the Board and the Board of Directors of the Company in their respective meetings held on 27th May, 2019, the consent of the Company be and is hereby accorded to grant to Mr. Rajeev Nambiar, CEO & Managing Director of the Company, stock options exceeding 1% (one percent) of the current issued share capital of the Company, to be decided by the Committee, during the financial year 2019-2020, under the SDCCCL Employees Stock Plan 2019 (Plan).

RESOLVED FURTHER THAT that all members of the Committee be and are hereby severally authorised to sign Stock option Agreement/ issue grant letter/s and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting stock options to the aforesaid employee of the Company.”

11. Alteration of Articles of Association:

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force)

and Rules made thereunder and subject to necessary statutory approvals and modifications, the consent of the Member be and is hereby accorded, to alter the Article of Association by deleting Article Number 97 of the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect of this resolution, any Director or Company Secretary be and are hereby jointly and severally authorized to do all acts, matters, deeds and things as deem necessary, proper and desirable and to sign and execute all necessary documents, applications and returns along with necessary e-forms with the Registrar of the Companies.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary be and are hereby authorised to certify any copy of this resolution as a true copy and furnish the same to whomsoever concerned.”

12. Approval of a proposed payment to Mr. Anil Singhvi by True North Fund VI LLP pursuant to an upside sharing agreement

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 Regulation 26(6) and other relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) the approval of the shareholders be and is hereby accorded to the proposed payment by the promoter of the Company, i.e. True North Fund VI LLP (the “Fund”), to Mr. Anil Singhvi (a director of the Company) or an entity identified by him, upon the exit of the Fund from the Company, where the quantum of the payment will be linked to (and paid from) the net proceeds eventually realized by the Fund from the said exit, as consideration for Mr. Anil Singhvi performing his duties as a director and in recognition of his strong leadership and strategic direction towards the growth of the Company and enhancement of shareholder value (the “Upside Sharing”) and execution of agreements between the Fund and Mr. Anil Singhvi in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to undertake all such acts, deeds, matters and things and to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.

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RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors or to any Director or Officer(s) or Authorized Representative(s) of the Company in order to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respect."

13. Ratification of Remuneration to Cost Auditor

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, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof), the Company hereby ratifies the remuneration of Rs. 1,25,000/- (Rupees One lakh twenty five thousand only) plus applicable tax and out of pocket expenses actually incurred and payable to M/s. Kiran J. Mehta & Co, Cost Accountants (Firm Registration No. 000025), who are appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2019-20."

By Order of the Board

Suresh Meher
Vice President (Legal)
& Company Secretary

Place: Mumbai
Date: 27th May, 2019

NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Items No. 2 to 13 of the accompanying Notice is annexed hereto.
2. Route-map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.
3. A statement giving additional details of the Directors seeking appointment as set out at Item No. 3,4,6 and 7 are annexed herewith as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard on General Meeting (SS-2) notified under the Companies Act, 2013
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the Registered Office of the Company not later than forty eight hours before the commencement of the meeting.
5. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total paid-up Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total paid up share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other Member.
6. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
7. Members, proxies and Authorized representative are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.
8. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
9. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
10. The Register of Members and Share Transfer Books of the Company shall remain closed from 30th July, 2019 to 5th August, 2019 (both days inclusive).
11. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for the financial year 2018-19 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company/ Depository Participants for communication purposes, unless any members has requested for physical copy of the same. For Members

who have not registered their E-mail IDs with the Company/Depository Participants, a physical copy of the Annual Report for the year 2018-19 is being sent by the permitted mode.

The Notice of AGM and the Annual Report of the Company for the year ended 31st March, 2019 is uploaded on the Company's website www.digvijaycement.com and may be accessed by the Members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

12. Members attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated 20th April, 2018 pursuant to which the Company has written to shareholders holding shares in physical form requesting them to furnish details regarding their PAN as also their bank details for payment of dividend through electronic mode. Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.
13. Transfer of Securities held in physical Mode: The SEBI, on 28th March, 2018, decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository effective from 1st April, 2019.

Subsequently, SEBI has received representations from shareholders for extension of the date of compliance. In view of the same, the following are hereby clarified:

- A. The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after 1st April, 2019.
- B. Any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized.
- C. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1st April, 2019.

The above SEBI decision is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

14. Members holding shares in single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination

with the Company whilst those Members holding shares in demat mode should file their nomination with their Depository Participant. The nomination form can be downloaded from the Company's website www.digvijaycement.com

15. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and the Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the AGM by electronic means through remote e-voting platform provided by Link Intime India Private Limited (LIPL). The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.

Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The voting period begins on 2nd August, 2019 at 10.00 am and ends on 4th August, 2019 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 29th July, 2019 may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

The instructions for shareholders voting electronically are as under:

- i) Log-in to e-Voting website of Link In-time India Private Limited (LIPL) by visiting the e-voting system of LIPL at the following URL: <https://instavote.linkintime.co.in>.
- ii) Click on "Login" tab, available under 'Shareholders' section.
- iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- iv) Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID

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c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):**
Your User ID is Event No + Folio Number registered with the Company

v) Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.)

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Inter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the Company records for the said demat account or folio number. <ul style="list-style-type: none"> Please enter the DOB/ DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Bank Account Number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any Company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholder's registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

- vi) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the Company, you choose to vote.
- vii) On the voting page, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
- viii) If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- ix) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- x) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xi) You can also take the printout of the votes cast by you by clicking on "Print" option on the voting page.

General Guidelines for shareholders:

- Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in,under> Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

General Instructions:

- a) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. 29th July, 2019. 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 i.e. 29th July, 2019 only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- b) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of

the cut-off date of 29th July, 2019, may obtain the login ID and password by sending a request at insta.vote@linkintime.co.in or calling on 022-49186000.

- c) Mr. Manoj Hurkat, Practicing Company Secretary (Membership No. FCS 4287), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- d) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
- e) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at-least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

The result, along with the Scrutinizer's Report, will be placed on the Company's website, www.digvijaycement.com and on the website of LIPL immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the Stock Exchanges.

By Order of the Board
Suresh Meher
Vice President (Legal)
& Company Secretary

Place: Mumbai
Date: 27th May, 2019

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EXPLANATORY STATEMENT:

[Pursuant to Section 102 of the Companies Act, 2013 ("Act")]

As required by Section 102 of the Act, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 2 to 13 of the accompanying Notice dated 27th May, 2019

Item No. 2

De-classification of Votorantim Cimentos EAA Inversiones S.L and Votorantim Cimentos S.A. as the 'promoters' of the Company

The Members may note that pursuant to the share purchase agreement dated 12th November, 2018, executed between True North Fund VI LLP ("**Purchaser**"), Votorantim Cimentos EAA Inversiones S.L ("**Seller 1**") and Votorantim Cimentos S.A. ("**Seller 2**") (Seller 1 and Seller 2 collectively referred to as the "**Sellers**"), as amended ("**SPA**"), the Sellers had agreed to sell and the Purchaser had agreed to purchase 10,60,30,708 equity shares of the Company in accordance with the SPA.

Consequent to the sale of 10,60,30,708 equity shares of the Company by the Sellers pursuant to the SPA on 16th April, 2019, the Sellers have ceased to hold any shares in the Company, or exercise any control over the Company, or have any special rights in the Company. The Purchaser on acquisition of 7,72,13,644 equity shares of the Company pursuant to the SPA on 16th April, 2019 has become the Promoter of the Company.

The Sellers have made a request to the Company for de-classification of the Sellers as "Promoters" of the Company by a letter dated 23rd April, 2019, on account of the above mentioned reason, and have stated that they are compliant with the applicable provisions of Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") including the conditions specified in Regulation 31A(3)(b) of the Listing Regulations. The Board of Directors has considered the request at its meeting held on 30th April, 2019. The Company has also given intimation in respect of the same to BSE Limited as disclosure of material information under Regulation 30 of the SEBI-LODR. It is hereby informed that the Sellers are in fulfilment of all the conditions for de classification as stipulated in Regulation 31A of the SEBI-LODR.

In view of the above, the Board recommends adoption of the resolution set out in Item no. 2 of the Notice of Annual General Meeting as an ordinary resolution subject to all requisite approvals including that of BSE Limited. Accordingly, the approval of the Members is sought to de-classify the Sellers as promoters of the Company.

None of the directors and key managerial personnel of the Company or their respective relatives are interested

or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

Item No.3

Appointment of Mr. Pramod Kabra as Non-Executive Non-Independent Director:

Pursuant to the execution of the Share Purchase Agreement ("**SPA**") executed on 12th November, 2018, by and amongst True North Fund VI LLP ("**Purchaser**"), Votorantim Cimentos EAA Inversiones S.L ("**Seller 1**") and Votorantim Cimentos S.A. ("**Seller 2**") (Seller 1 and Seller 2 collectively referred to as the "**Sellers**") and consummation of the transactions set out therein, Mr. Pramod Kabra (DIN 02252403) was appointed as Additional Director on 30th April, 2019 by the Board on the recommendation of the Nomination and Remuneration Committee.

Pursuant to Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association, Mr. Pramod Kabra shall cease to hold his Office of director at the ensuing Annual General Meeting. Notice has been received from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Pramod Kabra for the office of the Directors of the company. In view of vast experience in finance, accounts, project management, and related matters, it is desirable that the Company should avail the benefits of his association with the Company.

In view of the above, the Board recommends adoption of resolution set out at Item No. 3 of the accompanying Notice of Annual General Meeting as an ordinary resolution. Accordingly, the approval of the Members is sought to appoint Mr. Pramod Kabra as a Director of the Company, liable to retire by rotation.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Pramod Kabra, are in any way concerned or interested financially or otherwise in the Resolution.

Other details required to be given as per relevant secretarial standards are given in the notes to the Notice of the Annual General Meeting.

Item no. 4

Appointment of Mr. Anil Singhvi as Executive Non-Independent Director:

Mr. Anil Singhvi (DIN 00239589) was appointed as an additional Director by the Board of Directors of the Company on 30th April, 2019 to strengthen the Board.

Pursuant to Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association, Mr. Anil Singhvi will cease to hold his Office of director at the ensuing Annual General Meeting. Notice has been received from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Anil Singhvi

for the office of the Director of the Company in view of vast experience in finance, corporate strategy, project management and general management aspects in India and abroad, it is desirable that the Company should avail the benefits of his association with the Company.

In view of the above, the Board recommends adoption of resolution set out at Item No. 4 of the accompanying Notice of Annual General Meeting as an ordinary resolution. Accordingly, the approval of the Members is sought to appoint Mr. Anil Singhvi as a Director of the Company, liable to retire by rotation.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Anil Singhvi, are in any way concerned or interested financially or otherwise in the Resolution.

Other details required to be given as per relevant secretarial standards are given in the notes to the Notice of the Annual General Meeting.

Item no. 5

Appointment of Mr. Anil Singhvi as Executive Chairman

Your Board has, on recommendation of the Nomination and Remuneration Committee (NRC), at their meeting held on 27th May, 2019 appointed Mr. Anil Singhvi as Executive Chairman of the Company for a period of 5 (five) years with effect from 30th April, 2019 pursuant to the provisions of Sections 2(54), 196, 197, 198, 203 of the Companies Act, 2013 read with schedule V and rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013, on the terms and conditions (including remuneration payable to him for a period of 3 (three) years effective from 30th April, 2019, as per details set out in the agreement, subject to the approval of the members in Annual General Meeting by way of special resolution.

Mr. Singhvi is a Chartered Accountant and has several decades of experience in managing and running large corporates, including, long experience in cement industry in India. He is well experienced in finance, corporate strategy, project management and general management aspects in India and abroad.

The main terms and condition of appointment of Mr. Anil Singhvi (DIN-00239589) as Executive Chairman are as follows:

1. **Tenure of appointment:** period from 30th April, 2019 to 29th April, 2024.
2. **Nature of Duties:** The Executive Chairman shall devote his whole time and attention to the business of the Company and carry out such duties as per draft agreement, placed before the Board and as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him,

subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and its subsidiaries, if any.

3. Remuneration:

a) **Emoluments:** Effective from 30th April, 2019 for a period of 3 (three) years, Rs. 2,50,00,000/- (Rupees Two Crore Fifty Lakhs) per annum on the following terms and conditions:

- **Basic Salary:** Rs. 12,00,000/- (Rupees Twelve Lakhs) per month, with such increase from time to time as the Board/Committee of Directors may decide.
- **Special Allowance (including HRA, If any):** Rs. 6,75,000/- (Rupees Six Lakhs Seventy Five thousand) per month, with such increase from time to time as the Board/Committee of Directors may decide.
- **Contribution towards Provident fund:** @ 12% of the basic salary [subject to revision in line with the notification(s) as may be promulgated by the Government during the tenure of appointment].
- **Gratuity -** @ 5% of the basic salary.

b) Other benefits & Terms:

- Laptop and Mobile Phone
- Free medical and hospitalization insurance for self, wife and direct relatives (limited to two children and dependent parents). No limits within the Health Group Insurance Network.
- Accident and Life Insurance: as per Company's policy.
- Leave and Gratuity: as per Company's policy.
- Notice period: 3 months
- Re-imbursment of other cost and expenses as per Company's policy.
- Other Terms: As per Company's policies.

4. The Executive Chairman is being appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 167(1) of the Act. He shall not be liable to retire by rotation. His terms and conditions of appointment of Executive Chairman also include clauses pertaining to adherence to the Code of Conduct, non-competition, no conflict of interest with the Company and maintenance of confidentiality.
5. The Executive Chairman shall not be eligible for any sitting fees for attending the Company's Board

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and Committees meetings. The above remuneration payable to the Executive Chairman shall be subject to the limits of 5% and / or 10% of the Net Profits of the Company, as the case may be, as laid down in sections 198 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the overall limit of 11% of the Net Profits of the Company as laid down in Section 198(1) of the said Act.

The following prerequisites shall not be included in the computation of the ceiling of remuneration:

- a) contribution to provident fund to the extent this is not taxable under the Income Tax Act, 1961;
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of leave at the end of the tenure.

The copy of the agreement entered with Executive Chairman will be open for inspection for the members of the Company pursuant to the provisions of the Companies Act, 2013. The agreement include all terms and conditions of the appointment of the Executive Chairman as well as all power and duties as exercised by Executive Chairman in ordinary course of business subject to provisions of the Companies Act, 2013 or any amendment thereto. The power of the Executive Chairman shall also include the power to delegate.

A statement giving the information required under sub-paragraph (B) of paragraph (1) of section II of Part - II of Schedule V of the Companies Act, 2013 is annexed to this Notice.

In view of the above, the Board recommends adoption of resolution set out at Item No. 5 of the accompanying Notice of Annual General Meeting as a special resolution. Accordingly, the approval of the Members is sought to appoint Mr. Anil Singhvi as Executive Chairman of the Company.

Except Mr. Anil Singhvi, none of the Directors and/or Key Managerial Personnel of the Company and their relative are concerned and interested, financially or otherwise, in the resolution set out in item no-5.

Item no.6

Appointment of Ms. Mini Menon as an Independent Women Director:

Ms. Mini Menon (DIN 07500434) was appointed as additional Director on 30th April, 2019 by the Board on the recommendation of the Nomination and Remuneration Committee to broad base the Board of Directors of the Company.

Pursuant to provisions of section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association,

Ms. Mini Menon shall cease to hold her Office of director at the ensuing Annual General Meeting. Notice has been received from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Mini Menon for the office of the Director of the Company.

Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Mini Menon is also proposed to be appointed as an Independent Director (in category of Independent woman Director) of the Company to hold office for a period of 5 years i.e. w.e.f. 30th April, 2019 and upto the date of Annual General Meeting in the year 2024 and she shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.

Ms. Mini Menon has also submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and provisions of the Listing Regulations. The Board has also considered such declarations and has formed opinion she fulfils the criteria of independence and are independent from management.

In view of the vast experience in Journalism, Business Management related matter, it is desirable that the Company should avail the benefits of her association with the Company.

In view of the above, the Board recommends adoption of resolution set out at Item No. 6 of the accompanying Notice of Annual General Meeting as an ordinary resolution. Accordingly, the approval of the Members is sought to appoint Ms. Mini Menon as an Independent Director of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Ms. Mini Menon, are in any way concerned or interested financially or otherwise in the Resolution.

Other details required to be given as per relevant secretarial standards are given in the notes to the Notice of the Annual General Meeting.

Item no.7

Appointment of Mr. Mahesh Gupta as an Independent Director:

Mr. Mahesh Gupta (DIN 0046810) was appointed as additional Director on 30th April, 2019 by the Board on the recommendation of the Nomination and Remuneration Committee to broad base the Board of Directors of the Company.

Pursuant to Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association, Mr. Mahesh Gupta shall cease to hold his Office of director at the ensuing Annual General Meeting. Notice have been received from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Mahesh Gupta for the office of the Director of the Company.

Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mahesh Gupta is also proposed to be appointed as an Independent Director of the Company to hold office for a period of 5 years i.e. w.e.f. 30th April, 2019 and upto the date of Annual General Meeting in the year 2024 and he shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.

Mr. Mahesh Gupta has also submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and provisions of the Listing Regulations. The Board has also considered such declarations and has formed opinion that he fulfils the criteria of independence and are independent from management.

In view of the vast experience in the finance, accounts, general management and other related matter, it is desirable that the Company should avail the benefits of his association with the Company.

In view of the above, the Board recommends adoption of resolution set out at Item No. 7 of the accompanying Notice of Annual General Meeting as an ordinary resolution. Accordingly, the approval of the Members is sought to appoint Mr. Mahesh Gupta as an Independent Director of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Mahesh. Gupta, are in any way concerned or interested financially or otherwise in the Resolution.

Other details required to be given as per relevant secretarial standards are given in the notes to the Notice of the Annual General Meeting.

Item no. 8

Alternation in Authorised Share Capital of the Company by way of reclassification of Preference Shares into Equity Shares:

Existing Authorised Share Capital of the Company is Rs. 2,50,00,00,000 (Rupees Two hundred fifty Crores only) comprising 15,00,00,000 (Fifteen Crores) Equity

Shares of Rs.10 (Rupees Ten) each and 1,00,00,000 (One Crore) Preference Shares of Rs. 100 (Rupees One Hundred) each.

With a view to issue further equity shares, existing Authorized Equity Share Capital is proposed to be altered by increasing Equity Share Capital from Rs. 1,50,00,00,000 comprising 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10 (Rupees Ten) to Rs. 2,50,00,00,000 (Rupees Two hundred Fifty Crores only) comprising of 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs. 10 (Rupees Ten) each by adding another 10,00,00,000 (Ten Crores) Equity Shares of Rs. 10 (Rupees Ten) each after reclassification of the existing unissued 1,00,00,000 (One Crore) Preference Shares of Rs. 100 (Rupees One Hundred) into 10,00,00,000 (Ten Crores) Equity Shares of Rs. 10 (Rupees Ten) each. By this increase in Equity Share capital, total Authorised Share Capital of the Company will remain unchanged.

Consequently the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital is required to be altered by deleting the same and substituting in its place and stead, the new Clause V as proposed in the Resolution.

In view of the above, the Board recommends adoption of resolution set out at Item No. 8 of the accompanying Notice of Annual General Meeting as an ordinary resolution.

None of the directors and key managerial personnel of the Company or their respective relatives are interested or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

Item No. 9

Approval of 'SDCCL Employee Stock Option Plan 2019' to create, offer, issue and allot Options under Employee Stock Option Plan:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. Your Company believes that equity based compensation plans are an effective tool to reward the talents working with your Company. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to implement an employee stock option plan namely 'SDCCL Employee Stock Option Plan 2019' ("ESOP 2019"/ "Plan") seeking to cover eligible employees of the Company.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee") and the Board of Directors of the Company at their respective meetings

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held on 27th May, 2019, had approved the introduction of ESOP 2019, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company seeks your approval as regards implementation of the Plan and grant of options thereunder to the eligible employees of the Company as decided from time to time as per provisions of the Plan read with provisions of SEBI SBEB Regulations.

The main features of the ESOP 2019 are as under:

A. Brief Description of the Plan:

Keeping view the aforesaid objectives, the ESOP 2019 contemplates grant of options to the eligible employees of the Company. After vesting of options, the eligible employees earn a right, but not obligation, to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") shall act as Committee for the administration of ESOP 2019. All questions of interpretation of the ESOP 2019 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOP 2019.

B. Total number of options to be granted:

The total number of options to be granted under the ESOP 2019 shall not exceed 70,68,000 (Seventy Lakhs Sixty Eight Thousand). Each option when exercised would be converted in to one equity share of Rs.10/-(Rupees Ten) each fully paid-up.

Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the ESOP 2019 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 70,68,000 (Seventy Lakhs Sixty Eight Thousand), shall be deemed to be increased to the extent of such additional options issued.

C. Identification of classes of employees entitled to participate in the ESOP 2019:

All permanent employees and Directors (hereinafter referred to as "Employees") of the Company shall

be eligible subject to determination or selection by the Committee. Following classes of employees/ Directors are eligible being:

- i. a permanent employee of the Company who has been working in India or outside India;
- ii. a director of the Company, whether a Managing Director/Whole Time Director or not but excluding an independent director.

but does not include—

- (i) an employee who is a Promoter or belongs to the Promoter Group; and
- (ii) a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company.

D. Requirements of Vesting and period of Vesting:

All the options granted on any date shall vest not earlier than minimum period of 1 (One) year and not later than a maximum period of 6(Six) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting periods.

The vesting dates in respect of the options granted under the ESOP 2019 shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of options to be vested.

Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

E. Maximum period within which the options shall be vested:

All the options granted on any date shall vest not later than a maximum of 6(Six) years from the date of grant of options as stated above.

F. Exercise price:

The exercise price shall be determined by the Committee at its sole discretion which shall be as per SEBI (SBEB) Regulations and applicable Guidance Notes on Accounting standard.

G. Exercise period and the process of exercise:

The exercise period would commence from the date of vesting and will expire on completion 5 (Five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested option shall be exercisable by the option grantees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The options shall lapse if not exercised within the specified exercise period.

H. Appraisal process for determining the eligibility of employees under the ESOP 2019:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

I. Maximum number of options to be issued per employee and in aggregate:

The maximum number of options that may be granted to any specific employee of the Company per employee and in aggregate under the ESOP 2018 shall not exceed 70,68,000 (Seventy Lakhs Sixty Eight Thousand) options.

J. Maximum quantum of benefits to be provided per employee under the ESOP 2019:

Apart from grant of options as stated above, no monetary benefits are contemplated under the ESOP 2019.

K. Route of ESOP 2019 implementation:

The ESOP 2019 shall be implemented and administered directly by the Company.

L. Source of acquisition of shares under ESOP 2019:

The ESOP 2019 contemplates issue of fresh/ primary shares by the Company.

M. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the present ESOP 2019.

N. Maximum percentage of secondary acquisition:

This is not relevant under the present ESOP 2019.

O. Accounting and Disclosure Policies:

The Company shall follow the IND AS 102 on Share based Payments and/ or any relevant Accounting

Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing guidance note or accounting standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

P. Method of option valuation:

The Company shall adopt 'fair value method' for valuation of options as prescribed under guidance note or under any accounting standard, as applicable, notified by appropriate authorities from time to time.

Q. Declaration:

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Consent of the members is being sought by way of Special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the ESOP 2019 is available for inspection at the Company's Registered office during official hours on all working days till the date of the Annual General Meeting.

In view of the above, the Board recommends adoption of resolution set out at Item No. 9 of the accompanying Notice of Annual General Meeting as a special resolution.

