

# KAMAL CEMENT



71<sup>st</sup> Annual Report  
2015-2016

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SHREE DIGVIJAY CEMENT CO. LTD.

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## BOARD OF DIRECTORS

Mr. A. K. Chhatwani  
- Independent Director & Chairman

Mr. A. Kumaresan  
- Independent Director

Mr. Sven Erik Oppelstrup Madsen

Mr. Persio Morassutti

Ms. Meike Albrecht

Mr. K.K. Rajeev Nambiar  
- CEO & Whole-time Director  
and acting CFO

## AUDIT COMMITTEE

Mr. A. K. Chhatwani - Chairman

Mr. A. Kumaresan

Mr. Persio Morassutti

## NOMINATION AND REMUNERATION COMMITTEE

Mr. A. Kumaresan - Chairman

Mr. A. K. Chhatwani

Ms. Meike Albrecht

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. A. Kumaresan - Chairman

Mr. A. K. Chhatwani

Ms. Meike Albrecht

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. A. K. Chhatwani - Chairman

Mr. A. Kumaresan

Mr. K.K. Rajeev Nambiar

## GENERAL MANAGER (LEGAL) & COMPANY SECRETARY

Mr. Suresh Meher

## EXECUTIVES

Mr. T. L. Narendran - Asst. V.P. (Tech.)

Mr. P. R. Singh - Asst. V.P. (Mktg.)

## AUDITORS

M/s Price Waterhouse  
Chartered Accountants  
(ICAI Registration No. 301112E)  
252, Veer Savarkar Marg  
Shivaji Park  
Dadar (West)  
Mumbai - 400 028

## COST AUDITORS

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

## 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-13, Pannalal Silk Mill Compound,  
LBS Marg,  
Bhandup (West),  
Mumbai 400 078

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## NOTICE

**NOTICE** is hereby given that the **Seventy-First** Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT COMPANY LIMITED ("Company")** will be held on Thursday, 4<sup>th</sup> August, 2016 at 09:30 a.m. at the Registered Office of the Company at **DIGVIJAYGRAM 361 140 Via: Jamnagar, Gujarat** to transact the following business:

### ORDINARY BUSINESS:

#### 1. To consider and adopt

The Audited Financial Statements of the Company including the Audited Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2016 and the Reports of the Board of Directors and the Auditors' thereon.

#### 2. Re-appointment of retiring Director

To appoint a Director in place of Mr. Persio Morassutti, a Non-Executive & Non-Independent Director having Director Identification Number [07105548] who retires by rotation and being eligible, offers himself for re-appointment.

#### 3. Ratification of appointment of Statutory Auditors and fixing their remuneration

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 139 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) and Rules made thereunder, as amended from time to time, the appointment of M/s. Price Waterhouse, Chartered Accountants, Mumbai (Firm Registration No. 301112E) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Seventy-Second AGM of the Company to be held for the financial year 2016-17, be and is hereby ratified and the Board of Directors be and are hereby authorized to fix such remuneration (along with taxes and out of pocket expenses) as may be determined by the Audit Committee in consultation with the Auditors, and such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors of the Company."

### SPECIAL BUSINESS:

#### 4. 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 (including any statutory modification or re-enactment thereof for the time being

in force) and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of ₹1,25,000/- [Rupees One lacs twenty five thousand only] plus service tax and out of pocket expenses actually incurred 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 2016-17.

#### 5. Appointment of Mr. KK Rajeev Nambiar as Director

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

**"RESOLVED THAT** Mr. K.K. Rajeev Nambiar (DIN:07313541), who was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> October, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

#### 6. Remuneration to Non-Executive Directors

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 197 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), the approval of the Company be and is hereby accorded, subject to such other permissions and approvals, if any, as may be required, to pay commission to the Directors of the Company who are neither in the whole time employment nor managing director(s) of the Company (hereinafter referred as 'eligible Directors'), in accordance with and up to the limit laid down under the provisions of Section 197(1) of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force), computed in the manner specified in Section 198 of the Companies Act, 2013 or such other limit as may be approved by the Central Government or the relevant authority for a period of 5 years from the financial year 2015-16, in such manner and up to such extent, as the Board of Directors or the Committee of Board specifically authorised for this purpose may, from time to time, determine, such commission being divisible amongst the eligible Directors in such proportion, to such category and in such manner as

may be decided by the Board or the Committee of Board specifically authorized for this purpose.”

“**RESOLVED FURTHER THAT** subject to provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals and permissions, if any, as may be required from the Central Government or from any other authorities, in case of inadequacy of profits of the Company for any financial year, such remuneration, as approved by the Board or the Committee of Board specifically authorized for this purpose, subject to such approval as may be necessary shall be paid to each of eligible Directors.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform and / or to authorise any Committee of Directors or any other person to do or perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution, including submitting application and making representation to the Central Government, if required.”

By Order of the Board

Suresh Meher  
General Manager (Legal)  
& Company Secretary

Place : Mumbai

Date : 24<sup>th</sup> May, 2016

**NOTES:**

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Items No. 3 to 6 of the accompanying Notice are annexed hereto.
2. As required in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations), the information (including profile and expertise in specific functional areas) pertaining to Director(s) recommended for/seeking appointment/re-appointment in the AGM in respect of Resolutions at Items No. 2 & 5 is forming part of the Explanatory Statement given below. The Director has furnished the requisite consent / declarations for his re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
3. **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.**

4. 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.
5. 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 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.
6. 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.
7. 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.
8. 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.
9. The Register of Members and Share Transfer Books of the Company will be closed from 29<sup>th</sup> July, 2016 to 4<sup>th</sup> August, 2016 (both days inclusive).
10. E-VOTING: In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI Regulations, the Company is pleased to provide members e-voting facility to exercise their right to vote by electronic means. Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 28<sup>th</sup> July, 2016, may cast their votes by electronic means or in the AGM on all the items of the business. Details of user id and password for e-voting alongwith other information with respect to Voting process and instructions, forming part of this Notice, is enclosed with this Annual Report.  
Only those /members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date shall be entitled to vote. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut- off date i.e. 28<sup>th</sup> July, 2016.
11. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules,

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

2014, the Annual Report for the financial year 2015-16 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 2015-16 is being sent by the permitted mode.

The Notice of AGM and the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2016 is uploaded on the Company's website [www.digvijaycement.com](http://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. Pursuant to Section 107 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, voting through polling paper shall also be made available to those Members who attend the Annual General Meeting and have not already cast their vote by remote e-voting.

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

13. The Board of Directors in their Meeting held on 24<sup>th</sup> May, 2016 appointed Mr. Manoj Hurkat, Practicing Company Secretary, Ahmedabad of M/s Manoj Hurkat & Associates (Membership No. CP No. 2574) or failing him any other Practicing Company Secretary, as may be appointed by authorised officials, as a Scrutinizer for overseeing the voting and remote e-voting process in a fair and transparent manner.
14. The Scrutinizer shall submit his report to the Chairman. Results declared alongwith report of the Scrutinizer shall be placed on the website of the Company [www.digvijaycement.com](http://www.digvijaycement.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after declaration of result by the Chairman or a person authorized by him in this behalf. The results shall also be uploaded on the BSE Listing Portal.

The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of requisite votes.

15. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. It also substantially reduce the risk of fraud. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialized form should inform their DP and members holding shares in physical form should inform the Company their PAN details alongwith proof thereon.
17. Members holding shares in physical form are requested to forward all applications for transfers and all other share related correspondence (including intimation for change of address) to the Share Transfer Agents of the Company.
18. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.

By Order of the Board

Suresh Meher  
General Manager (Legal)  
& Company Secretary

Place : Mumbai  
Date : 24<sup>th</sup> May, 2016



## 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. 3 to 6 of the accompanying Notice dated 24<sup>th</sup> May, 2016

**Item No.3:** This explanatory statement is provided though strictly not required as per Section 102 of the Act.

#### **Ratification of appointment of Statutory Auditors and fixing their remuneration**

M/s. Price Waterhouse, Chartered Accountants, Mumbai (Firm Registration No. 301112E) were appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on 20<sup>th</sup> May, 2016. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No.3 of the accompanying Notice.

The Board commends the Resolution at Item No.3 of the accompanying Notice for ratification by the Member of the Company.

None of the Directors or Key Managerial Personnel (KMP) or their respective relatives are concerned or interested in the Resolution at Item No.3 of the accompanying Notice.

#### **Item no.4**

##### **Ratification of Remuneration to Cost Auditor**

The Board of Directors at their meeting held on 24<sup>th</sup> May 2016, on the recommendation of the Audit Committee has approved the appointment of M/s. Kiran J Mehta & Co, Cost Accountants, Ahmedabad as the Cost Accountant to conduct the audit of Cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2017 on a remuneration of ₹ 1,25,000/- (Rupees One Lac Twenty Five Thousand only) 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. have 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. 4 of the Notice for remuneration to the Cost Auditor for the financial year ending on 31<sup>st</sup> March, 2017.

The Board commends the Resolution at Item No.4 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.4 of the accompanying Notice.

#### **Item no.5**

##### **Appointment of Mr. KK Rajeev Nambiar as Director**

Mr. KK Rajeev Nambiar was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> October, 2015 by the Board of Directors under Section 161 of the Act and Article 149 of the Company's Articles of Association. He was also appointed as Whole-time Director of the Company with effect from 1<sup>st</sup> November, 2015 by the Board of Directors, which was subsequently approved by shareholders through postal ballot on 28<sup>th</sup> December, 2015. However, in terms of Section 161(1) of the Act, Mr. Nambiar holds office only upto the date of the forthcoming Annual General Meeting of the Company but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Nambiar's appointment as a Director.

Mr. Nambiar, aged 44 years, joined the Company on 2<sup>nd</sup> June, 2015 as Chief Executive Officer (CEO). A mechanical engineer from the National Institute of Technology Suratkal, Karnataka (India), Mr. Nambiar has a rich experience of over 21 years in the cement industry. Prior to joining the Company he was Head of Operations of ACC Limited at its Jamul unit and was associated with ACC for about 20 years. At ACC, He was also responsible for different roles in Operations, Technical area, Engineering, Human Resources, Commercial and Logistics. Some of his outstanding achievements in that organization included the commissioning of largest kiln at ACC Wadi.

The Board commends the Resolution at Item No.5 of the accompanying Notice for approval by the Members of the Company.

Other than Mr. Nambiar, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.5 of the accompanying Notice.

Mr. Nambiar is not related to any other Director of the Company.

#### **Item no.6**

##### **Remuneration to Non-Executive Directors**

Board has, at their meeting held on 24<sup>th</sup> May, 2016, proposed the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013, for a period of five years commencing from the financial year 2015-16.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

Section 197 of the Companies Act, 2013 provides, inter alia, remuneration to its directors (other than the managing director or whole time director), by way of commission, if the Company by resolution authorize such payments. Listing Agreement also provides that all fees / commission paid to Non-Executive Directors shall be fixed by the Board and shall require the previous approval of the Members. In this context, it is proposed to take this special resolution for payment of commission to the Non-Executive Directors for a period of 5 years effective from the financial year 2015-16, as may be determined by the Board or its Committee authorised for the purpose for each financial year at a rate such that the total remuneration does not exceed percentage limits of the net profit of the Company as specified in the Companies Act, 2013 (presently 1% of the net profit), calculated in accordance with Section 197 read with Section 198 and any other applicable provisions of the Companies Act, 2013.

The payment of commission would be in addition to the sitting fees payable for attending meeting of the Board and Committees thereof, if any. Further, in case of inadequacy of profits of the Company for any financial year, the

Non-Executive Directors shall be paid such remuneration as approved by the Board or its Committee authorised for the purpose for such financial year, subject to such approval as may be necessary.

The Board commends the Resolution at Item No.6 of the accompanying Notice for approval by the Members of the Company.

The Whole-time Director and KMP of the Company and their relatives are not concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice. The Non-Executive Directors may be deemed to be concerned or interested in the Special resolution set out at Item No. 6 of the Notice to the extent of the remuneration.

By Order of the Board

Suresh Meher  
General Manager (Legal)  
& Company Secretary

Place : Mumbai  
Date : 24<sup>th</sup> May, 2016

## Registration / Updating of Email IDs and Bank Details

Members are requested to support the "Green Initiative" by registering their email address with the Company, if not already done.

Those members who have changed their Email ID are requested to register their new Email ID with the Company in case the shares are held in physical form and with the Depository Participant where shares are held in Demat mode.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is required to maintain Bank details of its Members for the purpose of payment of Dividend etc. Members are requested to register / update their bank details with the Company in case the shares are held in physical form and with their Depository Participant as well as the Company where shares are held in Dematerialization mode, to enable expeditious credit of the dividend to their bank accounts electronically through ACH / NECS.

## INFORMATION/PROFILE ABOUT DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE 71<sup>ST</sup> ANNUAL GENERAL MEETING:

Name of Director	Mr. Persio Morassutti	Mr. K K Rajeve Nambiar
Director Identification Number( DIN)	07105548	07313541
Date of Birth	August 23,1970	May 30,1972
Nationality	Brazilian	Indian
Date of Appointment	February 25,2015	October 28,2015
Qualification	Master of Business Administration	B.E. (Mechanical)
Experience in specific functional area	Finance & IT	Operations, Technical area, Engineering, Commercial, Logistics and General Management
List of outside Company Directorship held	NONE	NONE
Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee –Member	CSR Committee- Member
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is a Director	NONE	NONE
Relationship between Directors Inter -Se	NONE	NONE
No. of Shares held in the Company	NIL	NIL



## DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 71<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2016.

### FINANCIAL HIGHLIGHTS:

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

(₹ In lacs)

	<b>Current Year Ended 31. 03. 2016, (15 Months, i.e. 01.01.2015 to 31.03.2016)</b>	Previous Year Ended 31.12.2014 (12 Months)
<b>Gross Turnover</b>	<b>52131</b>	46045
<b>Profit before Interest Depreciation, Exceptional Items &amp; Tax [PBITD]</b>	<b>4426</b>	2492
Less: Interest	<b>1321</b>	717
Less: Depreciation	<b>2580</b>	1410
<b>Profit after Interest &amp; Depreciation but before Exceptional Item &amp; Tax</b>	<b>525</b>	365
<b>Profit from ordinary activities before Tax</b>	<b>525</b>	365
<b>Net Profit for the year</b>	<b>525</b>	365
Balance brought forward from previous year	<b>(3671)</b>	(4036)
<b>(Loss) Carried Over</b>	<b>(3146)</b>	(3671)

(Previous figures have been regrouped wherever necessary)

Accounting period for the current year was consisting of 15 months. Therefore, the financial results for the year under report is not comparable with previous year.

### CHANGE IN ACCOUNTING YEAR

Accounting year of the Company for the period under report consists of fifteen months ended on 31<sup>st</sup> March, 2016 [1<sup>st</sup> January, 2015 to 31<sup>st</sup> March, 2016]. Hereafter, the accounting year will be for 12 months period ending on 31<sup>st</sup> March every year in accordance with the provisions of Section 2(41) of the Companies Act 2013.

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

#### Income

Your company earned revenue of ₹ 52131 lacs during the financial year (15 months period) compared to ₹ 46045 lacs in the previous year (12 months period).

#### Profit:

Profit before and after tax for the financial year (15 months period) was ₹525 lacs as compared to ₹365 lacs in previous year (12 months period).

#### Depreciation

Consequent to the enactment of the Companies Act 2013,

(the Act) and its applicability to the Company from accounting periods commencing from 1<sup>st</sup> January, 2015, the Company has re-assessed the remaining useful lives of its fixed assets in accordance with the provisions prescribed under Schedule II to the Act. Accordingly, in case of assets which have completed their useful lives are fully depreciated and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives. Pursuant to this re-assessment the depreciation expenses charge for the fifteen months period ended 31<sup>st</sup> March, 2016 is higher by ₹ 553.74 lacs with consequential impact on profit.

### PRODUCTION AND SALES

Production and Sales during the year under review are as under:

(In lacs MT)

	<b>Current Year Ended 31. 03. 2016, (15 Months, i.e. 01.01.2015 to 31.03.2016)</b>	Previous Year Ended 31.12.2014 (12 Months)
Production:		
• Clinker	<b>9.97</b>	6.99
• Cement	<b>12.08</b>	10.04
Sales:		
• Cement	<b>11.97</b>	10.01

During the year under review, Cement production was 12.08 lacs MT (15 months period) as against 10.04 lacs MT consisting of 12 months in previous year. Clinker production was higher at 9.97 MT (15 months period) as against 6.99 lacs MT in previous year (12 months period) up by about 14.15 %. This improved performance is due to various initiatives taken by your Company for ensuring plant stability.

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

### DIVIDEND

In view of the accumulated losses Your Directors does not recommend any dividend on Share Capital.

### SHARE CAPITAL

The paid –up Equity Share Capital as on 31<sup>st</sup> March, 2016 was ₹14137 lac. 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.

### 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.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## 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

The details of number of Meetings of the Board and committees thereof held during the financial year 2015-2016 forms part of 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 31<sup>st</sup> March 2016, 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 31<sup>st</sup> March 2016 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 control 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 Company has a "Nomination and Remuneration Committee of Directors" in place. The Committee reviews and recommend to the Board for remuneration for Directors and Key Managerial Personnel and other employees in Senior Management category, who directly reports to CEO of the Company.

The Company has proposed to pay remuneration by way of commission to Non-executive Directors w.e.f. financial year 2015-16, subject to Shareholders' approval at this AGM, in addition to sitting fee for attending the meetings of the Board and Committees of the Board. Non-executive Directors do not take any sitting fee for attending such meetings. Remuneration to the Whole-time Director is governed under the relevant provisions of the Act within the limits approved by Shareholders.

## CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

Details of Contracts/arrangement with the Related Parties are appearing under Note no. 32b 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 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 31<sup>st</sup> March, 2016 and the date of this report i. e. 24<sup>th</sup> May 2016.

