



6th June, 2020

BSE Limited

Corporate Relationship Department
P.J. Towers
Dalal Street
Mumbai – 400 001

Company Code: 502180

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

Company Code: SHREDIGCEM

Dear Sir / Madam,

Sub: 75th Annual General Meeting of Shree Digvijay Cement Company Ltd. (the “Company”), Intimation of Record Date & Dividend Payment date, and Annual Report for FY’2019-20.

Further to our Letter dated 14th May, 2020, we would like to inform that the Seventy-fifth Annual General Meeting (“AGM”) of the Company will be held on Tuesday, 30th June, 2020 at 3.00 p.m. IST through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”).

Pursuant to Regulation 42 of the SEBI Listing Regulations, the Company has fixed **Tuesday, 23rd June, 2020 as the Record Date** for determining entitlement of members to Dividend for the financial year ended 31st March, 2020. If the Dividend as recommended by the Board of Directors is approved at the AGM, payment of such Dividend, subject to deduction of tax at source, will be made on Friday, 3rd July, 2020 as under:

- a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on Tuesday, 23rd June, 2020;
- b. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Tuesday, 23rd June, 2020, in compliance with MCA Circular dated 5th May, 2020 and SEBI Circular dated 12th May, 2020.

The Register of Members and Share Transfer Books of the Company shall remain closed from 24th June, 2020 to 30th June, 2020 (both days inclusive).



Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), please find herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which is being sent through electronic mode to the Members.

The Annual Report containing the Notice of AGM is also uploaded on the Company’s website at <http://www.digvijaycement.com/wp-content/uploads/2020/06/75th-Annual-Report-2019-20.pdf>

Thanking you,

Yours faithfully,

For Shree Digvijay Cement Co. Ltd.

Suresh Meher
VP(Legal) & Company Secretary

Encl. : As above

cc:

- 1. National Securities Depository Limited**
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel,
Mumbai 400 013.
- 2. Central Depository Services (India) Limited**
Marathon Futurex, A-Wing, 25th floor,
NM Joshi Marg,
Lower Parel,
Mumbai -400 013.
- 3. Link Intime India Pvt. Ltd.**
C-101, 247 Park
LBS Marg,
Vikhroli (W)
Mumbai – 400 083



75th
Annual Report
2019-20

75 years of
Cementing India

SHREE DIGVIJAY
CEMENT CO. LTD.

TABLE OF CONTENTS

Shree Digvijay Cement Co. Ltd stands to be a trusted building materials organization creating value for all our stakeholders through Excellence. Over the last 75 years, we have strived untiringly, in our own humble way to create long term value and Excellence through:

- Customer Delight
- Empowering People
- Building Trusted Partnerships
- Sustainable Business Practices

Our values are best represented by our continuous efforts to UPRISE.

UNITY –	We are one company, one team, creating immense value for our stakeholders.
PEOPLE –	We value people by respecting all individuals and their contributions.
RESPONSIBILITY –	We are accountable for all our actions, and committed to transparency.
INNOVATION –	We value innovation in pursuit of excellence.
SUSTAINABILITY –	We believe in sustainable and socially responsible practices.
ETHICS –	We value integrity and good governance.

Chairman's Statement

Board of Directors

Corporate Information

10 Years Financial Highlights & Key Financial Indicators

1 | Notice

Directors' Report | 9

25 | Management Discussion & Analysis |

Corporate Governance Report | 31

48 | Business Responsibility Report

Independent Auditor's Report | 58

64 | Balance Sheet

Statement of Profit & Loss | 65

66 | Cash Flow Statement

Statement of Change in Equity | 68

69 | Notes to the Financial Statement

CHAIRMAN'S STATEMENT



Dear Fellow Members,

Trust you and your dear ones are doing well and keeping good health.

It gives me immense pleasure to share few thoughts with you about our Company, on completion of 75 years.

It's very rare to find companies remaining alive and relevant, leave alone profitable and looking at growth on their 75th Anniversary. It is a matter of pride for all of us and more so when our Company has delivered its best ever performance.

There couldn't have been a more momentous occasion for the Board of Directors of your Company to propose a dividend and I am happy to share that they were extremely pleased to recommend for your approval, Dividend of 15%, after a gap of 33 years. A commendable feat indeed, this was made possible only by the sheer hard work and belief of our management team, I will dwell on this in detail a little later.

As you all are aware it was just about a year back, there was a change of control of the Company wherein Votorantim Cimentos sold its stake to one of the most known and reputed private equity firms in India-True North (TN). TN has many diverse businesses under their fold and are known for their business acumen, ethics and value creation. We are happy that the Company has after a long time come under active management style of functioning. Private Equity is growth oriented, value creating funds always seeking and striving for value enhancement.