None of the Directors, key managerial personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted options under the ESOP 2019.

Item no. 10

Grant of Stock options of 1% or more of the issued share capital of the Company:

Considering the business complexity, the responsibilities, contribution and on-going efforts of Mr. Rajeev Nambiar, CEO & Managing Director of the Company, the Board based on the recommendation of the Nomination and Remuneration Committee in their meeting held on 27th May, 2019, and subject to recommendation of the Audit Committee (if applicable) of the Company, has recommended for approval of the shareholders, the grant of stock options exceeding 1% of the current issued share

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capital of the Company, the details of which are mentioned in the draft proposed resolution being recommended to shareholders by way of special resolution.

In view of the above, the Board recommends adoption of resolution set out at Item No. 10 of the accompanying Notice of Annual General Meeting as a special resolution.

Except Mr. Rajeev Nambiar, None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 10 of this Notice.

Item no. 11

Alteration of Articles of Association

The Company proposes to delete the existing Article No. 97 of the Articles of Association of the Company which provided list of Directors of the Company as on 1st May, 2017. However, in view of changes in the management and control of the Company and in terms of Section 14 and other applicable provisions of the Companies Act, 2013 approval of members of the Company by Special Resolution is required for alternation in the Articles of Association of the Company by deleting Article No. 97 thereof. Accordingly, the proposed resolution is to seek the approval of the members for the same.

The Articles of association with deleted Articles No.97 has been made available to the Shareholder's for inspection during normal working hours at the Registered Office of the Company.

In view of the above, the Board recommends adoption of resolution set out at Item No. 11 of the accompanying Notice of Annual General Meeting as a special resolution.

None of the Directors and/or Key managerial personnel of the Company and their relatives are concerned and interested, financially or otherwise, in the resolution said resolution.

Item no. 12

Approval of a proposed payment to Mr. Anil Singhvi by True North Fund VI LLP pursuant to an upside sharing agreement

True North Fund VI LLP (the "Fund") is the promoter of the Company. The Fund proposes to make a payment to Mr. Anil Singhvi (a director of the Company) or an entity identified by him, upon the exit of the Fund from the Company ("Exit"), as consideration for Mr. Anil Singhvi performing his duties as a director and in recognition of his strong leadership and strategic direction towards the growth of the Company and enhancement of shareholder value (the "Upside Sharing") pursuant to an agreement proposed to be entered into between the Fund and Mr. Anil Singhvi.

Under the Upside Sharing, the Fund proposes to make, directly from the Fund, a payment to Mr. Anil Singhvi or

an entity identified by him from the proceeds it realizes from the Exit. The payment under the Upside Sharing will be subject to Mr. Anil Singhvi continuing as a director of the Company at the time of Exit.

The payment (and quantum thereof) in relation to the Upside Sharing will also be subject to and depend upon the 'internal rate of return' achieved by the Fund at the time of the Exit. The upper limit for the payment under the Upside Sharing shall not exceed 15% of the positive difference between (i) the total return received by the Fund on sale of all (and not less than all) of the equity shares held by the Fund in the Company as on date and the equity shares in the Company acquired by the Fund at any time until March 31, 2020 ("Equity Shares") (i.e. all returns received by the Fund in respect of the Equity Shares, including dividends, redemption value, interest, all other receipts in cash and kind (other than any payments related to indemnity), securities (valued at issue price) and liquidation proceeds distributed to the Fund) and (ii) a sum of (a) the costs (i.e. expenses and other transactional fees, excluding income tax) incurred by the Fund in connection with the Exit i.e. sale of all (and not less than all) Equity Shares, and (b) minimum amount to be released by the Fund on its Exit linked to: an 'internal rate of return' and the aggregate amount invested by the Fund to acquire the Equity Shares.

The payment under Upside Sharing will be made by the Fund and there is no financial impact/burden on the Company. The payment under Upside Sharing is intended to be a gesture of appreciation and recognition of the strong leadership of Mr. Anil Singhvi and the value he will create for the shareholders.

Anagha Advisors LLP, wherein Mr. Anil Singhvi is a Designated Partner, is holding 60,57,719 equity shares of face value Rs. 10 each comprising 4.28% shareholding as on 27th May, 2019 in the Company.

Regulation 26(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), mandates that no employee (including key managerial personnel or director or promoter) of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any third party, with regard to compensation or profit sharing in connection with the dealings in the securities of such listed entity, unless prior approval of the Board of Directors and public shareholders has been obtained by way of an ordinary resolution.

The approval of the shareholders of the Company by ordinary resolution is required under Regulation 26(6) of the Listing Regulations. Hence the resolution is proposed for consideration and approval of the members of the Company.

The Board, at its meeting dated, had considered and approved the Upside Sharing. The Board recommends

the resolution set out in Item no. 12 of the Notice of Annual General Meeting for approval by shareholders of the Company as an ordinary resolution.

All interested persons involved in the Upside Sharing shall abstain from voting on this resolution. In this regard, "interested person" shall mean any person holding voting rights in the listed entity and who is in any manner, whether directly or indirectly, interested in the proposed agreement for Upside Sharing.

Mr. Anil Singhvi, is concerned and interested in this resolution. None of the other directors or key managerial personnel, and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, other than Mr. Pramod Kabra to the extent he is the nominee of the Fund on the Board of the Company.

Item no.13

Ratification of Remuneration to Cost Auditor

The Board of Directors at their meeting held on 29th April, 2019, on the recommendation of the Audit Committee, has approved the appointment of M/s. Kiran J Mehta & Co, Cost Accountants, Ahmedabad as the Cost Auditors to conduct the audit of Cost records of the Company for the financial year ending on 31st March, 2020 on a remuneration of Rs.1,25,000/- plus out of pocket expenses actually incurred for the purpose of such audit.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies

(Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company.

Kiran J Mehta & Co. has furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Act.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 13 of the Notice for remuneration to the Cost Auditor for the financial year ending on 31st March, 2020.

The Board recommends adoption of resolution set out at Item No. 13 of the accompanying Notice of Annual General Meeting as an ordinary resolution.

None of the directors, managers, key managerial personnel of the Company and their respective relatives are in any way interested in the resolution except to the extent of their shareholding in the Company.

By Order of the Board

Suresh Meher
Vice President (Legal)
& Company Secretary

Place: Mumbai
Date: 27th May, 2019

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A STATEMENT GIVING ADDITIONAL DETAILS OF THE DIRECTORS SEEKING APPOINTMENT AS SET OUT AT ITEMS NO.3, 4, 6 & 7 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of Directors:	Mr. Anil Singhvi	Mr. Pramod Kabra	Mr. Mahesh Gupta	Ms. Mini Menon
Director Identification Number (DIN)	00239589	02252403	0046810	07500434
Date of Birth	30 th June,1959	20 th October,1959	30 th June,1956	27 th August,1974
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	30 th April,2019	30 th April,2019	30 th April,2019	30 th April,2019
Qualification	FCA	FCA	FCA, FCS, LLB.(Gen.) , B.Com	Master in Communication Studies
Expertise in specific functional area	Finance, Corporate Strategy, Project and General Management	Strategy, Finance, M & A and Supply Chain Management	Business Management and all dimensions of finance, merger & acquisitions.	Journalism and Business Management
List of the directorships held in other companies*	1.Hindustan Construction Co.Ltd. 2. Subex Ltd. 3. Greatship(India) Ltd. 4.Institutional Investor Advisory Services India Ltd. 5. Assets Care & Reconstruction Enterprises Ltd.	1. Atria Convergence Technologies Ltd. 2. Fincare Small Finance Bank Ltd.	1.Ceat Ltd. 2.RPG Life Science Ltd. 3. Peninsula Land Ltd. 4. Peninsula Investment Management Co.Ltd. 5. Morarjee Textiles Ltd.	Not applicable
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	<u>Hindustan construction Co.Ltd.</u> Member: Audit committee- <u>Subex Ltd.</u> Chairman: Audit Committee- Member: Stakeholders Relationship committee <u>Greatship (India) Ltd.</u> Member: Audit Committee	<u>Atria Convergence Technologies Ltd.</u> Member: (1) Audit Committee (2)Stakeholders Relationship Committee <u>Fincare Small Finance Bank Ltd.</u> Member: Audit committee	<u>Ceat Ltd. :</u> Chairman: Audit Committee- Member: Stakeholders Relationship committee <u>Morarjee Textiles Ltd.</u> Member: Stakeholders Relationship committee <u>RPG Life Science Ltd.</u> Chairman Stakeholders Relationship Committee Member: Audit committee <u>Peninsula Land Ltd.</u> Member: Stakeholders Relationship committee	Not applicable
Number of Board Meetings attended during the year 2018-19	Not applicable	Not applicable	Not applicable	Not applicable
Relationships between Directors Inter -Se	None	None	None	None
No. of Shares held in the Company	0	0	0	0
Remuneration details (Including Sitting Fees & Commission) during the financial year.	Not applicable	Not applicable	Not applicable	Not applicable

*Directorship includes Directorship of Public Companies & Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).

A STATEMENT GIVING THE INFORMATION REQUIRED UNDER SUB-PARAGRAPH (B) OF PARAGRAPH (1) OF SECTION II OF PART - II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IS GIVEN BELOW:

I. General Information:

1. Nature of Industry: Cement
2. Date or expected date of commencement of commercial production: 1949
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial performance

(Rs. in Mn.)

Particulars	2018-19	2017-18	2016-17
Total Income	4411.10	4305.50	3636.85
Gross Profit Before Interest, Depreciation & Tax	311.71	542.00	198.17
Profit Before Tax	33.21	206.34	-138.37
Profit After Tax	20.61	133.71	-90.46
Dividend percentage	NIL	NIL	NIL

5. Foreign investments or collaborations, if any :NA

The holdings of Foreign Institutional Investors (FII) & NRI's as on 31st March, 2019 are 1.07% of the Share Capital.

II. Information about the appointee:

1. Background details:

Mr. Anil Singhvi, Chartered Accountant, has several decades of experience in managing and running large corporates, including, long experience in cement industry in India. He is well experienced in finance, corporate strategy, project management and general management aspects in India and abroad.

2. Past Remuneration:

He is appointed in the Company with effect from 30th April, 2019. Hence, the clause is not applicable as he was not receiving any remuneration form the Company in past.

3. **Recognition or awards :** Mr. Singhvi was awarded Entrepreneur Finalist Award by EY in 2006, and best CFO award by ET.

4. **Job Profile and his suitability:** Mr. Anil Singhvi has vast experience in managing and running large corporates, including, long experience in cement industry in India. He is a Chartered Accountant and having outstanding professional career. Considering his vast experience and expertise, the Board considers him suitable for the position of Executive Chairman, subject to Shareholders' approval, of the Company.

5. **Remuneration Proposed:** As stated in the Explanatory Statement.

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** The remuneration offered to Mr. Singhvi is at par with the industry norms considering the nature of industry, profile and position of person.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Except for the remuneration drawn, Mr. Singhvi does not have any pecuniary relation directly or indirectly with the Company. Mr. Singhvi is not related to any other Director or key managerial personnel of the Company. He is independent qualified professional.

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III. Other Information:

1. **Reasons of loss or inadequate profits:** Inadequacy of profits for last three years is mainly attributable to slowdown of Indian economy, competition, and increased cost of power, fuels and raw materials. Further increased costs of power and fuels have adversely affected the profitability of the Company.
2. **Steps taken or proposed to be taken for improvement:** To mitigate the adverse impact, the Company took various measures such as making alternate arrangements of purchasing raw materials at lower cost, executing contracts for power and fuels at best available lower cost, branding promotions, exploring new products and markets for sale of cement where better margins are available than in present markets.
3. **Expected increase in productivity and profits in measurable terms:** The Company has made substantial investment in stabilizing the plant capacity and exploring new markets. With the ramp up of operations at increased capacity, substantial contribution in revenue and profitability is expected in the coming years.

As per the growth trend the company projects a growth of 20% YoY.

IV. Disclosures:

1. Details of remuneration being offered are given in the above resolution, which will be provided at appropriate places in the Corporate Governance Report and will be annexed to the Director's Report of the ensuing Annual General Meeting of the Company, to be held for the financial year 2019-20.

The disclosures in respect of remuneration package and other details of all the Directors for financial year 2018-19 were provided at appropriate places in the Corporate Governance Report annexed to the Directors' Report of financial year 2018-19.

2. The Company proposes to implement a Stock Option plan, subject to approval of shareholders in this meeting.
3. The ceiling for the overall remuneration (inclusive of performance linked incentives) shall be as specified in the aforesaid resolution and may be altered/ revised from time to time within such overall limits approved by the Shareholders.
4. It is declared that Anagha Advisors LLP, wherein Mr. Anil Singhvi is a Designated Partner, is holding 60,57,719 equity shares of face value INR 10 each comprising 4.28% shareholding as on 27th May, 2019 in the Company. But Mr. Singhvi does not have any direct or indirect interest or related to the directors or promoters of the Company or its holding company at any time during the last two years before or on the date of appointment and is having required qualification with expert and specialized knowledge in the field of his profession.

This Notice along with explanatory statement should also be considered as an abstract of the terms of the remuneration of Mr. Singhvi as Executive Chairman, subject to approval of shareholders of the Company, and a memorandum as to nature of concern or interest of the Directors in the said remuneration.

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors has immense pleasure in presenting 74th Annual Report of Shree Digvijay Cement Co. Ltd. along with audited financial statements for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS:

The financial highlights for the year under report are as under:

(Rs.in lakhs)

Particulars	Current Year Ended 31.03.2019	Previous Year Ended 31.03.2018
Revenue from Operations (Gross) including Other Income	44,111	43,055
Operating Expense	40,994	37,635
Operating Profit (EBITDA)	3,117	5,420
Depreciation / Amortisation	2,399	2,288
Interest	386	1,069
Profit Before Tax	332	2,063
Tax Expenses	126	726
Profit for the year	206	1,337
Other Comprehensive Income (OCI)	(85)	90
Total Comprehensive Income for the year	121	1,427
Balance brought forward from previous year	(1,129)	(2,556)
Total Profit / (Loss) Carried Over to Balance Sheet	(1008)	(1,129)

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Company's total income for the year stood at Rs. 44,111 lakhs, 2% higher over the previous year driven by higher sales volume.

Profit before tax for the year was Rs.332 lakhs as compared to Rs.2063 lakhs in previous year.

Profit after tax for the year was Rs.206 lakhs as compared to of Rs. 1337 lakhs in previous year. This decline was mainly due to higher power and fuel cost.

PRODUCTION AND SALES

(In lakhs MT)

	Current Year Ended 31. 03. 2019	Previous Year Ended 31.03.2018
Production:		
• Clinker	8.51	8.02
• Cement	10.57	9.62
Sales:		
• Cement	10.53	9.63
• Clinker	-	0.59

During the year under review, Cement production was 10.57 lakhs MT as against 9.62 lakhs MT in previous year. Clinker production was 8.51 lakhs MT as against 8.02 lakhs MT in previous year. This increased performance is mainly due to higher demand, developing new market in Saurashtra region and sustainable plant performance.

Your Company expects to further improve its operational performance during the current financial year.

There has not been any change in the nature of the business of the Company.

DIVIDEND

In view of the accumulated losses, your Directors do not recommend any dividend on Share Capital.

SCHEME OF CAPITAL RESTRUCTURING

The "Scheme of Arrangement for Restructuring of Capital & Other Reserve" approved by the Board of Directors on 27th March, 2018, was cleared by BSE vide observation letter dated 25th October, 2018. However validity period of said letter expired on 24th April, 2019 and Company has at present no intension to pursue this Scheme.

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2019 was Rs.1,41,37,42,780/-. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares to the Employees or Directors of the Company.

No disclosures is required under Section 67(3)(C) of the Act, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

CHANGE IN PROMOTERS OF THE COMPANY:

As you all are aware Votorantim Cimentos EAA Inversiones S.L and Votorantim Cimentos S.A. were holding 10,60,30,708 (Ten crore sixty lac thirty thousand seven hundred eight) Equity Shares of the Company constituting approximately 75% of the total paid up Equity Share Capital of the Company.

On 16th April, 2019, True North Fund VI LLP have acquired 7,72,13,644 Equity Shares representing 54.6% of the total Issued & paid-up capital of the Company pursuant to the Share Purchase Agreement dated 12th November, 2018 entered into among True North fund VI LLP, Votorantim Cimentos EAA Inversion S.L. & Votorantim Cimentos S.A. and True North Fund VI LLP has become the Promoter of the Company.

In compliance with the SEBI guidelines under Takeover Regulations, True North Fund VI LLP have also acquired 36,12,284 Equity Shares constituting 2.56% of the Company's outstanding voting Equity Share Capital under open offer from the Shareholders of the Company.

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DEPOSITS

Your Company has neither accepted any deposits during the year under report nor did any deposits remain unpaid or unclaimed at the end of the year.

LOANS, GUARANTEES AND INVESTMENTS

Your Company has neither given any loan or guarantee nor has made any investment during the year under report attracting the provisions of Section 186 of the Companies Act, 2013.

NUMBER OF MEETINGS

Meetings are held as per statutory requirements and as per business needs. A calendar of meetings is prepared and circulated in advance to the Directors.

Board Meeting

During the year, nine Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, Secretarial Standards – 1 (SS-1) issued by the Institute of Company Secretaries of India and SEBI LODR.

Audit Committee

The Audit Committee comprises of three members. The Chairman of the Committee is an Independent Director. The Committee met five times during the year. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Corporate Governance Report.

Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee of Directors, majority of members are Independent Directors. The Committee met four times during the year. Details of the role and responsibilities of the Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Corporate Governance Report.

CSR Committee

The CSR Committee comprises of three members, of which two are Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met once during the reporting period. Details of the role and functioning of the Committee are given in the Corporate Governance Report.

More details about all the Committee of the Board is stated in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134 (3) (c) read with sub section 5 of the Companies Act, 2013, Directors subscribe to the "Directors Responsibility Statement" and confirm that:

- (a) in preparation of Annual Accounts for the financial year ended 31st March 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates 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 2019 and the profit and loss of the Company for that Year;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts of the Company on a going concern basis;
- (e) the Directors have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for nomination and appointment of Directors, senior Management, Key managerial Personnel and their remuneration. The details of Nomination and Remuneration Policy is stated in the Corporate Governance Report and uploaded on website of the company at <http://www.digvijaycement.com/SitePages/Policies.aspx>. The Policy is followed for nomination and appointment of Directors, Senior Management, Key managerial Personnel and other employees in Senior Management category, who directly reports to CEO of the Company and also process of deciding their remuneration. The Nomination and Remuneration Committee reviews and recommend to the Board the payment of remuneration to said Directors, Key Managerial Personnel and other employees in Senior Management category, who directly reports to CEO of the Company.

The Board of Directors of the Company follows the criteria for determining qualification, positive attributes, independence of Directors as per Nomination and Remuneration Policy and all appointments are in compliance with said policy, the Board Diversity Policy and other applicable policies of the Company during the period of control.

Directors are appointed /re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association. The initial appointment of CEO and Managing Director is generally for a period of three years. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise specifically provided under the Articles of Association or under any statute or terms of appointment. One third of the Directors who are liable to retire by rotation, retire at every annual general Meeting and are eligible for re-appointment.

The details of remuneration paid to the Managerial Personnel forms part of the Corporate Governance Report.

CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

Details of Contracts/arrangement with the Related Parties are appearing under Note no. 38b and form part of this report. All related party transactions that were entered into during the year under report were on arm's length basis and were in the ordinary course of business. The related party transactions made by the Company with Promoter Company have no potential conflict with the interest of the Company at large.

Related Party Transactions are placed before the Audit Committee as also to the Board, wherever required, for approval. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The Company's management ensures total adherence to the approved Policy on Related Party Transactions to establish Arm's Length Basis without any compromise. Pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of material contracts and arrangements entered between the Company and the Related Parties are annexed herewith as **Annexure A**.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on 31st March, 2019 and the date of this report i.e. 30th April, 2019.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information relating to conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, required under Section 134 (3) (m) of the Companies Act, 2013 are annexed hereto as **Annexure B** and form part of this report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, and the Rules framed thereunder are annexed hereto as **Annexure C**.

During the year under review, no employees, other than CEO & Managing Director, were in receipt of remuneration of not less than Rs.75 Lakh or Rs.6.25 Lakh per month during any part of the year. Though certain details on remuneration in respect of said CEO & Managing Director are provided in Corporate Governance Report and forms part of this Report, in term of Section 136 of the Act, the Report and Account are being sent to the Members and others entitled thereto, excluding the aforesaid annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The internal committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year under review, the Company has not received any complaints of sexual harassment. The Company has complied with all the applicable provisions of the said Act.

RISK MANAGEMENT POLICY

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing / mitigating the same. Your Company has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed.

CORPORATE SOCIAL RESPONSIBILITY [CSR]

Your Company aims to remain essential to the society with its social responsibility, strongly connected with the principle of sustainability, an organization based not only on financial factors, but also on social and environmental consequences. It is responsibility of your Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interest of Stakeholders.

The Company was the first industrial unit in the region, who started providing free drinking water, free medical amenities with free service of Maternity and Child Health, not only to its employees but to all nearby villagers, whosoever residing in the radius of more than 15 KMs.

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As required under Section 135 of the Companies Act, 2013 and to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Policy. Details of the policy, CSR Committee, CSR spent during the year forms part of CSR Report and annexed hereto as **Annexure D**.

The CSR Committee is supported by an Executive Committee comprising of senior officers of the Company from different departments.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Directors

Pursuant to the consummation of the transaction contemplated by the Share Purchase Agreement ("**SPA**") executed on 12th November, 2018, by and amongst True North Fund VI LLP, Votorantim Cimentos EAA Inversões S.L and Votorantim Cimentos S.A. (Votorantim), Mr. Jorge Alejandro Wagner, Mr. Persio Morassutti and Ms. Meike Albrecht, nominee of (Votorantim) have tendered their resignations from the directorship of the Company with effect from 30th April, 2019.

The Board placed on record its deep appreciation for contributions made by Mr. Jorge Alejandro Wagner, Mr. Persio Morassutti and Ms. Meike Albrecht towards achievements of the Company and support provided by them to the Board and to the Company during their association with the Company.

Pursuant to the consummation of the transaction contemplated by SPA, The Board appointed Mr. Pramod Kabra (DIN 02252403) as Additional Director in the category of Non-Independent Non-Executive Director of the Company w.e.f. 30th April, 2019. The Board has also appointed Mr. Anil Singhvi (DIN00239589) as Additional Director in the category of Non-Independent Executive and Executive Chairman of the Company w.e.f. 30th April, 2019.

Mr. Mahesh Gupta (DIN00046810)) and Ms. Mini Menon (DIN 07500434) have also been appointed as Additional Directors in the category of Independent Directors, with effect from 30th April, 2019.

Pursuant to Section 161 and other applicable provisions, if any of the Companies Act, 2013 and Article 109(i) of the Articles of Association of the Company, Mr. Pramod Kabra, Mr. Anil Singhvi, Mr. Mahesh Gupta & Ms. Mini Menon shall hold office till the date of the ensuing Annual General Meeting. The Board recommends appointment of Mr. Pramod Kabra, Mr. Anil Singhvi as Directors and also appointment of Mr. Mahesh Gupta and Ms. Mini Menon as Independent Directors of the Company for a period of 5 years i.e. from 30th April, 2019 to the date of Annual General meeting in the year 2024.