## 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

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

During the year under review, no employees, other than Whole-time Directors, were in receipt of remuneration of not less than ₹ 75 Lac (15 months period) or ₹ 5 Lac per month during any part of the year. Though certain details on remuneration in respect of said Whole-time Directors 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.

- b) Remuneration Policy

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 Remuneration Policy is stated in the Corporate Governance Report and annexed hereto as **Annexure D**.

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

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 and the Board Diversity Policy of the Company.

#### **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.

#### **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.

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 E**.

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

#### **DIRECTORS**

Mr. Persio Morassutti, Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and, being eligible, has offered himself for re-appointment as the Director.

The Board of Directors at their meeting held on 28<sup>th</sup> October, 2015 had appointed Mr. K.K. Rajeev Nambiar as Additional Director of the Company and as Whole-time Director of the Company with effect from 1<sup>st</sup> November, 2015. The Shareholders have by way of special resolution through postal ballot process on 28<sup>th</sup> December, 2015 approved the appointment of Mr. K.K. Rajeev Nambiar as Whole-time Director for a period of three (3) years with effect from 1<sup>st</sup> November 2015 on the terms and conditions, which are subject to approval of Central Government. However, as required under section 161 of the Companies Act, 2013, his period of office as Additional Director will expire in the ensuing Annual General Meeting. The Company has received a Notice from a shareholder under section 160 of the Companies Act, 2013 proposing Mr. Nambiar's candidature for the office of Director.

A brief resume of above mentioned Directors are attached to the Notice for the ensuing Annual General Meeting.

At the last Annual General Meeting held on 20<sup>th</sup> May 2015, the members had appointed Mr. A.K. Chhatwani and Mr. Kumaresan Arcot as Independent Directors under the Companies Act, 2013, each for a term of 5 years with effect from 20<sup>th</sup> May 2015. All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 27(2) of SEBI( LODR) Regulations 2015.

Mr. Chain Singh Jasol, after his association in various capacities for more than three decades with the Company and as Whole-time Director of the Company since November, 2013, superannuated from the services of the Company w.e.f. 31<sup>st</sup> October, 2015. The Board Placed on record its appreciation for the valuable services rendered by Mr. Jasol.

#### **DETAILS OF KEY MANAGERIAL PERSONAL (KMP)**

During the period under review, Mr. S.N. Malpani, after his association with the Company for more than three decades, ceased to be a key managerial personnel of the Company i.e. as Interim CFO w.e.f. 24<sup>th</sup> February, 2015 and as Company Secretary w.e.f. 30<sup>th</sup> June, 2015. The Board Placed on record its appreciation for the valuable services rendered by Mr. Malpani.

Mr. Arun Kamra succeeded Mr. Malpani and appointed as Chief Financial Officer (CFO) and as one of the key managerial personnel of the Company w.e.f. 25<sup>th</sup> February, 2015. However, due to some organizational restructuring, Mr. Kamra has resigned and ceased to be a CFO of the Company with effect from 24<sup>th</sup> May, 2016. Until the time a new CFO is appointed, Mr. Nambiar was also given the additional responsibility of Finance functions as "Acting CFO".

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

Mr. KK Rajeev Nambiar was appointed as CEO and as one of the key managerial personnel of the Company w.e.f. 2<sup>nd</sup> June 2015 and he succeeded Mr. Chain Singh Jasol.

Mr. Suresh Meher, who was initially appointed as General Manager (Legal & Secretarial) w.e.f. 9<sup>th</sup> February, 2015, succeeded Mr. Malpani w.e.f. 1<sup>st</sup> July, 2016 as General Manager (Legal) & Company Secretary, Compliance Officer and as one of the key managerial personnel of the Company.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 27(2) of SEBI (LODR) Regulations 2015, 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. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## STATUTORY AUDITORS

At the 70<sup>th</sup> AGM of your Company held on 20<sup>th</sup> May, 2015, M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E) was appointed as the Auditors to hold office until the conclusion of the 75<sup>th</sup> Annual General Meeting (AGM) to be held in 2020, subject to the ratification by the shareholders at each AGM held after the previous AGM).

The Board of Directors at its meeting held on 24<sup>th</sup> May 2016, in accordance with the provisions of Section 139(8) of the Companies Act 2013 read with Rule 3 of the Companies (Audit & Auditors) Rules, 2014, have recommended to shareholders to ratify the appointment of M/s. Price Water House, Chartered Accountant of Mumbai to continue to act as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company. M/s. Price Water House has confirmed their willingness under Section 141 of the Act, and the rules framed thereunder for re-appointment as Auditors of the Company.

## AUDITORS' REPORT

The observations made in the Auditors' Report are self-explanatory and do not call for any further comments u/s 134(3)(f) of the Companies Act, 2013

## COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, your Directors, on the recommendation of the Audit Committee of Directors, have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the Cost Audit for the year ended 31<sup>st</sup> March 2016. The Board recommends for ratification of remuneration payable to the Cost Auditors.

## SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Manoj Hurkat & Associates, Company Secretaries in Whole-time Practice, to carry out

Secretarial Audit for the financial year 2015-16 (1<sup>st</sup> January 2015 to 31<sup>st</sup> March 2016). The Secretarial Audit report is annexed as **Annexure F** to this Report.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are annexed as **Annexure G** to this Report.

## POSTAL BALLOT

During the period under review, the Company has successfully completed the process of obtaining approval of its Members through Postal Ballot on 28<sup>th</sup> December, 2015 on the Special Resolution for appointment of Mr. KK Rajeev Nambiar as Whole-time Director and Payment of Remuneration to him in his capacity as such Whole-time director.

## 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. Ernst & Young 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.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a 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. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

## 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 H**, 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.

### **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 is 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 programmes for increasing disaster preparedness and awareness among all employees at the plant. Training programmes and mock drills for safety awareness were also conducted for all employees at the plant. Safety Day was observed with safety competition programmes 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. 31<sup>st</sup> March 2016 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.

### **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, Votorantim Cimentos.

For and on behalf of the Board

Persio Morassutti  
Director

K.K. Rajeev Nambiar  
CEO & Whole-Time Director

Place: Mumbai  
Date: 24<sup>th</sup> May, 2016

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## ANNEXURE " A "

### FORM NO. AOC -2

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

Form for 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.

#### 1. 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 31<sup>st</sup> March 2016, which were not at arm's length basis and not in the ordinal course of business.

#### 2. Details of material contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangement or transaction conducted on arm's length basis for the year ended March 31, 2016 are as follows:

Sr.	Name (s) of the Related Party & Nature of Relationship	Nature of contracts/ arrangements/ transaction	Duration <sup>3</sup>	Salient Terms	Amount (₹ 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.	932.79
		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.	185.30
2	Votorantim Cement Trading S.L. (VCTSL) (Other related entity)	Purchase of Coal from VCTSL	2015-16	One time contract on sale, purchase or supply of Coal at prevailing market price at arm's length basis.	8386.09
		Purchase of Gypsum from VCTSL	13 <sup>th</sup> May 2015 to 30 <sup>th</sup> June 2015	One time contract on sale, purchase or supply of Gypsum at prevailing market price at arm's length basis.	

3. Shareholders' approval is taken at last AGM for a period of three financial years, considering that above contracts / transactions are material in nature as defined under erstwhile clause 49 of Listing Agreement and under newly introduced SEBI Listing Regulations. Prior approval of Audit Committee are taken for all of these transactions. Specific approval of Board under Section 188(1) of the Companies Act, 2013 are not required as the transactions are at arm's length basis and in the ordinal course of business. The contracts with VCEAA, other than contacts with VCTSL, are ongoing. Though certain amounts in respect of all of above contracts are payable as at end of the financial year, no amount is paid as advance with respect to any of related party transactions.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 24<sup>th</sup> May, 2016

A.K. Chhatwani  
Chairman



**ANNEXURE “ B ”**

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

[In Compliance with the provision of Section 134(3)(M) of the Companies Act, 2013 read with Rule 8 of the Companies (Account) Rule 2014]

**CONSERVATION OF ENERGY**

(i) The steps taken or impact on conservation of energy	<ul style="list-style-type: none"> <li>• Damaged preheater cyclones cone replaced</li> <li>• Variable Frequency Drive installed in Pre Heater fan which results saving of 30 to 40 KW per hour.</li> <li>• Raw Mill outlet and Exhaust Fan inlet duct replaced</li> <li>• Raw Mill exhaust fan inlet cones replaced</li> <li>• Pre-heater cyclone Brick lining repaired</li> <li>• Various expansion joint in Kiln hot air duct replaced</li> <li>• High efficiency fan installed for cooler Fan No-3</li> <li>• Cement mill liner replaced and improved the productivity average 10%. (150TPH to 165 TPH)</li> </ul>
(ii) The steps taken for utilizing alternate sources of energy	<ul style="list-style-type: none"> <li>• More than 48 % pet coke firing started in Kiln</li> </ul>
(iii) The capital investment on energy conservation equipment	<ul style="list-style-type: none"> <li>• ₹ 1.02 Crore - spent on Cement Mill liner replacement.</li> </ul>

**TECHNOLOGY ABSORPTION**

(i) The efforts made towards technology absorption.	<ul style="list-style-type: none"> <li>• New emergency DG Set 750 KVA with accessories installed</li> <li>• 30 Ton Hydraulic Truck Unloader of raw material unloading at Primary Crusher is upgraded to 100 Ton capacity.</li> <li>• New Bag House installed for Kiln to control Stack Emission</li> </ul>																								
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.	Consistency in plant performance																								
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –	N.A.																								
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																									
(iv) The expenditure incurred on Research and Development	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">1</td> <td style="width: 70%;">Capital Expenditures</td> <td style="width: 15%;"></td> <td style="width: 10%; text-align: center;">NIL</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Recurring Expenses (₹ In Lacs)</td> <td style="text-align: center;"><b>2015 -16 (Jan15 to Mar 16)</b></td> <td style="text-align: center;">2014</td> </tr> <tr> <td style="text-align: center;">a</td> <td>Technical Royalty</td> <td style="text-align: right;"><b>932.79</b></td> <td style="text-align: right;">821.59</td> </tr> <tr> <td style="text-align: center;">b</td> <td>R &amp; D Cess</td> <td style="text-align: right;"><b>46.64</b></td> <td style="text-align: right;">41.08</td> </tr> <tr> <td style="text-align: center;">c</td> <td>Contribution to Cement Cess</td> <td style="text-align: right;"><b>9.05</b></td> <td style="text-align: right;">7.53</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Total R&amp;D Expenditure as a percentage of total turnover</td> <td style="text-align: right;"><b>1.90%</b></td> <td style="text-align: right;">1.89%</td> </tr> </table>	1	Capital Expenditures		NIL	2	Recurring Expenses (₹ In Lacs)	<b>2015 -16 (Jan15 to Mar 16)</b>	2014	a	Technical Royalty	<b>932.79</b>	821.59	b	R & D Cess	<b>46.64</b>	41.08	c	Contribution to Cement Cess	<b>9.05</b>	7.53	3	Total R&D Expenditure as a percentage of total turnover	<b>1.90%</b>	1.89%
1	Capital Expenditures		NIL																						
2	Recurring Expenses (₹ In Lacs)	<b>2015 -16 (Jan15 to Mar 16)</b>	2014																						
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b	R & D Cess	<b>46.64</b>	41.08																						
c	Contribution to Cement Cess	<b>9.05</b>	7.53																						
3	Total R&D Expenditure as a percentage of total turnover	<b>1.90%</b>	1.89%																						

**FOREIGN EXCHANGE EARNINGS & OUTGO**
**₹ in Lacs**

	<b>2015-16</b>	2014
Foreign Exchange earned	<b>NIL</b>	NIL
Foreign Exchange used	<b>1221.10</b>	1249.20

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## ANNEXURE "C"

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. **Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial year 2015-16.**

Sr. No.	Name of the Director <sup>1</sup> / KMP	Designation	Ratio of remuneration of each Director to the median remuneration of employees <sup>#</sup>	% Increase in remuneration during FY 2015-2016
1.	Mr. Chain Singh Jasol <sup>2</sup>	Whole-time Director	20.29	5%
2.	Mr. KK Rajeev Nambiar <sup>3</sup>	CEO & Whole-time Director	31.55	N.A.
3.	Mr. Arun Kamra <sup>4</sup>	CFO	N.A.	N.A.
4.	Mr. SN Malpani <sup>2</sup>	Interim CFO & Company Secretary	N.A.	9.5%
5.	Mr. Suresh Meher <sup>5</sup>	Company Secretary	N.A.	N.A.

# Remuneration paid in 2015-16 (15 months) is not comparable to the remuneration paid in 2014 (12 months) in view of the fact that above Whole-time Directors (WTD) are in office for part of the year. However, for comparison purpose, actual gross CTC (including variable pay) received during the financial year has been considered.

Note:

- The Independent Directors of the Company are not paid any remuneration during the financial year 2015-16, other than sitting fees within the limits approved by the Board of Directors. The details of remuneration of Non-Executive Directors including Independent Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the above purpose.
  - Mr. Chain Singh Jasol superannuated from the services of the Company with effect from 31<sup>st</sup> October, 2015 while Mr. S.N. Malpani ceased to be a Company Secretary & KMP with effect from 30<sup>th</sup> June, 2015 and subsequently superannuated from the services of the Company with effect from 15<sup>th</sup> January, 2016. Hence, for comparison with median remuneration, their actual CTC, other than retiral benefits, as WTD / KMP, as the case may be, during the financial year has been considered.
  - Mr. KK Rajeev Nambiar was appointed as CEO and as one of KMP with effect from 2<sup>nd</sup> June, 2015 and as Whole-time Director w.e.f 1<sup>st</sup> November 2015.
  - Mr. Arun Kamra was appointed as CFO and as one of KMP of the Company effective from 25<sup>th</sup> February, 2015.
  - Mr. Suresh Meher is associated with the Company since 9<sup>th</sup> February, 2015 and appointed as Company Secretary and as one of the KMP of the Company effective from 1<sup>st</sup> July, 2015.
- ii. **The percentage increase in the median remuneration of the employees in the financial year:**  
There has been an increase of 7% in median remuneration of employees in Financial Year 2015-16 as compared to Financial Year 2014. The unionized employees whose remuneration is determined based on negotiations have been excluded for this purpose.
- iii. **The number of permanent employees on the rolls of the Company:** There were 303 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2016. Number includes Mr. Chain Singh Jasol and Mr. S.N. Malpani who superannuated from the Company during the year but excludes all other employees who has retired or resigned during the period under review.
- iv. **The explanation on the relationship between average increase in remuneration and Company performance:**  
Revenue of the Company for the financial year (15 months period) has increased by 13.22% as compared to the previous year (12 months period). Profit after tax for the financial year (15 months period) was 43.84% higher as compared to previous year (12 months period). For the same period the overall increase in remuneration of employees was 7.50%. However, it may please be noted that the increase in remuneration to employees in the financial year was given based on the performance of the previous year i.e. 2014. Of course, any increase has to be calibrated based on the following factors:
- Performance of the Company
  - Individual performance
  - Compensation benchmarking with market and trends in the industry

**v. Ratio of remuneration of Key Managerial Personnel (KMP) against the performance of the Company:**

Whole- time Directors & KMP	Remuneration in ₹		Ratio to median Remuneration	Change (%)	% Increase on CTC of employees	Ratio of Remuneration to	
	2015-16 (15 months) <sup>#</sup>	2014 (12 months)				Revenue	Net Profit
Mr. Chain Singh Jasol - Whole-time Director <sup>1</sup>	7100078 <sup>1</sup>	6558305	20.29		5%	Negligible	0.13
Mr. KK Rajeev Nambiar - CEO & Whole-time Director <sup>2</sup>	11039363	-	31.55	-	N.A.	Negligible	0.21
Mr. SN Malpani - Interim CFO & Company Secretary <sup>1</sup>	5056796	3818681	12.54		9.50%	Negligible	0.09
Mr. Arun Kamra - CFO <sup>3</sup>	5937521	-	13.05	-	N.A.	Negligible	0.11
Mr. Suresh Meher - Company Secretary <sup>4</sup>	2320703	-	7.37	-	N.A.	Negligible	0.04

# Remuneration paid in 2015-16 (15 months) is not comparable to the remuneration paid in 2014 (12 months) in view of dissimilarity in period in a financial year and also all above Whole-time Directors (WTD) and employees were in office as Key Managerial Personnel (KMP) for part of the year. However, for comparison purpose, actual gross CTC (including variable pay) received by all WTD and KMP during the financial year has been considered.

1. Mr. Chain Singh Jasol superannuated from the services of the Company with effect from 31<sup>st</sup> October, 2015 while Mr. S.N. Malpani ceased to be a Company Secretary & KMP with effect from 30<sup>th</sup> June, 2015 and subsequently superannuated from the services of the Company with effect from 15<sup>th</sup> January, 2016. Remuneration paid to Mr. Chain Singh Jasol and Mr. S.N. Malpani includes variable payment for 2014 and 2015, but excludes payment towards leave encashed at the end of service and other retiral benefits including gratuity.
  2. Mr. KK Rajeev Nambiar was appointed as CEO and as one of KMP with effect from 2<sup>nd</sup> June, 2015 and as Whole-time Director w.e.f 1<sup>st</sup> November, 2015.
  3. Mr. Arun Kamra was appointed as CFO and as one of KMP of the Company effective from 25<sup>th</sup> February, 2015.
  4. Mr. Suresh Meher is associated with the Company since 9<sup>th</sup> February, 2015 and appointed as Company Secretary and as one of the KMP of the Company effective from 1<sup>st</sup> July, 2015. Hence, for comparison purpose, salary received during relevant period as KMP has been considered.
- vi. a) Variation in the market capitalisation:** The market capitalisation was ₹ 23,468 lacs as at 31<sup>st</sup> March, 2016 and ₹ 24,811 lacs as at 31<sup>st</sup> December, 2014 a decrease of 5.41%.
- b) Price earnings ratio:** The price earnings ratio was 63.85 as at 31<sup>st</sup> March, 2016 as compared to 47.43 as at 31<sup>st</sup> December, 2014.
- c) 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 as of 31<sup>st</sup> March, 2016 was ₹16.60. 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.
- vii. Average percentage increase already made in the salaries of employees other than the key managerial personnel in Financial Year 2015-16 and its comparison with the percentage increase in the managerial remuneration:** The aggregate remuneration of employees other than managerial personnel has increased by 7.50% and that of managerial personnel has increased by 5%.
- viii. The key parameters for any variable component of remuneration availed by the Directors:** Whole-time Director is being paid Performance Linked Bonus determined based on the Company's and individual performance.
- ix. 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:** As CEO of the Company, Mr. Nambiar received remuneration during the part of the year i.e. from 2<sup>nd</sup> June, 2015 to 31<sup>st</sup> October, 2015, which is in excess of the highest paid director and the ratio is 1: 1.70
- x. Affirmation that the remuneration is as per the remuneration policy of the Company:** The remuneration of Directors was as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Place: Mumbai  
Date: 24<sup>th</sup> May, 2016

A.K. Chhatwani  
Chairman

## ANNEXURE “ D “

### NOMINATION AND REMUNERATION POLICY

#### 1. Preface

Shree Digvijay Cement Company Ltd. (the “Company”), a Votorantim Cimentos Group company, is committed to excel in every sphere of its activity by attracting and retaining qualified, talented and experienced professionals through efficient selection and evaluation mechanism and to incentivize them to develop and implement the Group’s Strategy, thereby enhancing the business value and maintains a high performance workforce.