I am sure, you would have observed from the financial results of past 12 months, we have constantly and continuously worked towards creating value for all stakeholders. Your Company is one of the oldest cement companies in India, almost a pioneering efforts by its founders. It had a good fortune to have been inaugurated by one of the tallest leaders of our country- Sardar Vallabhbhai Patel. It was the vision of the founders to not only set up cement plant but also to have in place other infrastructures like captive jetty, railway siding and it was one of the pioneers of transporting cement/clinker by sea transport. It was also first one to have a split location- cement / clinker plant at Sikka and a Cement grinding plant in Siwari, in the heart of Mumbai. Over the period due to variety of reasons most of the advantages were lost, but I firmly believe that in every adversity lies an opportunity. We are now constantly working to see how we can revive most of these critical assets into a new business opportunities. We have lots of ideas to add value to our business and as we go along we will unfold them.

Currently, all over the globe we are going through our most challenging times due to Pandemic COVID-19. It has changed and challenged the way we look at life and businesses. Nature is playing its invisible hand leaving us bewildered. Like every one else, we were also impacted, our operations were closed from 25th March, 2020, as per the lock down directives. We were fortunate that Sikka and Jamnagar did not have many cases and we could start our operations from 10th April. Gradually markets are opening up and at the time of writing this note to you we still have many parts of Gujrat and India closed posing challenge for businesses and economy. Our challenge is manifold- demand still struggling to come back, dependence on construction labour- most of them being migrating labour, and logistics. Cement demand is expected to be low for the most part of the year due to huge disruption in construction activity.

I am a great believer in mankind's innate ability to strive back and create new opportunities.

Agriculture and construction are key constituents of employing over 70% of our population-directly and indirectly, and over 25% of GDP. It's just incumbent upon us that we lay enough emphasis this year on these two economic activities to re-employ our millions of brothers and sisters and create a new order. It's the moment to seize this opportunity and pull the economy back on rails. More than ever before, agriculture and rural economy will play a pivotal role in bringing the cheer back on gloomy faces of our country.

Cement industry plays a very important and pivotal role in every developing economy and in current context more so. It could be a huge opportunity for us to use this calamity as an opportunity to start building infrastructure at all levels and more so in health care sector. We, as nation seemed to have failed in recognising our need for a robust health care system. COVID-19 made us realise yet again that we are most vulnerable with congenial Heart Disease and Diabetes patients, and this pandemic left them in very poor state. It's still not too late for us to invest heavily in our health care infrastructure. Another area which deserves huge impetus is- Affordable Housing. It should be taken up as mission for every citizen to have his/ her own house to build a truly aatmanirbhar India and every effort should be made to realize this mission.

We are fortunate to have an Industry leading team lead by Rajeev Nambiar, they have demonstrated during last one year that they are second to none. Though your Company is perhaps the smallest in the industry but their zeal, hard work and quick thinking on feet have given us one of best returns on capital. Our industry is known for huge capital needs and often poor return on capital due to intense competition and sometimes unabated desire to grow. We at, SDCC, are very clear, we will grow but not blindly and will always keep the return on capital as our base case. We are exploring many avenues to get the best return from our existing capacities and infrastructure, at the same time, making all our efforts to secure Limestone- key to our growth. We will share with you once the plans are finalised in that direction. This coming year has lots of uncertainties and it's a good time to reflect on how to conserve capital and reduce costs and look for savings to boost earnings.

The lock down surely helped us in reducing the severity of COVID-19 but on flip side it has taken a huge toll on economy which will take a while before recovering. Similarly, the society has taken a huge toll, be it unfortunate deaths of young lives while travelling back home or loss of jobs of self employed daily wage earners. They are the biggest sufferers of this pandemic. There are many steps we can take as society with the help of NGOs and Government to rebuild our societies and our echo system of peace and harmony. We need to once again learn to respect Environment, keep it the way nature wants it to be.

Let's hope and pray that India emerges as a strong nation post this very unforeseen and unfortunate pandemic. We all have a role to play and I am sure we all will rise to the occasion to help re-build scarred society & Economy soon.

I wish you and family safe all the time.

Best Regards,

Yours sincerely,
Anil Singhvi

BOARD OF DIRECTORS



Mr. Anil Singhvi
Executive Chairman

Mr. Anil Singhvi has vast experience in managing and running large corporates, including, long experience in cement and other industries in India. He is a Chartered Accountant and having outstanding professional career. Out of over 38 years of experience, he spent 23 years in building up of Ambuja Cement, where the last position held by him was of the CEO and Managing Director. Mr. Singhvi was awarded Entrepreneur Finalist Award by EY in 2006, and best CFO award by ET.



Mr. Mahesh Gupta
Independent Director

Mr. Mahesh Gupta, Group Advisor at Ashok Piramal Group, oversees all businesses of the Group which comprises of real estate, textiles, cutting tools and renewable energy. Mr. Gupta has about 4 decades of professional experience in the areas of Business Management and all dimensions of finance, M&As. He had also been associated with Piramal Enterprises Ltd. for about 17 years, and with RPG group as Group CFO and Management Board Member. Mr. Gupta has received a number of recognitions for his business acumen including the CFO of the Year Award. He is also on the Board of several other public listed companies.