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013 and provisions of the Listing Regulations stating that they meet the criteria of

independence as provided therein. The Board has also considered such declarations and have formed opinion that all the Independent Directors fulfil the criteria of independence and are independent from management.

The Company has received notices as per the provisions of Section 160(1) of the Companies Act, 2013 from Members in writing proposing their candidature for the office of Directors. As required by Regulation 36(3) of the SEBI(LODR) and provisions of the Secretarial standards, brief resume and other details of the above mentioned Directors, are attached to the Notice of the ensuing Annual General Meeting.

None of the Directors proposed for appointment at the ensuing Annual General meeting are disqualified from being appointed as Directors under the provisions of the Companies Act, 2013, the SEBI-LODR or any other order, directions of MCA, SEBI or any other statutory authorities.

Key Managerial Personnel (KMP)

The following are the Key Managerial Personnel of the Company as defined under Sections 2(51), 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Mr. KK Rajeev Nambiar, Chief Executive Officer & Managing Director
- Mr. Suresh Meher, Company Secretary, Compliance Officer & Legal Head
- Mr. Vikas Kumar, Chief Financial Officer

BOARD EVALUATION

In terms of Policy on Evaluation of Performance of Directors and the Board, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees and other committees of Board as mandated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The criteria and manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

AUDITORS

Statutory Auditors and their Report

M/s. BSR & Associates LLP, (BSR) Chartered Accountants, Mumbai (ICAI Firm Registration Number 116231W/W-100024) were appointed as Statutory Auditor of the Company at the 73rd Annual General Meeting held on 7th September, 2019 to hold office from the conclusion of the said Meeting till the conclusion of the 78th Annual General Meeting to be held in 2023 subject to ratification of their appointment by the Members at every intervening Annual General Meeting held thereafter.

The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn

consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Hence the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting

The Auditors' Report issued by BSR to the shareholders for the year under review does not contain any qualification.

Cost Auditors and Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s. Kiran J. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2017-18 and has recommended to the Shareholders the ratification of remuneration to Cost Auditors. M/s Kiran J Mehta & Co. have confirmed that their appointment is within the limits of the section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. Pursuant to Cost Audit Report for the financial year 2017-18 was filed with the Ministry of Corporate Affairs on 4th August, 2018 vide SRN No.G95260550.

As required under the Companies Act, 2013 the remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their ratification. Accordingly necessary resolution seeking Member's approval for ratification of remuneration payable to the Cost Auditor for FY 2018-19 and for subsequent financial years, is included in the notice convening 74th Annual General Meeting.

Secretarial Auditor and Secretarial Audit Report

Section 204 of the Companies Act 2013, inter-alia requires every listed company to undertake Secretarial Audit and shall annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form.

In line with the requirement of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Board of Directors of the Company had appointed M/s Manoj Hurkat & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended 31st March, 2019 are annexed as **Annexure E** to this Report. This report is unqualified and self-explanatory and does not call for any further comments/explanations

WEB ADDRESS FOR ANNUAL RETURN AND OTHER POLICIES/ DOCUMENTS

In line with the requirement of the Companies (Amendment) Act, 2017, effective from 31st July, 2018, the extract of annual return, is no longer required to be part of the Board Report. However, for the Compliance of Conditions of Section 92 and Section 134, copy of the Annual Return for the financial year ended 31st March, 2019 and other policies of the Company shall be placed on the Company's website: www.digvijaycement.com.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has adequate internal financial control, which are constantly monitored by Finance Department.

The Finance Department monitors and evaluates operating systems, accounting procedures and policies at all locations of the Company. Based on the report of external Internal Auditors, the Audit Committee/ Board initiate corrective action in respective areas and thereby strengthen the controls. The scope, functioning, periodicity and methodology for conducting internal audit is as per terms agreed by the Audit Committee in consultation with the Internal Auditor and as approved by the Board. During the year under review M/s. Deloitte Haskins & Sells LLP has acted as Internal Auditors of the Company. Significant audit observations and corrective actions thereon are periodically presented to the Audit Committee of the Board.

The financial statements of the Company for the year ended 31st March, 2019, for the purpose of expressing an opinion as to whether the Company had, in all material respects, an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing specified by the Central Government in accordance with Section 143(10) of the 2013 Act and other authoritative pronouncements, to the extent applicable to an audit of internal financial controls over financial reporting, both issued by the ICAI.

MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES.

Vigil Mechanism (Whistle Blower Policy) and Code of Conduct

Creating a fraud and corruption free culture has always been the core factor of your Company. In view of the potential risk of fraud, corruption and unethical behavior that could adversely impact the company's business operations, performance and reputation, Digvijay has emphasised even more on addressing these risks. To

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meet this objective, a comprehensive vigil mechanism named Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, is in place. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

In addition to above policy, Company has in place Code of Conduct, Ethics, Anti-Corruption policy and other critical compliance policies which are laid down based on the Company's values, beliefs, principles of ethics, integrity, transparency and applicable laws. Digvijay has zero-tolerance to bribery and corruption and is committed to act professionally and fairly in all its business dealings.

To create awareness about the Company's commitment to conduct business professionally, fairly and free from bribery and corruption, regular training and awareness workshops is conducted for all employees across the organization.

More details about the Code are given in the Corporate Governance Report.

Code of Conduct to Regulate, Monitor and report trading by Insiders

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct (Code) to Regulate, Monitor and Report Trading by Insiders. Any Insiders (as defined in Code) including designated employees and their relatives are, inter-alia, prohibited from trading in the shares and securities of the Company or counsel any person during any period when the "unpublished price sensitive information" are available with them.

The Code also requires pre-clearance for dealing in the Company's shares and prohibits dealing in Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report forms an integral part of this Report, as annexed hereto as **Annexure F**, together with the Certificate from the Practicing Company Secretary regarding compliance with the requirements of Corporate Governance as stipulated in Part C of Schedule V to the SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India which have mandatory application during the year under review

AWARDS AND RECOGNITION

'Excellence, is not an act but a habit' - Aristotle

At Digvijay, we continuously invest in the development and improvement of our operations to achieve the world best. Your Company received several awards and recognitions during 2018-19.

Key recognitions among them are reflected through the following awards conferred on the Company:

- ❖ GREENTECH ENVIRONMENT GOLD AWARD 2018" in cement sector for your Company's exemplary efforts put in its operations with continuous improvements through sustainability & environmental friendly measures.
- ❖ "Gold Award 2018" under Occupational Health and Safety category in cement sector for your Company's exemplary efforts put in the operations with continuous improvements in OHS performance.
- ❖ "Gold Category Exceed Award 2018" for outstanding achievements in Environment preservations.
- ❖ "Gold Category Award 2018" in Annual Greentech Safety Awards 2018 for Best in Class Safety initiatives and safe workplaces.
- ❖ "Saurashtra - Kutchh Entrepreneur & Excellence Award 2017" for Excellence in Quality Products.
- ❖ Award For MINING MACHINERY IMPROVEMENTS & INNOVATIONS From Director General of Mines, Govt of India
- ❖ Prize for OVERALL BEST MINING PERFORMANCE From Director General of Mines, Govt of India
- ❖ Prize for VOCATIONAL TRAINING IMPROVEMENTS & INNOVATIONS IN MINING OPERATIONS From Director General of Mines, Govt. of India

HOLDING ENTITY

As at the end of the Financial Year 2018-19, the Promoter and the Holding Company i.e. Votorantim Cimentos EAA Inversiones S.L. was holding 103,709,063 equity shares representing 73.36% of the total paid up equity capital of the Company. The intermediate holding company- Votorantim Cimentos S.A. also was holding 2,321,645 equity shares representing 1.64% of the total paid-up equity capital of the Company.

True North Fund VI LLP, became the Promoter and the holding entity effective from 30th April, 2019 and holds 8,08,25,928 Equity Shares representing 57.17% of the total Paid-up Capital of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, which gives a detailed account of state of affairs of the Company's operations forms a part of this Annual Report.

HUMAN RESOURCES

Your Company encourages and provides regular training to employees to improve skills. Your Company has performance appraisal system for senior employees and junior management staff. In-house news-letters provide forum for information sharing. Rewarding individuals for their contribution is part of motivation towards Excellence. More details on this section are forming part of Management Discussion and Analysis Report.

HEALTH AND SAFETY/ INDUSTRIAL RELATIONS

The Company continues to accord high priority to health and safety of employees at all locations. During the year under review, the Company conducted safety training programs for increasing disaster preparedness and awareness among all employees at the plant. Training programs and mock drills for safety awareness were also conducted for all employees at the plant. Safety Day was observed with safety competition programs with aim to imbibe safety awareness among the employees at the plant.

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of following items as either there were no transactions on these items or these items are not applicable to the Company during the year under review:

- 1) No material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31st March 2019 and the date of this report.
- 2) No Company have become or ceased to be Subsidiary, Associate or joint venture of the Company during the year under review.
- 3) No significant and material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

- 4) No fraud has been reported during the audit conducted by the Statutory Auditors, Secretarial Auditors and Cost Auditors of the Company.
- 5) During the year under review, no revision was made in the previous financial statement of the Company, except as otherwise required under applicable laws.

ENVIRONMENT SUSTAINABILITY

We believe in sustainable development. We regard social, economic and environmental responsibility as integral element of our business.

Your Company is ISO 14001 Environment Management system Certified and adhere to OHSAS 18001 standards of Safety and Occupational Health. Professional Environment Auditors such as Det Norske Veritas, the State Pollution Board's certified auditors and Environmental System Auditors conduct periodic in-depth environmental audit on our plant. The Audit Reports validate our commitment to environmental conservation. Large scale plantations in the mines, plant, colonies and surrounding areas provide a lush green cover and are reflection of our respect for the environment.

ACKNOWLEDGEMENT

Your Directors are thankful to the Central and State Government Departments, Organizations and Agencies for their continued guidance and co-operation. The Directors are grateful to all valuable Stakeholders, Dealers, Vendors, Banks and other business associates for their excellent support and help rendered during the year. The Directors also acknowledged the commitment and valued contribution of all employees of the Company.

Your Directors wish to place on record their appreciation for the support and guidance provided by its Parent Company/Promoters.

For and on behalf of the Board

A.K. Chhatwani
Director

K.K. Rajeev Nambiar
CEO & Managing Director

Place: Mumbai
Date: 30th April, 2019

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MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO AND OUTLOOK

GLOBAL ECONOMY

Global growth is expected to remain at 3.0 per cent in 2019, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.

In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018. Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind. While economic activity in the commodity-exporting countries, notably fuel exporters, is gradually recovering, growth remains susceptible to volatile commodity prices. For these economies, the sharp drop in global commodity prices in 2014/15 has continued to weigh on fiscal and external balances, while leaving a legacy of higher levels of debt.

Source: <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-2019/>

INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy, policies and initiatives. While the UK and France have regularly switched places owing to similar levels of development and roughly equal populations, India's climb up in the rankings is likely to be permanent.

India's GDP was estimated to have increased 7.2% in 2017-18 and 7% per cent in 2018-19. The Indian economy advanced 5.8 percent year-on-year in the first quarter of 2019, missing market expectations of 6.3 percent, it should return to healthy growth rate of more than 7% in 2019-20 if there are no major headwinds in the global economy such as trade tensions or supply-side shocks in oil. India has retained its position as the

third largest startup base in the world with over 4,750 technology start-ups.

Growth will be supported through further realization of efficiency gains from the newly adopted GST and policy impetus expected from the government.

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

- During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.
- India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- Net employment generation in the country reached a 17-month high in January 2019.

Government Initiatives

The interim Union Budget for 2019-20 was announced by the Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament

on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganized sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named PradhanMantriAwasYojana (Urban).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure

pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price waterhouse Coopers.

Source: <https://www.ibef.org/economy/indian-economy-overview>

INDUSTRY OUTLOOK

India is the second largest producer of cement in the world. No wonder, India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. Ever since it was deregulated in 1982, the Indian cement industry has attracted huge investments, both from Indian as well as foreign investors

India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it. Some of the recent major initiatives such as development of 98 smart cities are expected to provide a major boost to the sector.

Expecting such developments in the country and aided by suitable government foreign policies, several foreign players such as Lafarge-Holcim, Heidelberg Cement, and Vicat have invested in the country in the recent past. A significant factor which aids the growth of this sector is the ready availability of the raw materials for making cement, such as limestone and coal.

INDIAN CEMENT INDUSTRY

Cement production capacity stood at 502 million tonnes per year (mtpy) in 2018. Capacity addition of 20 million tonnes per annum (MTPA) is expected in FY19- FY 21.

The Indian cement industry is dominated by a few companies. The top 20 cement companies account for almost 70 per cent of the total cement production of the country. A total of 210 large cement plants account for a cumulative installed capacity of over 410 million tonnes, with 350 small plants accounting for the rest. Of these 210 large cement plants, 77 are located in the states of Andhra Pradesh, Rajasthan and Tamil Nadu.

The eastern states of India are likely to be the newer and virgin markets for cement companies and could contribute to their bottom line in future. In the next 10 years, India could become the main exporter of clinker and gray cement to the Middle East, Africa, and other developing nations of the world. Cement plants near the ports, for instance the plants in Gujarat and Visakhapatnam, will have an added advantage for exports and will logistically be well armed to face stiff competition from cement plants in the interior of the country.

Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry is expected to reach 550-600 Million Tonnes Per Annum (MTPA) by the year 2025.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

A large number of foreign players are also expected to enter the cement sector, owing to the profit margins and steady demand.

INDUSTRY GROWTH DRIVERS

- Housing demand remains subdued – consumption slowdown a dampner
- GST rate reductions in real estate sector – potential to fire up this sector
- Government’s mega infrastructure projects eats into retail cement demand
- Downward trend in imported fuel prices (present uptrend is in temporary nature)

COMPANY’S PERFORMANCE

During the year under review, the working results under review, earning before interest, tax and depreciation (EBITDA) of the Company was lower to Rs.3117 Lakhs as compared to previous year Rs.5420 Lakhs.

The Lower EBITDA was due to stiff rise in energy cost because of volatility of fuel prices in the international markets, therefore the Power & fuel cost was up by 35% over previous year.

The demand for cement may continue to be driven further by the pick-up in the infrastructure projects viz. bridges, roads, ports, metro rails and low budget housing segment, bringing opportunities for growth in this sector. The long termout look for cement is expected to be positive.

Despite the pressure from increase in input costs, mainly from power and fuel, the Company has been able to make marginal profit. Concerted efforts throughout the year resulted in reduction in variable cost per bag along with higher realizations from the market. Numerous initiatives on the procurement front enabled the Company to moderate the impact of increasing input costs. The Company continues to focus on optimizing costs, improving operational efficiency and further strengthening the brand.

Operational Performance:

	Current year ended 31.03.2019	Previous Year ended 31.03.2018
Installed Capacity (Lakh. TPA)	10.75	10.75
Production (Lakh. TPA)		
Clinker	8.51	8.02
Cement	10.57	9.62
Effective Capacity utilization@	98.33	94.97
Sales Volume (Lakh. Ton)		
Domestic - Cement	10.52	9.63
Export -Cement	0.01	-
Domestic - Clinker	-	0.39
Export - Clinker	-	0.20
Net Cement Sales Realization (Rs./ MT)	4,110	4,155

@ Effective capacity utilization = Cement Production + Clinker sold / Installed capacity.

Financial Performance :

(In Rs. Lakhs)

Particulars	Current Year Ended 31.03.2019	Previous Year Ended 31.03.2018
Revenue from Operations(Gross)	43,292	42,417
Add: Other Operating Income	228	171
Less: Total Expenditure	40,994	37,635
Profit before other income, interest, depreciation & tax	2,526	4,953
Add: Other Income	591	467
Profit before Interest Depreciation, & Tax [PBIDT]	3,117	5,420
Less: Interest	386	1,069
Less: Depreciation	2,399	2,288
Profit /(Loss) before tax	332	2,063
Less: Tax Expenses	126	726
Profit /(Loss) for the year	206	1,337

SEGMENT REVIEW AND ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief Executive Officer (CEO) and Managing Director (MD) of the Company has been identified as CODM who assesses the financial performance and position of the company, and makes strategic decisions.

The Company's chief operating decision maker (CODM) has identified one business segment viz. Manufacturing and Sales of Cement and its only production facility is located in India. There are no other reportable segments.

COST AND PROFITABILITY:

On the cost front, the Company witnessed significant pressure over the course of the year due to increase in various input costs. These increases were caused largely due to external factors.

Power and fuel costs increased significantly owing to sharp rise in pet coke and coal prices. Transportation cost has also witnessed a sharp increase. Freight costs went up, owing to higher diesel prices and high demand for transport vehicles on account of stronger movement of agricultural products / Government projects.

Controlling costs is on going exercise of your Company. The Company continues to focus on cost reduction, procurement, sales, marketing and logistics operations and overheads, including man power, to improve profitability.

OPPORTUNITIES AND OUTLOOK:

The thrust of the Interim Budget 2019-20 was on social infrastructure, ease of living and technology led

governance aimed at inclusive and equitable growth. The salaried class with taxable income of up to Rs. 5 lakh will have higher disposable incomes. Direct Benefit Transfer to farmers will support rural demand. The Pradhan Mantri Shram-Yogi Maandhan Yojana will provide social security to a large number of marginal wage earners in the country. The Real Estate sector will see more activity and the allied sectors of steel and cement will get a boost. With enhanced spending and direct benefit transfers, there is an obvious concern about inflationary pressures. However, given that capacity utilisation is still around 70%, the expectations of inflationary pressure will be muted. The Government's vision to create a tech-enabled tax system is a welcome initiative. In all, this Budget has set the tone for considerable future discourse.

Due to the limited capacity additions and demand revival, the cement sector is expected to enter a multi-year earnings growth cycle where it gains pricing and operating leverage.

Goods & Service Tax (GST) slab on Cement from 28% to 18% may certainly boost to the Cement Sector by further adding the demand from Housing Sector.

THREATS, RISK & CONCERN

INDUSTRY RISKS

Raw material risk

The cement industry depends on limestone and other raw materials. However, availability of limestone is limited and thus, it is essential to promote the use of blended cement, which uses alternative raw materials such as fly ash and slag. The increase in the cost of these alternative materials now fly ash is available on auction and slag on the basis of prevailing market prices may further increase production costs.

Competition risk

The cement industry is witnessing a significant imbalance in its total installed capacity vis-a-vis the capacity utilization which presently is ~75%. Despite the capacity overhang, capacity expansion still continues, resulting in intense competition and adverse impact on the Company's market share, sales volume and profitability.

Infrastructure risk

Infrastructure sector drives overall development of the economy and is a major focus of the Government of India. Any pull back by the government on its initiatives will result in de-growth for the cement industry. Moreover, too many regulatory approvals and compliances might be a hindrance to the segment's progress.

Power and fuel risk

During the year, the Company was adversely impacted by steep rise in energy cost due to volatility of fuel prices in the international markets coupled with uncertainty over availability of domestic and linkage coal continue to pose

challenges in regard to coal availability and pricing to the cement industry as well as the Company.

Cement industry is highly energy intensive and 29% of its total expenditure consists of power and fuel costs. At Digvijay Cement, ~80% of our requirement for kiln fire is met by petcoke, which is a derivative of crude oil. Thus, any rise in crude oil prices will adversely impact prices of petcoke and operating costs of the Company. In case of increase in petcoke prices or non-availability, we use imported or indigenous coal (through e-auction) as the availability of linkage coal is limited.

Logistics risk

With the rise in diesel prices, cost of road transportation increases. At Digvijay Cement, we currently use railways for only 5% of our logistics needs for cement. This cost increase and huge dependence on road transportation would have an impact on our operational costs.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use of disposition. Further, all transactions entered into by the Company are duly authorized and recorded correctly. M/s. Deloitte Haskins & Sells LLP, Chartered Accountant has been working as the Internal Auditor of the Company for the FY 2018-19. The Internal Auditors are submitting reports to the Company on a Quarterly basis.

INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICFR)

The internal financial controls within the Company are commensurate with the size, scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting its business, the safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and the prevention and detection of frauds and errors. The operating effectiveness of such controls are in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing specified by the Central Government in accordance with Section 143(10) of the 2013 Act and other authoritative pronouncements, to the extent applicable to an audit of internal financial controls over financial reporting, both issued by the ICAI.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

The Company continued with efforts to ensure that its pool of human resources is "future ready" through its robust processes of learning & development, capability

SHREE DIGVIJAY CEMENT COMPANY LIMITED

building and its development programmes. Efforts were taken to develop leadership lines as well as to enhance technical and functional capabilities with special focus on nurturing young talent, in order to face future challenges. Company organized several training, awareness and coaching program to develop the leadership, technical and management skills of employees. Employee engagement program were organized to create openness and sharing ideas by employees. This learning journey includes formal, informal and highly interactive components that would help in honing their leadership, and coaching skills. It will ensure that the development initiatives result not just in better skills but in enhanced performance and higher engagement.

The total number of employees in the rolls of the Company as on 31st March, 2019 was 271 (Previous year as on 31st March, 2018, number was 279)

Industrial relations during the year under report remained cordial.

EDUCATION

The Company has been providing primary/secondary education for the children of the employees and local community staying in nearby areas of Factory / Mines. The Company has provided educational kits to the needy children in the nearby villages.

REFORESTATION

The Company has been continuously contributing towards environment sustainability. The Company is committed to the protection of environment and maintenance of bio diversity. A green belt has been developed in the plant premises and nearby areas. Your Company has planted more than 10800 trees during the year with cumulative plantation of approx. 92,000 trees in the last decade with survival rate of more than 75 percent. The team at the plant has made lot of efforts in conservation and propagation of rare species of trees, increasing forest cover and fruit garden.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations, tax laws, natural calamities, litigation and industrial relations, monsoon, economic developments within the country and other factors.

ANNEXURE " A"
FORM NO. AOC -2
Particular of contracts / arrangement made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

- Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts or arrangement or transaction entered into during the year ended 31st March 2019, which are not at arm's length basis and not in the ordinal course of business.
- Details of material contracts or arrangements or transactions at arm's length basis:**

The details of material contracts or arrangement or transaction conducted at arm's length and in the ordinary course of business for the year ended 31st March, 2019 are as follows:

Sr.	Name (s) of the Related Party & Nature of Relationship	Nature of contracts/ arrangements / transaction	Duration ³	Salient Terms	Amount (Rs. in lac)
1	Votorantim Cimentos EAA Inversion (VCEAA) (Holding company)	License for providing technological know-how and technical assistance	Ongoing	a) availing of technological know-how services and technical assistance from VCEAA b) Company shall pay VCEAA a sum equal to 2% of the net sales of Company per quarter as royalties.	425.28
		Guarantee commission	Ongoing	a) VCEAA to act as Guarantor for financial assistance taken by Company from third parties. b) Company shall pay VCEAA, an annual remuneration on quarterly basis @ 1.5% over the total amount guaranteed by VCEAA.	13.60
2	Shree Digvijay Cement Co. Ltd. Employees' Gratuity Fund	Contribution	Ongoing	Contribution made to Trust	26.00

- Shareholders' approval was taken at 72nd AGM for a period of five financial years from the financial year 2018-19, considering that above contracts / transactions, as referred at Sr. No.1 are material in nature as defined under Regulation 23 of SEBI (LODR) Regulation 2015 read with the companies (Meetings of Board and its Powers) Rules, 2014. Prior approval of the Audit Committee was taken for all of these transactions. Specific approval of the Board of Directors under Section 188(1) of the Companies Act, 2013 was not required as the transactions were at arm's length basis and in the ordinal course of business. As regards justification of the related party transactions, it may be noted that all such transactions are at arm's length price, and provide maximum credit period to Company for releasing payments, security and guarantee from Group, which are in the best interest of Company and as per corporate strategy and policy.