The Board of Directors of the Company (the “Board”) has constituted Nomination and Remuneration Committee (the “Committee”), which inter alia may formulate a Policy on nomination, appointment and remuneration of all Directors, Key Managerial personnel and Senior Management Personnel (being the direct reportees to the CEO i.e. the persons holding the positions namely, CFO, CS, HR-Head, Technical Head, Marketing Head and SCM-Head) of the Company in terms of Section 178 of the Companies Act, 2013 & Rules made thereunder, including any amendment thereof (the “Act”) and Listing Agreement, including any amendment thereof (the “Listing Agreement”). The categorization of the previous positions for the purpose of determining remuneration will be done following the Company Global Grading Methodology.

This Policy, effective from 1<sup>st</sup> January, 2015, inter alia, sets out the guiding principles for determining the nominations of Directors & Key Managerial Personnel, and remuneration of Whole-time Director(s), Managing Director and other Executive Directors (“Executive Directors”) & other Directors, Senior Management Personnel and other employees, which is aligned with the Corporate Global System, based on HAY Grades.

#### 2. Criteria for identification of Directors and Key Management Personnel

While recommending to the Board the appointment of Directors and Key Managerial Personnel, the Committee will consider and take care of the criteria as specified in the Act, Listing Agreement and as per Corporate Global System & Group policy.

#### 3. Principles, Process and Criteria for determining Remuneration

The Policy on remuneration is formulated on the principles as prescribed under the Act and on the criteria followed under Corporate Global System & Group Policy.

The Board shall, on recommendation of the Committee, review and approve the remuneration payable to the Executive Directors on their appointment / reappointment, which shall be within the overall limits prescribed under the Act.

The Board shall, on recommendation of the Committee, review & approve the remuneration payable to the Key Managerial Personnel (KMP) of the Company at the time of their appointment. Any revision or annual increment in remuneration of KMP shall be as per the criteria laid down under this Policy. The remuneration for all Senior Management Personnel, other than KMP, both existing and new appointee, including any revision of such remuneration shall be as per the criteria laid down in this Policy. Provided that before fixing and finalizing any remuneration, including annual revision in salary and variable pay, for Senior Management Personnel, feedback/recommendation of the Committee be taken into consideration. Such revised remuneration and variable pay will either be approved by the Committee at its meeting or through circular resolution and to be ratified at its next Committee and the Board meetings.

Remuneration for all Non-Executive Directors (including Independent Directors) shall be within the overall limits prescribed under the Act. Independent Directors shall be entitled to sitting fees for attending each meeting of the Board and committees thereof as per limits as approved by the Board from time to time.

The remuneration payable to the Executive Directors, Senior Management Personnel and other employees shall comprise of fixed and performance based components as detailed below:

#### Fixed Remuneration:

- The Annual Fix Remuneration is referred to the Annual Gross Base Salary of the employee (ABS).
- The ABS is determined taking into account 1) the Job Description of the position, 2) the Job Evaluation of the position, 3) the resulting HAY Grade, and 4) the ABS positioning with respect to the Market, through the corresponding Salary Bands linked to the HAY Grades.
- The ABS will be reviewed on an annual base following the Company’s Performance Appraisal System.

#### Performance Based Remuneration & Recognition:

##### (a) Corporate Variable Pay System:

The Annual Short Term Incentive System (also known as Annual Variable Pay System) is a Corporate Global System to foster the alignment between the Company Goals and the Individual Targets. It is structured through the Balance Scorecard Methodology, ensuring the proper cascading down of the goals from Top Levels to Junior Levels. The Company shall reward Executive Directors, Senior Management Personnel and other employees based upon the Company’s performance and their own individual performance to create a strong relationship between performance and remuneration. The percentage of performance based remuneration/

variable pay under Corporate Variable Pay System in the total remuneration package of each employee shall be determined according to his / her Hay Grade in the organization so as to ensure that the remuneration package is fairly balanced to attract, retain and motivate skilled professionals.

The variable pay shall be divided into two parts, i.e. 1) Company Financial Goals and, 2) Operational and Individual Goals.

**(b) Long Term Retention Plan:**

**Performance Evaluation System (PES):**

The Company has a detailed and structured PES, which is aligned with Global Performance Appraisal System. Based on the review of performance through the PES process, the Company shall assess the employees' competencies, eligibility for promotion and increment of Senior Management Personnel, KMP and other employees. The CEO shall in consultation with VCEAA Corporate Head Quarter from time to time decide the annual increments / revisions to be given to employees, including Senior Management Personnel and KMP as per the guidelines given in this Policy.

**Other terms & benefits:**

The Company shall also extend additional benefits to

employees depending upon their position and duties, which will be as per HR policy of the Company & Group. Payment of retirement benefits such as Provident Fund, Superannuation, Leave Encashment and Gratuity will be as per relevant laws, applicable from time to time. The Company at present has no stock options plans. All other payments shall be made as per employment contract.

**(c) People Development:**

Company supports professional development of people by job enlargement and job enrichment and also by sharing best practices of Votorantim Cimentos Group. Exchange of best practices will be supported by project assignment, whether short term assignment (STA) or long term assignment (LTA).

**4. Others**

The Board on recommendation of Committee will carry out evaluation of every Director's performance as per the Act and Listing Agreement. It is the responsibility of the Board to oversee that plans are in place for orderly succession for appointments to the Board and to Senior Management positions.

**5. Amendment**

The above criteria and the Policy may be subject to review by the Committee and the Board of the Company.

\* \* \*

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## ANNEXURE " E "

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

At Digvijay, we believe that innovative, responsible and sustainable business plays an important role in building a healthy, thriving society. The CSR policy of Shree Digvijay Cement Co. Ltd. is focused on fostering economic, environmental and social well-being. Through our CSR initiatives we strive to enhance people's health and well-being.

To pursue these objectives we will continue to:

1. Work actively to contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the upliftment of poor and needy people within and immediate vicinity of the factory for their development in education, cultural, vocational and philanthropic activities.
2. Work actively in areas of providing opportunity and financial assistance for the promotion of education, provide medical aid to the needy and down trodden.
3. Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
4. Interact regularly with stakeholders, review and publicly report our CSR initiatives

Web Link: [www.digvijaycement.com/CSRPolicy.pdf](http://www.digvijaycement.com/CSRPolicy.pdf)

**2. Composition of CSR committee**

Name	Designation	Category
Mr. A.K. Chhatwani	Chairman	Independent
Mr. A.Kumaresan	Member	Independent
Mr. K.K. Rajeev Nambiar	Member	Whole-time Director

The committee met one time during the financial year ended 31<sup>st</sup> March, 2016. The attendance record of the members at the meeting were as follows:

Name	Designation	Category
Mr. A.K. Chhatwani	Chairman	Independent
Mr. A.Kumaresan	Member	Independent
Mr. K.K. Rajeev Nambiar	Member	Whole-time Director

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

(INR In Lakhs)

Particulars	2012	2013	2014
Net Profit	5103.00	(3464.05)	374.52
Average Net Profit	671.16		

**4. Prescribed CSR Expenditure (2 % of the amount as in item 3 above) : ₹ 13,42,000**

**5. Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year : ₹13,42,000
- (b) Amount un-spent, if any : NIL

(c) Manner in which amount has been spent during the financial year 2015-16 is detailed below:

Sr. No.	CSR Project / Activities	Sector	Locations – Districts (States)	Amount Outlay (Budget) Project or Program-wise (₹)	Amount Spent on the project or programs (₹)	Cumulative Expenditure upto reporting period (₹).	Amount Spent: Direct (₹)
1	Combating human immune – deficiency virus acquired immune deficiency syndrome, malaria and other disease. Organized various medical camps for health checkups and medication. Promoting Preventive Health Care by organizing Yoga Shivir and Health Awareness program on Swine flu	Health, Hygiene and Sanitation	Sikka, Mungani, Gagava, Nani-Khavadi, Digvijaygram, Gop Mines and nearby villages (Jamnagar-Gujarat )	130,000	136,063	136,063	136,063
2	Contribution to Prime Minister National Relief Funds	Contribution for social cause	N.A.	100,000	100,000	100,000	100,000



Sr. No.	CSR Project / Activities	Sector	Locations – Districts (States)	Amount Outlay (Budget) Project or Program-wise (₹)	Amount Spent on the project or programs (₹)	Cumulative Expenditure upto reporting period (₹).	Amount Spent: Direct (₹)
3	Swachhata Abhiyan, Plastic free drive, Green initiative and other environment protection drive for ensuring environmental sustainability	Protection of Environment	Sikka, (Jamnagar-Gujarat)	65,000	51,248	51,248	51,248
4	Organized Skill Development Activity for women by distributing sewing machines, conducting tailoring classes, beauty parlour classes etc.. Other activities for promoting gender equality and empowering women.	Empowerment of Women	Sikka, Mungani, Gagava, Nani-khavdi, Digvijaygram, Gop Mines (Jamnagar-Gujarat)	140,000	144,272	144,272	144,272
5	Development of infrastructure facilities & renovation of Technical School Building and Company run other two Schools. Activities on student skill development. Improving the quality of education by organising computer classes, debate, essay, drawing competitions and support to local Anganvadi. Improving the quality of Educations, infrastructure at Company run two Schools, English Medium & Gujarati Medium (Class-01 to 12)	Promotion of Education	Sikka, Mungani, Gagava, Nani-khavdi, Digvijaygram, Gop Mines (Jamnagar-Gujarat) and Surrounding Village of Our Company	400,000	401,075	401,075	401,075
6	Promoting local art & culture, sports and activities by building, renovating cow shelter and other animal welfare activities. Engaged in other social business projects & welfare activities	Social Business Project and Welfare activities	Zinavadi, Gop Mines, Lalpur, Pachtar and other local areas (Bhanvad)	507,000	509,501	509,501	509,501
	Total			1,342,000	1,342,159	1,342,159	1,342,159

- 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.**

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

A.K. Chhatwani  
Chairman - CSR Committee

KK Rajeev Nambiar  
CEO & Whole-time Director

Place: Mumbai  
Date: 24<sup>th</sup> May, 2016

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## ANNEXURE "F"

### 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 from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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, 1992 (up to 14<sup>th</sup> May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15<sup>th</sup> May, 2015);
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 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, 1998;

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 Equity Listing Agreements entered into by the Company with the BSE Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 2<sup>nd</sup> September, 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. No Specific laws are applicable to the Company.

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.
- 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, there no events/actions which has taken place and 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  
FCS No. 4287  
C P No.: 2574

Place: Ahmedabad  
Date: 24<sup>th</sup> May, 2016

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

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## ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To  
The Members,  
Shree Digvijay Cement Company Limited  
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  
FCS No. 4287  
C P No.: 2574

Place: Ahmedabad  
Date: 24<sup>th</sup> May, 2016

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## ANNEXURE "G"

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L26940GJ1944PLC000749
ii	Registration Date	6 <sup>th</sup> November, 1944
iii	Name of the Company	Shree Digvijay Cement Company Limited
iv	Category/Sub-category of the Company	Public Listed Company having share Capital
v	Address of the Registered office & contact details	Digvijaygram, Dist: Jamnagar, Gujarat -361140 Tel. No. 0288-2344272 -75 Fax No. 0288-2344092  email: investors.sdcl@vcimenots.com Website: www.digvijaycement.com
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (W), Mumbai-400078  Tel. No. 022-2596 3838 Fax No. 022-2594 6969

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Cement	3242	100%

#### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Votorantim Cimentos EAA Inversiones S.L. Calle Brasil 56, 36204 Vigo Spain	N.A.	Holding	73.36	2(46) of the Companies Act, 2013
2	Votorantim Cimentos S.A. Rua Gomes de Carvalho 1.996 12, Pavimento - cj 122 0457-006, Sao-Paulo - SP	N.A.	Ultimate Holding	1.64	2(46) of the Companies Act, 2013

**IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category -wise Shareholding**

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year ( January 1,2015)				No. of Shares held at the end of the year(March 31, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)									
	<b>Sub Total (A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Bodies Corporate	105995344	35364	106030708	75	105995344	35364	106030708	75	0
	<b>Sub Total (A)(2)</b>	<b>105995344</b>	<b>35364</b>	<b>106030708</b>	<b>75</b>	<b>105995344</b>	<b>35364</b>	<b>106030708</b>	<b>75</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>105995344</b>	<b>35364</b>	<b>106030708</b>	<b>75</b>	<b>105995344</b>	<b>35364</b>	<b>106030708</b>	<b>75</b>	<b>0</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions / Banks	2410	3647	6057	0.004	2410	3647	6057	0.004	0
(g)	Insurance Companies	0	150	150	0.000	0	150	150	0.000	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>2410</b>	<b>3797</b>	<b>6207</b>	<b>0.004</b>	<b>2410</b>	<b>3797</b>	<b>6207</b>	<b>0.004</b>	<b>0</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>
<b>[3]</b>	<b>Non-Institutions</b>									
<b>(a)</b>	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	16970865	692974	17663839	12.494	18342363	689536	19031899	13.462	0.968

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year ( January 1,2015)				No. of Shares held at the end of the year(March 31, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
		(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13189302	65953	13255255	9.376	10773063	23180	
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Trusts	34236	0	34236	0.024	43790	0	43790	0.031	0.007
	Foreign Nationals	100	0	100	0.000	100	1000	1100	0.001	0.001
	Foreign Directors	0	1500	1500	0.000	0	500	500	0.000	0.000
	Indian Director	0	1511	1511	0.000	0	0	0	0.000	0.000
	Enemy Property	0	1250	1250		0	1250	1250	0.000	0.000
	Hindu Undivided Family	0	0	0	0	1704747	0	1704747	1.206	1.206
	Foreign Companies	0	0	0	0	0	0	0	0.000	0.000
	Non-Resident Indians (Non Repat)	159735	2730	162465	0.115	103241	2730	105971	0.075	-0.040
	Non-Resident Indians (Repat)	1202012	0	1202012	0.850	1034151	0	1034151	0.731	-0.119
	Clearing Member	393273	0	393273	0.278	286538	0	286538	0.203	-0.075
	Bodies Corporate	2484302	137620	2621922	1.855	2193554	137620	2331174	1.649	-0.206
	Sub Total (B)(3)	34433825	903538	35337363	24.996	34481547	855816	35337363	24.996	0.000
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>34433825</b>	<b>907335</b>	<b>35343570</b>	<b>25.000</b>	<b>34483957</b>	<b>859613</b>	<b>35343570</b>	<b>25.000</b>	<b>0.000</b>
	<b>Total (A)+(B)</b>	<b>140431579</b>	<b>942699</b>	<b>141374278</b>	<b>100.000</b>	<b>140479301</b>	<b>894977</b>	<b>141374278</b>	<b>100.000</b>	<b>0.000</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0.000	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0.000	0
	<b>Total Non Promoter -Non Public (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>
	<b>Total (A)+(B)+(C)</b>	<b>140431579</b>	<b>942699</b>	<b>141374278</b>	<b>100.000</b>	<b>140479301</b>	<b>894977</b>	<b>141374278</b>	<b>100.000</b>	

## (ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year (January1 ,2015)			Shareholding at the end of the year(March 31,2016)			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Votorantim Cimentos EAA Inversiones S.L.	103709063	73.36	0	103709063	73.36	0	0
2	Votorantim Cimentos S.A.	2321645	1.64	0	2321645	1.64	0	0
	<b>Total</b>	<b>106030708</b>	<b>75.00</b>	<b>0</b>	<b>106030708</b>	<b>75.00</b>	<b>0</b>	<b>0</b>



**(iii) CHANGE IN PROMOTERS' SHAREHOLDING**

Sl. No.	Name of the shareholders	Share holding at the beginning of the Year (January 1,2015)		Cumulative Share holding during the year (January 1,2015 to March 31,2016)*	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Votorantim Cimentos EAA Inversiones S.L.				
	At the beginning of the year	103709063	73.36	103709063	73.36
	At the end of the year	103709063	73.36	103709063	73.36
2	Votorantim Cimentos S.A.				
	At the beginning of the year	2321645	1.64	2321645	1.64
	At the end of the year	2321645	1.64	2321645	1.64
	<b>Total</b>	<b>106030708</b>	<b>75</b>	<b>106030708</b>	<b>75</b>

\* There is no change in the Shareholding.