Ms. Mini Menon
Independent Director

Ms. Mini Menon is the Co-Founder and Editor of Live History India, a first of its kind digital platform focussed on creating and putting out globally benchmarked, multi-media content on Indian history and cultural legacy. An award winning journalist and author, she has reported on the changing face of politics and business in India for the last 19 years. Her last assignment was as Executive Editor of Bloomberg TV India. Prior to that, Ms. Menon has worked in key roles, setting up and running channels like Times Now & UTVi. She was also part of the core team at CNBC — TV18. A History student from St Stephen's College, Delhi University, Ms. Menon has done her Masters in Communication Studies from the University of Poona and was also a Chevening Scholar.



Mr. Satish Kulkarni
Independent Director

Mr. Satish Kulkarni was appointed as Additional Director in the category of Independent Director by the Board of Directors effective from 2nd June, 2020. He was Chairman on the Board of SCIB PAINTS, responsible to steer the Board of Egyptian subsidiary of Asian Paints Group. Mr. Kulkarni joined Asian Paints Ltd. in the year 1993 and held various positions at Asian Paints. He has rich experience in B2B business, consumer services, channel sales, brand management and marketing. He is a B.E (Electronics) from Walchand College of Engineering, Sangli; and PGDBM from IIM, Ahmedabad.



Mr. Pramod Kabra
None Executive Director

Mr. Pramod Kabra joined True North in 2007 and is based in Mumbai. He is closely involved in supporting and building True North companies across different sectors including Consumer, Logistics and Financial services. Mr. Kabra is a Bachelor of Commerce and a qualified Chartered Accountant. He had earlier worked with Unilever for 23 years, gathering a wide ranging experience in strategy, finance, M & A, supply chain and innovations. He held various leadership positions including that of head of treasury for Asia and Africa region and Board member of the Global Home Care Category Team.



Mr. K.K. Rajeev Nambiar
CEO & Managing Director

Mr. Rajeev Nambiar has a rich experience of over 26 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. He is B.E. (Mechanical Engineering) from the National Institute of Technology, Suratkal. He has also done Executive leadership and transformational leadership programmes from IIMA and IMD Luzane Switzerland.

CORPORATE INFORMATION

BOARD COMMITTEES

Audit Committee

- 1) Mr. Mahesh Gupta (Chairman)
- 2) Ms. Mini Menon
- 3) Mr. Pramod Kabra

Nomination & Remuneration Committee

- 1) Mr. Mahesh Gupta (Chairman)
- 2) Mr. Anil Singhvi
- 3) Ms. Mini Menon
- 4) Mr. Pramod Kabra

Stakeholders' Relationship Committee

- 1) Ms. Mini Menon (Chairman)
- 2) Mr. Pramod Kabra
- 3) Mr. Anil Singhvi

Corporate Social Responsibility Committee

- 1) Mr. Anil Singhvi (Chairman)
- 2) Mr. Pramod Kabra
- 3) Ms. Mini Menon
- 4) Mr. K.K. Rajeev Nambiar

CHIEF FINANCIAL OFFICER

Mr. Vikas Kumar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Suresh Kumar Meher

OTHER SENIOR MANAGEMENT TEAM

Mr. Deepak R Dave – Sr. VP (Marketing)
Mr. P.R. Singh – VP (Marketing)
Mr. T.L. Narendran – VP (Project & Procurement)
Dr. Girish Mehta – VP (HR & Logistics)
Mr. R. Krishnakumar – VP (Manufacturing)

AUDITORS

B S R & Associates LLP
Chartered Accountants

COST AUDITORS

M/s Kiran J Mehta & Co.

INTERNAL AUDITORS

M/s. RSM Astute Consulting Pvt. Ltd.

SECRETARIAL AUDITORS

M/s Manoj Hurkat & Associates

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.

REGISTERED OFFICE

P.O. Digvijaygram -361 140
Via. Jamnagar (Gujarat)
Telephone : (0288) 2344 272 -2344 275
Fax No. : (0288) 2344 092 & 2344 214
Website : www.digvijaycement.com

CORPORATE IDENTIFICATION NUMBER

L26940GJ1944PLC000749

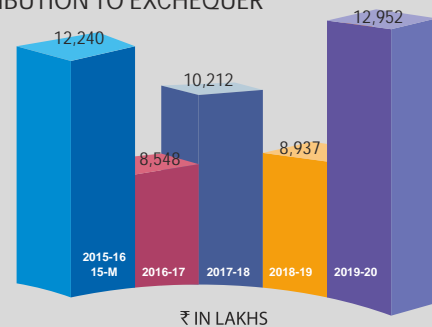
10 YEARS FINANCIAL HIGHLIGHTS

(All Amounts are in Rs. Crores, unless otherwise stated)