For and on behalf of the Board of Directors

A.K. Chhatwani
Chairman

Place: Mumbai

Date :30th April, 2019

SHREE DIGVIJAY CEMENT COMPANY LIMITED

ANNEXURE " B"

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Information Under Section 134(3)(m) of the Companies Act, 2013 read with Clause 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ending 31st March, 2019.

CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy	<ul style="list-style-type: none"> • Increase in PPC contribution (from 27.6% to 41.8%) & usage of fly-ash from 31.1% to 31.90% in PPC Cement to improve overall Clinker-Cement ratio and thus reduction in power consumption. • Increased the Raw Mill output from 210 TPH to 235 TPH by optimization of Damring height, nozzle ring area and grinding pressure. • Soda Ash feeding system installation and 5% limestone addition in petcoke to balance Alkali -Sulphur ratio in hot meal leading to improvement in Kiln productivity and reduction in specific power consumption of Kiln. • Installation of VFD in Cooler Fan 6 to reduce the Fan power consumption. • Installation of LED lights in plant and colony to conserve electricity. • Installation of Solar LED Lights in colony. • Optimization of compressed air by continuous monitoring and survey and arresting of leakages. • Effective implementation of Preventive, Predictive and Condition Based maintenance to improve plant reliability.
(i) The steps taken for utilizing alternate sources of energy	<ul style="list-style-type: none"> • Usage of around 3358 MT Alternate Fuel to achieve 1.72% Thermal Substitution Rate. • Consumption of Green Energy generated through Wind generating units (Annual consumption 8.35 million kWh). • Exploring possibility of purchasing of Wind Power from one more wind turbine of 2.2 MW by 3rd party sale through Open Access.
(ii) The capital investment on energy conservation equipment	Rs.0.50 lac

TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption.	<ul style="list-style-type: none"> • Use of Cost effective Copper sludge in place of costlier Iron Ore. • Trials with different Grinding Aids to optimize cost and improve the quality. • Optimization of Gypsum usage and quality by monitoring of SO3 content. • Use of marine gypsum in OPC & PPC, in place of costlier mineral gypsum, leading to cost saving. • Optimization of Usage Pond-ash (4%) which is cheaper than Dry fly ash. • Optimization of Raw Mix by installing Online Cross Belt analyzer before stock-pile. • Trials of different Alternative fuels to achieve better Thermal substitution rate.
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(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.	<ul style="list-style-type: none"> Reduction in clinker factor to reduce CO₂ emission. Improvement in MTBF, kiln OEE and Specific Power Consumption. 																								
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – (a) The details of technology imported; (b) The year of import; (c) Whether the technology been fully absorbed; (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	None																								
(iv) the expenditure incurred on Research and Development	<table border="1"> <tr> <td>1</td> <td>Capital Expenditures</td> <td colspan="2">NIL</td> </tr> <tr> <td>2</td> <td>Recurring Expenses (Rs. In Lacs)</td> <td>2018-19</td> <td>2017-18</td> </tr> <tr> <td>a</td> <td>Technical Royalty</td> <td>425.28</td> <td>830.10</td> </tr> <tr> <td>b</td> <td>R & D Cess</td> <td>-</td> <td>-</td> </tr> <tr> <td>c</td> <td>Contribution to Cement Cess</td> <td>-</td> <td>-</td> </tr> <tr> <td>3</td> <td>Total R&D Expenditure as a percentage of total turnover</td> <td>1%</td> <td>2%</td> </tr> </table>	1	Capital Expenditures	NIL		2	Recurring Expenses (Rs. In Lacs)	2018-19	2017-18	a	Technical Royalty	425.28	830.10	b	R & D Cess	-	-	c	Contribution to Cement Cess	-	-	3	Total R&D Expenditure as a percentage of total turnover	1%	2%
1	Capital Expenditures	NIL																							
2	Recurring Expenses (Rs. In Lacs)	2018-19	2017-18																						
a	Technical Royalty	425.28	830.10																						
b	R & D Cess	-	-																						
c	Contribution to Cement Cess	-	-																						
3	Total R&D Expenditure as a percentage of total turnover	1%	2%																						

FOREIGN EXCHANGE EARNINGS & OUTGO

Rs. in Lacs

	2018-19	2017-18
Foreign Exchange earned	82.97	512.23
Foreign Exchange used	471.08	1418.51

SHREE DIGVIJAY CEMENT COMPANY LIMITED

ANNEXURE "C"

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Director / key managerial personnel (KMP) to the median remuneration of all the employees of the Company for the Financial Year is as follows:

Median remuneration of all the employees of the Company for the Financial Year 2018-19(in Rs.)	5,48,997.50
Percentage increase in the median remuneration of employees in the Financial Year	6%
Number of permanent employees on the rolls of the Company as on 31 st March 2019	271

Sr.	Name of the Director* /KMP	Designation	Ratio of remuneration to median remuneration of All employees	% Increase in remuneration in the FY 2018-2019
1.	Mr.A.K.Chhatwani	Director(Independent)	NA	NA
2.	Mr.A. Kumaresan	Director(Independent)	NA	NA
3.	Mr.K.K.Rajeev Nambiar	CEO & Managing Director	33.92	10%
4.	Mr. Vikas Kumar	CFO	7.10	**49%
5.	Mr.Suresh Meher	Company Secretary	9.06	9%

* Independent Directors were paid sitting fees and commission. Other Directors were not paid any remuneration during the financial year.

** Mr. Vikas Kumar promoted to CFO effective from 1st May, 2018 from the position of Interim CFO.

Note:

The ratio of remuneration of each Director and KMP to the median remuneration is based on the remuneration paid during the year 2018-19 in their respective capacity as such Director or KMP.

- ii. Average percentile increase made in the salaries of employees other than the Managerial Personnel and its comparison with the percentile increase in the Managerial Remuneration and justification thereof:

On an average an employee receives an annual increase of 9%, which also include wage increments for unionized employees due to wage settlements. The wage revision for staff cadre employees is done annually as per Company's and Group Policy. In order to ensure that remuneration reflects Company performance, the performance pay & annual increment are also linked to organization performance, apart from an individual's performance. The individual increments for staffcadre employees are based on Cost to Company (CTC) consisting of Annual Base Salary and the performance/ variable pay. The percentage increase in remuneration of Mr. Rajeev Nambiar, CEO & Managing Director during the year is mentioned in table above.

Average increase in the remuneration of the employees other than the Managerial Personnel and that of the Key Managerial Personnel is in the line with the industry practice and industry trends. Average increase in the remuneration is also guided by factors like economic growth, inflation, mandatory increases, external competitiveness and talent retention. Whilst the Company endeavors on cost effective initiatives including employees cost being one of the key areas of cost monitoring and control, the results of any structural initiatives needs to be measured over a long term horizon and cannot be strictly compared only with annual performance indicators.

- iii. **Relationship between average increase in Remuneration and Company Performance:**

The Remuneration Policy at Company is to provide remuneration that is market competitive and linked to performance of both the Company and the Individual. The average increase in remuneration during Financial Year 2018-19 was 9% as compared with previous financial year. Revenue from Operations of the Company during the financial year was Rs.44,111 lakhs as against Rs.430,55 lacs in the previous year. Employee costs during the year increased by 8% (compared to previous financial year). The total employee cost as a percentage of total expenses in 2018-19 was 6.6%. The performance of the Company was better in comparison to previous year but still under pressure due to market conditions and the challenges it faced during the year. These are explained in detail in the operations and performance section of the Director's Report and the Management Discussion & Analysis Report.

iv. Comparison of the remuneration of the KMP against the performance of the Company:

The remuneration of the KMP is as per the Remuneration Policy of the Company and Group. The remuneration is benchmarked against market and also based on the performance of the Company and the individual. Given the Company performance and performance ratings of the KMP, appropriate reward by way of merit increase and variable pay has been awarded to the KMP for the year.

v. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company to the rate at which the Company came out with the last public offer:

Variation in the market capitalization: The market capitalisation at Rs.30,042 lacs as at 31st March, 2019 and Rs.32,799 lacs as at 31st March, 2018.

Price earnings ratio: The price earnings ratio for 31st March, 2019 was 141.67 as compared to 24.68 as at 31st March, 2018.

Percentage increase in the market quotation of shares of the Company as compared to the rate of last public offer: The closing price of Company's equity shares on BSE Limited Rs. 21.25 as of 31st March, 2019 and Rs. 23.20 as of 31st March, 2018. The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer Price and the current market price of the Company's shares will not be relevant. During the year True North Fund VI LLP made an Open Offer to the Public Shareholders of the company and acquired 2.56 % equity shares in the Company.

vi. The key parameters for any variable component of remuneration availed by the directors

Performance assessment is based on the Company performance and individual performance. Based on the performance assessment, the variable remuneration is approved by the Nomination & Remuneration Committee and recommended to the Board for their approval within the overall limits as permitted under the law and as approved by the Members. Other than, CEO & Managing Director, no other Director is in receipt of any variable components of remuneration.

vii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: -Not Applicable

viii. The remuneration is as per the Remuneration Policy of the Company.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

ANNEXURE " D "

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or program proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Policy is stated herein below:

Web Link: <http://www.digvijaycement.com/SitePages/Policies.aspx>

2. The Composition of the CSR committee

Mr. A.K. Chhatwani - Chairman (Independent Director)

Mr. A.Kumaresan - Member (Independent Director)

Mr. K K Rajeev Nambiar - Member (Managing Director)

During the year, the Committee met on 23rd October, 2018, and required quorum was present at the meeting.

3. Average net profit of the Company for last three financial years:

(Rs. In Lakhs)

Particulars	2015-16	2016-17	2017-18
Net Profit	539.16	-1366.05	2086.39
Average net profit of the Company for last three financial years is at Rs.419.83 Lakhs			

4. Prescribed CSR Expenditure (2 % of the amount as in item 3 above):Rs. 8.40 Lakh

5. Details of CSR spent during the financial year.

- (a) Total amount spent for the financial year : Rs.12.79 Lakh
 (b) Amount un-spent, if any : Not Applicable
 (c) Manner in which amount has been spent during the financial year 2018-19 is as follows:

Sr. No.	Title of the Project	CSR Activities and areas where spent	Spent in Rupees*
1	Promoting Health Care, Hygiene and Sanitation	Company conducted various immunization programs, blood donation camps, periodical health check-up, medication etc.in and around Digvijaygram, Sikka, and Gop Mines.	89,623
2	State-wise water conservation program under the name of 'Sujalam Sufalam Jal Sanchay Abhiyan' 2018	In order to make water conservation more effective and sustainable, the Gujarat Government has sought the help from the corporate as well as NGOs to support the conservation projects under Public-Private Partnership (PPP) mode. Contribution from the Company by providing the JCB Equipment (bear the hire charges) in 20 Number of Villages under Devbhumi Dwarka and Jamnagar District of Gujarat.	9,00,328
3	Promotion of Education	Education and skill development activities.	32,440
4	Empowerment of Women and other Social Welfare Activities	Skill Development Activity for women, promoting art & culture, sports and other activities in and around Digvijaygram, Sikka and Gop Mines, Pachhatardi village (Jamnagar-Gujarat)	2,13,146
5	Animal welfare activities.	Company conducted various camps for health check-up of Domestic animals at Gop Mines, Lalpur, Pachhtardi and other local areas of Bhanvad.	43,471
Total			12,79,008

*As against spending obligations of Rs. 8.40 lakhs for 2018-19, the Company has spent a sum of Rs.12.79 lakhs towards CSR activities.

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 CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the Company.

CSR Committee confirm that the implementation and monitoring of CSR Policy is in Compliance with CSR Objectives and policy of the Company.

Place: Mumbai

A.K. Chhatwani

KK Rajeev Nambiar

Date: 30th April, 2019

Chairman- CSR Committee

CEO & Managing Director

ANNEXURE "E"

SECRETARIAL AUDIT REPORT

[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 of
SHREE DIGVIJAY CEMENT COMPANY LIMITED
Digvijaygram - 361140
Via Jamnagar, Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHREE DIGVIJAY CEMENT COMPANY LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2019 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. The 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') to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

- VI. There are no other laws applicable specifically to the Company in respect of the business/activities carried out by the Company which are required to be reported under this clause.

We further report that:

- a) 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.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and 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.

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- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period:

- a. The Board of Directors of the Company at its meeting held on 27th March, 2018, approved the Scheme of Arrangement ("Scheme") between the Company and its shareholders under Sections 230-232 of the Companies Act, 2013, with appointed date as 1st April, 2017. Further, the Company has already received in principle approval from BSE Limited under Regulation 37 of the SEBI-LODR Regulations and SEBI circular. However the Company has not made application to National Company Law Tribunal on or before the validity period of the Scheme and the In Principle approval of the BSE Limited. Thus, the Scheme stands lapsed.
- b. True North Fund VI LLP has entered into Share Purchase Agreement (SPA) on 12th November, 2018 with Votorantim Cimentos EAA Inversion S.L. and Votorantim Cimentos S.A for acquisition of 7,72,13,644 (54.6%) Equity Shares of the Company.

As a consequence, True North Fund VI LLP has made an open offer to the public shareholders of the Company to acquire 3,56,11,817 equity shares (25.1%) in the Company pursuant to Regulation 3(1) and 4 of the SEBI (SAST) Regulations. Pursuant to such public offer, True North Fund VI LLP has acquired 36,12,284 (2.60%) equity shares in the Company. Pursuant the aforesaid SPA, True North Fund VI LLP has acquired 7,72,13,644 Equity Shares (54.6%) of the Company on 16th April, 2019. Consequently, True North Fund VI LLP has become Promoters of the Company holding 8,08,25,928 equity shares (57.2%) in the Company.

Barring this, during the audit period, no other events/ actions has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For MANOJ HURKAT AND ASSOCIATES
Practicing Company Secretaries

MANOJ R HURKAT
Partner

Place: Ahmedabad
Date: 30th April, 2019

FCS No. 4287
C P No.: 2574

Note: This Report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this Report.

ANNEXURE- A

To
The Members,
Shree Digvijay Cement Company Limited
(CIN: L26940GJ1944PLC000749)
Digvijaygram - 361140
Via Jamnagar, Gujarat

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 and cost records of the Company.

4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same 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 MANOJ HURKAT AND ASSOCIATES
Practicing Company Secretaries

MANOJ R HURKAT
Partner

Place: Ahmedabad
Date: 30th April, 2019

FCS No. 4287
C P No.: 2574

ANNEXURE "F"

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2019.

A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At Digvijay Cement, Corporate Governance has been an integral part of the way we are doing our business. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding to our plant, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders.

It is governed by a set of principles, initiatives and management structures that confer an integrated vision and a great deal of agility in decision-making. It also employs the best practices and it prioritizes a long-term strategic vision of its businesses and the collective interest, focusing on results and a meritocracy. The way the Company operates is

expressed in its Vision and its Values, in its Code of Conduct, and in its Sustainability Principles. Such elements are the organization's guidelines for its businesses, objectives and challenges.

The Company's corporate governance philosophy has been further strengthened through Parent Company and Digvijay Cement Business practices and also the Disclosure Practices.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

B) BOARD OF DIRECTORS:

- Composition of the Board

The Board comprises six (6) Directors consisting of two (2) Non-Executive Independent Directors, three (3) Non-Executive Non-Independent Directors including a Woman Director and one (1) Executive Director. The Chairman is an Independent Director. The details of the Directors with regard to outside directorships, committee positions as well as attendance at Board/General Meetings are as follows:

Director	Executive/ Non-Executive/ Independent	Number of Directorship as on 31.03.2019 excluding SDCCL	Name of other Listed Entities where the Director holds Directorship	Number of Membership/ Chairmanship in Board Committee as on 31.03.2019 excluding SDCCL	No. of Board Meetings (During tenure of respective Directors)*		Attended Last AGM \$
					held	Attended	
Mr. A.K. Chhatwani	Independent	-	-	-	9	9	Yes
Mr. Kumaresan Arcot	Independent	3	-	-	9	9	Yes
Mr. Jorge Alejandro Wagner	Non-Executive	-	-	-	9	6	Yes
Mr. Persio Morassutti	Non-Executive	-	-	-	9	7	Yes
Ms. Meike Albrecht	Non-Executive	-	-	-	9	7	Yes
Mr. KK Rajeev Nambiar	Executive	-	-	-	9	9	Yes

⁵ Last AGM was held on 7th September, 2018

* Includes meeting(s) attended through Video Conference.

NOTES:

1. None of the Directors are related inter-se.
2. Mr. KK Rajeev Nambiar holds 200 (two hundred) equity shares of the Company. Except this no other Director holds any equity shares in the Company.

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The Board of Directors have identified the below mentioned skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

- Knowledge of legal, including taxation, HR, IT, marketing, etc. (specialized professional skill),
- Knowledge of accounts and finance (ability to read and understand financial statement),
- Knowledge of Cement Sector and
- Knowledge of administration and management.

The above skills / expertise / competencies identified by the Company are also actually available with the Board.

- Board Meetings and Attendance of Directors

Regular meetings of Board of Directors are convened and held to review the performance and to deliberate and decide on various business matters. Calendar of Board / Committee meetings for the year are agreed with the Directors well in advance to enable them to plan their schedule for effective participation in the meetings. The members of the Board are provided with the requisite information mentioned in the Listing Agreement / SEBI Regulations well before the Board Meetings. During the financial year ended on 31st March 2019, nine meetings of the Board of Directors were held.

The details of Board Meetings held during the financial year ended on 31st March, 2019 are as follows:

Sr. No.	Date of Board Meeting	Place	No. of Directors attended (including Participation through Video Conference)
1.	19 th April, 2018	Madrid(Spain)	6
2.	21 st June, 2018	Madrid(Spain)	6
3.	19 th July, 2018	Mumbai	5
4.	3 rd August, 2018	Mumbai	3
5.	23 rd October, 2018	Mumbai	5
6.	12 th November, 2018	Mumbai	6
7.	22 nd November, 2018	Mumbai	5
8.	23 rd January, 2019	Mumbai	5
9.	27 th March 2019	Mumbai	6

The intervening gap between two consecutive meetings was not more than one hundred and twenty days.

• Independent Directors:

Meeting of Independent Directors: As required under the Companies Act, 2013, three meetings of the Independent Directors of the Company were held on 11th July, 2018; 22nd November, 2018 and 29th December, 2018.

Familiarization Programme of Independent Directors: The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has, through presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and the Cement Industry as a whole. Regular visits to Company's plant and other business locations are organized for the Directors to enable them to understand the operations of the Company. They were regularly updated with the changes in the regulatory environment having significant impact on the operations of the Company.

During the financial year 2018-19 the Company has conducted various programmes, organized visits to plants and made presentations for familiarizing the Directors for a total duration of 48 hours. The terms and conditions of appointment of Independent Directors and details of familiarisation programmes imparted to Independent Directors have been placed on the website of the Company www.digvijaycement.com.

Performance Evaluation for Board, Committees, Individual Directors (Independent and Non Independent Directors): The Evaluation of Board, its Committees, Individual Directors (Independent and Non Independent Directors) was carried out as per the process and criteria laid down by the Board of Directors based on the Policy on Performance Evaluation for Board, Committees, Individual Directors and Nomination & Remuneration Policy. The Independent Directors (IDs) met on 11th July, 2018 to discuss the performance of the Board and its Directors (other than IDs). The IDs submitted their assessment of the performance of the Board and its Directors (other than IDs) to the Chairman. Evaluation of Committees of Board and Independent Directors were also submitted to Board through Chairman. Chairman discussed the outcome of performance appraisal and the actions points

arising from the evaluations in the Board Meeting held on 19th July, 2018.

The Independent Director also met on 22nd November, 2018 and on 29th December to consider the proposal of open offer made by True North Fund VI LLP and for providing reasoned recommendation on the Open offer of True North Fund VI LLP to the public shareholders of the Company.

The Board of Directors do hereby confirms that the Independent Directors of the Company fulfills the criteria of Independence as per the requirements and are Independent from the management.

C) COMMITTEE OF DIRECTORS

1 AUDIT COMMITTEE:

- The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Regulations read with Section 177 of the Companies Act, 2013.
- Apart from all the matters provided in Regulation 18 of SEBI Regulations and Section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also re-views major accounting policies followed by the Company.
- The Audit Committee comprising three Directors, out of these, two (2) are Independent Directors and one (1) is Non-Executive Director. Following are the members of the Audit Committee :
 1. Mr. A.K. Chhatwani
 2. Mr. A Kumaresan
 3. Mr. Persio Morassutti

Mr. A. K. Chhatwani, Independent Director is the Chairman of the Committee.
- Mr. A.K. Chhatwani, Chairman of the Audit Committee, attended the last Annual General Meeting of the Company held on 7th September, 2018 to answer the queries of shareholders.
- During the financial year ended on 31st March, 2019, five Meetings of the Audit Committee were held i.e. on 19th April, 2018; 19th July, 2018 ; 3rd August ,2018; 23rd October, 2018; and 23rd January, 2019 .
- The attendance of each member of the Audit Committee are given below:

Name	Designation	Category	Meetings Attended
Mr. A.K. Chhatwani	Chairman	Independent Director	5
Mr. A. Kumaresan	Member	Independent Director	5
Mr. Persio Morassutti	Member	Non-Executive Director	3

The CEO & Managing Director and Chief Financial Officer are permanent invitees in the Audit Committee meetings. The Statutory, Internal as well as the Cost Auditors of the Company are also invited to the Audit Committee Meetings.

Mr. Suresh Meher, VP (Legal) & Company Secretary, acts as the Secretary to the Committee.

The necessary quorum was present at all the meetings.

The principal terms of reference of the Audit Committee, as approved by the Board and as updated from time to time by the Board are as under:

- I. (1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, 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 to be included in the Board's report;
 - (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;

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- (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
 - (5) reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
 - (6) reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (8) approval or any subsequent modification of transactions of the listed entity with related parties;
 - (9) scrutiny of inter-corporate loans and investments;
 - (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - (11) evaluation of internal financial controls and risk management systems;
 - (12) reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (13) 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;
 - (14) discussion with internal auditors of any significant findings and follow up there on;
 - (15) 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;
 - (16) discussion with statutory auditors before the audit commences, about the nature and scope of as well as post-audit discussion to ascertain any area of concern;
 - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (18) to review the functioning of the whistle blower mechanism;
 - (19) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- II.** The Audit Committee mandatorily reviews the following information:
- (1) Management discussion and analysis of financial condition and results of operations;
 - (2) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (3) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - (4) Internal audit reports relating to internal control weaknesses; and
 - (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
 - (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- III.** In addition to the above, the Audit Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable law.
- IV.** The Audit Committee may make recommendations to the Board on any matter within its purview, by passing appropriate resolutions in its meetings.

2 NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors. The level and structure of appointment and remuneration of all Key Managerial personnel and Senior Management Personnel (being the direct reportees to the CEO i.e. the persons holding the positions namely, CFO, Legal Head & CS, HR-Head, Technical Head, Marketing Head and SCM-Head) of the Company, as per the Remuneration Policy, is also overseen by this Committee.

During the financial year four Meetings of the Nomination & Remuneration Committee were held on 19th April, 2018; 18th July, 2018; 23rd January, 2019 and 25th February, 2019.