**IV. Shareholding Pattern of Top Ten Shareholders(other than Director, Promoters)**

Sr No.	Name of the shareholders	Shareholding at the beginning of the year - January 1,2015		Cumulative Shareholding at the end of the year - March 31, 2016	
		No. of Shares held	% of Total Shares of the Company	No. of Shares held	% of Total Shares of the Company
<b>1</b>	<b>LAL TOLANI</b>				
	At the beginning of the year	868686	0.61	868686	0.61
	Bought during the year	0	0	868686	0.61
	Sold during the year	88825	0.06	779861	0.55
	At the end of the year			779861	0.55
<b>2</b>	<b>SHAHANI JAGDISH NANIKRAM</b>				
	At the beginning of the year	400000	0.28	400000	0.28
	Bought during the year	40093	0.03	440093	0.31
	Sold during the year	140093	0.10	300000	0.21
	At the end of the year			300000	0.21
<b>3</b>	<b>RENUKA A GOEL</b>				
	At the beginning of the year	320000	0.23	320000	0.23
	Bought during the year	75000	0.05	395000	0.28
	Sold during the year	0	0	395000	0.28
	At the end of the year			395000	0.28
<b>4</b>	<b>HITESH RAMJI JAVERI</b>				
	At the beginning of the year	300000	0.21	300000	0.21
	Bought during the year	400000	0.29	700000	0.50
	Sold during the year	0	0	700000	0.50
	At the end of the year			700000	0.50
<b>5</b>	<b>HARSHA HITESH JAVERI</b>				
	At the beginning of the year	285000	0.20	285000	0.20
	Bought during the year	225000	0.16	510000	0.36
	Sold during the year	0	0	510000	0.36
	At the end of the year			510000	0.36

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

Sr No.	Name of the shareholders	Shareholding at the beginning of the year - January 1,2015		Cumulative Shareholding at the end of the year - March 31, 2016	
		No. of Shares held	% of Total Shares of the Company	No. of Shares held	% of Total Shares of the Company
<b>6</b>	<b>NAMRATA JAGDISH SHAHANI</b>				
	At the beginning of the year	235000	0.17	235000	0.17
	Bought during the year	26000	0.02	261000	0.19
	Sold during the year	31000	0.03	230000	0.16
	At the end of the year			230000	0.16
<b>7</b>	<b>KALIRAM GUPTA</b>				
	At the beginning of the year	66115	0.05	66115	0.05
	Bought during the year	365473	0.26	431588	0.31
	Sold during the year	20000	0.02	411588	0.29
	At the end of the year			411588	0.29
<b>8</b>	<b>SHAKUNTALA GUPTA</b>				
	At the beginning of the year	172729	0.12	172729	0.12
	Bought during the year	172475	0.12	345204	0.24
	Sold during the year	0		345204	0.24
	At the end of the year			345204	0.24
<b>9</b>	<b>KEWAL KUMAR VOHRA</b>				
	At the beginning of the year	125294	0.09	125294	0.09
	Bought during the year	112875	0.08	238169	0.17
	Sold during the year	0		138169	0.17
	At the end of the year			238169	0.17
<b>10</b>	<b>ZAKI A HAJEEBHOY</b>				
	At the beginning of the year	180000	0.13	180000	0.13
	Bought during the year	45000	0.03	225000	0.16
	Sold during the year	0		225000	0.16
	At the end of the year			225000	0.16
<b>Note:</b> 1. The above information is based on the weekly beneficiary position received from Depositories					
2. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 141374278 Shares.					
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.					

## V) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name of the Director	Shareholding at the beginning of the year (January 1,2015)		Cumulative Shareholding during the year ( January 1,2015 to March 31,2016)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>Mr. A.K.Chhatwani</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>2</b>	<b>Mr. Kumaresan Arcot</b>				

Sl. No	Name of the Director	Shareholding at the beginning of the year (January 1,2015)		Cumulative Shareholding during the year ( January 1,2015 to March 31,2016)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>3</b>	<b>Mr. Sven Erik Ooppelstrup Madsen</b>				
	At the beginning of the year	500	0	500	0
	At the end of the year	500	0	500	0
<b>4</b>	<b>Mr. Persio Morassutti</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>5</b>	<b>Ms. Meike Albrecht</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>6</b>	<b>Mr. KK Rajeev Nambiar</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>7</b>	<b>Mr. Osvaldo Ayres Filho (Ceased w.e.f January 13,2015)</b>				
	At the beginning of the year	500	0	500	0
	At the end of the year	500	0	500	0
<b>8</b>	<b>Mr. Carlos Eduardo De Arruda Boggio ( Ceased w.e.f March 26,2015)</b>				
	At the beginning of the year	500	0	500	0
	At the end of the year	500	0	500	0
<b>9</b>	<b>Mr. Chain Singh Jasol (Ceased w.e.f October 31,2015)</b>				
	At the beginning of the year	1511	0	1511	0
	At the end of the year	1511	0	1511	0

Sl. No	Name of the Key Managerial Personnel	Shareholding at the beginning of the year (January 1,2015)		Cumulative Shareholding during the year ( January 1,2015 to March 31,2016)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>Mr. S. N. Malpani (Ceased w.e.f June 30, 2015)</b>				
	At the beginning of the year	1580	0	1580	0
	At the end of the year	1580	0	1580	0
<b>2</b>	<b>Mr. Arun Kamra (Ceased w.e.f 24<sup>th</sup> May, 2016)</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
<b>3</b>	<b>Mr. Suresh Meher</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## V INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

In ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-	860000000	-	860000000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	7778877	-	7778877
<b>Total (i+ii+iii)</b>	-	867778877	-	867778877
<b>Change in Indebtedness during the financial year</b>				
Additions		300000000	-	300000000
Reduction	-	-	-	-
Net Change	-	300000000	-	300000000
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		1160000000	-	1160000000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	7014932	-	7014932
<b>Total (i+ii+iii)</b>	-	1167014932	-	1167014932

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time Director and/or Manager (15 months from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> March, 2016)

In ₹

Sl. No	Particulars of Remuneration	Name of the Whole-time Director		Total Amount
		Mr. Chain Singh Jasol *	Mr. Rajeev Nambiar **	
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961 (Other than PF but including Superannuation)	8686021	5333991	14020012
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	245154	437750	682904
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	0
<b>2</b>	<b>Stock option</b>	-	-	0
<b>3</b>	<b>Sweat Equity</b>	-	-	0
<b>4</b>	<b>Commission</b>	-	-	0
	as % of profit	-	-	0
	others (specify)	-	-	0
<b>5</b>	<b>Others, please specify</b>	-	-	0
	<b>Total (A)</b>	8931175	5771741	14702916
	<b>Ceiling as per the Act (15 months)</b>	-	-	15000000

\* Mr. Chain Singh Jasol was a Whole-time Director from 1<sup>st</sup> January 2015 to 31<sup>st</sup> October 2015 during the Financial Year. His salary includes perquisites, superannuation, leave encashment on retirement and variable payment for 2014 and 2015, but excludes PF and other retiral benefits.

\*\* Mr. Rajeev Nambiar became Whole-time Director w.e.f. 1<sup>st</sup> of November 2015. His salary includes perquisites and variable pay for 2015, but excludes PF, during the period he was occupying the Directorship position.

**B. Remuneration to other directors:**

In ₹

Sl. No	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr. AK Chhatwani	Mr. Kumaresan A	
<b>1</b>	<b>Independent Directors</b>			
	(a) Fee for attending board committee meetings	1545000	1545000	3090000
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Director Remuneration	-	-	-
	Director Remuneration	-	-	-
	<b>Total (1)</b>	1545000	1545000	3090000
<b>2</b>	<b>Other Non Executive Directors</b>			
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify.	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>	1545000	1545000	3090000
	<b>Total Managerial Remuneration</b>	-	-	17792916
	<b>Overall Ceiling as per the Act.*</b>			NA

\*Ceiling as per the Companies Act, 2013 is 5% of net profit for one Managerial Personnel in the category of Executive Director, and 1% of net profit for Non-Executive Director. Company has during the financial year, not paid any remuneration to Independent Director, other than sitting fees, hence the limit of 1% is not applicable for them. In case of Whole-time Director, as the Company has inadequate profits, the limit is as per Schedule V, which is Rs. 15,000,000 (15 Months period) considering the Company has obtained Shareholders' approval through special resolution for both the above Whole-time Directors.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

In ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. SN Malpani (Company Secretary) *	Mr. Suresh Meher (Company Secretary)**	Mr. Arun Kamra (CFO) ***	
<b>1</b>	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	4846982	2320703	5536152	12703788
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	209814	-	401369	611183
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>5056796</b>	<b>2320703</b>	<b>5937521</b>	<b>13314971</b>

\* Salary paid to Mr. Malpani includes variable pay for 2014 and 2015 but excludes leave encashment and retiral benefits like gratuity on his retirement on January, 2016.

\*\* Salary is from the date Mr. Suresh Meher become KMP of the Company i.e. from 1<sup>st</sup> July, 2015 to 31<sup>st</sup> March, 2016.

\*\*\* Became KMP w.e.f. 25<sup>th</sup> February, 2015

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## ANNEXURE “ H “

### CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the period ended March 31, 2016.

#### A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At Digvijay Cement and Votorantim Group, 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 Votorantim Group 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 Votorantim Group 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	No. of Outside Directorship(s) Held		No. of Outside Committee Positions Held		No. of Board Meetings (During tenure of respective Directors)*		Attended Last AGM <sup>§</sup>
		Public	Private	Member	Chairman	held	attended	
Mr. A.K. Chhatwani	Independent	-	-	-	-	8	8	Yes
Mr. Kumaresan Arcot	Independent	-	1	-	-	8	8	Yes
Mr. Sven Erik Ooppelstrup Madsen	Non-Executive	-	-	-	-	8	5	No
Mr. Carlos Eduardo de Arruda Boggio <sup>1</sup>	Non-Executive	-	-	-	-	3	1	Yes
Mr. Osvaldo Ayres Filho <sup>2</sup>	Non-Executive	-	-	-	-	-	-	NA
Mr. Persio Morassutti <sup>2</sup>	Non-Executive	-	-	-	-	6	5	Yes
Ms. Meike Albrecht <sup>1</sup>	Non-Executive	-	-	-	-	5	4	Yes
Mr. Chain Singh Jasol <sup>3</sup>	Executive	-	-	-	-	7	7	Yes
Mr. KK Rajeev Nambiar <sup>4</sup>	Executive	-	-	-	-	1	1	NA

§ Last AGM was held on 20<sup>th</sup> May, 2015

\* Includes meeting(s) attended through Video Conference.



**NOTES:**

1. Ms. Meike Albrecht was appointed as a Director effective from 26<sup>th</sup> March, 2015 in place of Mr. Carlos Eduardo de Arruda Boggio who ceased to be a Director of the Company due to his resignation from said date. Mr. Boggio attended last AGM as a shareholder.
2. Mr. Persio Morassutti was appointed as Director of the Company effective from 25<sup>th</sup> February, 2015 on casual vacancy caused by resignation of Mr. Osvaldo Ayres Filho, which was effective from 13<sup>th</sup> January, 2015.
3. Mr. Chain Singh Jasol under the category of Executive ceased to be Director with effect from 31<sup>st</sup> October, 2015 on account of retirement from the employment.
4. Mr. KK Rajeev Nambiar has been appointed as CEO w.e.f. 2<sup>nd</sup> June, 2016 and as "CEO & Whole-time Director" w.e.f. 1<sup>st</sup> November 2015.
5. No Director is related to any other Director on the Board in terms of the provisions of the Companies Act, 2013
6. Mr. Sven Erik Ooppelstrup Madsen holds 500 (five hundred) equity shares of the Company

- **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 31<sup>st</sup> March 2016 (from 1<sup>st</sup> January 2015 to 31<sup>st</sup> March 2016), eight meetings of the Board of Directors were held.

The details of Board Meetings held during the financial year ended on 31<sup>st</sup> March, 2016 (1<sup>st</sup> January 2015 to 31<sup>st</sup> March 2016) are as follows:

Date of Board Meeting	Place	No. of directors attended (including participation through Video Conference)
17 <sup>th</sup> January, 2015	Mumbai	3
25 <sup>th</sup> February, 2015	Digvijaygram	5
26 <sup>th</sup> March, 2015	Mumbai	3
13 <sup>th</sup> May, 2015	Mumbai	5
20 <sup>th</sup> May, 2015	Digvijaygram	5
13 <sup>th</sup> August, 2015	Mumbai	6
28 <sup>th</sup> October, 2015	Digvijaygram	6
10 <sup>th</sup> February, 2016	Digvijaygram	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, one meeting of the Independent Directors of the Company was held on 20<sup>th</sup> January, 2016.

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 alongwith 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 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 2015-16 the Company has conducted various programmes, organized visits to plants and made presentations for familiarizing the Directors for a total duration of 28 hours and 30 minutes. 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](http://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) and Chairperson was carried out as per the process and criteria laid down by the Board of Directors based on the Nomination & Remuneration Policy and Board Diversity Policy.

**C) COMMITTEE OF DIRECTORS**
**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 reviews major accounting policies followed by the Company.
- The Audit Committee comprising three Directors, of these two (2) are Independent Directors and one (1) is Non-Executive Director. Presently the 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 is the Chairman of the Committee.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

- The previous Annual General Meeting of the Company was held on 20<sup>th</sup> May, 2015 and Mr. A.K. Chhatwani, Chairman of the Audit Committee, attended the previous AGM.
- During the financial year ended on 31<sup>st</sup> March, 2016 (from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> March, 2016), seven Meetings of the Audit Committee were held i.e. on 17<sup>th</sup> January, 2015; 24<sup>th</sup> February, 2015; 28<sup>th</sup> April, 2016; 13<sup>th</sup> May, 2015; 13<sup>th</sup> August, 2015; 28<sup>th</sup> October, 2015 and 10<sup>th</sup> February, 2016.
- The attendance of each member of the Audit Committee are given below:

Name	Designation	Category	Meetings Attended
Mr. A.K. Chhatwani	Chairman	Independent Director	7
Mr. A. Kumaresan	Member	Independent Director	7
Mr. Osvaldo Ayres Filho*	Member	Non-Executive Director	-
Mr. Persio Morassutti*	Member	Non-Executive Director	5

\*Mr. Persio Morassutti was inducted as Member of the Committee effective from 25<sup>th</sup> February, 2015 in place of Mr. Osvaldo Ayres Filho, who ceased to be a Member of Committee / Director due to resignation.

The CEO & Whole Time Director and Finance Head are permanent invitees to the Audit Committee. The Statutory, Internal as well as the Cost Auditors of the Company are also invited to the Audit Committee Meetings.

Mr. Suresh Meher, 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;
  - (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 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, 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, five Meetings of the Nomination & Remuneration Committee were held on

24<sup>th</sup> February, 2015; 28<sup>th</sup> April, 2015; 19<sup>th</sup> May, 2015; 28<sup>th</sup> October, 2015; and 10<sup>th</sup> February, 2016.

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 are Independent Directors and one is Non-Executive Director. Presently the following are the members of Nomination and Remuneration Committee :

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

Mr. A. Kumaresan is the Chairman of the Committee.

- The previous Annual General Meeting of the Company was held on 20<sup>th</sup> May, 2015 and Mr. A. Kumaresan - Chairman of the Nomination and Remuneration Committee, attended previous AGM.
- The details of attendance are as under:

Name	Designation	Category	Meetings Attended
Mr. A. Kumaresan	Chairman	Independent Director	5
Mr. A.K. Chhatwani	Member	Independent Director	5
Mr. Carlos Eduardo de Boggio*	Member	Non-Executive Director	1
Ms. Meike Albrecht*	Member	Non- Executive Director	4

\*Ms. Meike Albrecht was inducted as a Member of the Committee effective from 26<sup>th</sup> March, 2015 in place of Mr. Carlos Eduardo de Arruda Boggio who ceased to be a Member of Committee / Director of the Company due to his resignation from said date.

Mr. Suresh Meher, General Manager (Legal) & Company Secretary, 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:

- (1) 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;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

- (3) devising a policy on diversity of board of directors;
- (4) 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.
- (5) 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.
- (6) 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.

## Remuneration of Directors:

The details of remuneration paid to the Directors for the financial year 2015-16 (1<sup>st</sup> January 2015 to 31<sup>st</sup> March 2016) are given below:

( In Rupees)

Name of Director*	Designation	Salary	Comm- ission**	Perqui- sites	Retirement Benefits	Sitting Fee	Total
Mr. A.K. Chhatwani	Independent Director	-	-	-	-	15,45,000	15,45,000
Mr. Kumaresan Arcot	Independent Director	-	-	-	-	15,45,000	15,45,000
Mr. Sven Erik Ooppelstrup Madsen	Non-executive Director	-	-	-	-	-	-
Mr. Carlos Eduardo de Arruda Boggio <sup>1</sup>	Non-executive Director	-	-	-	-	-	-
Mr. Osvaldo Ayres Filho <sup>2</sup>	Non-executive Director	-	-	-	-	-	-
Mr. Persio Morassutti <sup>2</sup>	Non-executive Director	-	-	-	-	-	-
Ms. Meike Albrecht <sup>1</sup>	Non-executive Director	-	-	-	-	-	-
Mr. Chain Singh Jasol <sup>3</sup>	Whole-time Director	93,77,204	-	3,67,721	-	-	97,44,935
Mr. KK Rajeev Nambiar <sup>3</sup>	CEO & Whole-time Director	1,02,00,926	-	8,38,437	-	-	1,10,39,363
<b>Total</b>		<b>1,95,78,130</b>	<b>-</b>	<b>12,06,168</b>	<b>-</b>	<b>30,90,000</b>	<b>2,38,74,298</b>

- Ms. Meike Albrecht was appointed as a Director effective from 26<sup>th</sup> March, 2015 in place of Mr. Carlos Eduardo de Arruda Boggio who ceased to be a Director of the Company due to his resignation from said date. Mr. Boggio attended last AGM as a shareholder.
- Mr. Persio Morassutti was appointed as Director of the Company effective from 25<sup>th</sup> February, 2015 on casual vacancy caused by resignation of Mr. Osvaldo Ayres Filho, which was effective from 13<sup>th</sup> January, 2015.
- Mr. Chain Singh Jasol ceased to be Director with effect from 31<sup>st</sup> October, 2015 on account of retirement from the employment, and in his place Mr. KK Rajeev Nambiar was appointed as "CEO & Whole-time Director" w.e.f 1<sup>st</sup> November, 2015. Total Payment made to Mr. Jasol excludes gratuity payment on his retiral.