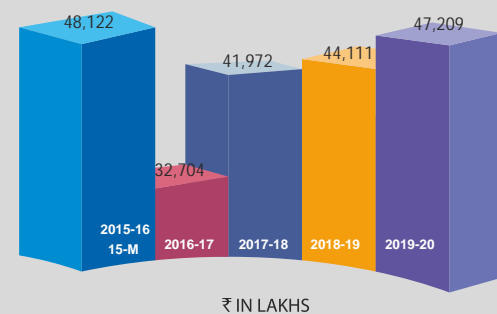
OPERATING RESULTS	IND AS				PREVIOUS GAAP					
	Mar '20 12 mths	Mar '19 12 mths	Mar '18 12 mths	Mar '17 12 mths	Mar '16 15 mths	Dec '14 12 mths	Dec '13 12 mths	Dec '12 12 mths	Dec '11 12 mths	Dec '10 12 mths
Total Revenue (Net of Excise Duty/ Net of GST)	472.09	441.11	419.72	327.04	481.22	421.18	337.84	391.99	338.61	298.37
Material Cost	81.52	99.01	102.68	69.23	105.55	117.77	83.67	79.14	65.66	36.95
Employee Benefit Expenses	34.39	28.99	26.94	26.27	34.69	23.32	21.93	23.53	22.29	21.70
Power & Fuel Cost	139.09	154.56	119.73	101.80	151.30	132.94	129.79	147.57	134.71	131.18
Other Expenses	113.94	127.38	116.17	109.92	145.43	122.23	107.18	92.06	96.14	84.30
Depreciation and Amortisation	24.80	23.99	22.88	22.19	25.80	14.10	13.19	9.87	10.07	9.38
Finance Cost	1.78	3.86	10.69	11.47	13.20	7.17	2.63	1.04	0.29	0.34
Profit Before Tax and Exceptional Items	76.57	3.32	20.63	-13.84	5.25	3.65	-20.55	38.78	9.45	14.52
Exceptional Items	-	-	-	-	-	-	14.14	-12.15	-	12.46
Tax Expense	20.14	1.26	7.26	-4.79	-	-	0.83	9.67	-	1.06
Profit After Tax and Exceptional Items	56.43	2.06	13.37	-9.05	5.25	3.65	-35.52	41.26	9.45	1.00
Other Comprehensive Income	-0.41	-0.85	0.90	-0.21	-	-	-	-	-	-
Total Comprehensive Income for the year/period	56.02	1.21	14.27	-9.26	5.25	3.65	-35.52	41.26	9.45	1.00
Earning Per Share - Basic	3.99	0.15	0.95	-0.64	0.37	0.26	-2.51	2.92	0.67	0.07
Earning Per Share - Diluted	3.96	0.15	0.95	-0.64	0.37	0.26	-2.51	2.92	0.67	0.05
Dividend Rs. Per Share	1.50	-	-	-	-	-	-	-	-	-
ASSETS EMPLOYED										
Fixed Assets (Net)	197.34	204.09	208.24	217.13	216.59	210.14	173.29	174.39	176.41	128.01
Other Assets (Net)	182.45	155.85	142.28	160.88	197.20	150.76	147.16	155.25	117.09	111.94
Total Assets	379.79	359.94	350.52	378.01	413.79	360.90	320.45	329.64	293.50	239.95
FINANCED BY										
Share Capital	141.38	141.38	141.38	141.38	141.38	141.38	141.38	141.38	141.38	141.38
Other Equity	135.02	78.34	77.13	62.86	56.96	51.71	48.06	83.58	42.32	32.88
Total Equity	276.40	219.72	218.51	204.24	198.34	193.09	189.44	224.96	183.70	174.26
NUMBER OF EQUITY SHARES (IN LACS)	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74