The details of composition of the Committee & attendance record of the members at the meeting were as follows:

- The Nomination and Remuneration Committee comprising three Directors of these two (2) are Independent Directors and one (1) is Non-Executive Director. Following are the members of Nomination and Remuneration Committee :

- Mr. A Kumaresan
- Mr. A.K. Chhatwani
- Ms. Meike Albrecht

Mr. A. Kumaresan, Independent Director is the Chairman of the Committee.

- Mr. A. Kumaresan - Chairman of the Nomination and remuneration Committee, attended last Annual General Meeting of the Company held on 7th September, 2018.
- The details of attendance are as under:

Name	Designation	Category	Meetings Attended
Mr. A. Kumaresan	Chairman	Independent Director	4
Mr. A.K. Chhatwani	Member	Independent Director	4
Ms. Meike Albrecht	Member	Non-Executive Director	4

Mr. Suresh Meher, AVP (Legal) & , provided secretarial support to the Committee.

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, Nomination and Remuneration Committee has the following principal terms of reference:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and senior employees as per Remuneration Policy;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- In addition to the above, the Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, 2013, SEBI (LODR) / Listing Agreement with stock exchanges or any other applicable law / regulations from time to time or as may be assigned by the Board of Directors.

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Remuneration of Directors:

The details of remuneration paid to the Directors for the financial year 2018-19 are given below:

(Rs. In Rupees)

Name of Director	Designation	Salary	Comm Ission*	Perqui-sites	Retirement Benefits	Sitting Fee	Total
Mr. A.K. Chhatwani	Independent Director	-	9,00,000	-	-	23,00,000	32,00,000
Mr. Kumaresan Arcot	Independent Director	-	6,00,000	-	-	23,00,000	29,00,000
Mr. Jorge Alejandro Wagner	Non-executive Director	-	-	-	-	-	-
Mr. Persio Morassutti	Non-executive Director	-	-	-	-	-	-
Ms. Meike Albrecht	Non-executive Director	-	-	-	-	-	-
Mr. KK Rajeev Nambiar	CEO & Managing Director	1,82,45,948	-	14,06,386	-	-	1,96,52,334
Total		1,82,45,948	15,00,000	14,06,386	-	46,00,000	2,57,52,334

*Commission is paid for financial year 2017-18, based on net profits of said financial year.

Apart from sitting fees for attending Board/Committee Meetings, no other fees/compensation has been paid to the Independent Directors nor have any significant material transactions been made with the Non-Executive Directors vis-à-vis the Company.

Your Company does not have any stock option scheme for its Directors and employees for the F.Y. 2018-19.

The Non-Executive Directors, other than Independent Directors are not accepting any sitting fee for attending Board/Committee meetings.

Remuneration for the Senior Management Employees

In determining the remuneration of the Senior Management Employees and Key Managerial Personnel the criteria and guidelines mentioned in Remuneration Policy is followed. The Nomination and Remuneration Policy is uploaded on website of the company at www.digvijaycement.com.

3) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee considers and oversees resolution of grievances of security holders and investors of the Company.

During the year, the Committee met once on 19th April, 2018.

Stakeholder Relationship Committee comprising of three Directors, out of these two (2) are Independent Directors and one (1) is Non-Executive Director.

- Following are the members of Stakeholder Relationship Committee :

1. Mr. A Kumaresan (Chairman) 2. Mr. A.K. Chhatwani 3. Ms. Meike Albrecht

Mr. A. Kumaresan , Independent Director is heading the Committee

Mr. Suresh Meher - VP (Legal) & Company Secretary is the Compliance Officer

- The Details of attendance of the members at the meeting held on 19th April,2018 are given below:

Name	Designation	Category	Meetings Attended
Mr. A. Kumaresan	Chairman	Independent Director	1
Mr. A.K. Chhatwani	Member	Independent Director	1
Ms. Meike Albrecht	Member	Non-Executive Director	1

- Complaints received and redressed by the Company during the financial year:

Sl. no	Particulars	Remarks
1	At the beginning of the year	NIL
2	Received during the year	2
3	Resolved during the year	2
4	At the end of the year	NIL

The Company has designated an exclusive e-mail ID investors.sdcl@digvijaycement.com for redressal of shareholders' complaints/grievances.

4) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Pursuant to Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee, *inter-alia*, to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on social activities and to monitor the CSR Policy. Implementations of decisions of Committee and CSR activities are undertaken by the Executive Committee consisting of officials from various departments of the Company.

Corporate Social Responsibility Committee comprises of three Directors, out of these two (2) are Independent Directors and one (1) is Executive Director.

- Following are the members of Corporate Social Responsibility Committee :
 1. Mr. A K. Chhatwani (Chairman)
 2. Mr. Arcot Kumaresan
 3. Mr. KK Rajeev Nambiar
- Mr. A.K. Chhatwani, Independent Director is the Chairman of the Committee
- The Details of attendance of the members at the meeting held on 23rd October, 2018 are given below:

Name	Designation	Category	Meetings Attended
Mr. A.K. Chhatwani	Chairman	Independent Director	1
Mr. A. Kumaresan	Member	Independent Director	1
Mr. KK Rajeev Nambiar	Member	Managing Director	1

The Annual Report on CSR activities carried out during the year 2018-19 is annexed to Directors' Report.

D) DISCLOSURES

Legal Compliances:

The Company follows a formal system of legal compliance & reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any. There were no instances of material non-compliance and no penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

Certificate from a Company Secretary in practice on Non Disqualification of Directors from appointment as Directors of the Company:

The Company has obtained a certificate from M/s Manoj Hurkat & Associates, Company Secretary in Practice that none of the Directors of Company are disqualified from being appointed/ continuing as Director of the Company.

Code of Conduct:

Code of Conduct adopted by the Company has been posted on the website of the Company. The Members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code of Conduct for the effective period. The declaration by the CEO & Managing Director is annexed to this report.

Related Party Transaction:

Pursuant to Regulation 23 of the Listing Regulations and applicable provisions of the Companies Act, 2013, the Company has formulated Related Party Transactions Policy for dealing with Related Party transactions. Transactions with every Related Party are as per the provisions of the law and the Related Party Transactions Policy. All Transaction with related parties was in the ordinary course of business and on arm's length pricing basis. The policy on related party transaction has been placed on the company's website and can be accessed through <http://digvijaycement.com/downloads/material-related-party-policy.pdf>

CEO / CFO Certification:

The CEO & Managing Director and Chief Financial Officer (CFO) of the Company gives an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The CEO & Managing Director and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

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Vigil Mechanism / Whistle Blower Policy:

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company has adopted a Whistle Blower Policy as per the applicable laws and as per the standards, policies and procedures as laid down in Group Code of Conduct ("Group Code") and Company's Code of Conduct ("Code") through which the Company has institutionalized a mechanism for the Stakeholders to disclose their concerns and grievances on unethical behaviour and improper / illegal practices and wrongful conduct taking place in the Company for appropriate action.

All Protected Disclosures concerning any alleged wrongful conduct or act should be addressed/ reported to the Local Conduct Committee through the Ethics Line as defined in the Group Code or as may be applicable for Company, for investigation. Where a Protected Disclosure relates to any wrongful conduct or act which involve its management, or any issue which surpasses Company's responsibility or has some impact on the other areas of the Group, such Protected Disclosure may be made by any Stakeholder directly to the Corporate Conduct Committee, also via the Ethics Line.

Through this Policy, the Company provides adequate safeguards to all Whistle Blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation and also provides for direct access to the Chairman of the Audit Committee.

Commodity price risk and hedging activities:

Most of raw materials that are used in the manufacturing operations of cement product of the Company are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks. The Company has Risk Management framework to pro-actively mitigate any risk.

Fees paid to the Statutory Auditors:

During the financial year 2018-2019, the Statutory Auditors of the Company were paid fees for audit and providing other services as per below details:

(Rs. In Lakhs)

Name of the Auditors	Fees paid (Net of Tax)		Total
	For Statutory Audit	For providing other services	
Price Waterhouse	27.54	5.96	33.50
BSR & Associate LLP	11.61	0.99	12.60
Total	39.15	6.95	46.10

Other Policies and Disclosures:

During the year, the Company has also adopted other policies as required under SEBI Regulations and other applicable laws, circular and notifications.

The discretionary requirements as specified in Part E of Schedule II of SEBI Regulations, wherever applicable to the Company, have been adopted. Further the Company has complied with disclosure requirements, wherever applicable, as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

Mandatory & Non-Mandatory Clauses:

The Company has complied with all mandatory requirements laid down by SEBI Regulations. The non-mandatory requirements complied with has been disclosed at the relevant places.

E) GENERAL BODY MEETINGS

- Details of Annual General Meeting (AGM) held during last three years are as under:

AGM	Financial Year	Location of the Meeting	Date & Time	No. of special resolutions passed
71 st	2015-16 (January 2015 to March 2016)	Registered Office, Digvijaygram	4 th August, 2016 09.30 A.M	One
72 nd	2016-17	Registered Office, Digvijaygram	20 th June, 2017 09.30 A.M.	One
73 rd	2017-18	Registered Office, Digvijaygram	7 th September, 2018 09.30 A.M.	One

During the year, the Company has not passed any resolution through Postal Ballot.

F) MEANS OF COMMUNICATION

During the year, un-audited quarterly and audited annual financial results of the Company were submitted to the stock exchanges soon after the approval at Board meeting and were published in leading newspapers viz The Financial Express in all edition of English language and The Financial Express in Gujarati language. These were also promptly put on the Company's website www.digvijaycement.com. All other relevant news are also displayed on Company's website. The Company plans to send soft copies of Annual Report 2018-19 to those shareholders whose email IDs are registered with the Depository Participants and / or with the Company's Registrars and Transfer Agents, unless opted by them to get the physical copy, to support the "Green Initiative in Corporate Governance", an initiative taken by the Ministry of Corporate Affairs.

G) GENERAL INFORMATION TO SHAREHOLDER

- Financial Year : 1st April 2018 to 31st March 2019
- Dates of Book Closures : 30th July, 2019 to 5th August, 2019 (both days inclusive)
- Annual General Meeting : 5th August, 2019, at 3.00 pm at Digvijaygram, Gujarat, India

Tentative Financial Calendar for the year 2019-20:

Financial Year	1 st April to 31 st March
Quarterly results and Limited Review for the quarter ending 30 th June 2019	By 14 th August 2019
Quarterly/ Half-yearly results and Limited Review for the quarter ending 30 th September 2019	By 14 th November 2019
Quarterly/ Nine-months results and Limited Review for the quarter ending 31 st December 2019	By 14 th February 2020
Results for the Year ending 31 st March 2020	By end of May 2020
Annual General Meeting for the year ending 31 st March 2020	By end of September 2020

- Company's share are listed with BSE Limited, P.J. Towers, Dalal Street, Mumbai- 400 001
Stock Code is 502180 and International Securities Identification Number (ISIN) is INE232A01011
The Company has paid the annual listing fees for the year 2019-20 to BSE.
- Stock Price Data on BSE Limited :

The closing market price of equity share on 31st March, 2019 (last trading day of the year) was Rs. 21.25

The monthly movement of equity share prices during the year at BSE is summarized below:

Month	High Price (Rs.)	Low Price (Rs.)	Volume
April-2018	34.35	23.05	6348888
May-2018	31.10	25.00	2088080
June-2018	26.45	23.10	1055406
July-2018	27.80	23.50	2562738
August-2018	26.40	24.35	1359692
September-2018	24.90	20.65	817583
October-2018	23.10	19.70	1217758
November-2018	26.70	22.35	2858630
December-2018	23.40	22.50	2480733
January-2019	23.50	22.60	1900664
February-2019	22.50	17.35	581186
March-2019	22.80	19.25	541892

The performance of the equity share price of the Company vis-à-vis the S&P BSE Sensex is as under:

Month	Company's Share Price at BSE (Rs.)	S& P BSE Sensex	Relative Index for comparison purpose	
			Company Share price index	BSE Sensex
March-2018	23.20	32968.68	100.00	100.00
April-2018	30.40	35160.36	100.31	100.07
May-2018	26.00	35322.38	100.12	100.07
June-2018	24.35	35423.48	100.05	100.07
July-2018	26.00	37606.58	100.12	100.14
August-2018	24.80	38645.07	100.07	100.17

SHREE DIGVIJAY CEMENT COMPANY LIMITED

September-2018	20.90	36227.14	99.90	100.10
October-2018	22.75	34442.05	99.98	100.04
November-2018	22.85	36194.30	99.98	100.10
December-2018	22.65	36068.33	99.98	100.09
January-2019	23.05	36256.69	99.99	100.10
February-2019	20.65	35867.44	99.89	100.09
March-2019	21.25	38672.91	99.92	100.17

Registrar and Share Transfer Agents:

M/s Link In-time India Pvt. Ltd.

C-101, 247 Park

LBS Marg, Vikhroli (W)

Mumbai – 400 083

Telephone No.022-4918 6000

Fax No.022-4918 6060

e-mail: rnt.helpdesk@linkintime.co.in

Investors Correspondence:

The Company Secretary

Shree Digvijay Cement Company Limited

CIN: L26940GJ1944PLC000749

Digvijaygram – 361 140

Dist. Jamnagar (Gujarat)

Telephone : (0288) 2344 272 -2344 275

Fax No. : (0288) 2344 092 & 2344 214

Website : www.digvijaycement.com

e-mail : investors.sdcl@digvijaycement.com

Share Transfer System:

a) Transfer of Securities held in physical Mode

The SEBI, on 28th March, 2018, decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository effective from 1st April, 2019.

Subsequently, SEBI has received representations from shareholders for extension of the date of compliance. In view of the same, the following are hereby clarified:

The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019.

Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of

1st April, 2019.

The above SEBI decision is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

b) Nomination facility for shareholding

As per the provision of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form, may write to the Company Secretary of the Company or download from the Company's website. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regard.

c) Permanent Account Number (PAN)

Members attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated 20th April, 2018 pursuant to which the Company has written to shareholders holding shares in physical form requesting them to furnish details regarding their PAN as also their bank details for payment of dividend through electronic mode.

Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.

d) Subdivision of shares

The Company had subdivided the face value of its Equity shares from Rs.100 to Rs.10 in 1995. The old shares having face value of Rs.100 are no longer tradable on the stock exchange. Members holding share certificates of the face value of Rs.100 are requested to send the certificates to the Company Secretary of the Company for exchange with shares of the face value of Rs.10 each.

e) Pending Investors' Grievances

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

f) Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by an independent external Auditor (Practicing Company Secretary) with a view to reconcile the total share capital admitted with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted to BSE Limited and also placed before the Stakeholders Relationship Committee and the Board of Directors.

Distribution of shareholding as on 31st March 2019:

Holdings	No. of Shareholders	% age	No. of shares	% of shareholdings
1-500	15300	68.28	3048153	2.16
501-1000	3181	14.20	2800765	1.98
1001-2000	1693	7.56	2693969	1.91
2001-3000	697	3.11	1788851	1.26
3001-4000	291	1.30	1053254	0.74
4001-5000	391	1.74	1864789	1.32
5001-10000	483	2.15	3613352	2.56
10001 & above	371	1.66	124511145	88.07
Total		100.00	14,13,74,278	100.00

Dematerialization of shares and liquidity

As on 31st March 2019, 14,05,74,017 Equity shares of the Company representing 99.43% are in dematerialized form and the handling of physical transfer of shares are minimal. 100% of Promoters' Shareholding is in dematerialized form. No transfer of equity shares are pending as on 31st March, 2019.

Categories of Shareholding as on 31st March, 2019

Category	No. of shares held	% of Shareholdings
Promoters	10,60,30,708	75.00
NR & NRI's	12,54,077	0.89
Financial Ins./ Banks etc.	39,812	0.03
Corporate	17,18,687	1.22
Public	3,23,31,894	22.86
Total	14,13,74,278	100

Registered Office & Works

Shree Digvijay Cement Company Limited

CIN: L26940GJ1944PLC000749

Digvijaygram – 361 140

Dist. Jamnagar (Gujarat)

Telephone : (0288) 2344 272 -2344 275

Fax No. : (0288) 2344 092 & 2344 214

Website : www.digvijaycement.com

e-mail : investors.sdcl@digvijaycement.com

Non-Mandatory requirements of regulation 27 (1) & Part E of Schedule II of the Listing Regulations:

- The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
- The Company's financial statements for the financial year 2018-2019 do not contain any audit qualification.
- The internal auditors report to the Audit Committee.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

ANNEXURE TO CORPORATE GOVERNANCE REPORT

To
The Shareholders,
Affirmation of Compliance with Code of Conduct

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I hereby declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Conduct from all the Directors and the Senior Management Personnel of the Company, as applicable to them, for the financial year ended 31st March, 2019.

For Shree Digvijay Cement Co. Ltd.

Place : Mumbai
Date : 30th April, 2019

KK Rajeev Nambiar
CEO & Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
Shree Digvijay Cement Company Limited

We have examined the compliance of conditions of corporate governance by **Shree Digvijay Cement Company Limited ("the Company")**, for the year ended 31st March, 2019, as specified Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Regulations**").

Management's Responsibility:

The Company's management also takes full responsibility of the Compliance of the conditions of Corporate Governance stipulated in the Regulations.

Auditors' Responsibility:

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our engagement in accordance with the "Guidance Note on Corporate Governance Certificate" issued by the Institute of Company Secretaries of India. Our responsibility is to certify based on the work done.

Conclusion:

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further 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.

Restrictions on use:

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP
COMPANY SECRETARIES
UNIQUE CODE: L2017MH003500

Place: Mumbai
Date: 30th April, 2019

DINESH KUMAR DEORA
PARTNER
Membership No.: FCS 5683 COP No 4119

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) read with Clause 10(i) of Part C OF Schedule V of The SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

The Members

SHREE DIGVIJAY CEMENT COMPANY LIMITED

(CIN:L26940GJ1944PLC000749)

Digvijaygram - 361140

Via Jamnagar, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHREE DIGVIJAY CEMENT COMPANY LIMITED ("Company")** produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Listing Regulations**") for the financial year ended 31st March, 2019.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company, our responsibility is to express an opinion on these based on our verification.

In our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that for the financial year ended on 31st March, 2019, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

For **MANOJ HURKAT & ASSOCIATES**
Company Secretaries

Manoj R. Hurkat
Partner

Date: 30th April, 2019

Place: Ahmedabad

Membership No.: FCS 4287
Certificate of Practice No.: CP - 2574

SHREE DIGVIJAY CEMENT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

To the members of Shree Digvijay Cement Co Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shree Digvijay Cement Co Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Litigations and contingencies

See note 25 and 28 to the financial statements

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> The Company is exposed to a variety of different Central and State laws, regulations and interpretations there of. In this regulatory environment, there is an inherent risk of litigations and claims In the normal course of business, provisions and contingent liability disclosures for litigations and claims may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims. At 31 March 2019, the Company's contingent liabilities were Rs 7,166.46 lakhs (31 March 2018: Rs 7,432.82 lakhs) (refer note 28 to the financial statements) and provisions for legal matters aggregated Rs 249.86 lakhs (31 March 2018: Rs 249.86 lakhs) (refer note 25 to the financial statements). Management applies significant judgement in estimating the likelihood of the future outcome in each case when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. These estimates could change substantially over time as new facts emerge and each legal case progresses Given the inherent complexity and magnitude of potential exposures across the Company and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> Inquiring the status of significant known actual and potential litigation with the Company's in-house Legal Counsel and other senior management personnel who have knowledge of these matters and critically assessing their responses. Obtaining, on a sample basis, written responses from the Company's in-house legal counsel, containing their views and conclusions on material exposures and any related litigation and considered the same in evaluating the appropriateness of the Company's provisions or disclosures on such matters. Reading the latest correspondence between the Company and the various tax/legal authorities or plaintiffs and attorneys where applicable, for matters selected on sample basis for detailed evaluation. For the most significant of the matters, we assess relevant historical and recent judgments passed by the court authorities and considering legal opinion, where obtained by management from external lawyers, to challenge the basis used for the provisions recorded and the disclosures made by the Company. With respect to tax matters, involving our tax specialists, and discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. Challenging the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. For those matters where management concluded that no provisions should be recorded, we have reviewed the adequacy and completeness of the Company's disclosures.

Recognition and measurement of deferred taxes
See note 8 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has recognised deferred tax assets amounting to Rs1,653.16 lakhs (31 March 2018: Rs1,642.95 lakhs) for deductible temporary differences, unabsorbed depreciation and tax credits (MAT credit entitlement).</p> <p>The recoverability of recognized deferred tax assets is in part dependent on the Group’s ability to generate future taxable profits sufficient to utilize deductible temporary differences, tax credits and tax losses (before they expire)</p> <p>We have determined this as a key audit matter, due to inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> – reconciling tax losses and tax credits and its expiry dates to tax returns filled with tax authority – assessing the accuracy of forecast future taxable profits approved by the Board, by evaluating historical forecasting accuracy and comparing the assumptions, such as projected growth rates, with our own expectations of those assumptions derived from our knowledge of the industry and our understanding obtained during our audit, including where applicable their consistency with business plans. – evaluating the adequacy of the financial statement disclosures.

Other Information

The Company’s management and Board of Directors are responsible for the other information. The other information comprises of Director’s report and Management Discussion and Analysis included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Financial Statements

The Company’s management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting record in accordance with the provisions of the Act for safe guarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

SHREE DIGVIJAY CEMENT COMPANY LIMITED

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial information of the Company for the year ended 31 March 2018 included in these financial statements had been audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon as per their reports dated 23 April 2018 which has been furnished to us by the Management and has been relied upon by us for the purpose of our audit.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) 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 purposes 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 1 April 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 28 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Place: Ahmedabad
Date: 30 April 2019

Jeyur Shah
Partner
Membership No. 045754

Annexure A to the Independent Auditor's Report – 31 March 2019

(referred to in our report of even date) The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets ("Property, plant and equipment").
- (b) The Company has regular programme of physical verification of its fixed assets ("Property, plant and equipment") by which all items of fixed assets ("Property, plant and equipment") are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of fixed assets ("property, plant and equipment") has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to 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 required to be maintained under Section 189 of the Companies Act, 2013 ("the Act") and accordingly paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee, or provided any security under Section 185 and 186 of the Act. Accordingly paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public in accordance with the provisions of Sections 73 to 76 or any other

SHREE DIGVIJAY CEMENT COMPANY LIMITED

relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Section 148 (1) of the Act and are of the opinion, that prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Profession tax, Income-tax, Sales-tax, Service tax, Duty of customs, Goods and Service tax, Value added tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Profession tax, Income-tax, Sales-tax, Service tax, Duty of customs, Goods and Service tax, Value added tax, Cess and other material statutory dues were in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.

Pending clarity on the matter as explained in Note 28 (e) to the Financial Statements, the Company is currently unable to determine the extent of arrears of such provident fund.