\* Terms of appointment of Whole-time Director are governed by the resolutions of the shareholders and applicable rules of the Company. None of the Directors, except Mr. KK Rajeev Nambiar in his capacity as CEO of the Company, are entitled to a severance fees.

\*\* With effect from the financial year 2015-16, it is proposed by the Board to pay commission to Non-Executive Directors as per the applicable laws and within the limits permitted under the Companies Act, 2013, which is subject to approval of Shareholders at this AGM.

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.

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. Remuneration Policy is annexed as part of Directors' Report.

### 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 20<sup>th</sup> January, 2016.

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

- Presently the following are the members of Stakeholder Relationship Committee :

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

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

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

- The Details of attendance of the members at the meeting held on 20<sup>th</sup> January, 2016 are given below:

Name	Designation	Category	Meetings Attended
Mr. A. Kumaresan	Chairman	Independent Director	1
Mr. A.K. Chhatwani	Member	Independent Director	1
Mr. Carlos Eduardo de Arruda Boggio	Member	Non-Executive Director	NA
Ms. Meike Albrecht	Member	Non Executive Director	No

\*Ms. Meike Albrecht was inducted as a Member of the Committee effective from 26<sup>th</sup> March, 2015 in place of Mr. Carlos Eduardo de Arruda Boggio who ceased to be a Member of Committee / Director of the Company due to his resignation from said date.

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	11
3	Resolved during the year	11
4	At the end of the year	NIL

The Company has designated an exclusive e-mail ID investors.sdcl@vcimentos.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, interalia, 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, of these two are Independent Directors and one is Executive Director.

Presently the 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 20<sup>th</sup> January, 2016 are given below:

Name	Designation	Category	Meetings Attended
Mr. A.K. Chhatwani	Chairman	Independent Director	1
Mr. A. Kumaresan	Member	Independent Director	1
Mr. Chain Singh Jasol*	Member	Whole-time Director	-
Mr. KK Rajeev Nambiar*	Member	Whole-time Director	1

\*Mr. Chain Singh Jasol ceased to be a Director & consequently as Member with effect from 28<sup>th</sup> October, 2015 and Mr. KK Rajeev Nambiar was inducted as Member effective from said date.

The Annual Report on CSR activities carried out during the year 2015-16 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.

#### 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 & Whole-time Director to that effect forms part of this report as **Annexure**.

#### Related Party Transaction:

Pursuant to Regulation 23 of the Listing Regulations and applicable provisions of the Companies Act, 2013,



# SHREE DIGVIJAY CEMENT COMPANY LIMITED

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 & Whole-time 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 & Whole-time 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.

## 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 Votorantim 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 Ombudsman channels 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 Ombudsman.

During the year under review, the Company sought approval from the shareholders by Postal Ballot for the following proposals:

Date of Notice	Proposal	No. & % of votes casts in favour	No. & % of votes casts against	Date of passing of resolutions
28 <sup>th</sup> October, 2015	Special Resolution pursuant to the provisions of Sections 149, 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 for appointment of Mr. KK Rajeev Nambiar as Whole-time Director of the Company designated as "CEO & Whole-time Director" and payment of remuneration to him for a period of three years w.e.f. 1 <sup>st</sup> November, 2015.	106,100,575 (99.99)	7,585 (0.01)	28 <sup>th</sup> December, 2015

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.

## 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	Year	Location of the Meeting	Date & Time	No. of special resolutions passed
68 <sup>th</sup>	2012	Registered Office, Digvijaygram	19 <sup>th</sup> June, 2013 – 09:30 A. M.	One
69 <sup>th</sup>	2013	Registered Office, Digvijaygram	23 <sup>rd</sup> April, 2014 – 02.15 P.M.	Two
70 <sup>th</sup>	2014	Registered Office, Digvijaygram	20 <sup>th</sup> May, 2015 – 09:00 A. M.	One



Mr. Dinesh Kumar Deora, Practising Company Secretary, was appointed as Scrutinizer and has conducted the Postal Ballot for the aforesaid proposals.

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process during the year for approving the resolutions mentioned above.

All of the aforesaid resolutions were passed by the shareholders by overwhelming and requisite majority.

At present there is no proposal to pass any resolution through postal ballot.

#### F) MEANS OF COMMUNICATION

During the year, unaudited 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 2015-16 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	: 1 <sup>st</sup> January, 2015 to 31 <sup>st</sup> March, 2016 ( 15 Months period)
Dates of Book Closures	: 29 <sup>th</sup> July, 2016 to 4 <sup>th</sup> August, 2016 ( both days inclusive)
Annual General Meeting	: 4 <sup>th</sup> August, 2016, at 09.30 am at Digvijaygram, Gujarat, India

#### Tentative Financial Calendar for the year 2016-17

Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Quarterly results and Limited Review for the quarter ending 30 <sup>th</sup> June, 2016	By 14 <sup>th</sup> August, 2016
Quarterly/ Half-yearly results and Limited Review for the quarter ending 30 <sup>th</sup> September, 2016	By 14 <sup>th</sup> November, 2016
Quarterly/ Nine-months results and Limited Review for the quarter ending 31 <sup>st</sup> December, 2016	By 14 <sup>th</sup> February, 2017
Results for the Year ending 31 <sup>st</sup> March, 2017	By end of May, 2017
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2017	By end of September, 2017

- 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 2016-17 to BSE.

- Stock Price Data on BSE Limited :

The closing market price of equity share on 31<sup>st</sup> March, 2016 (last trading day of the year) was ₹ 16.60. The monthly movement of equity share prices during the year at BSE are summarized below:

Month	High Price (₹)	Low Price (₹)	Volume
January -2015	20.35	17.30	899998
February -2015	19.25	16.80	878848
March-2015	18.75	15.15	1344878
April-2015	18.25	15.25	764243
May-2015	16.75	14.65	824138
June-2015	17.65	14.00	1849389
July-2015	20.50	14.90	2356464
August-2015	18.55	14.00	1169833
September-2015	16.25	14.00	526661
October-2015	17.30	14.61	1013811
November-2015	16.75	14.10	449366
December-2015	21.00	14.70	2179348
January-2016	19.20	14.55	1070308
February-2016	16.95	14.10	718095
March-2016	17.50	15.00	793415

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	S&P BSE Sensex	Relative Index for comparison purpose	
			Company Share price index	BSE Sensex
December - 2014	17.55	27499.42	100.00	100.00
January -2015	18.75	29182.95	100.07	100.06
February -2015	17.15	29361.50	99.98	100.07
March-2015	15.90	27957.49	99.91	100.02
April-2015	15.35	27011.31	99.87	99.98
May-2015	15.15	27828.44	99.86	100.01
June-2015	15.15	27780.83	99.86	100.01
July-2015	17.75	28114.56	100.01	100.02
August-2015	15.60	26283.09	99.89	99.96
September-2015	14.90	26154.83	99.85	99.95
October-2015	16.08	26656.83	99.92	99.97
November-2015	16.50	26145.67	99.94	99.95
December-2015	17.70	26117.54	100.01	99.95
January-2016	15.60	24870.69	99.89	99.90
February-2016	15.15	23002.00	99.86	99.84
March-2016	16.60	25341.86	99.95	99.92

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## Registrar and Share Transfer Agents:

Link In-time India Pvt. Ltd.  
C-13, Pannalal Mills Compound  
LBS Marg, Bhandup (W)  
Mumbai – 400 078

Telephone No.022-2596 3838, Fax No.0288-2594 6969  
e-mail: mumbai@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@vcimentos.com

## Share transfer system:

### a) The Share Transfers

Share transfers in physical form are processed and the share certificates are generally returned within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company / Registrar are complete in all respects.

### 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 who holds shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN Card of the transferor(s), transferee(s), members, surviving joint holders /legal heirs be furnished to the Company, while obtaining the service of transfer, transposition, transmission and issue of duplicate certificates.

### d) Subdivision of shares

The Company had subdivided the face value of its Equity shares from ₹100 to ₹10 in 1995. The old shares having face value of ₹100 are no longer tradable on the stock exchange. Members holding share certificates of the face value of ₹100 are requested to send the certificates to the Company Secretary of the Company for exchange with shares of the face value of ₹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 Auditors (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 Auditors 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 31<sup>st</sup> March 2016:

Holdings	No. of Share holders	% age	No. of shares	% of share holdings
1-500	15826	67.73	3235522	2.29
501-1000	3271	13.99	2875007	2.03
1001-2000	1802	7.71	2840143	2.00
2001-3000	716	3.06	1828204	1.29
3001-4000	337	1.44	1223353	0.87
4001-5000	405	1.73	1937519	1.37
5001-10000	566	2.42	4276730	3.03
10001 & above	445	1.90	123157800	87.12
<b>Total</b>	<b>23368</b>	<b>100</b>	<b>141374278</b>	<b>100</b>

## Dematerialization of shares and liquidity:

As on 31<sup>st</sup> March, 2016, 140479301 Equity shares of the Company representing 99.37% are in dematerialized form and the handling of physical transfer of shares are minimal. No transfer of equity shares are pending as on 31<sup>st</sup> March, 2016.

## Categories of Shareholding as on 31<sup>st</sup> March, 2016:

Category	No. of shares held	% of Shareholdings
Promoters	106030708	75.00
NR & NRI's	1142972	0.82
Financial Ins./ Banks etc.	6207	0
Corporate	2331174	1.65
Public	31863217	1.65
<b>Total</b>	<b>141374278</b>	<b>100</b>

## 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@vcimentos.com

## 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 31<sup>st</sup> March,2016.

For Shree Digvijay Cement Co. Ltd.

Place: Mumbai  
Date: 24<sup>th</sup> May, 2016

KK Rajeev Nambiar  
CEO & Whole-time Director

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## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**To the Members of  
SHREE DIGVIJAY CEMENT COMPANY LIMITED**

I have examined the compliance of conditions of corporate governance by **Shree Digvijay Cement Company Limited ("the Company")** for fifteen months period ended 31 March 2016, as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V 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 conditions of Corporate Governance as stipulated in the Regulations.

**Auditors' Responsibility:**

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

I conducted my engagement in accordance with the 'Guidance Note on Corporate Governance Certificate' issued by the Institute of Company Secretaries of India. My responsibility is to certify based on the work done.

**Conclusion:**

In my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the aforementioned Regulations.

I 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.

Place: Mumbai  
Date: 24<sup>th</sup> May, 2016

Dinesh Kumar Deora  
Company Secretary in Practice  
Membership No. FCS 5683  
CP No. 4119

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

### Economic Scenario and Outlook

The Indian economy has certainly performed creditably compared to most developed and emerging markets of the world in the past year. The macroeconomic condition is stable; consumer price inflation is well under control and the wholesale price inflation is in negative territory; there have been four interest rate cuts by the Reserve Bank of India; and thanks to historically low prices of crude oil, minerals and metals, input costs have reduced with the balance of payment situation being better than it has been in the last five years.

Even as the economy has made progress, this has yet to show a positive impact on significant demand revival and improved corporate earnings. Two consecutive weak monsoon seasons along with stalled reforms due to political discord remain concerns. So, too, the relatively modest pace of infrastructure growth which has a direct bearing on the cement industry.

### Industry Overview

Cement is indispensable for nation building and has a direct linkage with the nation's health and growth. India's cement industry is a vital part of its economy, providing employment to millions of people, directly or indirectly. Ever since it was deregulated in 1982, the Indian cement industry has attracted huge investments, from both Indian and foreign investors, making it the second largest in the world. The industry has evolved over time to become more organised, efficient and structured; and has achieved substantial improvements in manufacturing technology. Innovation, increased use of blended cement, increased energy efficiency, advanced technology and use of alternative fuels have played an important role in protecting the environment and have helped the nation preserve its rich natural resources.

The Indian cement industry has an installed capacity of 372 million tonnes with the most modern cement plants coupled with latest technologies and are comparable to the best in the world. It is estimated that 60% of the cement demand comes from housing, 25% from infrastructure and remaining 15% from institutional and commercial sectors. While housing constitutes around 60% of the cement demand, the rural housing accounts for 40% of the total demand. India has the largest homeless population in the world and the rural housing offers a huge opportunity. The surge in the rural housing demand is expected mainly on account of strong wage growth.

With a stable growth-oriented perspective of development, aided by suitable government policies and also to The Union Budget 2016-17, which has given a boost to the critical areas of

agriculture, education, rural development and infrastructure, particularly the road sector, the infrastructure and investment cycle is expected to pick up and simultaneously the demand for cement is expected to increase in FY 2016-17 as compared to FY 2015-16.

Though India has witnessed sustained cement consumption growth in last 15 years since 2001, the cement volume growth has been weakening in last 3/4 years, led by a slump in infrastructure, commercial and housing sector. While the capacity in the cement industry doubled in last decade, the growth in cement demand remained low when the capacity was getting added leading to surplus capacity. The industry has created capacity on the back of government's projection of potential cement demand arising out of thrust given to housing and infrastructure development of the country. However, cement demand, as projected, did not materialise while capacity was created.

The cement sector is slowly heading for a major consolidation as Greenfield projects are becoming difficult to set up due to increased impediments in areas like mineral concession, land acquisition and related environmental and operational issues.

This may lead to consolidation in the cement industry. Going forward, the acquisition space in the industry is expected to gather steam, with organic growth becoming difficult and opportunities arising due to various companies opting to liquidate assets to deleverage.

The cement demand remained weak primarily due to low consumption from end-user sectors and procedural delays in clearance for industrial and infrastructure projects. Going forward, capacity addition is expected to be limited and the cement demand is expected to improve resulting in higher capacity utilisation.

### Company's Performance:

During the year under review, Earnings before interest, tax and depreciation (EBITDA) of the Company have shown some improvement as compared to previous year. However, due to increase in interest cost, the Company's net profit has impacted, but shown improvement over previous year.

During the year, Pet-coke was available at attractive price on account of decline in Global oil price. The Company has increased the usage of Pet-coke and has initiated measures to further reduce the consumption Coal and substitute the same with Pet-coke by making investments for various equipment and Machineries required for the purpose.

## Highlights of the Company's Operational & Financial Performance:

### Operational Performance:

	<b>Current period ended 31.03.2016 (15 months - January 2015 to March 2016)</b>	Previous Year ended 31.12.2014 (12 months - January 2014 to December 2014)
<b>Installed Capacity (Lac. TPA)</b>	<b>10.75</b>	10.75
Capacity equivalent for 15 months	<b>13.44</b>	13.44
<b>Production (Lac. TPA)</b>		
Clinker	<b>9.97</b>	6.99
Cement	<b>12.08</b>	10.04
Effective Capacity utilization@	<b>89.88%</b>	93.42%
<b>Sales Volume (Lac. Ton)</b>		
Domestic - Cement	<b>11.97</b>	10.01
Net Cement Sales Realization (₹/ MT)	<b>3878</b>	4105

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

### Financial Performance

	<b>Current period ended 31.03.2016 (15 months - January 2015 to March 2016)</b>	Previous Year ended 31.12.2014 (12 months - January 2014 to December 2014)
Net Sales / Income from Operations	<b>46638</b>	41079
Add: Other operating Income	<b>919</b>	290
Less: Total Expenditure	<b>43696</b>	39625
<b>Profit before other income, interest, Depreciation &amp; Exceptional items</b>	<b>3861</b>	1744
Add: Other Income	<b>564</b>	748
<b>Profit from operation (before interest, Depreciation &amp; Exceptional items)</b>	<b>4425</b>	2492
Less: Interest	<b>1320</b>	717
Less: Depreciation	<b>2580</b>	1410
<b>Profit after interest &amp; depreciation but before Exceptional items</b>	<b>525</b>	365
<b>Profit from ordinary activities before Tax</b>	<b>525</b>	365
Less: Tax Expenses	<b>0</b>	0
<b>Net Profit for the year after tax</b>	<b>525</b>	365

### Cost Management

During the year under review, the Company was able to achieve a lower total operating cost backed by favourable fuel prices and excellence programme undertaken by the Company with an aim to improving efficiency.

- Power and fuel costs account for approximately 32% of the total expenses. Power cost reduced by 4% as compared to the previous year. Coal cost for kiln reduced by 26.5% as compared to previous year mainly due to increase pet coke consumption from 5% to 14%.
- Freight and forwarding cost worked out to 13.5% of total expenses. On per tonne basis, cost decreased by 1% due to the positive impact of declining diesel prices and various logistic optimisation efforts.
- Other expenses comprises 30.56% of the total expenses remained the same as compare to previous year.
- Keeping in line with the Company's philosophy of Sustainable Operations, a number of initiatives were undertaken to enhance fly ash consumption in PPC with quality.
- To mitigate risk associated with the dynamic fuel market, the Company has developed abilities to switch to the most economical fuel mix. This has led to an increased focus on usage of low cost fuels like petcoke.

### Opportunity

With greater emphasis in the 2016-17 Budget on the infrastructure segment such as "Make in India", "Housing for all by 2022", "Digital India", "Smart Cities Mission", "Metro Rail Project" "Atal Mission for Rejuvenation & Urban Transformation" (AMRUT), demand in the housing sector the demand for Cement is also likely to spur, thereby bridging the gap between demand and supply.

After two consecutive years of poor monsoon the Indian Meteorological Department has forecasted normal monsoon in the year 2016, which would positively impact the consumption growth and would spur long awaited economic recovery.

The overall demand for cement has, only recently, shown signs of pick-up and if the momentum continues the margins of the Company will improve. Interest rates may soften in the coming months, helping retail home buyers. Factors like reduction in variable costs, including those of coal, Pet coke, slag and fly ash, as well as those of packaging material, are expected to contribute to the improved performance.