KEY FINANCIAL INDICATORS

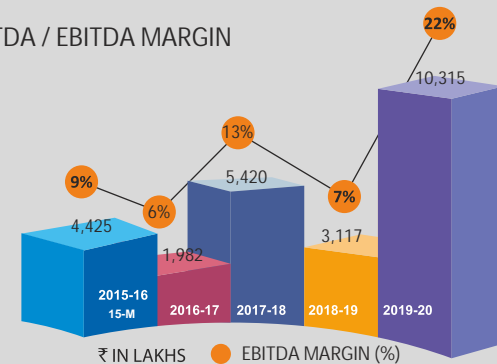
CONTRIBUTION TO EXCHEQUER



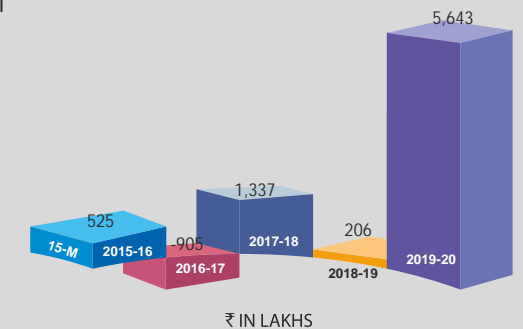
REVENUE GROWTH



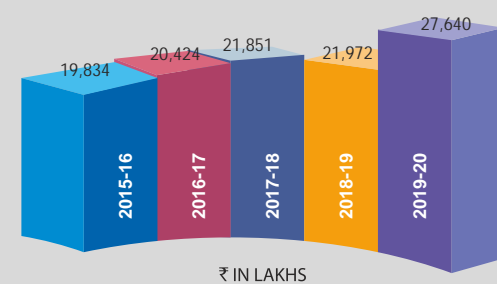
EBITDA / EBITDA MARGIN



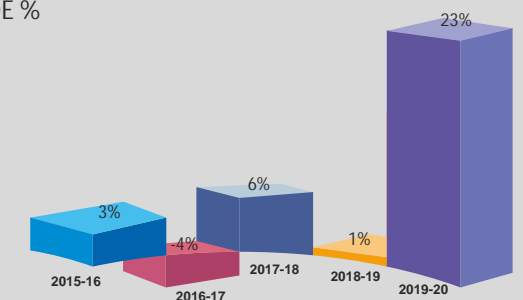
PAT



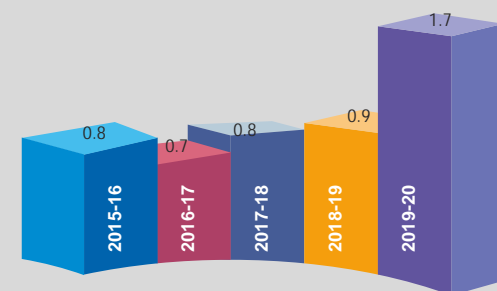
NET WORTH



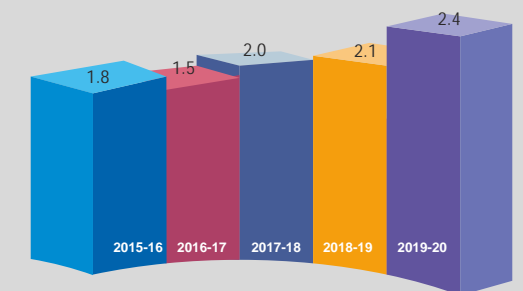
ROE %



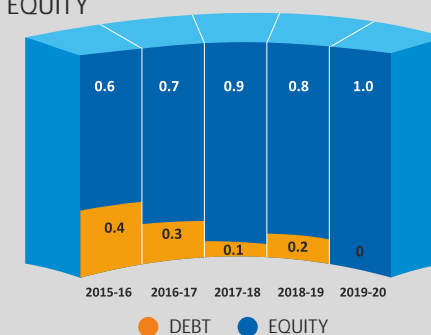
WORKING CAPITAL RATIO



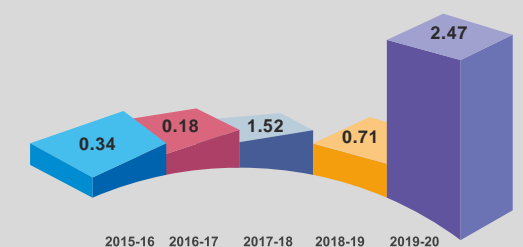
FIXED ASSETS TURNOVER RATIO



DEBT / EQUITY



DEBT SERVICE COVERAGE RATIO



NOTICE

NOTICE is hereby given that the Seventy-Fifth Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT COMPANY LTD.** (CIN L26940GJ1944PLC000749) (the "Company") will be held on Tuesday, 30th June, 2020 at 3:00 p.m. (IST) through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") facility, to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, including the Audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss for the year ended on that date and Reports of the Board of Directors and the Auditors thereon.
- To declare Dividend on equity shares of the Company for the financial year ended 31st March, 2020.
[The Board of Directors of the Company at their meeting held on 14th May, 2020 recommended Dividend of Rs. 1.50 per equity share of fully paid up face value of Rs. 10.00 each for the above financial year.]
- To appoint a Director in place of Mr. Pramod Kabra (holding DIN 02252403), a Non-Executive & Non-Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- Appointment of Mr. Satish Kulkarni as an Independent Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Satish Kulkarni (holding DIN 0008741350), who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years i.e. w.e.f. 2nd June, 2020 and upto the date of Annual General Meeting in the year 2025 and that he shall not be liable to retire by

rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

5. Ratification of Remuneration to Cost Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof), the Company hereby ratifies the remuneration of Rs.1,35,000/- (Rupees One lakh thirty five thousand only) plus applicable tax and out of pocket expenses actually incurred and payable to M/s. Kiran J. Mehta & Co, Cost Accountants (Firm Registration No. 000025), who are appointed by the Board of Directors on recommendation of the Audit Committee, as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2020-21."

By Order of the Board

Suresh Kumar Meher
Vice President (Legal)
& Company Secretary

Place : Ahmedabad
Date : 2nd June, 2020

Registered Office:
DIGVIJAYGRAM 361 140
Via: Jamnagar, Gujarat, India
CIN: L26940GJ1944PLC000749

Website: www.digvijaycement.com
Email: investors.sdcl@digvijaycement.com

NOTES:

- In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide circular no. 20/2020 dated 5th May, 2020 read with circular No. 14/2020 dated 8th April, 2020 and circular No. 17/2020 dated 13th April, 2020 (collectively referred to as 'MCA Circulars'), inter alia, permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

Considering social distancing as a pre-requisite to contain spread of COVID-19 and in compliance with the provisions of the above MCA Circulars, the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held