As explained to us, the provisions of employee state insurance is not applicable

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, duty of customs, duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the statute	Nature of dues	Amount demanded (Rs. in lakhs)	Amount under dispute not deposited (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	3,057.68	2,995.70	Financial year 2002-03, 2007-08 to 2010-11	The Customs, Excise and Service Tax Appellate Tribunal
		48.45	46.59	Financial year 2009-10 to 2013-14	Commissioner (Appeals), Ahmedabad
		516.95	516.95	Financial year 2008-09 to 2012-13	Commissioner (Appeals), Rajkot
The Finance Act, 1994	Service tax	1,477.32	1,370.92	Financial year 2005-06 to 2014-15	The Customs, Excise and Service Tax Appellate Tribunal
		27.44	27.44	Financial year 2005-06	Commissioner (Appeals), Rajkot
The Customers Act, 1962	Customs duty	451.55	100.00	Financial year 2011-12	The Customs, Excise and Service Tax Appellate Tribunal
Sales Tax Act of respective states	Valued added tax	112.93	50.83	Financial year 2009-10 to 2011-12	Joint Commissioner (Appeal)
	Sales tax	6.27	5.74	Financial year 1995-96 and 1997-98	Commercial Tax Officer, Rajasthan
		16.52	-	Financial year 1999-00	Assistant Sales Tax Commissioner, Jamnagar
		3.01	2.41	Financial year 1992-93 to 1994-95	Sales Tax Officer, Jamnagar

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company does not have any loans or borrowings from financial institutions and Government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024

Jeyur Shah

Partner

Membership No. 045754

Place : Ahmedabad
Date : 30 April 2019

SHREE DIGVIJAY CEMENT COMPANY LIMITED

Annexure B to the Independent Auditor's Report on the financial statements of Shree Digvijay Cement Co Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Shree Digvijay Cement Co Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024

Place : Ahmedabad
Date : 30 April 2019

Jeyur Shah
Partner
Membership No. 045754

SHREE DIGVIJAY CEMENT COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

	Notes	As at March 31, 2019	(₹ in lakhs) As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	19,300.29	19,917.40
Capital work-in-progress		119.26	3.75
Intangible assets	4(A)	148.44	155.26
Intangible assets under development	4(B)	840.75	747.65
Financial assets			
i. Loans	5	858.48	903.44
ii. Other financial assets	6	55.08	1,022.37
Deferred tax assets (net)	8	1,653.16	1,642.95
Income tax assets (net)	7	63.65	130.81
Other non-current assets	9	1,680.54	1,130.98
Total Non-Current Assets		24,719.65	25,654.61
Current assets			
Inventories	10	5,791.62	4,401.94
Financial assets			
i. Trade receivables	11	1,371.36	1,207.88
ii. Cash and cash equivalents	12	3,599.32	2,999.27
iii. Bank balances other than (ii) above	13	23.59	199.53
iv. Loans	14	17.36	12.23
v. Other financial assets	15	83.13	75.83
Other current assets	16	387.81	500.34
Total Current Assets		11,274.19	9,397.02
Total Assets		35,993.84	35,051.63
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	14,137.50	14,137.50
Other equity	18	7,834.19	7,713.23
Total Equity		21,971.69	21,850.73
Liabilities			
Non-current liabilities			
Provisions	19	345.27	321.72
Employee benefit obligations	20	616.89	434.57
Total Non-Current Liabilities		962.16	756.29
Current liabilities			
Financial liabilities			
i. Borrowings	21	4,026.08	2,500.63
ii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	47	8.97	34.02
b. Total outstanding dues of creditors other than (a.) above	22	5,287.77	5,720.58
iii. Other financial liabilities	23	2,487.84	2,235.16
Other current liabilities	24	932.69	1,523.26
Provisions	25	249.86	249.86
Employee benefit obligations	26	66.78	103.53
Income tax liabilities	27	-	77.57
Total Current Liabilities		13,059.99	12,444.61
Total Equity and Liabilities		35,993.84	35,051.63
Significant accounting policies	2(A)		
The notes are an integral part of these financial statements			

In terms of our report of even date

For B S R & Associates LLP
Firm Registration No. : 116231W/W-100024
Chartered Accountants

Jeyur Shah
Partner
Membership No.: 045754

Place: Mumbai
Date: April 30th, 2019

For and on behalf of the Board of Directors

Arcot Kumaresan
Independent Director
DIN: 00149567

Jorge Alejandro Wagner
Director
DIN: 07935739

Suresh Kumar Meher
AVP (Legal) & Company Secretary

Place: Mumbai
Date: April 30th, 2019

A. K. Chhatwani
Independent Director
DIN: 00016735

K. K. Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Vikas Kumar
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

		(₹ in lakhs)	
	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	29	43,292.03	42,417.25
Other income	30	818.64	637.71
Total Income		44,110.67	43,054.96
Expenses			
Cost of materials consumed	31	9,875.01	9,002.43
Changes in inventories of finished goods and work-in-progress	32	25.74	1,265.19
Excise duty		-	1,082.52
Employees benefit expenses	33	2,898.70	2,693.92
Finance costs	34	385.66	1,068.69
Depreciation and amortisation expenses	35	2,399.28	2,287.91
Power and fuel expenses		15,455.73	11,972.97
Freight and handling expenses		6,801.45	6,297.27
Other expenses	36	5,936.96	5,320.63
Total Expenses		43,778.53	40,991.53
Profit before tax		332.14	2,063.43
Tax expense			
Current tax	7A	90.50	293.77
Deferred tax charge/(credit)	7A	35.53	432.57
Total tax expense/(credit)		126.03	726.34
Profit for the year		206.11	1,337.09
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations, gain/(loss)	33A	(130.89)	138.45
Income tax relating to above	8B	45.74	(48.38)
Other comprehensive Income for the year, net of tax		(85.15)	90.07
Total comprehensive income for the year		120.96	1,427.16
Earnings per equity share (in ₹) (Nominal value per share ₹10)	42		
Basic/diluted earning per share (In ₹)		0.15	0.95
Significant accounting policies	2(A)		
The notes are an integral part of these financial statements			

In terms of our report of even date

For B S R & Associates LLP

Firm Registration No. : 116231W/W-100024
Chartered Accountants

Jeyur Shah
Partner
Membership No.: 045754

Place: Mumbai
Date: April 30th, 2019

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Vikas Kumar
Chief Financial Officer

SHREE DIGVIJAY CEMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

		(₹ in lakhs)	
		Year ended March 31, 2019	Year ended March 31, 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	332.14	2,063.43
	Adjustments for:		
	Depreciation and amortisation expenses	2,399.28	2,287.91
	Provision for slow / non-moving stores & spares	93.55	34.42
	(Profit)/Loss on sale / write-off of property, plant and equipments (net)	(24.24)	(3.29)
	Provision/(write back) for doubtful debts and advances (net)	23.86	14.06
	Interest income	(148.69)	(285.45)
	Unwinding of discount on security deposit	(1.53)	(0.57)
	Liability/provision written back to the extent no longer required	(243.09)	(96.26)
	Unrealized foreign exchange (gain) / loss on operating activities	25.18	110.42
	Finance costs	385.66	1,068.69
	Operating profit before working capital changes	2,842.12	5,193.36
	Adjustments for:		
	(Increase) / Decrease in non current loans	46.49	(10.56)
	(Increase) / Decrease in other non-current assets	(535.36)	(36.64)
	(Increase) / Decrease in inventories	(1,483.23)	2,534.12
	(Increase) / Decrease in trade receivables	(170.61)	(657.74)
	(Increase) / Decrease in loans	(5.13)	16.21
	(Increase) / Decrease in other current financial assets	(28.95)	(16.55)
	(Increase) / Decrease in other current assets	107.53	110.26
	Increase / (Decrease) in non-current employee benefit obligation	51.43	(3.05)
	Increase / (Decrease) in trade payables	(239.95)	2,337.18
	Increase / (Decrease) in other financial liabilities	(13.15)	567.40
	Increase / (Decrease) in other current liabilities	(590.57)	300.48
	Increase / (Decrease) in employee benefit obligation	(36.75)	13.24
	Cash generated from operations	(56.13)	10,347.71
	Taxes paid (net of refunds)	(100.91)	(183.17)
	Net cash (used in)/ generated from operating activities	(157.04)	10,164.54
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Payments for purchase of property, plant and equipment and intangible assets	(1,738.66)	(1,542.30)
	Proceeds from sale of items of property, plant and equipment	30.57	26.33
	Interest received	209.65	254.72
	Proceeds from sale of term deposit with bank (net)	1,092.19	22.58
	Net cash used in investing activities	(406.25)	(1,238.67)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,500.00)	(9,600.00)
Proceeds from borrowings	4,000.00	2,500.00
Interest paid	(336.66)	(1,049.03)
Net cash generated from / (used in) financing activities	1,163.34	(8,149.03)
Net increase in cash and cash equivalents (A+B+C)	600.05	776.84
Cash and cash equivalents at the beginning of the year	2,999.27	2,222.43
Cash and cash equivalents at the end of the year	3,599.32	2,999.27
Reconciliation of cash & cash equivalents as per cash flow statement :		
Cash and cash equivalents comprise:		
Cash on hand	0.63	0.59
Balances with banks - in current accounts	2,995.98	992.68
Demand deposits (less than 3 months maturity)	602.71	2,006.00
Total	3,599.32	2,999.27
Significant accounting policies [Refer Note 2(A)]		
The notes are an integral part of these financial statements		

Note:

- The cash flow statement has been prepared under "Indirect Method" specified in Ind AS 7 on "Statement of Cash Flows".
- Reconciliation of movements of cash flows arising from financing activities

	(Rs. in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balance as at the beginning of the year	2,500.63	9,602.43
Cash Flow from financing activities		
Repayment of borrowings	(2,500.00)	(9,600.00)
Proceeds from borrowings	4,000.00	2,500.00
Interest paid	(336.66)	(1,049.03)
Total cash flow from financing activities	1,163.34	(8,149.03)
Finance costs (refer note below)	385.66	1,068.69
Less : Unwinding of interest	(23.55)	(21.46)
Balance at the end of the year	4,026.08	2,500.63

Note : Includes other borrowing costs paid for non fund based credit limits.

In terms of our report of even date

For B S R & Associates LLP

Firm Registration No. : 116231W/W-100024
Chartered Accountants

Jeyur Shah
Partner
Membership No.: 045754

Place: Mumbai
Date: April 30th, 2019

For and on behalf of the Board of Directors

Arcot Kumaresan
Independent Director
DIN: 00149567

Jorge Alejandro Wagner
Director
DIN: 07935739

Suresh Kumar Meher
AVP (Legal) & Company Secretary

Place: Mumbai
Date: April 30th, 2019

A. K. Chhatwani
Independent Director
DIN: 00016735

K. K. Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Vikas Kumar
Chief Financial Officer

SHREE DIGVIJAY CEMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A Equity Share Capital

Particulars	Note	Year ended March 31,2019	Year ended March 31,2018
Balance at the beginning of the year	17	14,137.50	14,137.50
Changes in equity share capital		-	-
Balance at the end of the year	17	14,137.50	14,137.50

B Other Equity

(₹ in lakhs)

Particulars	Note	Reserves and Surplus				Total Other Equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Retained Earnings	
As at March 31, 2017	18	8,786.87	35.00	20.43	(2,556.23)	6,286.07
Profit for the year		-	-	-	1,337.09	1,337.09
Other comprehensive income		-	-	-	90.07	90.07
Total comprehensive income for the year		-	-	-	1,427.16	1,427.16
As at March 31, 2018	18	8,786.87	35.00	20.43	(1,129.07)	7,713.23
Profit for the year		-	-	-	206.11	206.11
Other comprehensive income		-	-	-	(85.15)	(85.15)
Total comprehensive income for the year		-	-	-	120.96	120.96
As at March 31, 2019	18	8,786.87	35.00	20.43	(1,008.11)	7,834.19

Significant accounting policies [Refer Note 2(A)]
The notes are an integral part of these financial statements

In terms of our report of even date

For B S R & Associates LLP

Firm Registration No. : 116231W/W-100024
Chartered Accountants

Jeyur Shah

Partner
Membership No.: 045754

Place: Mumbai
Date: April 30th, 2019

For and on behalf of the Board of Directors

Arcot Kumaresan
Independent Director
DIN: 00149567

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K. K. Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Vikas Kumar
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

1 Company Overview

Shree Digvijay Cement Co Limited (the 'Company') is a public limited Company domiciled in India with its registered office address being Digvijaygram, Dist: Jamnagar, Gujarat - 361140. The Company is listed on the Bombay Stock Exchange (BSE). The Company's principal business is manufacturing and selling of cement. The Company has one manufacturing facility at Sikka (via Jamnagar) with installed capacity of 10.75 lacs MT per annum. The Company caters mainly to the domestic market.

2(A) Summary of significant accounting policies

2.01 Basis of preparation

a) Compliance with Indian Accounting Standards (Ind AS)

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

c) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.02 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief executive officer (CEO) and Managing director (MD) of the Company has been identified as CODM who assesses the financial performance and position of the Company, and makes strategic decisions.

2.03 Foreign Currency Transactions

a) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

2.04 Revenue Recognition

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties. In determining the transaction price, the Company considers below, if any:

Variable consideration :

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Consideration payable to a customer :

Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good that the customer transfers to the Company.

Further, in accordance with Ind AS 37, the Company recognises a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contract balances

Trade receivables : A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities : A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

Significant payment terms

Generally, the Company provides 21 days credit period for trade type customers and 30 days for non-trade type customers. Further, trade customers are eligible for certain discounts as per basis quantity upliftment by the customer on monthly, quarterly and annual.

Interest income :

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Transition to New Standards

Ind AS 115, Revenue from contracts with customers was issued on 28 March 2018 and supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue and it applies, with limited exception, to all revenue arising from contracts with its customers. Under Ind AS 115, revenue is recognised when a customer obtains control of goods or services. The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. April 1, 2018. Accordingly, the comparative information i.e. information for the year ended 31 March 2018, has not been restated. Further, the Company did not have any impact on adoption of new standard Ind AS 115 on the transition date April 1, 2018 and for the year ended March 31, 2019.

2.05 Borrowing costs

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

2.06 Leasing - As a lessee

Leases of property, plant and equipment where the Company as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are at fair value at the inception of the lease of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to 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 lessor's expected inflationary cost increases.

2.07 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee benefit obligations

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the period are treated as other long term employee benefits for measurement purpose. The Company's liability is actuarially determined by an independent actuary using the Projected Unit Credit method at the end of each period. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

c) Post employee obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund and superannuation fund

i) Gratuity obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is determined at the year end by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity. Remeasurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

ii) Defined contribution plans

Provident fund

The Company pays contributions toward provident fund to the regulatory authorities as per local regulations where the Company has no further payment obligations. The contributions are recognised as employee benefit expense when they are due.

Superannuation Fund

Contribution towards superannuation fund for qualifying employees as per the Company's policy is made to Life Insurance Corporation of India where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

2.08 Current and deferred tax

Income tax expense or credit represents the sum of the current tax and deferred tax.

Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case it is recognised in 'Other comprehensive income' or directly in equity, respectively.

Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary 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. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as an asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

The carrying amount of deferred tax assets and MAT credit is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

2.09 Property, plant and equipment

All items of property, plant and equipment ("PPE") are stated at historical cost less accumulated depreciation less accumulated impairment losses. The cost of property, plant and equipment includes purchase price including import duties, non-refundable taxes and expenditure that is directly attributable to acquisition and installation, cost of dismantling and removing the item and restoring the site on which it is located.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as per technical evaluation. Estimated useful lives of the assets thereof are as under:

Assets class	Life of Assets in Years
Buildings	30 - 60
Railway Sidings	21
Plant and Equipment	5 - 21
Electric Installations	10
Rolling Stocks and Locomotives	19
Furniture and Fixtures	5 - 10
Office Equipments & Computers	3 - 6
Vehicles	8 - 10
Jetty and Wharf	21

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

2.10 Intangible Assets and Amortisation

Intangible assets with finite useful life are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Amortisation methods and periods

The Company amortises intangible assets with finite useful life using straight line method over the following periods:

Asset class	Life of Assets in Years
Computer Software and Licenses	3 to 6
Mining rights (Land)	Based on extractions of reserve

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Intangible assets under development is carried at cost, less any recognised impairment loss. Amortisation of these assets commences when the assets are substantially ready for their intended use.

Mine Reclamation provision and related asset

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. The Company recognizes unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier. These obligations represent the net present value of cash flows expected to be incurred for the restoration process and initially recognized as assets under mining rights (land) which are amortised over its remaining useful life. The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations, which mainly includes cost of plantation, fencing, biodiversity management, sustainable development, rainwater harvesting etc. The increase in liability due to unwinding of discount is recognised in the Statement of Profit and Loss under finance cost. Subsequent adjustments to the obligation for changes in the estimated cash flows/disbursement period/discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

2.11 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials and fuels comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour, other direct costs and related production overheads. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.14 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.

Financial Assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through statement of profit or loss are expensed in statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through statement of profit and loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through statement of profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through statement of profit or loss is recognised in statement of profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

iii) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in statement of profit and loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

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NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

iv) De-recognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Trade Receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Financial Liabilities

i) Classification

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through statement of profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through statement of profit and loss.

iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iv) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

v) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Provisions and contingent liabilities

Provision

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of the obligation can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from 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 the amount cannot be made.

Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2(B) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. The areas involving critical estimates or judgements are:

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NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

a. Mines Reclamation Provisions and related asset

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs. (Refer note 2(A) 2.10 and 19).

b.) Provisions & Contingent Liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. If a loss arising from these litigations and/or claims is probable and can be reasonably estimated, the management record the amount of the estimated loss. If a loss is reasonably possible, but not probable, the management discloses the nature of the significant contingency and, if quantifiable, the possible loss that could result from the resolution of the matter. As additional information becomes available, the management reassess any potential liability related to these litigations and claims and may need to revise the estimates. Such revisions or ultimate resolution of these matters could materially impact the results of operations, cash flows or financial statements of the Company. (Refer Note 25 and 28)

c.) Current tax expense and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses (Refer note 7 and 27).

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the Company operate. (Refer Note 8).

d.) Expected credit loss for trade receivables

The Company uses a provision matrix to compute the expected credit loss allowance for trade receivable. Changes in the financial condition of customers or other unanticipated events, which may affect their ability to make payments, could result in charges for additional allowances exceeding Management's expectations. Management estimates are influenced by the following considerations: a continuing credit evaluation of customers' financial condition; ageing of trade accounts receivable, individually and in the aggregate; the value and adequacy of collateral received from customers in certain circumstances; historical loss experience; changes in credit risk, capital availability of customers resulting from economic conditions, current market conditions as well as forward looking estimates. (Refer note 11).

e.) Useful lives of property, plant and equipment and intangibles

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period or even earlier in case, circumstances change such that the recorded value of an asset may not be recoverable. The estimate of useful life requires significant management judgment and requires assumptions that can include: planned use of equipments, future volume trends, revenue and expense growth rates and annual operating plans, and in addition, external factors such as changes in macroeconomic trends which are considered in connection with the Company's long-term strategic planning. (Refer note 2(A) 2.09 and 2(A) 2.10).

f.) Employee benefit plans

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 33A.

2(C) New standards/ amendments to existing standards issued but not yet adopted

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 30th March, 2019) which are effective for annual period beginning after 1st April, 2019. The Company intends to adopt these standards or amendments from the effective date.

Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 116. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalised based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Ind AS 12 Income Taxes: Appendix C – Uncertainty over Income Tax Treatments

The amendments to Appendix C on Uncertainty over Income Tax Treatments in Ind AS 12 Income Taxes are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the amended standard

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in its financial statements.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As at March 31, 2019
		Opening as at April 01, 2018	Additions	Disposals	Closing as at March 31, 2019	Opening as at April 01, 2018	For the Year	
	Own Assets							
1	Land Freehold (Refer note 1 below)	848.36	1.67	-	850.03	-	-	850.03
2	Building	547.43	27.17	3.52	571.08	64.64	2.07	475.09
3	Railway Sidings	8.06	-	-	8.06	0.42	0.16	7.48
4	Plant and Equipment	21,446.13	1,565.84	-	23,011.97	3,488.59	2,167.41	17,355.97
5	Electric Installations	344.36	11.00	-	355.36	117.71	55.86	181.79
6	Rolling Stocks and Locomotives	1.69	-	-	1.69	-	-	1.69
7	Furniture, Fixtures and Office Equipments	292.74	133.61	-	426.35	75.31	58.31	292.73
8	Vehicles	112.48	8.14	16.09	104.53	13.93	20.82	80.99
9	Jetty and Wharf (Refer note 3 below)	129.08	-	-	129.08	52.33	22.23	54.52
	TOTAL	23,730.33	1,747.43	19.61	25,458.15	3,812.93	2,358.21	19,300.29

(₹ in lakhs)

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As at March 31, 2018
		Opening as at April 01, 2017	Additions	Disposals	Closing as at March 31, 2018	Opening as at April 1, 2017	For the Year	
	Own Assets							
1	Land Freehold (Refer note 1 below)	842.56	5.80	-	848.36	-	-	848.36
2	Building	513.08	34.35	-	547.43	32.19	32.45	482.79
3	Railway Sidings	8.06	-	-	8.06	0.27	0.15	7.64
4	Plant and Equipment	20,762.33	856.50	172.70	21,446.13	1,573.76	2,066.10	17,957.54
5	Electric Installations	344.36	-	-	344.36	61.11	56.60	226.65
6	Rolling Stocks and Locomotives	1.69	-	-	1.69	-	-	1.69
7	Furniture, Fixtures and Office Equipments	285.56	18.56	11.38	292.74	34.15	51.20	217.43
8	Vehicles	94.48	23.17	5.17	112.48	4.10	14.73	98.55
9	Jetty and Wharf (Refer note 3 below)	129.08	-	-	129.08	28.79	23.54	76.75
	TOTAL	22,981.20	938.38	189.25	23,730.33	1,734.37	2,244.77	19,917.40

Notes:

- The Company is yet to obtain mining rights for Land.
- The carrying amount of Leasehold Land (in respect of which the Company pays nominal ground rent) at Sikka, Gujarat is Nil. The lease period expires on November 20, 2044 and the Company has an option to renew the same for further period of 99 years.
- The Gujarat Maritime Board holds the titles to the jetty / wharf in respect of which capital cost was paid by the Company, exclusively for use of company.
- There are no qualifying assets and accordingly no borrowing cost is capitalised during the year.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

4(A) INTANGIBLE ASSETS

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
		Opening as at April 01, 2018	Additions	Disposals	Closing as at March 31, 2019	Opening as at April 01, 2018	For the Year	Disposals	Closing as at March 31, 2019	
	Own Assets (Acquired)									
1	Computer Software and Licenses	95.62	34.25	-	129.87	36.07	34.15	-	70.22	59.65
2	Mining rights (Land) (Refer note below)	107.72	-	-	107.72	12.01	6.92	-	18.93	88.79
	TOTAL	203.34	34.25	-	237.59	48.08	41.07	-	89.15	148.44

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
		Opening as at April 01, 2017	Additions	Disposals	Closing as at March 31, 2018	Opening as at April 1, 2017	For the Year	Disposals	Closing as at March 31, 2018	
	Own Assets (Acquired)									
1	Computer Software and Licenses	17.30	78.32	-	95.62	17.30	18.77	-	36.07	59.55
2	Mining rights (Land) (Refer note below)	107.72	-	-	107.72	5.09	24.37	17.45	12.01	95.71
	TOTAL	125.02	78.32	-	203.34	22.39	43.14	17.45	48.08	155.26

Notes:

Mining right (land) includes assets in respect of mines reclamation.

4(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

The Company is in the process of obtaining environment clearance for land taken on mining lease. During the year the Company has classified this asset to intangible assets under development.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

5	LOANS (NON-CURRENT)	As at March 31, 2019	As at March 31, 2018
	(Unsecured, considered good) Security deposits	858.48	903.44
	TOTAL	858.48	903.44

6	OTHER FINANCIAL ASSETS (NON-CURRENT)	As at March 31, 2019	As at March 31, 2018
	Deposits with bank with maturity period of more than 12 months from reporting date (Refer note below)	55.08	1,022.37
	TOTAL	55.08	1,022.37

Note: Deposit with bank amounting to ₹ 55.08 lakhs (March 31, 2018 : ₹ 1,022.37 lakhs) are lien marked against Bank Guarantees.