### Threats, Risk & Concern

Cement Industry continues to face rise in freight and



# SHREE DIGVIJAY CEMENT COMPANY LIMITED

forwarding costs, which have significantly increased over the past 2/3 years. Though, the coal and petcoke prices have remained soft during the year, any major rebound in prices may increase the costs.

Ever increasing duties and input costs are pushing the cost of production without a corresponding increase in the marketing scenario. This will pose a threat to improving the overall scenario in respect of cement.

Despite the initiatives announced by the government, cement demand did not pick up as anticipated. Many projects / policies were announced / initiated by the government to support and aid the growth of the industry.

However the pace of investment and construction activities continued to remain low. Expectations and ground realities are yet to converge. With substantial surplus capacity, the cement industry is relatively at a low level of capacity utilization.

Clearances and non-availability of new limestone mines is and high incidence of taxes and duties are also the matter of concern for the industry.

## Internal Control System

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. Earnst & Young, Chartered Accountants has been working as the Internal Auditors of the Company. The Internal Auditors are submitting reports to the Company on a Quarterly basis.

## Human Resource Development / Industrial Relations:

Human Resource department plays an important role for its engagement and leadership development processes in nurturing talent necessary to keep the organisation's talent pool future ready. In line with this, the Company continued with efforts to ensure that its pool of human resources is "future ready" through its robust processes of learning & development, capability 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. Certain identified employees from Technical and Operation team took part in "Plant Team Assessment" training and feedback session organized by Corporate HR. Company organized several training 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.

In 2015, many employees were invited to participate in a Global Employee Climate Survey. Participation and feedback from employees of the Company was overwhelming and highly appreciated. Through this survey, they shared their ideas and opinions to help build Votorantim Cimentos increasingly focused on its four drivers, namely, customer focus, empowered people, best in class operations and sustainable practices.

The total number of employees in the rolls of the Company as on 31<sup>st</sup> March, 2016 was 301 (Previous year as on 31<sup>st</sup> December, 2014, number was 317)

Industrial relations during the year under report remained cordial.

## 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.

\* \* \*



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SHREE DIGVIJAY CEMENT COMPANY LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Shree Digvijay Cement Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the 15 months period from January 1, 2015 to March 31, 2016 (the "period") and the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

8. 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 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 March 31, 2016, and its profit and its cash flows for the 15 months period from January 1, 2015 to March 31, 2016.

#### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015' issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 21;
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the 15 months period ended March 31, 2016.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Partha Ghosh  
Partner

Place: Mumbai  
Date: 24<sup>th</sup> May, 2016

Membership Number: 055913

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Shree Digvijay Cement Company Limited on the financial statements as of and for the 15 months period ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the period and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory has been physically verified by the Management during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, value added tax and cess which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, duty of customs and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	2,866.75	Financial years 2002-03, 2007-08 to 2010-11, 2013-14	CESTAT (Tribunal)
		1,047.02	Financial years 2006-07 to 2013-14	Commissioner Appeal
The Finance Act, 1994	Service Tax	788.89	Financial years 2004-05, 2009-10 to 2014-15	CESTAT (Tribunal)
		29.45	Financial years 2005-06, 2011-12 to 2014-15	Commissioner Appeal
The Customs Act, 1962	Customs Duty	100.00	Financial years 2010-11	Commissioner Appeal
Gujarat Value Added Tax Act, 2003	Sales Tax	94.41	Financial years 2009-10 and 2010-11	Deputy Commissioner
Sales Tax Act of respective states	Sales Tax	2.41	Financial years 1992-93 to 1994-95	Deputy Commissioner
		5.75	Financial years 1995-96 and 1997-98	Commissioner Sales Tax

- (c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2016 and it has not incurred cash losses in the financial period ended on that date or in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii. 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 material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

For Price Waterhouse  
 Firm Registration Number: 301112E  
 Chartered Accountants

Partha Ghosh  
 Partner  
 Membership Number: 055913

Place: Mumbai  
 Date: 24<sup>th</sup> May, 2016

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## BALANCE SHEET AS AT MARCH 31, 2016

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	As at March 31, 2016	As at December 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share Capital	3	14,137.50	14,137.50
Reserves and surplus	4	5,696.26	5,171.24
		<b>19,833.76</b>	<b>19,308.74</b>
<b>Non current liabilities</b>			
Other long term liabilities	6	67.50	67.50
Long-term provisions	7	533.25	424.72
		<b>600.75</b>	<b>492.22</b>
<b>Current liabilities</b>			
Short-term borrowings	8	11,600.00	8,600.00
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	9	32.40	23.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	9	5,410.72	3,430.50
Other current liabilities	10	3,371.89	3,720.06
Short-term provisions	11	529.21	514.95
		<b>20,944.22</b>	<b>16,288.95</b>
<b>TOTAL</b>		<b>41,378.73</b>	<b>36,089.91</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
<b>Fixed assets</b>			
Tangible assets	12	21,608.00	20,611.43
Intangible assets	13	17.30	29.80
Capital work-in-progress		33.68	373.14
		<b>21,658.98</b>	<b>21,014.37</b>
Long term loans and advances	14	1,919.22	1,884.95
Other non current assets	15	237.81	195.78
		<b>23,816.01</b>	<b>23,095.10</b>
<b>Current assets</b>			
Inventories	16	9,664.72	6,077.94
Trade receivables	17	1,566.15	1,314.56
Cash and bank balances	18	5,258.32	4,786.22
Short-term loans and advances	19	892.06	745.25
Other current assets	20	181.47	70.84
		<b>17,562.72</b>	<b>12,994.81</b>
<b>TOTAL</b>		<b>41,378.73</b>	<b>36,089.91</b>
<b>The notes are an integral part of these financial statements</b>			

This is the Balance Sheet referred to in our report of even date

**For Price Waterhouse**

Firm Registration No. : 301112E  
Chartered Accountants

**Partha Ghosh**

Partner  
Membership No.: 055913

**Arcot Kumaresan**

Independent Director  
DIN: 00149567

**Persio Morassutti**

Director  
DIN: 07105548

**Suresh Kumar Meher**

GM (Legal) & Company Secretary

**A. K. Chhatwani**

Independent Director  
DIN: 00016735

**K. K. Rajeev Nambiar**

CEO & Whole Time Director  
and 'acting CFO'  
DIN: 07313541

Place : Mumbai  
Date : 24<sup>th</sup> May, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM JANUARY 1, 2015 TO MARCH 31, 2016**

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
<b>Revenue from operations (Gross)</b>	23	53,050.43	46,334.91
Less : Excise duty		5,492.09	4,965.46
Revenue from operations (Net)		<b>47,558.34</b>	41,369.45
<b>Other income</b>	24	563.78	748.11
<b>Total revenue</b>		<b>48,122.12</b>	42,117.56
<b>Expenses</b>			
Cost of materials consumed	25	11,683.67	12,045.34
Changes in inventories of finished goods and work in progress	26	(1,128.99)	(268.12)
Employees benefit expenses	27	3,468.91	2,331.79
Power and Fuel		15,129.59	13,293.84
Finance costs	28	1,320.38	717.16
Depreciation and amortization expenses	29	2,580.30	1,410.29
Other expenses	30	14,545.63	12,231.04
		<b>47,599.49</b>	41,761.34
Less: Internal Consumption of Cement		2.39	8.91
<b>Total expenses</b>		<b>47,597.10</b>	41,752.43
<b>Profit before tax</b>		<b>525.02</b>	365.13
Tax Expenses			
Current Tax		-	-
Deferred tax		-	-
<b>Total Tax Expenses</b>		-	-
<b>Profit for the year</b>		<b>525.02</b>	365.13
Earnings per equity share (in ₹)	34		
(Nominal value per share ₹10)			
Basic earning per share (In ₹)		0.37	0.26
Diluted earning per share (In ₹)		0.37	0.26
<b>The notes are an integral part of these financial statements</b>			

This is the Statement of Profit and Loss referred to in our report of even date

**For Price Waterhouse**

 Firm Registration No. : 301112E  
 Chartered Accountants

**Arcot Kumaresan**

 Independent Director  
 DIN: 00149567

**A. K. Chhatwani**

 Independent Director  
 DIN: 00016735

**Partha Ghosh**

 Partner  
 Membership No.: 055913

**Persio Morassutti**

 Director  
 DIN: 07105548

**K. K. Rajeev Nambiar**

 CEO & Whole Time Director  
 and 'acting CFO'  
 DIN: 07313541

**Suresh Kumar Meher**

GM (Legal) &amp; Company Secretary

 Place : Mumbai  
 Date : 24<sup>th</sup> May, 2016

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and exceptional items</b>	525.02	365.13
Adjustments for:		
Depreciation	2,567.80	1,354.64
Amortisation	12.50	55.65
Provision for slow / non-moving stores & spares	84.76	-
Loss on sale / write-off of fixed assets (net)	236.29	39.16
Provision for doubtful debts and advances (net)	4.27	1.57
Interest Income	(400.07)	(230.69)
Dividend Income	-	(0.58)
Foreign Exchange (Gain)/Loss on financing activities	-	(82.38)
Interest and Finance Charges	1,320.38	717.16
Liability written back to the extent no longer required	-	(226.75)
Unrealized foreign exchange (gain) / loss on operating activities	(81.72)	(17.38)
Internal Consumption of Cement	(2.39)	(8.91)
<b>Operating profit before working capital changes</b>	<b>4,266.84</b>	1,966.62
Adjustments for:		
Increase / (Decrease) in trade payables	2,070.90	1,117.45
Increase / (Decrease) in short term provision	14.26	79.27
Increase / (Decrease) in other current liabilities	(23.93)	120.09
Increase / (Decrease) in long term provision	108.53	63.14
(Increase) / Decrease in trade receivables	(255.86)	(856.96)
(Increase) / Decrease in inventories	(3,671.54)	307.09
(Increase) / Decrease in short term loans and advances	(146.81)	0.64
(Increase) / Decrease in other current assets	(97.66)	-
(Increase) / Decrease in long term loans and advances	(98.03)	(254.95)
<b>Cash generated from operations</b>	<b>2,166.70</b>	2,542.38
Taxes paid (net of refunds)	(58.04)	(85.18)
<b>Net cash generated from operating activities</b>	<b>2,108.66</b>	2,457.20



(All amounts in ₹ lacs, unless otherwise stated)

Particulars	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(4,150.01)	(3,497.69)
Sale of tangible assets	496.40	0.62
Interest received	390.05	218.90
Dividend received	-	0.58
Proceeds from sale of mutual funds (Net)	-	400.00
Movement in Term Deposit with bank (Net)	13.55	336.48
<b>Net cash (used in) investing activities</b>	<b>(3,250.01)</b>	<b>(2,541.11)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(8,600.00)	(5,393.32)
Proceeds from Borrowings	11,600.00	8,600.00
Interest paid	(1,328.02)	(659.68)
<b>Net cash from financing activities</b>	<b>1,671.98</b>	<b>2,547.00</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>530.63</b>	<b>2,463.09</b>
Cash and cash equivalents at the beginning of the year	4,716.65	2,253.56
<b>Cash and cash equivalents at the end of the year</b>	<b>5,247.28</b>	<b>4,716.65</b>
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	0.49	1.56
Balances with Banks	946.79	612.82
Demand deposits (less than 3 months maturity)	4,300.00	4,102.27
<b>Total</b>	<b>5,247.28</b>	<b>4,716.65</b>

**For Price Waterhouse**

 Firm Registration No. : 301112E  
 Chartered Accountants

**Arcot Kumaresan**

 Independent Director  
 DIN: 00149567

**A. K. Chhatwani**

 Independent Director  
 DIN: 00016735

**Partha Ghosh**

 Partner  
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**K. K. Rajeev Nambiar**

 CEO & Whole Time Director  
 and 'acting CFO'  
 DIN: 07313541

**Suresh Kumar Meher**

GM (Legal) &amp; Company Secretary

Place : Mumbai

 Date : 24<sup>th</sup> May, 2016

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Background

Shree Digvijay Cement Company Limited (the 'Company') is a public limited Company domiciled in India and is listed on the Bombay Stock Exchange (BSE). It is engaged in 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 Summary of significant accounting policies

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rule, 2014, till the Standard of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standard) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 01, 2016. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

All 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 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 or non-current classification of assets and liabilities.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialise.

#### 2.3 Tangible Assets and Depreciation

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful life as per technical evaluation. Estimated useful life of the assets/significant component thereof are as under:

Assets class	Useful life in years
Buildings	30 to 60
Railway Sidings	21
Plant and Equipment	5 to 21
Electric Installations	10
Rolling Stocks and Locomotives	19
Furniture and Fixtures	10
Office Equipments	5
Vehicles	8
Jetty and Wharf	21

All tangible assets costing less than ₹ 5,000 individually are technically reviewed at each financial year end and fully depreciated in the year of purchase.

Depreciation methods and useful lives are reviewed at each financial year end and adjusted if appropriate.

#### 2.4 Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives as under:

Asset class	Useful life in years
Computer Software and Licenses	3 to 6

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

#### 2.5 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

#### 2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

#### 2.7 Revenue Recognition

Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties.

##### Other income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive dividend is established.

#### 2.8 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

#### 2.9 Foreign Currency Transactions

##### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

foreign currency are restated at the end of the accounting period. Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

## 2.10 Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 2.11 Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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.

## 2.12 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

## 2.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the 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. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## 2.14 Employee benefits

### i) Defined-contribution plans

The Company contributes on a defined contribution basis to Employees' Provident Fund / Pension Fund and Superannuation Fund. The contributions towards Provident Fund / Pension Fund is made to regulatory authorities and contribution towards Superannuation Fund is made to Life Insurance Corporation of India. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

**ii) Defined-benefit plans**

The Company has a Defined Benefit Plan namely Gratuity (the "Gratuity Plan") for all its employees, which is funded. The Company provides for gratuity covering eligible employees in accordance with the Gratuity Scheme. The Gratuity Plan provides lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The fund is recognised by the Income tax authorities and administered through appropriate authorities / insurers.

**iii) Other employee benefits**

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

**2.15 Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals in respect of assets taken on operating leases are recognised in the Statement of Profit and Loss as per terms of the lease agreement.

(All amounts in ₹ lacs, unless otherwise stated)

<b>3</b>	<b>SHARE CAPITAL</b>	<b>As at March 31, 2016</b>	As at December 31, 2014
	<b>Authorised</b>		
	150,000,000 (December 31, 2014: 150,000,000) equity shares of ₹ 10/- each	15,000.00	15,000.00
	10,000,000 (December 31, 2014: 10,000,000) preference shares of ₹ 100/- each	10,000.00	10,000.00
		<b>25,000.00</b>	<b>25,000.00</b>
	<b>Issued</b>		
	141,643,645 (December 31, 2014: 141,643,645) equity shares of ₹ 10/- each	14,164.36	14,164.36
	<b>Subscribed and paid-up</b>		
	141,375,398 (December 31, 2014: 141,375,398) equity shares of ₹ 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
	<b>TOTAL</b>	<b>14,137.50</b>	<b>14,137.50</b>

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

a) Reconciliation of the number of shares : Equity Shares

Particulars	As at March 31, 2016		As at December 31, 2014	
	Number of Shares	Amount	Number of Shares	Amount
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 (December 31, 2014: 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

d) Shares held by holding company and ultimate holding company

Particular	As at March 31, 2016	As at December 31, 2014
<b>Equity Shares:</b>		
103,709,063 Shares (December 31, 2014: 103,709,063) held by Votorantim Cimentos EAA Inversiones S.L., the holding company	10,370.91	10,370.91
2,321,645 Shares (December 31, 2014: 2,321,645) held by Votorantim Cimentos S. A., the ultimate holding Company	232.16	232.16

e) Details of shareholder holding more than of 5% of the aggregate shares in the company

Name of Shareholder	As at March 31, 2016		As at December 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Votorantim Cimentos EAA Inversiones S.L., the holding company	103,709,063	73.36%	103,709,063	73.36%
<b>TOTAL</b>	<b>103,709,063</b>	<b>73.36%</b>	103,709,063	73.36%

f) There are no shares allotted either as fully paid up by way of bonus shares or under any contract without payment received in cash during 5 financial years immediately preceding March 31, 2016.

(All amounts in ₹ lacs, unless otherwise stated)

4	RESERVES AND SURPLUS	As at March 31, 2016	As at December 31, 2014
	Capital Reserve	8,786.87	8,786.87
	Capital Redemption Reserve	35.00	35.00
	Securities Premium Account	20.43	20.43
	Deficit in Statement of Profit and Loss		
	Balance as at the beginning of the year / period	(3,671.06)	(4,036.19)
	Add: Profit for the year / period	525.02	365.13
	Balance as at the end of the year / period	(3,146.04)	(3,671.06)
	<b>TOTAL</b>	<b>5,696.26</b>	<b>5,171.24</b>



(All amounts in ₹ lacs, unless otherwise stated)

5	<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>As at March 31, 2016</b>	As at December 31, 2014
	<b>Deferred tax liabilities</b>		
	Depreciation	3,157.16	2,751.90
	<b>Deferred tax assets</b>		
	Unabsorbed Depreciation	3,157.16	2,751.90
	<b>TOTAL</b>	<u>-</u>	<u>-</u>

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws. In the absence of virtual certainty supported by convincing evidence, deferred tax assets are recognised to the extent of deferred tax liabilities.