REMARKABLE

75
YEARS OF
KAMAL
CEMENT

A milestone that
makes us celebrate
and introspect
the Company's
journey so far

- through VC / OAVM for which detailed instructions are contained in this Notice.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Institutional / Corporate Shareholders ("Body Corporates") are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and also to cast their votes through e-voting platform.
 3. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Items No. 4 and 5 of the accompanying Notice is annexed hereto.
 4. A statement giving additional details of the Directors seeking appointment /re-appointment at this AGM as set out at Item No. 3 and 4 of this Notice are annexed herewith as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.
 5. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice.
 6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM alongwith the explanatory statement and Annual Report 2019-20 are available on the website of the Company at www.digvijaycement.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of National Securities Depository Limited (NSDL) i.e. www.evoting.nsdl.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in Financial Express (English Language - All India edition) and Financial Express (Gujarati Language).
 7. The Members can join the AGM through VC / OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through electronic mode will be made available for 1000 members on first come first served basis. It may be noted that the large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors are allowed to attend the AGM without restriction on account of first come first served basis.
 8. Members attending the AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 9. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investors.sdcl@digvijaycement.com from 23rd June, 2020 (9:00 a.m. IST) to 26th June, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
 10. Member may also send their query in writing through investors.sdcl@digvijaycement.com on or before 26th June, 2020, which would be replied by the Chairman at the time of the meeting. For this purpose, it would not be necessary to register as speaker.
 11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 23rd June, 2020 through email on investors.sdcl@digvijaycement.com. The same will be replied by the Company suitably.
 12. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th June, 2020 to 30th June, 2020 (both days inclusive).
 13. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made around 3rd July, 2020 as under:
 - i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on 23rd June, 2020.
 - ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on 23rd June, 2020.
 14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Link In-time India Pvt. Ltd., Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website www.digvijaycement.com.
 15. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
 16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's RTA in case the shares are held by them in physical form. Members attention is also invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated 20th April, 2018, pursuant to which the Company has written to shareholders requesting them to furnish details regarding their PAN as also their bank details for payment of dividend, if any, through electronic mode. Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.
 17. Members holding shares in single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company or RTA, whilst those Members holding shares in demat mode should file their nomination with their Depository Participant. The nomination form can be downloaded from the Company's website www.digvijaycement.com.
 18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
 19. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 20. At the 73rd AGM of the Company held on 7th September, 2018, the Members approved appointment of BSR & Associates LLP (BSR), Chartered Accountants, Mumbai (ICAI Firm Registration Number 116231W/W- 100024) as the Statutory Auditors of the Company to hold office from the conclusion of the said Meeting till the conclusion of the 78th Annual General Meeting, subject to ratification of their appointment by the Members at every intervening AGM held thereafter. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.
 21. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to accounts.sdcl@digvijaycement.com by 11:59 p.m. IST on 23rd June, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to accounts.sdcl@digvijaycement.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 23rd June, 2020.
 22. **Instructions for e-voting and attending the AGM through VC/OAVM are annexed to this Notice.**

By Order of the Board

Suresh Kumar Meher
Vice President (Legal)
& Company Secretary

Place : Ahmedabad
Date : 2nd June, 2020

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. 4 to 5 of the accompanying Notice dated 2nd June, 2020

Item no.4

Appointment of Mr. Satish Kulkarni as an Independent Director:

Pursuant to the Regulation 25(6) of SEBI (LODR) Regulations, 2015, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 14th May, 2020, appointed Mr. Satish Kulkarni (DIN 0008741350) as Additional Director in the category of “Independent Director” effective from 2nd June, 2020 to fill the vacancy caused by the resignation of Mr. Kumaresan Arcot, who resigned as independent director from 28th January, 2020.

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

Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Satish Kulkarni is proposed to be appointed as an Independent Director of the Company to hold office for a period of 5 years i.e. w.e.f. 2nd June, 2020 and upto the date of Annual General Meeting in the year 2025 and he shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.

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

In view of the vast experience in the B2B business, consumer services, channel sales, brand management and marketing and other related matter, it is desirable that the Company should avail the benefits of his association with the Company.

In view of the above, the Board recommends adoption of resolution set out at Item No. 4 of the accompanying Notice of Annual General Meeting as an ordinary resolution. Accordingly,

the approval of the Members is sought to appoint Mr. Satish Kulkarni as an Independent Director of the Company.

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

Other details required to be given as per under relevant Regulations of SEBI Listing Regulations and Secretarial Standard on General Meetings are given in the notes to the Notice of the Annual General Meeting.

Item no. 5

Ratification of Remuneration to Cost Auditor

The Board of Directors at their meeting held on 14th May, 2020, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. Kiran J Mehta & Co, Cost Accountants, Ahmedabad as the Cost Auditors to conduct the audit of Cost records of the Company for the financial year ending on 31st March, 2021 on a remuneration of Rs.1,35,000/- plus out of pocket expenses actually incurred for the purpose of such audit.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 (“Act”) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company.

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for remuneration to the Cost Auditor for the financial year ending on 31st March, 2021.

The Board recommends adoption of resolution set out at Item No. 5 of the accompanying Notice of Annual General Meeting as an ordinary resolution.