7	INCOME TAX ASSETS (NON-CURRENT)	As at March 31, 2019	As at March 31, 2018
	Income tax asset (net of provision for tax Rs. 384.27 lakhs, as on March 31, 2018 Rs. nil)	63.65	130.81

(₹ in lakhs)

7A	TAX EXPENSE	Year ended March 31, 2019	Year ended March 31, 2018
	Current Tax :		
	Current Tax on Profits for the Year	90.50	293.77
	Total Current Tax Expense	90.50	293.77
	Deferred Tax :		
	Decrease/(Increase) in Deferred Tax Assets (net)	238.67	510.27
	(Decrease)/increase in Deferred Tax Liabilities	(203.14)	(77.70)
	Total Deferred Tax Charge/(Credit)	35.53	432.57
	Total Tax Expense/(Credit)	126.03	726.34
	Reconciliation of tax expense and accounting profit multiplied by statutory tax rate		
	Profit/(Loss) before tax	332.14	2,063.43
	Rate of tax	34.944%	34.608%
	Tax Expense/(Credit) at Applicable Tax Rate	116.06	714.11
	Effect of expenses not deductible in determining taxable profit	9.97	14.14
	Tax Rate Difference	-	(1.91)
	Total Tax Expense/(Credit)	126.03	726.34

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

8 DEFERRED TAX ASSETS (NET)	As at March 31, 2019	As at March 31, 2018
Deferred tax assets (Net)	1,653.16	1,642.95
TOTAL	1,653.16	1,642.95
The balance comprises temporary differences attributable to:		
Deferred Tax Liabilities		
Depreciation/ Amortisation on Property, plant and equipment and intangible assets	3,270.32	3,473.46
Less : Deferred Tax Assets		
Allowance for doubtful debts	64.96	56.63
Unabsorbed depreciation	2,800.05	3,236.43
Provision for slow moving/obsolete inventory	92.31	59.61
Items allowed on payment/utilisation basis	290.63	224.68
Disallowances for items to be allowed in subsequent years	37.63	-
Provision for mines reclamation assets	68.05	59.71
Unused tax credits (MAT credit entitlement)	1,569.85	1,479.35
Deferred Tax Asset (net) [refer note below]	1,653.16	1,642.95

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation laws.

(₹ in lakhs)

8A MOVEMENT IN DEFERRED TAX ASSETS/LIABILITIES	As at April 01, 2017	(Charged)/ Credited to Profit and Loss	(Charged) to OCI	As at March 31, 2018
Deferred Tax Liabilities				
Depreciation/amortisation on property, plant and equipment and intangible assets	(3,551.16)	77.70	-	(3,473.46)
Total Deferred Tax (Liabilities)	(3,551.16)	77.70	-	(3,473.46)
Less : Deferred Tax Assets				
Allowance for Doubtful Debts	51.22	5.41	-	56.63
Unabsorbed depreciation	3,879.82	(643.39)	-	3,236.43
Provision for slow moving/obsolete inventory	47.13	12.48	-	59.61
Items allowed on payment/utilisation basis	365.05	(91.99)	(48.38)	224.68
Disallowances for items to be allowed in subsequent years	96.94	(96.94)	-	-
Provision for mines reclamation assets	49.32	10.39	-	59.71
Unused tax credits (MAT credit entitlement)	1,185.58	293.77	-	1,479.35
Total Deferred Tax Assets	5,675.06	(510.27)	(48.38)	5,116.41
Deferred Tax Assets (net)	2,123.90	(432.57)	(48.38)	1,642.95

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

8B	MOVEMENT IN DEFERRED TAX ASSETS/LIABILITIES	As at April 01, 2018	(Charged)/ Credited to Profit and Loss	Credited to OCI	As at March 31, 2019
	Deferred Tax Liabilities				
	Depreciation/amortisation on property, plant and equipment and intangible assets	(3,473.46)	203.14	-	(3,270.32)
	Total Deferred Tax (Liabilities)	(3,473.46)	203.14	-	(3,270.32)
	Less : Deferred Tax Assets				
	Allowance for Doubtful Debts	56.63	8.33	-	64.96
	Unabsorbed depreciation and carried forward business losses	3,236.43	(436.38)	-	2,800.05
	Provision for slow moving/obsolete inventory	59.61	32.70	-	92.31
	Items allowed on payment/utilisation basis	224.68	20.21	45.74	290.63
	Disallowances for items to be allowed in subsequent years	-	37.63	-	37.63
	Provision for mines reclamation assets	59.71	8.34	-	68.05
	Unused tax credits (MAT credit entitlement)	1,479.35	90.50	-	1,569.85
	Total Deferred Tax Assets	5,116.41	(238.67)	45.74	4,923.48
	Deferred Tax Assets (net)	1,642.95	(35.53)	45.74	1,653.16

The management is of view that realisation of deferred tax assets is probable considering the future financial projections of the company. Accordingly, the Company has recognized deferred tax asset.

The Company has calculated its tax liability for current taxes after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. The Company is required to pay MAT during the current and previous years and accordingly, a deferred tax asset is recognised which can be carried forward for a period of 15 years from the year of recognition.

(₹ in lakhs)

9	OTHER NON-CURRENT ASSETS	As at March 31, 2019	As at March 31, 2018
	Capital Advances	42.62	28.42
	Deposits with government authorities towards matters in litigation	1,299.71	767.54
	Balances with statutory authorities	311.28	311.28
	Pre-paid expenses	26.93	23.74
	TOTAL	1,680.54	1,130.98

(₹ in lakhs)

10	INVENTORIES	As at March 31, 2019	As at March 31, 2018
	Raw materials	698.62	352.52
	Work in progress	1,342.46	1,498.97
	Finished Goods	487.84	357.07
	Stores and spare parts (net off provision)	1,214.29	1,270.34
	Packing materials	160.45	170.48
	Fuels	1,887.96	752.56
	TOTAL	5,791.62	4,401.94

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

11 TRADE RECEIVABLES	As at March 31, 2019	As at March 31, 2018
Considered good - Secured	259.22	203.45
Considered good - Unsecured	1,106.17	1,004.43
Credit impaired	21.33	8.23
SUB- TOTAL	1,386.72	1,216.11
Less: Allowance for doubtful debts	(15.36)	(8.23)
TOTAL	1,371.36	1,207.88
Movement in allowance for doubtful debts		
Balance at the beginning of the year	8.23	0.41
Add: Allowance for the year	7.13	7.82
Balance at the end of the year	15.36	8.23

(₹ in lakhs)

12 CASH AND CASH EQUIVALENTS	As at March 31, 2019	As at March 31, 2018
Cash and Cash equivalents:		
Cash on hand	0.63	0.59
Bank Balances :		
In Current accounts	2,995.98	992.68
Demand deposits (less than 3 months of original maturity)	602.71	2,006.00
TOTAL	3,599.32	2,999.27

(₹ in lakhs)

13 OTHER BANK BALANCES	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
Demand deposits (less than 12 months but more than 3 months maturity - refer note below)	23.59	199.53
TOTAL	23.59	199.53

Note: Term deposit amounting to Rs. 22.14 lakhs (March 31, 2018 : Rs. 198.17 lakhs) are lien marked against bank guarantees.

(₹ in lakhs)

14 LOANS (CURRENT)	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Loan to employees	17.36	12.23
TOTAL	17.36	12.23

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

15	OTHER FINANCIAL ASSETS (CURRENT)	As at March 31, 2019	As at March 31, 2018
	(Unsecured, considered good)		
	Interest accrued on security deposits	51.81	61.73
	Others (net of provision of Rs.147.40 lakhs, as on March 31, 2018 Rs.135.67 lakhs)	31.32	14.10
	TOTAL	83.13	75.83

(₹ in lakhs)

16	OTHER CURRENT ASSETS	As at March 31, 2019	As at March 31, 2018
	(Unsecured, considered good unless otherwise stated)		
	Advance royalty	71.59	89.89
	Pre-paid expense	108.09	63.46
	Advances to suppliers		
	Considered good	208.13	346.99
	Considered doubtful	23.14	18.14
	Less: Provision for doubtful advances	(23.14)	(18.14)
	TOTAL	387.81	500.34
	Movement in allowance for doubtful debts		
	Balance at the beginning of the year	18.14	18.14
	Add: Allowance for the year	5.00	-
	Balance at the end of the year	23.14	18.14

(₹ in lakhs)

17	SHARE CAPITAL	As at March 31, 2019	As at March 31, 2018
	Authorised		
	150,000,000 (March 31, 2018: 150,000,000) equity shares of Rs. 10/- each	15,000.00	15,000.00
	10,000,000 (March 31, 2018: 10,000,000) preference shares of Rs. 100/- each	10,000.00	10,000.00
		25,000.00	25,000.00
	Issued		
	141,643,645 (March 31, 2018: 141,643,645) equity shares of Rs. 10/- each	14,164.36	14,164.36
	Subscribed and paid-up		
	141,375,398 (March 31, 2018: 141,375,398) equity shares of Rs. 10/- each fully paid	14,137.54	14,137.54
	Less: 1,120 Equity Shares of ₹ 10/- each forfeited	(0.11)	(0.11)
	Add: Forfeited Shares (amount originally paid-up on Equity Shares)	0.07	0.07
	TOTAL	14,137.50	14,137.50

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

- a) Reconciliation of the number of shares : Equity Shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Rs. in lakhs	Number of Shares	Rs. in lakhs
Balance at the beginning of the year	141,374,278	14,137.50	141,374,278	14,137.50
Balance at the end of the year	141,374,278	14,137.50	141,374,278	14,137.50

- b) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

- c) 265,212 equity shares (March 31, 2018: 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.
- d) 3,035 equity shares (March 31, 2018: 3,035) were issued in past but unsubscribed.
- e) Shares held by holding company and intermediate holding company

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Shares:		
103,709,063 Shares (March 31, 2018 103,709,063) held by Votorantim Cimentos EAA Inversiones S.L., the ultimate holding Company	10,370.91	10,370.91
2,321,645 Shares (March 31, 2018 2,321,645) held by Votorantim Cimentos S. A., the intermediate holding Company	232.16	232.16

- f) Details of shareholder holding more than of 5% of the aggregate shares in the company

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Votorantim Cimentos EAA Inversiones S.L., the holding company	10,37,09,063	73.36%	10,37,09,063	73.36%
TOTAL	10,37,09,063	73.36%	10,37,09,063	73.36%

- g) True North Fund VI LLP (the "Acquirer") has entered into a Share Purchase Agreement ("SPA") on November 12, 2018 with Votorantim Cimentos EAA Inversiones S.L and Votorantim Cimentos S.A. ("Existing Promoters") with the intention to sell and transfer their entire shareholding of 106,030,708 fully paid-up equity shares of Rs. 10 each representing 75% of paid-up share capital of the Company.

True North Fund VI LLP (the "Acquirer") has acquired 57.17% of issued and paid up share capital of the Company i.e. 54.62% through on market purchase on the floor of stock exchange from Existing Promoters and 2.55% through open offer from public shareholders. Board will, at the closing Board meeting, consider the proposal to declassify Existing Promoters and thereafter True North Fund VI LLP will become the promoter of the Company.

- h) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2019.

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NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

18 OTHER EQUITY	As at March 31, 2019	As at March 31, 2018
Capital Reserve	8,786.87	8,786.87
Capital Redemption Reserve	35.00	35.00
Securities Premium	20.43	20.43
Deficit in Statement of Profit and Loss		
Balance as at the beginning of the year	(1,129.07)	(2,556.23)
Add: Profit for the year	206.11	1,337.09
Add: Other Comprehensive Income/(loss)	(85.15)	90.07
Balance as at the end of the year	(1,008.11)	(1,129.07)
TOTAL	7,834.19	7,713.23

Notes :

- Capital Reserve** : The Company had issued 6% non-cumulative compulsorily convertible preference shares to its then parent company. Subsequently, the preference shareholders relinquished their right and resultant gain was recorded in the capital reserve in the year of 2010. It also include subsidies received from State Government in the year 2002-03.
- Capital Redemption Reserve** : This was created on redemption of 14% redeemable cumulative preference shares in year 1996-97.
- Securities Premium** : Securities premium is used to record the excess of the amount received over the face value of the shares. This can be utilised in accordance with the provision of the Companies Act, 2013.
- The scheme of arrangement for capital restructuring / reduction, as approved by Board of Directors of the Company on 27 March 2018 has further been approved by BSE vide observation letter dated 25 October 2018. The validity of the said letter has been expired on 24 April 2019.
- Analysis of Accumulated OCI :

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	40.19	(49.88)
Remeasurements of post employment benefit obligations, gain/(loss)	(130.89)	138.45
Income tax effect	45.74	(48.38)
Balance at the end of the year	(44.96)	40.19

(₹ in lakhs)

19 PROVISIONS NON-CURRENT	As at March 31, 2019	As at March 31, 2018
Provision for Mines Reclamation	345.27	321.72
TOTAL	345.27	321.72
Movement in Provision for Mines Reclamation		
Balance at the beginning of the year	321.72	300.26
Add: Unwinding of interest on provision	23.55	21.46
Balance at the end of the year	345.27	321.72

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

20	EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)	As at March 31, 2019	As at March 31, 2018
	Provision for employee benefits (Refer note no. 33A):		
	Provision for gratuity	273.79	107.24
	Provision for compensated absences	343.10	327.33
	TOTAL	616.89	434.57

(₹ in lakhs)

21	BORROWINGS (CURRENT)	As at March 31, 2019	As at March 31, 2018
	Secured:		
	Working capital loan from bank (Refer note 1 below)	3,025.55	-
	Unsecured:		
	Short term loan from bank (Refer note 2 below)	1,000.53	-
	Working capital loan from bank (Refer note 3 below)	-	2,500.63
	TOTAL	4,026.08	2,500.63

Note :

1. This borrowing facility is secured by charge on stock and book debts. This loan is repayable within 120 days with fixed interest rate of 1 year MCLR plus 65 BPS (Current interest rate 9.40%).
2. This unsecured borrowing facility is repayable within 90 days and carry fixed interest rate of 9.75%.
3. This unsecured borrowing facility was guaranteed by Votorantim Cimentos EAA Inversiones S.L., the Holding company, carrying fixed interest rate of 9.25%. The facility has been repaid by the Company during the year.

(₹ in lakhs)

22	TRADE PAYABLES	As at March 31, 2019	As at March 31, 2018
	a) total outstanding dues of micro enterprises and small enterprises (Refer note no. 47);	8.97	34.02
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,287.77	5,720.58
	TOTAL	5,296.74	5,754.60

(₹ in lakhs)

23	OTHER FINANCIAL LIABILITIES (CURRENT)	As at March 31, 2019	As at March 31, 2018
	Security deposits from customers	979.45	1,025.46
	Rebate and discount to customers	711.78	672.99
	Security deposits from vendors	214.81	256.53
	Payable to creditors related to fixed assets	324.60	58.77
	Employee benefits payable	249.03	171.99
	Others	8.17	49.42
	TOTAL	2,487.84	2,235.16

(₹ in lakhs)

24	OTHER CURRENT LIABILITIES	As at March 31, 2019	As at March 31, 2018
	Advances from customers	228.67	317.69
	Statutory dues (including provident fund and tax deducted at source)	701.96	1,205.18
	Others	2.06	0.39
	TOTAL	932.69	1,523.26

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

25	PROVISIONS (CURRENT)	As at March 31, 2019	As at March 31, 2018
	Provision for litigations and disputes (Refer note below)	249.86	249.86
	TOTAL	249.86	249.86
	Movement in Provision for litigations and disputes		
	Balance at the beginning of the year	249.86	249.86
	Movement during the year	-	-
	Balance at the end of the year	249.86	249.86

Note : Provision for arrears of rent claimed by Mumbai Port Trust with respect to plot of land C-2 and C3 at Sewri Estate Mumbai towards the proceeding filed by Mumbai Port Trust (MPT) against the Company. The Company is contesting the said order before the High Court.

(₹ in lakhs)

26	EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)	As at March 31, 2019	As at March 31, 2018
	Provision for employee benefits (Refer note no. 33A):		
	Provision for compensated absences	66.78	103.53
	TOTAL	66.78	103.53

(₹ in lakhs)

27	INCOME TAX LIABILITY (NET)	As at March 31, 2019	As at March 31, 2018
	Income tax liability (net of advance tax as on March 31, 2018 Rs. 216.2 lakhs)	-	77.57
	TOTAL	-	77.57

(₹ in lakhs)

28	CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS	As at March 31, 2019	As at March 31, 2018
a)	Claim against the Company not acknowledged as debts		
	Demand contested by the Company		
	- Sales tax	138.75	138.75
	- Excise duty	3,623.08	4,322.19
	- Service tax	1,504.77	1,591.19
	- Custom duty	451.55	451.55
	- Labour cases	101.90	101.90
	- Other cases	1,036.57	427.40
	TOTAL	6,856.62	7,032.98

b) A sum of Rs. 309.84 lakhs (March 31, 2018: Rs. 309.84 lakhs) on account of arrears, rent, service charges, way leave fees of certain leasehold property, consequent to the Order of the Estate Officer of Mumbai Port Trust (MPT) dated February 28, 2007, has not been provided for as the said property was assigned in an earlier year to M/s Dinbandhu Estate Pvt. Ltd. (the Assignee). The assignment was subject to the approval of MPT which was to be arranged by the Assignee. The Company is contesting the said Order before the High Court.

c) In respect of retrospective revision (August 2012 to January 2018) of electricity duty the Company has received a demand of Rs. 1,472 lakhs from Paschim Gujarat Vij Company Limited. The Company has filed a writ petition with the High Court. Management believes that the probability of the above matter converting into a liability for the Company is remote basis various precedents and applicable laws. As per the direction received from High Court, the Company has deposited Rs. 500 lakhs as fixed deposit with the High Court in July 2018.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

- d) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- e) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of management, any additional financial liability for the period from date of the SC order (28 February 2019) to 31 March 2019 is not significant. In addition, pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts. Accordingly, this has been disclosed as a contingent liability in the financial statements.
- f) **Capital commitments :**
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 160.86 lakhs (March 31, 2018: Rs. nil).

(₹ in lakhs)

29 REVENUE FROM OPERATIONS	Year ended March 31, 2019	Year ended March 31, 2018
Sale of product (Refer note below and 43)	43,292.03	42,417.25
TOTAL	43,292.03	42,417.25

Note : According to the requirement of the Ind AS and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, revenue for the year ended March 31, 2018 is reported including excise duty.

(₹ in lakhs)

30 OTHER INCOME	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	148.69	285.45
Unwinding of discount on security deposit	1.53	0.57
Profit on sale of property, plant and equipments (net)	24.24	3.29
Provision/liability written back to the extent no longer required	243.09	96.26
Scrap Sales	227.78	170.78
Miscellaneous Income	173.31	81.36
TOTAL	818.64	637.71

(₹ in lakhs)

31 COST OF MATERIAL CONSUMED	Year ended March 31, 2019	Year ended March 31, 2018
Raw material consumed		
Opening inventory	352.52	600.00
Add: Purchases and incidental expenses (including cost of raising and transporting lime stone Rs. 3755.98 lakhs, March 31, 2018 Rs. 2,617.23 lakhs)	8,687.05	7,374.37
Less: Closing inventory	698.62	352.52
Cost of raw material consumed during the year	8,340.95	7,621.85

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

		(₹ in lakhs)	
31	COST OF MATERIAL CONSUMED	Year ended March 31, 2019	Year ended March 31, 2018
	Packing material consumed		
	Opening inventory	170.48	97.35
	Add: Purchases and incidental expenses	1,524.03	1,453.71
	Less: Closing inventory	160.45	170.48
	Cost of packing material consumed during the year	1,534.06	1,380.58
	TOTAL	9,875.01	9,002.43

		(₹ in lakhs)	
32	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	Year ended March 31, 2019	Year ended March 31, 2018
	Decrease in stocks		
	Stock at the end of the year		
	Work in progress	1,342.46	1,498.97
	Finished goods	487.84	357.07
	TOTAL A	1,830.30	1,856.04
	Less: Stock at the beginning of the year		
	Work in progress	1,498.97	2,711.55
	Finished goods	357.07	409.68
	TOTAL B	1,856.04	3,121.23
	Decrease in stocks (B-A)	25.74	1,265.19

		(₹ in lakhs)	
33	EMPLOYEE BENEFITS EXPENSES	Year ended March 31, 2019	Year ended March 31, 2018
	Salaries, wages and bonus	2,546.15	2,343.88
	Contribution to provident and other funds:		
	Provident fund [Refer note no. 33A(i)]	130.41	132.19
	Superannuation fund [Refer note no. 33A(ii)]	27.48	28.39
	Gratuity [Refer note no. 33A(ii)]	61.65	78.17
	Staff welfare expenses	133.01	111.29
	TOTAL	2,898.70	2,693.92

33A EMPLOYEE BENEFIT OBLIGATIONS:

i) Defined-contribution plans

The Company makes contribution to provident fund under the provision of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to superannuation fund for the qualifying employees as per the Company's policy.

		(₹ in lakhs)	
Amount recognised in Statement of Profit and Loss	Year ended March 31, 2019	Year ended March 31, 2018	
Provident fund	130.41	132.19	
Superannuation fund	27.48	28.39	

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

ii) Defined-Benefits Plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, as per the Company's policy. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death. The gratuity payable to employees is based on the employee's tenure of service and last drawn salary at the time of leaving the services of the Company. The gratuity plan is a funded plan and is administrated through a trust namely Shree Digvijay Cement Co. Ltd. Employee Gratuity Fund.