(All amounts in ₹ lacs, unless otherwise stated)

6	<b>OTHER LONG TERM LIABILITIES</b>	<b>As at March 31, 2016</b>	As at December 31, 2014
	Trade Payables	25.20	25.20
	Others	42.30	42.30
	<b>TOTAL</b>	<u>67.50</u>	<u>67.50</u>

(All amounts in ₹ lacs, unless otherwise stated)

7	<b>LONG-TERM PROVISIONS</b>	<b>As at March 31, 2016</b>	As at December 31, 2014
	Provision for employee benefits (Refer note no. 27) :		
	Provision for gratuity	80.32	28.33
	Provision for compensated absences	397.79	346.63
	Other Provisions		
	Provision for Mines Reclamation (Refer note below)	55.14	49.76
	<b>TOTAL</b>	<u>533.25</u>	<u>424.72</u>
	Note:		
	Movement in Provision for Mines Reclamation		
	Opening Balance	49.76	47.49
	Addition during the year	5.38	2.27
	<b>Closing Balance</b>	<u>55.14</u>	<u>49.76</u>

Mines reclamation expenditure will be incurred after completion of extraction of lime stone from Mines. The actual expenditure may vary based on the nature of reclamations to be carried out.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

(All amounts in ₹ lacs, unless otherwise stated)

8	SHORT -TERM BORROWINGS	As at March 31, 2016	As at December 31, 2014
	Unsecured:		
	From banks		
	Working Capital loan from Bank	11,600.00	8,600.00
	<b>TOTAL</b>	<b>11,600.00</b>	<b>8,600.00</b>

The above unsecured loan facilities are guaranteed by Votorantim Cimentos EAA Inversiones S.L., the holding company. These are repayable on demand and carry interest rate of 9.25% to 10.65%.

(All amounts in ₹ lacs, unless otherwise stated)

9	TRADE PAYABLES (REFER NOTE NO. 37)	As at March 31, 2016	As at December 31, 2014
	a) total outstanding dues of micro enterprises and small enterprises; and	32.40	23.44
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,410.72	3,430.50
	<b>TOTAL</b>	<b>5,443.12</b>	<b>3,453.94</b>

(All amounts in ₹ lacs, unless otherwise stated)

10	OTHER CURRENT LIABILITIES	As at March 31, 2016	As at December 31, 2014
	Interest accrued but not due on borrowing	70.15	77.79
	Security deposits from customers	759.70	585.02
	Advances from customers	354.13	519.29
	Payable to creditors related to fixed assets	251.22	567.82
	Employee benefits payable	224.00	305.32
	Statutory dues (including provident fund and tax deducted at source)	806.40	813.67
	Others	906.29	851.15
	<b>TOTAL</b>	<b>3,371.89</b>	<b>3,720.06</b>

(All amounts in ₹ lacs, unless otherwise stated)

11	SHORT -TERM PROVISIONS	As at March 31, 2016	As at December 31, 2014
	Provision for employee benefits (Refer note no. 27) :		
	Provision for compensated absences	82.80	124.51
	Other provision		
	Provision for litigations and disputes (Refer note below)	446.41	390.44
	<b>TOTAL</b>	<b>529.21</b>	<b>514.95</b>
	Note:		
	Movement in Provision for litigations and disputes		
	Opening Balance	390.44	360.97
	Addition during the year	55.97	42.07
	Utilisation during the year	-	12.60
	<b>Closing Balance</b>	<b>446.41</b>	<b>390.44</b>

Provision for litigations and disputes represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters in litigations.

## 12 TANGIBLE ASSETS

(All amounts in ₹ lacs, unless otherwise stated)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block
		Opening as at January 1, 2015	Additions	Disposals	Closing as at March 31, 2016	Opening as at January 1, 2015	For the period	Disposals	Closing as at March 31, 2016	As at March 31, 2016
<b>Own Assets</b>										
1	Freehold Land (Refer note 1 & 2)	34.68	799.29	-	833.97	-	-	-	-	833.97
2	Building	919.58	91.17	15.22	995.53	454.78	41.26	0.34	495.70	499.83
3	Railway Sidings	166.92	-	-	166.92	158.48	0.38	-	158.86	8.06
4	Plant and Equipment	34,075.96	3,319.57	5,139.54	32,255.99	14,947.56	2,289.30	4,444.86	12,792.00	19,463.99
5	Electric Installations	993.40	-	258.13	735.27	549.20	86.94	245.23	390.91	344.36
6	Rolling Stocks and Locomotives	74.63	-	39.68	34.95	70.95	-	37.69	33.26	1.69
7	Furniture, Fixtures and Office Equipments	644.91	27.22	27.19	644.94	334.07	93.10	25.59	401.58	243.36
8	Vehicles	76.87	59.81	7.43	129.25	32.94	13.44	0.79	45.59	83.66
9	Jetty and Wharf (Refer note 3)	547.44	-	-	547.44	374.98	43.38	-	418.36	129.08
<b>TOTAL</b>		<b>37,534.39</b>	<b>4,297.06</b>	<b>5,487.19</b>	<b>36,344.26</b>	<b>16,922.96</b>	<b>2,567.80</b>	<b>4,754.50</b>	<b>14,736.26</b>	<b>21,608.00</b>

(All amounts in ₹ lacs, unless otherwise stated)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block
		Opening as at January 1, 2014	Additions	Disposals	Closing as at December 31, 2014	Opening as at January 1, 2014	For the year	Disposals	Closing as at December 31, 2014	As at December 31, 2014
<b>Own Assets</b>										
1	Freehold Land (Refer note 1)	34.33	0.35	-	34.68	-	-	-	-	34.68
2	Building	851.36	74.08	5.86	919.58	440.08	18.24	3.54	454.78	464.80
3	Railway Sidings	166.92	-	-	166.92	158.25	0.23	-	158.48	8.44
4	Plant and Equipment	28,632.53	5,724.43	281.00	34,075.96	13,732.97	1,243.28	28.69	14,947.56	19,128.40
5	Electric Installations	763.06	247.77	17.43	993.40	534.38	32.24	17.42	549.20	444.20
6	Rolling Stocks and Locomotives	74.63	-	-	74.63	70.95	-	-	70.95	3.68
7	Furniture, Fixtures and Office Equipments	421.09	255.02	31.19	644.91	333.27	27.00	26.20	334.07	310.85
8	Vehicles	70.54	7.29	0.96	76.87	26.26	7.59	0.91	32.94	43.93
9	Jetty and Wharf (Refer note 3)	547.44	-	-	547.44	348.92	26.06	-	374.98	172.46
<b>TOTAL</b>		<b>31,561.89</b>	<b>6,308.94</b>	<b>336.44</b>	<b>37,534.39</b>	<b>15,645.08</b>	<b>1,354.64</b>	<b>76.76</b>	<b>16,922.96</b>	<b>20,611.43</b>

### Notes:

- 1 Leasehold Land (in respect of which the Company pays Ground Rent) is not included above.
- 2 During current year the Company has purchased land aggregating ₹ 799 lacs against which the Company is yet to obtain mining rights.
- 3 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.
- 4 There are no qualifying assets and accordingly no borrowing cost is capitalised during the year.
- 5 Consequent to the enactment of the Companies Act 2013, (the Act) and its applicability to the Company from accounting periods commencing from January 1, 2015, the Company has re-assessed the remaining useful lives of its fixed assets in accordance with the provisions prescribed under Schedule II to the Act. Accordingly, in case of assets which have completed their useful lives are fully depreciated and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives. Pursuant to this re-assessment the depreciation expenses charge for the fifteen months period ended March 31, 2016 is higher by ₹ 553.74 lacs with consequential impact on profit.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## 13 INTANGIBLE ASSETS

(All amounts in ₹ lacs, unless otherwise stated)

Sr. No.	Particulars	Gross Block				Amortisation				Net Block
		Opening as at January 1, 2015	Additions	Disposals	Closing as at March 31, 2016	Opening as at January 1, 2015	For the period	Disposals	Closing as at March 31, 2016	As at March 31, 2016
	<b>Own Assets (Acquired)</b>									
1	Computer Software and Licenses	345.94	-	-	345.94	316.14	12.50	-	328.64	17.30
	<b>TOTAL</b>	<b>345.94</b>	<b>-</b>	<b>-</b>	<b>345.94</b>	<b>316.14</b>	<b>12.50</b>	<b>-</b>	<b>328.64</b>	<b>17.30</b>

(All amounts in ₹ lacs, unless otherwise stated)

Sr. No.	Particulars	Gross Block				Amortisation				Net Block
		Opening as at January 1, 2014	Additions	Disposals	Closing as at December 31, 2014	Opening as at January 1, 2014	For the year	Disposals	Closing as at December 31, 2014	As at December 31, 2014
	<b>Own Assets (Acquired)</b>									
1	Computer Software and Licenses	345.94	-	-	345.94	260.49	55.65	-	316.14	29.80
	<b>TOTAL</b>	<b>345.94</b>	<b>-</b>	<b>-</b>	<b>345.94</b>	<b>260.49</b>	<b>55.65</b>	<b>-</b>	<b>316.14</b>	<b>29.80</b>

(All amounts in ₹ lacs, unless otherwise stated)

14	LONG TERM LOANS AND ADVANCES	As at March 31, 2016	As at December 31, 2014
	(Unsecured, considered good unless otherwise stated)		
	Capital Advances	43.36	165.16
	Security deposits with government authorities and others	1,617.34	1,519.31
	Advance Income Tax (Net of provision of ₹ 1,049.97 lacs December 31, 2014: ₹ 1,049.97 lacs)	258.52	200.48
	<b>TOTAL</b>	<b>1,919.22</b>	<b>1,884.95</b>

(All amounts in ₹ lacs, unless otherwise stated)

15	OTHER NON CURRENT ASSETS	As at March 31, 2016	As at December 31, 2014
	Long term deposit with bank with maturity period more than 12 months	235.11	190.13
	Interest receivable on fixed deposit	2.70	5.65
	<b>TOTAL</b>	<b>237.81</b>	<b>195.78</b>

Term deposit amounting to ₹ 233.51 lacs (December 31, 2014: ₹ 190.13 lacs) are lien marked against Bank Guarantees.

(All amounts in ₹ lacs, unless otherwise stated)

16	INVENTORIES	As at March 31, 2016	As at December 31, 2014
	Raw materials	1,066.46	288.69
	Work in progress (Refer note below)	2,220.60	1,293.25
	Finished Goods (Refer note below)	514.45	292.03
	Stores and spare parts	1,658.99	1,547.99
	Packing materials	89.18	127.01
	Fuels	4,115.04	2,528.97
	<b>TOTAL</b>	<b>9,664.72</b>	<b>6,077.94</b>

Opening and closing inventory of work-in-progress and finished goods comprises of cement and clinker.

(All amounts in ₹ lacs, unless otherwise stated)

<b>17 TRADE RECEIVABLES</b>	<b>As at March 31, 2016</b>	As at December 31, 2014
Secured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	505.42	350.30
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	2.91	-
Others	1,057.82	964.26
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	161.18	156.91
Others	-	-
Less: Provision for doubtful debts	(161.18)	(156.91)
<b>TOTAL</b>	<b><u>1,566.15</u></b>	<b><u>1,314.56</u></b>

(All amounts in ₹ lacs, unless otherwise stated)

<b>18 CASH AND BANK BALANCES</b>	<b>As at March 31, 2016</b>	As at December 31, 2014
Cash and Cash equivalents		
Cash on hand	0.49	1.56
Banks Balance :		
In Current accounts	946.79	612.82
Demand deposits (less than 3 months maturity)	4,300.00	4,102.27
	<u>5,247.28</u>	<u>4,716.65</u>
Other bank balance		
Term deposit with maturity less than 12 months	11.04	69.57
<b>TOTAL</b>	<b><u>5,258.32</u></b>	<b><u>4,786.22</u></b>

Term deposit amounting to ₹ 11.04 lacs (December 31, 2014: ₹ 71.84 lacs) are lien marked against Bank Guarantees.

(All amounts in ₹ lacs, unless otherwise stated)

<b>19 SHORT TERM LOANS AND ADVANCES</b>	<b>As at March 31, 2016</b>	As at December 31, 2014
(Unsecured, considered good unless otherwise stated)		
Other loans and advances		
Balances with statutory authorities	170.19	124.15
Advance royalty	68.88	72.38
Advance to employees	17.72	33.78
Pre-paid expense	85.87	137.01
Advances to suppliers		
Considered good	521.40	362.29
Considered doubtful	18.14	18.14
Less: Provision for doubtful advances	(18.14)	(18.14)
Others	28.00	15.64
<b>TOTAL</b>	<b><u>892.06</u></b>	<b><u>745.25</u></b>

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

(All amounts in ₹ lacs, unless otherwise stated)

20	OTHER CURRENT ASSETS	As at March 31, 2016	As at December 31, 2014
	(Unsecured, considered good)		
	Interest accrued on term deposits and others	83.81	70.84
	Other receivables from scrap buyers	97.66	-
	<b>TOTAL</b>	<b>181.47</b>	<b>70.84</b>

(All amounts in ₹ lacs, unless otherwise stated)

21	Contingent Liabilities	As at March 31, 2016	As at December 31, 2014
	Claim against the Company not acknowledged as debts		
	a) Demand contested by the Company		
	- Sales tax	163.36	107.07
	- Excise duty	3,934.62	3,886.16
	- Service tax	869.76	85.78
	- Custom duty	451.55	451.55
	- Labour cases	147.60	154.87
	- Other Cases	202.70	199.43
	b) A sum of ₹ 309.84 lacs (December 31, 2014: ₹ 309.84 lacs) 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.  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.		

## 22 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account is ₹ 330.66 lacs (December 31, 2014: ₹ 1,018.61 lacs), against which advances paid aggregate ₹ 43.36 lacs (December 31, 2014: ₹ 165.16 lacs).

(All amounts in ₹ lacs, unless otherwise stated)

23	REVENUE FROM OPERATIONS	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
	Sales of Product		
	Cement Sales	52,131.04	46,044.85
	Other Operating Revenues		
	Scrap Sales	919.39	290.06
		53,050.43	46,334.91
	Less: Excise Duty	5,492.09	4,965.46
	<b>TOTAL</b>	<b>47,558.34</b>	<b>41,369.45</b>



(All amounts in ₹ lacs, unless otherwise stated)

24 OTHER INCOME	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Dividend income	-	0.58
Interest Income	400.07	230.69
Liability written back to the extent no longer required	-	226.75
Claims received from Insurance company	0.67	17.33
Net gain on foreign currency transactions and translations	-	182.23
Miscellaneous Income	163.04	90.53
<b>TOTAL</b>	<b>563.78</b>	<b>748.11</b>

(All amounts in ₹ lacs, unless otherwise stated)

25 COST OF MATERIAL CONSUMED	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Raw material consumed		
Opening inventory	288.69	381.27
Add: Purchases and incidental expenses (including cost of raising and transporting lime stone ₹ 4,792.19 lacs, Previous year ₹ 2,312.46 lacs)	11,057.12	10,598.83
Less: Closing inventory	1,066.46	288.69
<b>Cost of raw material consumed during the year</b>	<b>10,279.35</b>	<b>10,691.41</b>
Packing material consumed		
Opening inventory	127.01	99.64
Add: Purchases and incidental expenses	1,366.49	1,381.30
Less: Closing inventory	89.18	127.01
<b>Cost of packing material consumed during the year</b>	<b>1,404.32</b>	<b>1,353.93</b>
<b>TOTAL</b>	<b>11,683.67</b>	<b>12,045.34</b>

(All amounts in ₹ lacs, unless otherwise stated)

26 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
(Increase) / Decrease in stocks		
Stock at the end of the year		
Work in progress	2,220.60	1,293.25
Finished Goods	514.45	292.03
	2,735.05	1,585.28
Less : Excise duty on Finished Goods	53.62	32.84
<b>TOTAL A</b>	<b>2,681.43</b>	<b>1,552.44</b>

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

Contd..

(All amounts in ₹ lacs, unless otherwise stated)

26 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Less: Stock at the beginning of the year		
Work in progress	1,293.25	1,150.80
Finished Goods	292.03	150.59
	1,585.28	1,301.39
Less : Excise duty on Finished Goods	32.84	17.07
<b>TOTAL B</b>	<b>1,552.44</b>	1,284.32
(Increase) / Decrease in stocks (B-A)	<b>(1,128.99)</b>	(268.12)

(All amounts in ₹ lacs, unless otherwise stated)

27 EMPLOYEE BENEFITS EXPENSES	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Salaries, Wages and Bonus	2,983.05	2,029.38
Contribution to Provident and Other funds		
Provident fund [Refer note no. 27(i)]	114.22	87.88
Pension fund [Refer note no. 27(i)]	51.00	26.14
Superannuation fund [Refer note no. 27(i)]	47.15	37.59
Gratuity [Refer note no. 27(ii)]	107.93	28.33
Staff welfare expenses	165.56	122.47
<b>TOTAL</b>	<b>3,468.91</b>	2,331.79

## 27 EMPLOYEE BENEFIT OBLIGATIONS:

### i) Defined-Contribution Plans

The Company makes contribution to provident fund and pension fund under the provision of the Employees's Provident Funds and Miscellaneous Provisions Act, 1952 and to superannuation fund for the qualifying employees as per the Company's policy.

(All amounts in ₹ lacs, unless otherwise stated)

Amount recognised in Statement of Profit and Loss	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Provident Fund	114.22	87.88
Pension Fund	51.00	26.14
Superannuation Fund	47.15	37.59

### ii) Defined-Benefits Plans

The company offers the gratuity under employee benefits scheme to its employees. The disclosure required by Accounting Standard 15 "Employee Benefits" is given below.