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

By Order of the Board

Place : Ahmedabad
Date : 2nd June, 2020

Suresh Kumar Meher
Vice President (Legal)
& Company Secretary

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

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

Name of Directors:	Mr. Pramod Kabra	Mr. Satish Kulkarni
Director Identification Number (DIN)	02252403	0008741350
Date of Birth	20 th October, 1959	9 th January, 1969
Nationality	Indian	Indian
Date of Appointment	30 th April, 2019	2 nd June, 2020
Qualification	FCA	B.E (Electronics); PGDBM from IIM, Ahmedabad
Expertise in specific functional area	He is having expertise in Consumer, healthcare, logistics and financial services	He is having expertise in B2B business, consumer services, channel sales, brand management and marketing.
List of the directorships held in other companies*	1. Atria Convergence Technologies Ltd. 2. Fincare Small Finance Bank Ltd.	NIL
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	NIL	NIL
Number of Board Meetings attended during the year 2019-20	5	Not Applicable
Relationships between Directors Inter-Se	None	None
No. of Shares held in the Company	0	0
Remuneration details (Including Sitting Fees & Commission) during the financial year	Not applicable	Not applicable

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

INSTRUCTIONS FOR E-VOTING AND ATTENDING THE AGM THROUGH VC / OAVM ARE AS FOLLOWS:

A. Instructions for Members for remote Voting through Electronic means are as under:

- i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility of casting votes using remote e-voting system as well as venue voting on the date of the AGM through services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii) **The remote e-voting period begins on 27th June, 2020 at 10.00 a.m. and ends on 29th June, 2020 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 23rd June, 2020 may cast their vote electronically. **The remote e-voting module shall be disabled by NSDL for voting thereafter.** Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii) The Board of Directors has appointed Mr. Manoj Hurkat (Membership No. FCS No. 4287), Partner of M/s. Manoj Hurkat & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

- vi) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

- vii) The details of the process and manner for voting electronically *through NSDL e-Voting system consists of "Two Steps"* as explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :
- | Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID
For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID
For example, if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company
For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |
5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is **112964**.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Bodies Corporates are required to send scanned copy (PDF/ JPG Format) of the relevant Board or Governing Body Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to manojhurkat@hotmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in
4. In case of any grievances connected with facility for e-voting, please contact Mr. Pratik Bhatt (email: pratikb@nsdl.co.in or at telephone no.: +91-22-24994738) or Ms. Sarita Mote

(email: saritam@nsdl.co.in or at telephone no.: +91-22-24994890) or to NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email : evoting@nsdl.co.in, Tel: 91 22 2499 4738/ 1800-222-990

B. Instructions for Members attending the AGM through VC / OAVM are as under:

- Member will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM provided by NSDL through its platform at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- Members who need assistance before or during the 75th AGM, can contact NSDL on their toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact NSDL officials Mr. Pratik Bhatt at designated email ID: pratikb@nsdl.co.in or at telephone nos.: +91-22-24994738, and Ms. Sarita Mote at designated email ID: saritam@nsdl.co.in or at telephone nos. : +91-22-24994890.
- Members are encouraged to join the Meeting through Laptops or Desktop and having Internet connectivity with good speed for better experience and to avoid any disturbance during the meeting.

Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

I) Physical Holding :-

Send a request to the RTA of the Company, Link Intime at rnt.helpdesk@linkintime.co.in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.

Following additional details need to be provided in case of updating Bank Account Details:

- Name and Branch of the Bank in which you wish to receive the dividend,
- the Bank Account type,
- Bank Account Number allotted by their banks after implementation of Core Banking Solutions,
- 9 digit MICR Code Number,
- 11 digit IFSC Code, and
- a scanned copy of the cancelled cheque bearing the name of the first shareholder.

II) Demat Holding :-

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors has immense pleasure in presenting 75th Annual Report of Shree Digvijay Cement Co. Ltd. along with audited financial statements for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS:

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

(Rs. in lakhs)

Particulars	Current Year Ended 31.03.2020	Previous Year Ended 31.03.2019
Revenue from Operations (Gross) including Other Income	47,209	44,111
Operating Expense	36,894	40,994
Operating Profit (EBITDA)	10,315	3,117
Depreciation / Amortization	2,480	2,399
Interest	178	386
Profit Before Tax	7,657	332
Tax Expenses	2,014	126
Profit for the year	5,643	206
Other Comprehensive Income/(Expense) (OCI)	(41)	(85)
Total Comprehensive Income/ (Expense) for the year	5,602	121
Balance brought forward from previous year	(1008)	(1,129)
Transition impact of Ind AS 116, net of tax	(6)	-
Total Profit/(Loss) Carried Over to Balance Sheet	4,588	(1008)

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

Company's total income for the year stood at Rs. 47,209 lakhs, 7% higher over the previous year driven by comparative higher sales prices.

Profit before tax for the year was Rs.7,657 lakhs as compared to Rs.332 lakhs in previous year. Profit after tax for the year was Rs.5,643 lakhs as compared to Rs. 206 lakhs in the previous year.

The growth was recorded mainly due to higher market realisation, raw material cost optimization, reduction in overall fuel cost and sustainable plant operations.