Amount recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Service Cost	56.00	68.24
Past service Cost	-	0.04
Interest on defined benefit obligation/(asset) (net)	5.65	9.89
Total amount recognised in Statement of Profit and Loss	61.65	78.17

Amount recognised in other comprehensive income:

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurement during the period due to:		
(Gain)/loss from change in financial assumptions	37.75	(21.36)
(Gain)/loss from change in demographic assumptions	48.88	(56.97)
Experience (gains)/losses	16.68	(27.22)
Actuarial (gains)/losses on plan assets	27.58	(32.90)
Total amount recognised in Other Comprehensive Income	130.89	(138.45)

Present value of defined benefit obligation : [Gratuity -Funded Plan]

(₹ in lakhs)

Particulars	Gratuity (Funded Plan)	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	887.78	926.83
Current service cost	56.00	68.24
Past service cost	-	0.04
Interest on defined benefit obligation	62.81	63.94
Remeasurement due to:		
(Gain)/loss from change in financial assumptions	37.75	(21.36)
(Gain)/loss from change in demographic assumptions	48.88	(56.97)
Experience (gains)/losses	16.68	(27.22)
Benefit paid	(104.88)	(65.72)
Balance at the close of the year	1,005.02	887.78

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

Fair value of plan assets:		(₹ in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Balance at the beginning of the year	780.54	759.31	
Contributions by employer	26.00	-	
Interest income	57.15	54.05	
Benefits paid	(104.88)	(65.72)	
Actuarial (gains)/losses on plan assets	27.58	(32.90)	
Balance at the close of the year	731.23	780.54	

Assets and Liabilities recognised in the Balance Sheet:		(₹ in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Present value of funded obligations	1,005.02	887.78	
Fair value of plan assets	(731.23)	(780.54)	
Deficit of funded plan	273.79	107.24	
Non-current (Note 20)	273.79	107.24	
Current	-	-	

Major Category of Plan Assets as a % of total Plan Assets:		(₹ in lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
Government of India securities	25%	26%	
Corporate bonds	11%	17%	
Insurance managed fund	56%	49%	
Others	8%	8%	
	100%	100%	

Actuarial Assumptions:			
Particulars	As at March 31, 2019	As at March 31, 2018	
Discount rate	7.40%	8.10%	
Salary Growth rate	8.00%	8.00%	

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Mortality:

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions by 50 basis Point is:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	-2.71%	-2.30%	2.85%	2.41%
Salary growth rate	2.82%	2.40%	-2.71%	-2.31%

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which has been used for calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected Contribution to the Fund in the next year:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity	75.00	75.00

iii) Risk Exposure

The Gratuity scheme is Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The risks commonly affecting the defined benefit plan are expected to be:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

iv) Defined Benefit Liability and Employer Contributions

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The weighted average duration of the defined benefit obligation is 5.56 years (March 31, 2018 - 4.71 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity (Undiscounted)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
1st Following Year	170.73	224.95
2nd Following Year	77.39	94.27
3rd Following Year	136.14	85.59
4th Following Year	180.58	132.73
5th following year	151.86	156.05
Sum of 6th to 10th Following Year	933.37	725.93

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

v) Other long term employee benefits :

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current (Note 20)	343.10	327.33
Current (Note 26)	66.78	103.53
TOTAL	409.88	430.86

Note: The above classification is based on actuary's report.

Actuarial Assumptions:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.40%	8.10%
Salary growth rate	8.00%	8.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Leave Availment Pattern:

Based on the data provided to us on the pattern of availment of leave by employees of the Company in the past, it has been assumed that 2.5% of leave balance as at the valuation date and each subsequent year following the valuation date is availed by the employee. The balance leave is assumed to be available for encashment on separation from the Company.

(₹ in lakhs)

34 FINANCE COSTS	Year ended March 31, 2019	Year ended March 31, 2018
Interest on short term borrowings	240.24	824.85
Interest on income tax	15.31	0.09
Interest to others	33.79	35.68
Unwinding of discount on provision	23.55	21.46
Other finance cost	72.77	186.61
TOTAL	385.66	1,068.69

(₹ in lakhs)

35 DEPRECIATION AND AMORTISATION EXPENSES	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment [Refer note 3]	2,358.21	2,244.77
Amortisation on intangible assets [Refer note 4(A)]	41.07	43.14
TOTAL	2,399.28	2,287.91

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

36 OTHER EXPENSES	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spare parts	1,351.95	897.29
Repairs to building	181.42	151.43
Repairs to machinery	1,017.90	837.14
Sales commission	854.09	642.60
Advertisement and publicity expenses	257.27	164.57
Insurance	108.57	114.96
Rent (including lease rent) (Refer note 45)	129.24	124.82
Rates and taxes	4.78	10.13
Printing, stationery and communications expenses	76.55	88.87
Travelling expenses	331.87	312.59
Legal and professional fees	460.27	496.67
Technical Royalty fees	425.28	830.10
Equipment hire charges	174.16	171.41
Provision for doubtful debts and advances (net) (Refer note 11, 15 and 16)	23.86	14.06
Provision for slow / non-moving stores and spares	93.55	34.42
Directors sitting fees	48.00	34.12
Directors commission	15.00	-
Donation	13.56	4.22
Net loss on foreign currency transactions and translations	25.18	110.42
Payment to auditors		
As auditor:		
Audit fees (Including limited review)	24.75	42.00
Tax audit fees	1.25	2.00
Certification	-	0.51
Reimbursement of expenses	1.48	1.33
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 46)	12.79	15.45
Miscellaneous expenses	304.19	219.52
TOTAL	5,936.96	5,320.63

37 SEGMENT INFORMATION

The Company's chief operating decision maker (CODM) has identified one business segment viz. Manufacturing and Sales of Cement and its only production facility is located in India. There are no other reportable segment.

GEOGRAPHIC SEGMENT

(₹ in lakhs)

PARTICULARS	Year ended March 31, 2019		Year ended March 31, 2018	
	Country of domicile (India)	Foreign countries	Country of domicile (India)	Foreign countries
Revenue from External Customers	43,209.06	82.97	41,903.59	513.66

The Company does not hold any non-current assets in foreign countries.

There are no individual customers or a particular group contributing to more than 10% of revenue.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

38 RELATED PARTY DISCLOSURES:

38a Names of the related parties and nature of relationship:

- i) Where control exists
 - Ultimate Holding Company
Hejoassu S.A.
 - Holding Company
Votorantim Cimentos EAA Inversiones S.L.
 - Intermediate Holding Company
Votorantim Cimentos S.A.
- ii) Other Related Parties with whom transactions have taken place
 - Fellow Subsidiaries :
Votorantim Cement Trading S.L.
- iii) Key Management Personnel
 - Mr. A. K. Chhatwani (Independent Director & Chairman)
 - Mr. A. Kumaresan (Independent Director)
 - Mr. Sven Erik Ooppelstrup Madsen (Director) (up to January 24, 2018)
 - Mr. Jorge Alejandro Wagner (Director) (with effect from January 24, 2018)
 - Mr. Persio Morassutti (Director)
 - Ms. Meike Albrecht (Director)
 - Mr. Rajeev Nambiar (CEO and Whole Time Director)(up to July, 31,2018)
 - Mr. Rajeev Nambiar (CEO and Managing Director)(with effect from August 01, 2018)
- iv) Trust
 - Shree Digvijay Cement Co. Ltd. Employees' Gratuity Fund

38b Details of Transactions with related Parties:

(₹ in lakhs)

Nature of Transactions	Holding Company	Other Related Parties	Total
Sale of products	- (-)	- (417.50)	- (417.50)
Technical royalty fees	425.28 (830.10)	- -	425.28 (830.10)
Guarantee commission paid	13.60 (148.45)	- -	13.60 (148.45)
Contribution made to Trust	- -	26.00 -	26.00 -

Figures in bracket are relates to the previous year.

38c Compensation of key managerial personnel

(₹ in lakhs)

Related Parties	Year ended March 31,2019	Year ended March 31,2018
Employee benefits to CEO and Managing Director	196.52	173.43
Commission to independent directors	15.00	-
Directors' sitting fees to independent directors	48.00	34.12
Total	259.52	207.55

Key Management Personnel Compensation

Provision for gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

38d Details of outstanding balances with related Parties:

(₹ in lakhs)

Related Parties	As at March 31, 2019	As at March 31, 2018
Payables -		
Holding Company	-	1,122.57
Total	-	1,122.57

39 FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

There are no financial assets/liabilities that are measured at fair value through statement of profit and loss account or other comprehensive income. The following financial assets/liabilities are measured at amortised cost:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Loans (non-current)	858.48	903.44
Other non-current financial assets	55.08	1,022.37
Trade receivables	1,371.36	1,207.88
Cash and cash equivalents	3,599.32	2,999.27
Other bank balances	23.59	199.53
Loans (current)	17.36	12.23
Other current financial assets	83.13	75.83
Total Financial Assets	6,008.32	6,420.55
Financial Liabilities		
Borrowings - current	4,026.08	2,500.63
Trade payables	5,296.74	5,754.60
Other current financial liabilities	2,487.84	2,235.16
Total Financial Liabilities	11,810.66	10,490.39

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of term deposits and interest there on, trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short-term nature.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

40 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The market risk to the Company is foreign exchange risk and interest rate. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

40A CREDIT RISK

Credit risk comprises of direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from trade receivables, cash and cash equivalents (excluding cash on hand) and bank deposits.

(i) Credit risk management

a) Trade receivables

The carrying amount of trade receivables represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was ₹ 1371.36 lakhs as of March 31, 2019 (March 31, 2018 - ₹ 1207.88 lakhs).

Trade receivables are derived from revenue earned from customers. Credit risk for trade receivable is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business. Further, there are customers covered either by security deposits or bank guarantee. The Company's credit period generally ranges from 0-30 days. The Company does not have a high concentration of credit risk to a single customer.

As per simplified approach, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of Company's customers' financial condition; aging of trade accounts receivable, the extent of credit insurance coverage; the value and adequacy of collateral received from the customers in certain circumstances; the Company's historical loss experience; and changes in credit risk and capital availability of the Company's customers resulting from economic conditions. The Company defines default as an event when there is no reasonable expectation of recovery.

Expected credit loss for trade receivables (₹ in lakhs)

Ageing	0-120 days	More than 120 days	Total
Gross carrying amount	1,367.32	19.40	1,386.72
Expected loss rate	0.25%	61.56%	1.11%
Expected credit losses (Loss allowance provision)	3.42	11.94	15.36
Carrying amount of trade receivables (net of impairment)	1,363.90	7.46	1,371.36

b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalents and bank deposits is generally low as the said deposits have been made with banks having good reputation, good past track record and high quality credit rating and company also reviews their credit-worthiness on an on-going basis.

40B MARKET RISK

(i) Foreign currency risk

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity and that are monetary in nature. The Company is exposed to foreign exchange risk mainly arising from Trade Payables denominated in United States Dollar ('USD') and European Union Currency ('EURO') and Trade receivables in United States Dollar ('USD').

(a) Foreign currency risk exposure:

The Company has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on March 31, 2019

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

The Company's exposure to foreign currency risk at the end of the reporting period are as follows

(In lakhs)

PARTICULARS	As at March 31, 2019			As at March 31, 2018		
	Amount ₹	Foreign currency	Foreign Currency Amount	Amount ₹	Foreign currency	Foreign Currency Amount
(i) Financial assets						
Trade receivables	-	USD	-	49.17	USD	0.76
(ii) Financial liabilities						
Trade payables	-	EURO	-	1,137.75	EURO	14.11
	1.63	USD	0.02	-	USD	-

(b) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is as follows:

(₹ in lakhs)

PARTICULARS	Impact on Profit after Tax positive/(negative)	
	Year ended March 31,2019	Year ended March 31,2018
EURO - Sensitivity		
₹/EURO -Increase by 16.43% (March 31, 2017: 7.79%)	-	(186.93)
₹/EURO -Decrease by 16.43% (March 31, 2017: 7.79%)	-	186.93
USD - Sensitivity		
₹/USD -Increase by 0.32% (March 31, 2017: 2.25%)	(0.11)	0.16
₹/USD -Decrease by 0.32% (March 31, 2017: 2.25%)	0.11	(0.16)

#Holding all other variables constant

(ii) Interest rate exposure

The Company borrowings at reporting date are at fixed rate of interest and Company is not exposed to interest rate changes in respect of such borrowings. However Company will have exposure to interest rate changes at the time of rollover of borrowing facilities.

40C LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk is managed by means of the ultimate parent company's Liquidity and Financial Indebtedness Management Policy, which aims to ensure the availability of sufficient net funds to meet the Company's financial commitments with minimal additional cost. One of the main liquidity monitoring measurement instruments is the cash flow projection, using a minimum projection period of 12 months from the benchmark date.

(i) Financing arrangements

The Company has undrawn borrowing facilities of Rs. 3,417.72 lakhs as at March 31, 2019 (Rs. 11,161.42 lakhs as at March 31, 2018) which is renewable on yearly basis by mutual consent. Undrawn credit facilities comprises of fund based and non-fund based.

(ii) Maturities of financial liabilities

The following table shows the maturity analysis of the companies financial liabilities based on the contractually agreed undiscounted cash flows as at the Balance Sheet date.

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 1 Year	Above 1 Year	Total
March 31, 2019			
Borrowings	4,026.08	-	4,026.08
Trade payables	5,296.74	-	5,296.74
Other financial liabilities	2,487.84	-	2,487.84
Total Liabilities	11,810.66	-	11,810.66

(₹ in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 1 Year	Above 1 Year	Total
March 31, 2018			
Borrowings	2,500.63	-	2,500.63
Trade payables	5,754.60	-	5,754.60
Other financial liabilities	2,235.16	-	2,235.16
Total Liabilities	10,490.39	-	10,490.39

41 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure of the Company, management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

The Company considers total equity reported in the financial statements to be managed as part of capital.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

Particulars	As at March 31, 2019	As at March 31, 2018
Total Debt	4,026.08	2,500.63
Less : Cash and cash equivalents	3,599.32	2,999.27
Adjusted net debt	426.76	-498.64
Equity share capital	14,137.50	14,137.50
Other equity	7,834.19	7,713.23
Total equity	21,971.69	21,850.73
Adjusted net debt to equity ratio	0.02	-0.02

42 EARNINGS PER SHARE (EPS)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit/(loss) after tax (₹ in lakhs)	206.11	1,337.09
Weighted average number of shares outstanding for basic / diluted EPS (In lakhs)	1,413.74	1,413.74
Nominal value per share (In ₹)	10.00	10.00
Basic / diluted earning per Share (In ₹)	0.15	0.95

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

43 Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	(Rs. in lakhs)	
	Year ended March 31, 2019	
Revenue as per contracted price	44,387.48	
Adjustments :		
Rebates & Discounts	1,095.45	
Revenue from contract with customers	43,292.03	

Disaggregation of revenue

The management determines that the segment information reported under Note 37 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Significant payment terms

Generally, the Company provides 21 days credit period for trade type customers and 30 days for non-trade type customers. Further, trade customers are eligible for certain discounts as per basis quantity upliftment by the customer on monthly, quarterly and annual.

- 44 In view of Hon'ble Supreme Court ruling, the Company has reversed the provision of Rs. 201.78 Lakhs in the Cost of materials consumed during the previous year which was towards additional royalty on lime stone payable to District Mineral Foundation (DMF) under the Mines and Mineral (Development & Regulation) Amendment Act, 2015 for the period from January 12, 2015 to September 16, 2015.

45 LEASES

As a lessee: Operating lease

The Company has operating leases for premises. These lease arrangements range for a period between 11 months and 20 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

With respect to all operating leases:	(Rs. in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Lease payments recognised in the Statement of Profit and Loss during the year	129.24	124.82

With respect to non cancellable operating leases, the future minimum lease payments are as follows:

PARTICULARS	(Rs. in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	99.09	94.78
Later than one year and not later than five years	230.63	244.84
Later than 5 years	177.65	233.65

46 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

PARTICULARS	(₹ in lakhs)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Gross amount required to be spent by the Company during the year	8.40	-
Amount spent during the year on:		
i) Construction / acquisition of asset	1.50	2.71
ii) On purposes other than (i) above	11.29	12.74
Total	12.79	15.45

SHREE DIGVIJAY CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2019

47 DUES TO MICRO AND SMALL ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 as below.

Particulars	(Rs. in lakhs)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	8.97	34.02
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made.	-	-
Further interest remaining due and payable for earlier years	-	-

There is no principal and interest overdue to Micro and Small enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has relied upon by the auditors.

The notes are an integral part of these financial statements.

In terms of our report of even date

In terms of our report of even date

For B S R & Associates LLP

Firm Registration No. : 116231W/W-100024
Chartered Accountants

Jeyur Shah

Partner
Membership No.: 045754

Place: Mumbai
Date: April 30th, 2019

For and on behalf of the Board of Directors

Arcot Kumaresan
Independent Director
DIN: 00149567

Jorge Alejandro Wagner
Director
DIN: 07935739

Suresh Kumar Meher
AVP (Legal) & Company Secretary

Place: Mumbai
Date: April 30th, 2019

A. K. Chhatwani
Independent Director
DIN: 00016735

K. K. Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Vikas Kumar
Chief Financial Officer

Shree Digvijay Cement Company Limited

CIN: L26940GJ1944PLC000749

Registered Office: Digvijaygram-361 140 Via: Jamnagar, Gujarat, Tel No.: 0288-2344272 -75, Fax No: 0288- 2344092
E-mail: investors.sdcl@digvijaycement.com; Website:www.digvijaycement.com

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	Client ID

I / We, being the members(s) holding..... Equity Shares of ₹10 each of Shree Digvijay Cement Company Limited, hereby appoint:

- Name :..... Address: _____
E-mail ID: _____ Signature: _____ Or falling him/her
- Name :..... Address: _____
E-mail ID: _____ Signature: _____ Or falling him/her
- Name :..... Address: _____
E-mail ID: _____ Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 74th Annual General Meeting of the Company, to be held on Monday, 5th August, 2019 at 3.00 pm at the Registered Office at Digvijaygram 361 140 Via: Jamnagar, Gujarat and at any adjournment thereof, in respect of such resolutions, as are indicated below:

NO.	RESOLUTIONS	TYPE OF RESOLUTION	OPTIONAL	
			For	Against
1	Adoption of Audited Financial Statement of the Company for the financial year ended 31 st March, 2019, together with the Reports of the Board of directors and Auditors' thereon	Ordinary		
2	De-classification of Votorantim Cimentos EAA Inversiones S.L and Votorantim Cimentos S.A. as the 'Promoters' of the Company	Ordinary		
3	Appointment of Mr. Pramod Kabra as Non-Executive Non-Independent Director	Ordinary		
4	Appointment of Mr. Anil Singhvi as Executive Non-Independent Director	Ordinary		
5	Appointment of Mr. Anil Singhvi as Executive Chairman of the Company	Special		
6	Appointment of Ms. Mini Menon as an Independent Women Director	Ordinary		
7	Appointment of Mr. Mahesh Gupta as an Independent Director	Ordinary		
8	Alteration in Authorised Share Capital of the Company by way of reclassification of Preference Shares into Equity Shares	Ordinary		
9	Approval of 'SDCCL Employee Stock Option Plan 2019' to create, offer, issue and allot Options under Employee Stock Option Plan	Special		
10	Grant of Stock options of 1% or more of the issued Share Capital of the Company	Special		
11	Alteration of Articles of Association	Special		
12	Approval of a proposed payment to Mr. Anil Singhvi by True North Fund VI LLP pursuant to an upside sharing agreement	Ordinary		
13	Ratification of Remuneration to Cost Auditor	Ordinary		

Signed this _____ day of _____ 2019.

Signature of Member(s): _____

Signature of the Proxy holder(s) _____

Affix
Revenue
Stamp

Notes:

- 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.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 74th Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

AWARD

AN ACCOLADE FOR EXCELLENCE



GOLD
Industrial Safety Award



GOLD
Greentech Environment Award



GOLD
Greentech Safety Award



GOLD
Best OHS Initiative Organization Award



SILVER
Exceed Environmental Preservation Award 2018

CORPORATE SOCIAL RESPONSIBILITIES



Child well being health camp



Medical camp for ladies



Rural well-being medical camp



World Environment Day



World Environment Day



Women empowerment initiatives



Women empowerment initiatives

SERVING THE SOCIETY FOR A BETTER FUTURE



Rural well-being medical camp



Rural well-being medical camp



Rural well-being medical camp



Animal medical check-up camp



Rural food distribution camp



Rural women empowerment



Children education initiatives



Children education initiatives

WORLD-CLASS CEMENT

AT PAR WITH INTERNATIONAL STANDARDS

Kamal Cement with its State-of-art UST technology, tamper-proof packaging, and laboratory quality checks produces superior quality cement that is at par with International standards.

The list of our products is as follows: **Kamal PPC Cement, Kamal OPC Cement, Kamal SRPC Kamal, Oil-Well Cement.**



PPC

OPC

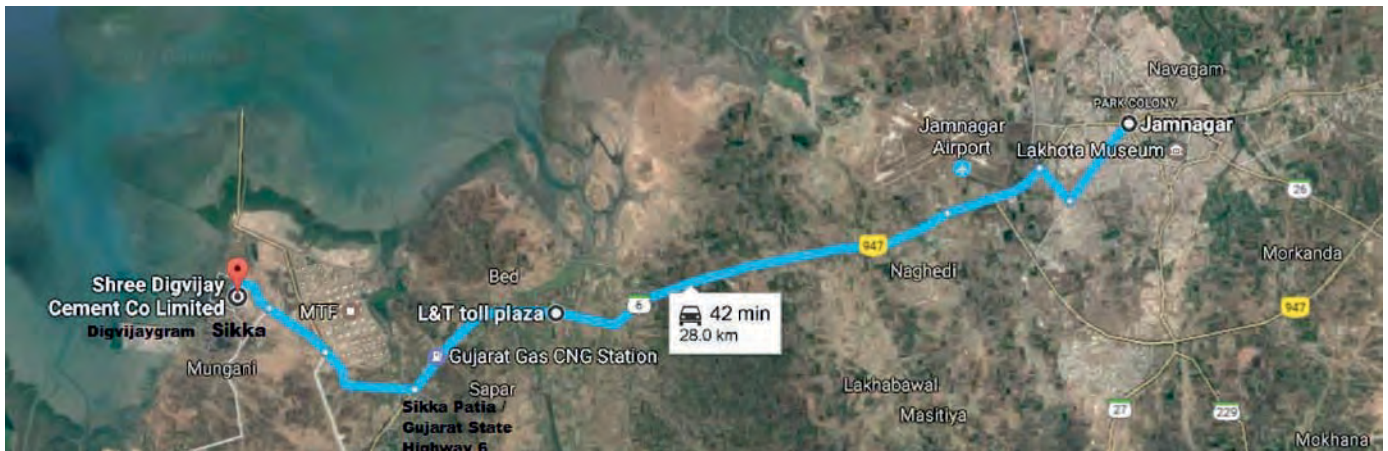
SRPC

OWC

MAP SHOWING LOCATION OF THE VENUE OF 74TH ANNUAL GENERAL MEETING OF THE COMPANY

Venue:

Shree Digvijay Cement Co. Ltd.
Digvijaygram – 361 140
Jamnagar, Gujarat



Landmark:

MTF / Sikka Village

Distance / Direction:

- 28 km from Jamnagar City
- 22.9 km from Jamnagar Airport
- 10.7 km from L&T Toll Plaza, Bed
- 6.2 km from Sikka Patia / Gujarat SH 6 crossing
(left right at this point if coming from Jamnagar).



75th | **GLORIOUS
YEAR**



Regd. Office & Works

SHREE DIGVIJAY CEMENT CO. LTD.

P. O. Digvijaygram - 361140.

Via - Jamnagar, Gujarat, INDIA.

Phone: +91 288 234 4272-75

Fax: +91 288 234 4092.

E-mail: investors.sdcl@digvijaycement.com

Web: www.digvijaycement.com



Shree Digvijay Cement Company Limited

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E-mail: investors.sdcl@digvijaycement.com
Website: www.digvijaycement.com

ATTENDANCE SLIP

[To be presented at the entrance]

I hereby record my presence at the 74th Annual General Meeting of the Company being held at Digvijaygram, Via. Jamnagar (Gujarat) 361 140 on Monday, the 5th August, 2019 at 3.00 pm and at any adjournment thereof.

Member ID :

Name of the Member Signature

Name of the Proxy holder Member..... Signature.....

- 1. Only Member / Proxyholder can attend the meeting.
- 2. Member /Proxyholder should bring his /her copy of the Annual Report for reference at the meeting

E-VOTING PARTICULARS

ELECTRONIC VOTING EVENT NUMBER (EVEN)	USER ID	PASSWORD

NOTES: Please refer to the voting instructions printed in the Notice of the 74th Annual General Meeting. The e-voting period commences on Friday, 2nd August, 2019(10 am) and ends on Sunday, 4th August,2019(5 pm). The e-voting module shall be disabled by Link Intime India Pvt. Ltd.(LIPL) for voting hereafter.