Present value of defined benefit obligation:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Gratuity (Funded Plan)	
	As at March 31, 2016	As at December 31, 2014
Balance at the beginning of the year	809.38	671.15
Current Service Cost	59.69	36.51
Interest Cost	76.54	59.52
Paid benefits	(172.36)	(25.24)
Actuarial (gain) / loss	94.85	67.44
<b>Balance at the close of the year</b>	<b>868.10</b>	<b>809.38</b>

Fair value of plan assets:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Fair value of plan assets	
	As at March 31, 2016	As at December 31, 2014
Balance at the beginning of the year	781.05	743.74
Expected return on plan assets	63.85	51.23
Contributions by employer	55.94	-
Benefits paid	(172.36)	(25.24)
Actuarial gain / (loss)	59.30	11.32
<b>Balance at the close of the year</b>	<b>787.78</b>	<b>781.05</b>

Assets and Liabilities recognised in the Balance Sheet:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Assets and Liabilities recognised in the Balance Sheet	
	As at March 31, 2016	As at December 31, 2014
Present Value of Obligations	868.10	809.38
Fair Value of Plan Assets	(787.78)	(781.05)
<b>Net liability in the balance sheet</b>	<b>80.32</b>	<b>28.33</b>
Recognised under		
Long term provisions (Refer note 7)	80.32	28.33

Expenses recognised in the Statement of Profit and Loss:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Expenses recognised in the Statement of Profit and Loss	
	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Current service costs	59.69	36.51
Interest expenses	76.54	59.52
Expected return on investment	(63.85)	(51.23)
Net actuarial (gain) / loss	35.55	56.12
Excess fair value of plan assets over present value of defined benefit obligations not recognised in books in previous year.	-	(72.59)
<b>Total Expenses</b>	<b>107.93</b>	<b>28.33</b>

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

Return on plan assets:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Expected return on plan assets	63.85	51.23
Actuarial gain / (loss)	59.30	11.32
<b>Actual return on plan assets</b>	<b>123.15</b>	<b>62.55</b>

Major Category of Plan Assets as a % of total Plan Assets

% Invested

Particulars	As at March 31, 2016	As at December 31, 2014
Government of India Securities	31.00	32.00
Corporate Bonds	54.00	54.00
Other (including balances with bank and Life Insurance Corporation of India)	15.00	14.00
	<b>100.00</b>	<b>100.00</b>

Details of investments made by the Life Insurance Corporation of India have not been received by the Company.

Actuarial Assumptions:

Particulars	As at March 31, 2016	As at December 31, 2014
Discount Rate	7.75%	8.25%
Salary Growth Rate	8.00%	7.00%
Expected Return on Plan Assets	8.00%	7.50%
Attrition Rate	1 % to 3 %	1 % to 2 %

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.

The expected rate of return of plan assets is the Company's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Amounts recognised in current year and previous four years:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	March 31, 2016	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Defined Benefit Obligation	868.10	809.38	671.15	1,082.09	993.48
Plan Asset	787.78	781.05	743.74	1,065.42	1,032.45
Surplus / (Deficit)	(80.32)	(28.33)	72.59	(16.67)	38.96
Experience adjustment in plan liabilities	18.60	25.70	(113.17)	-	127.93
Experience adjustment in plan assets	59.30	11.32	(57.28)	19.29	1,032.46

Expected Contribution to the Fund in the next year:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at March 31, 2016	As at December 31, 2014
Gratuity	75.00	30.00

- iii) Liability for Compensated Absences (non funded) is ₹ 480.59 lacs (December 31, 2014: ₹471.14 lacs) recognised as under:  
 (All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at March 31, 2016	As at December 31, 2014
Long Term Provisions (Refer Note 7)	397.79	346.63
Short Term Provisions (Refer Note 11)	82.80	124.51
<b>TOTAL</b>	<b>480.59</b>	<b>471.14</b>

(All amounts in ₹ lacs, unless otherwise stated)

28 FINANCE COSTS	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Interest on long term borrowings	-	122.00
Interest on short term borrowings	1,134.15	490.13
Other Finance cost	186.23	105.03
<b>TOTAL</b>	<b>1,320.38</b>	<b>717.16</b>

(All amounts in ₹ lacs, unless otherwise stated)

29 DEPRECIATION AND AMORTISATION EXPENSES	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Depreciation on tangible assets (Refer note no.12)	2,567.80	1,354.64
Amortisation on intangible assets (Refer note no.13)	12.50	55.65
<b>TOTAL</b>	<b>2,580.30</b>	<b>1,410.29</b>

(All amounts in ₹ lacs, unless otherwise stated)

30 OTHER EXPENSES	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Consumption of stores and spare parts	1,880.01	2,009.72
Repairs to Building	155.41	92.66
Repairs to Machinery	1,447.68	1,535.18
Repairs others	101.12	37.54
Sales Commission	786.24	407.32
Cash Discount	206.68	228.72
Freight, handling and other expenses	6,426.97	5,417.22
Advertisement and Publicity expenses	129.09	113.69
Insurance	194.14	146.70
Rent (including lease rent)	149.94	105.24
Rates and Taxes	53.60	60.17
Printing, Stationery and Communications expenses	125.86	86.27
Travelling Expenses	373.60	270.93
Legal and Professional fees	1,316.97	1,197.73
Equipment Hire Charges	255.79	209.01
Provision for doubtful debts and advances (net)	4.27	1.57
Loss on sale / write-off of fixed assets (net)	236.29	39.16
Provision for slow / non-moving stores & spares	84.76	-
Directors fees	30.93	12.30

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

(Contd..)

(All amounts in ₹ lacs, unless otherwise stated)

30 OTHER EXPENSES	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Donation	0.72	9.34
Net loss on foreign currency transactions and translations	219.68	-
Payment to Auditors		
As auditor:		
Audit fees	51.50	41.00
Tax audit fees	9.90	6.00
Certification	0.40	0.40
Reimbursement of expenses	0.77	1.68
Expenditure towards Corporate Social Responsibility (CSR) activities	13.42	-
Miscellaneous expenses	289.89	201.49
<b>TOTAL</b>	<b>14,545.63</b>	<b>12,231.04</b>

## 31 SEGMENT INFORMATION

The Company has been operating in one business segment viz. Manufacturing and Sales of Cement and its only production facility is located in India. Therefore the disclosure requirements relating to primary and secondary segments required under Accounting Standard (AS) 17 are not applicable.

## 32a RELATED PARTY DISCLOSURES:

Names of the related parties and nature of relationship:

- i) Where control exists
  - Holding Company : Votorantim Cimentos EAA Inversiones S.L.
  - Ultimate Holding Company : Votorantim Cimentos S.A.
- ii) Other Related Parties with whom transactions have taken place during the period / previous year
  - Fellow Subsidiaries
    - Votorantim GMBH
    - Votoratim Cement Trading S.L.
- iii) Key Management Personnel
  - Mr. Chain Singh Jasol (Whole Time Director up to October 31, 2015)
  - Mr. Rajeev Nambiar (CEO from June 02, 2015 and whole Time Director from November 01, 2015)

## 32b DETAILS OF TRANSACTIONS / BALANCES :

(All amounts in ₹ lacs, unless otherwise stated)

Nature of Transactions	Holding Company	Other Related Entities		Key Management Personnel		Total
	Votorantim Cimentos EAA Inversiones S.L.	Votorantim GMBH	Votoratim Cement Trading S.L.	Mr. Chain Singh Jasol	Mr. K. K. Rajeev Nambiar	
Purchase of fuel	-	-	7,249.21	-	-	7,249.21
	-	5,440.70		-	-	5,440.70
Raw material gypsum	-	-	1,136.88	-	-	1,136.88
	-	-	-	-	-	-
Receiving of technical and other managerial services	932.79	-	-	-	-	932.79
	821.59	-	-	-	-	821.59



(Contd..)

Guarantee commission paid	185.30	-	-	-	-	185.30
	<i>104.20</i>	-	-	-	-	<i>104.20</i>
Remuneration Paid	-	-	-	97.45	110.39	207.84
	-	-	-	<i>65.58</i>	-	<i>65.58</i>
Payables / (Receivable) as at the year / period end	169.59	-	2,991.81	5.50	-	3,166.90
	<i>183.64</i>	<i>1,457.57</i>	-	-	-	<i>1,641.21</i>
Guarantee provided on behalf of the Company	12,765.46	-	-	-	-	12,765.46
	<i>9,569.08</i>	-	-	-	-	<i>9,569.08</i>

Figures in italic relates to the previous year.

### 33 INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE III TO THE COMPANIES ACT, 2013.

#### a) Raw materials consumed

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
	Amount	Amount
Lime Stone (Outside purchase)	1,855.96	2,087.08
Lime Stone (Own mines)	4,792.19	2,312.46
Sand stone	231.15	162.99
Iron Ore	317.12	253.51
Gypsum	912.62	702.77
Fly Ash / Pozollona material	596.63	539.31
Purchased Clinker	1,548.71	4,622.92
Marl	24.97	10.37
Packing material	1,404.32	1,353.93
<b>TOTAL</b>	<b>11,683.67</b>	<b>12,045.34</b>

#### b) Value of imported and indigenous raw materials, packing materials, spare parts and components consumed:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	15 Month's period from January 1, 2015 to March 31, 2016				Year ended December 31, 2014			
	Raw & Packing Material (Outside Parties)		Stores, Spare Parts & Components		Raw & Packing Material (Outside Parties)"		Stores, Spare Parts & Components	
	Amount	% of total Consumption	Amount	% of total Consumption	Amount	% of total Consumption	Amount	% of total Consumption
Imported	487.68	4.17	232.07	12.34	-	-	298.54	14.85
Indigenous	11,195.99	95.83	1,647.94	87.66	12,045.34	100.00	1,711.18	85.15
<b>TOTAL</b>	<b>11,683.67</b>	<b>100.00</b>	<b>1,880.01</b>	<b>100.00</b>	<b>12,045.34</b>	<b>100.00</b>	<b>2,009.72</b>	<b>100.00</b>

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

c) C.I.F.Value of Imports:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Coal	7,249.21	5,440.70
Gypsum	1,136.88	-
Stores, Spare Parts & Components	335.86	167.48
Capital Goods	350.72	797.63

d) Expenditure in foreign currencies (in rupee equivalent):

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Travelling Expenses	8.78	5.88
Information Services	11.76	34.98
Technical & Professional Services	1,015.26	1,038.56
Financial Charges	185.30	104.20
Interest	-	65.58

### 34 EARNINGS PER SHARE

Particulars	15 Month's period from January 1, 2015 to March 31, 2016	As at December 31, 2014
Profit after tax	525.02	365.13
Weighted average number of shares outstanding for Basic / Diluted EPS	1,416.44	1,416.44
Nominal value per share (in ₹)	10.00	10.00
Basic / Diluted Earning per Share (in ₹)	0.37	0.26

### 35 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:	15 Month's period from January 1, 2015 to March 31, 2016	Year ended December 31, 2014
Lease payments recognised in the Statement of Profit and Loss during the year	146.02	100.34

With respect to non cancellable operating leases, the future minimum lease payments are as follows:

	<b>As at March 31, 2016</b>	As at December 31, 2014
Not later than one year	37.49	37.30
Later than one year and not later than five years	172.44	164.12
Later than 5 years	356.27	399.26

### 36 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at March 31, 2016			As at December 31, 2014		
	Amount	Foreign currency	Foreign Currency Amount in lacs	Amount	Foreign currency	Foreign Currency Amount in lacs
Trade Payable	188.37	EURO	2.50	217.39	EURO	2.83
	3,001.35	USD	45.30	1,631.57	USD	25.82
	1.84	JPY	3.12	25.17	JPY	47.94
Loans & Advances	6.85	USD	0.11	3.70	USD	0.06
	0.64	GBP	0.01	-	GBP	-
	58.56	JPY	103.12	100.56	JPY	175.95

### 37 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 disclosures pursuant to the said MSMED Act are as follows :

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	<b>As at March 31, 2016</b>	As at December 31, 2014
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	32.40	23.44
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 on 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.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## 38 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	15 Month's period from January 1, 2015 to March 31, 2016
Gross amount required to be spent by the company during the year	13.42
<b>Amount spent during the year on:</b>	
i) Construction / acquisition of asset	4.21
ii) On purposes other than one above	9.21
<b>Total</b>	<b>13.42</b>

39 The accounting year of the company has been changed from January - December to April - March with effect from the current year. Consequently, the current year's financial statements are for the 15 months from January 1, 2015 to March 31, 2016. The previous year figures relate to the 12 months ended December 31, 2014.

In view of the above, the current year's figures are not comparable with those of the previous year. Previous year's figures have been regrouped wherever necessary.

The Notes are an integral part of these financial statement

**For Price Waterhouse**

Firm Registration No. : 301112E  
Chartered Accountants

**Arcot Kumaresan**

Independent Director  
DIN: 00149567

**A. K. Chhatwani**

Independent Director  
DIN: 00016735

**Partha Ghosh**

Partner  
Membership No.: 055913

**Persio Morassutti**

Director  
DIN: 07105548

**K. K. Rajeev Nambiar**

CEO & Whole Time Director  
and 'acting CFO'  
DIN: 07313541

**Suresh Kumar Meher**

GM (Legal) & Company Secretary

Place : Mumbai

Date : 24<sup>th</sup> May, 2016

# Shree Digvijay Cement Company Limited

CIN : L26940GJ1944PLC000749

Registered Office: Digvijaygram-361 140, Via: Jamnagar, Gujarat

Tel No.: 0288-2344272 -75, Fax No.: 0288- 2344092

Website: www.digvijaycement.com E-mail: investors.sdcl@vcimentos.com

## PROXY FORM

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./ Client ID	DPID

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 failing him/her
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ Or failing 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 71<sup>st</sup> Annual General Meeting of the Company, to be held on Thursday, 4<sup>th</sup> August 2016, at 9.30 am 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:

Resolution No.	RESOLUTIONS	OPTIONAL <sup>3</sup>	
	Ordinary Resolutions	For	Against
1	Adoption of audited financial statement of the Company for the year ended 31 <sup>st</sup> March 2016.		
2	Re-appointment of Mr. Persio Morassutti as a Director of the Company		
3	Ratification of appointment of Price Waterhouse, the Statutory Auditors and fixing their remuneration		
4	Ratification of remuneration to M/s Kiran J. Mehta & Co., Cost Auditors		
5	Appointment of Mr. K K. Rajeev Nambiar as Director		
	<b>Special Resolution</b>		
6	Remuneration to Non-Executive Directors		

P. T. O.

# Shree Digvijay Cement Company Limited

Registered Office: Digvijaygram-361 140, Via: Jamnagar, Gujarat

## ATTENDANCE SLIP

TO BE COMPLETED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*		REGD. FOLIO NO.	
CLIENT ID*		NO. OF SHARES HELD	

Full name of the member attending \_\_\_\_\_

Full name of the first joint-holder \_\_\_\_\_

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy \_\_\_\_\_

(To be filled in if Proxy Form has been duly deposited with the Company)

I /We hereby record my/our presence at the 71<sup>st</sup> ANNUAL GENERAL MEETING of the Company being held at Digvijaygram, Via: Jamnagar(Gujarat) 361 140 on Thursday, 4<sup>th</sup> day of August 2016 at 9.30 am.

Signature of the Member / Proxy holder(s) \_\_\_\_\_

(To be signed at the time of handing over of this slip)

\*Applicable in the case of shares held in dematerialized form

**Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.**

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of Member(s): \_\_\_\_\_

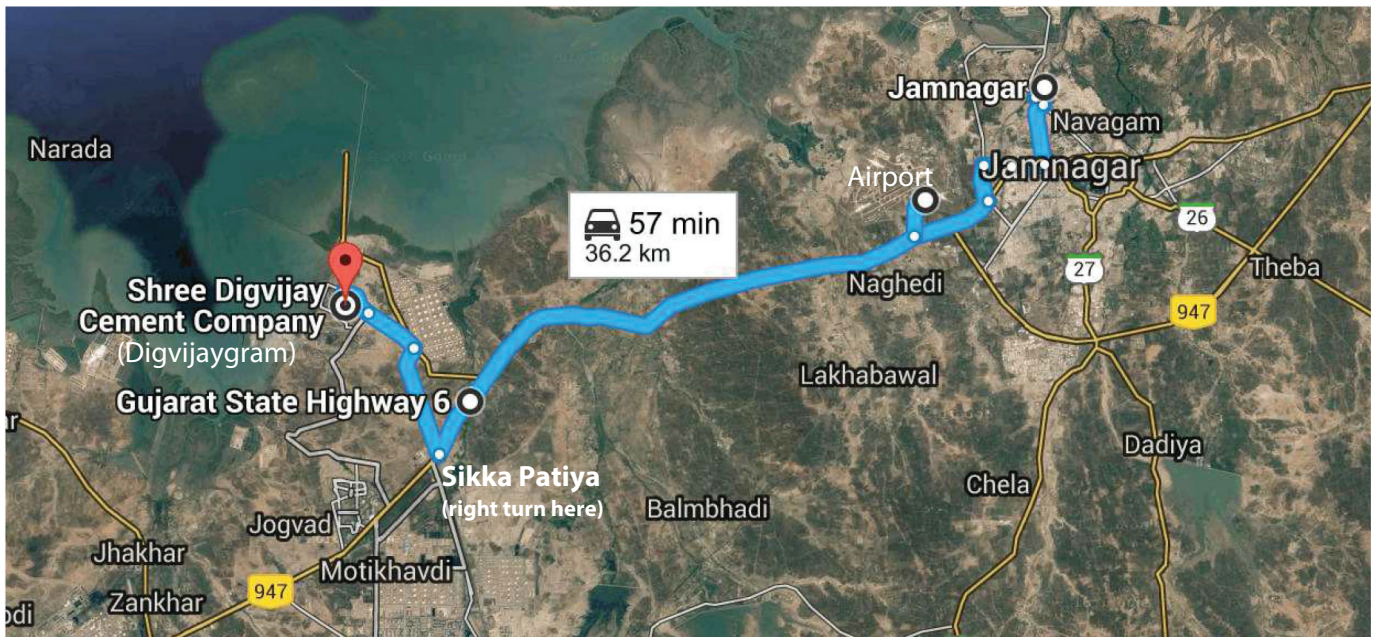
Affix  
Revenue  
Stamp

Signature of the Proxy holder(s) \_\_\_\_\_

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 71<sup>st</sup> Annual General Meeting.
3. 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.
4. Please complete all details including details of member(s) in above box before submission.

**Map for Annual General Meeting venue**







**Regd. Office & Works**

## **SHREE DIGVIJAY CEMENT CO. LTD.**

P. O. Digvijaygram - 361140. Via - Jamnagar,  
Gujarat, INDIA.

**Phone:** +91 288 234 4272-75

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**Website:**

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