PRODUCTION AND SALES:

(In lakhs MT)

	Current Year Ended 31.03.2020	Previous Year Ended 31.03.2019
Production:		
- Clinker	8.12	8.51
- Cement	9.93	10.57
Sales:		
- Cement	9.83	10.53
- Clinker	-	-

During the year under review, Cement production was 9.93 lakhs MT as against 10.57 lakhs MT in previous year. Clinker production was 8.12 lakhs MT as against 8.51 lakhs MT in previous year. Company's operations were impacted due to lengthy rainy season and further got impacted in the month of March 2020 due to shutdown following nationwide lockdown announced by the Government of India in view of COVID-19 pandemic. The Company has resumed its operations after obtaining permission from competent authorities and further is monitoring the situation closely.

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

DIVIDEND :

Your Directors are pleased to recommend a Dividend of Rs.1.50/- (i.e. 15%) per equity share of Rs. 10/- each on 14,13,74,278 equity shares for the year ended 31st March, 2020, aggregating to Rs.2,120.61 Lakhs, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date. This proposed Dividend, after a gap of 33 years, reflect your Company's strong performance and commitment. There is no dividend distribution tax applicable on the Dividend payable.

TRANSFER TO RESERVES:

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

SHARE CAPITAL :

The paid-up Equity Share Capital as on 31st March, 2020 was Rs.1,41,37,42,780/-. In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shareholders of the Company have, at their Annual General Meeting held on 5th August, 2019, approved increase in Authorised Equity Share Capital of the Company to Rs. 2,50,00,00,000 (Rupees Two Hundred Fifty Crores only) comprising entirely of 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.10 (Rupees Ten), by reclassification of the Authorised Share Capital from Rs. 2,50,00,00,000 comprising

15,00,00,000 Equity Shares of Rs.10 each and 1,00,00,000 Preference Shares of Rs. 100 each.

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 Companies Act, 2013 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.

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.

FINANCIAL STATEMENTS :

The Audited Standalone Financial Statements of the Company which forms part of this Annual Report has been prepared pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.

NUMBER OF MEETINGS :

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

Board Meeting

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

Audit Committee

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

Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee of Directors, majority of members are Non-Executive Directors and 50% of members are Independent Directors. The Committee met four times during the year. Details of the role and responsibilities of the Committee, the particulars of meetings

held and attendance of the Members at such Meetings are given in the Corporate Governance Report.

CSR Committee

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

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- in preparation of Annual Accounts for the financial year ended 31st March, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and the profit and loss of the Company for that Year;
- 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;
- the Directors have prepared the annual accounts of the Company on a going concern basis;
- the Directors have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy, inter alia, for nomination and appointment (including remuneration) of Directors, senior management and key managerial personnel of the Company. The details of Nomination and Remuneration Policy is stated in the Corporate Governance Report and uploaded on website of the company at <https://www.digvijaycement.com/wp-content/uploads/2020/02/Nomination-Remuneration-Policy-05-Aug-2019.pdf>.

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 the Board Diversity Policy and other applicable policies of the Company.

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

Further details on election process, appointment of Directors and the details of remuneration paid to Directors and Managerial Personnel forms part of the Corporate Governance Report.

CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES:

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

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

MATERIAL CHANGES AND COMMITMENTS :

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on 31st March, 2020 and the date of this report i.e. 14th May, 2020.

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

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

PARTICULARS OF EMPLOYEES AND REMUNERATION :

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Companies Act, 2013

and the Rules framed thereunder are annexed hereto as **Annexure C**.

During the year under review, no employees, other than Executive Chairman and CEO & Managing Director, were in receipt of remuneration of not less than Rs.102 Lakh per annum or Rs.8.50 Lakh per month. Though certain details on remuneration in respect of said Executive Chairman and CEO & Managing Director are provided in Corporate Governance Report and forms part of this Report, in term of Section 136 of the Companies Act, 2013, 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, or may be made available on request being made by email to investors.sdcl@digvijaycement.com.

EMPLOYEE STOCK OPTION PLAN (ESOP) :

Pursuant to approval of Shareholders at the Annual General Meeting held on 5th August, 2019 and in accordance with SEBI (Share Based Employee Benefits) Regulations 2014 (SBEB Regulations), SDCCL Employee Stock Option Plan 2019 ("ESOP 2019") has been implemented. The Nomination and Remuneration Committee of the Board has, at its meeting held on 5th August, 2019, granted 70,60,000 options at an exercise price of Rs. 16/- per option to eligible employees of the Company, as per the terms and conditions mentioned in ESOP 2019.

The certificate of the auditors regarding the implementation of the scheme being in accordance with SBEB Regulations and in accordance with the resolution of the Company in the general meeting would be placed at the Annual General Meeting or posted electronically for the inspection of the members.

Applicable disclosure as stipulated under SBEB regulation as on 31st March, 2020 with regard to ESOP 2019 is provided at **Annexure D** to this report.

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 Company has in place Internal Complaints Committee for redressal of grievances regarding sexual harassment received by the Committee. All employees are covered under this Policy. During the year under review, the Company has not received any complaints of sexual harassment. The Company has complied with all the applicable provisions of the said Act.

RISK MANAGEMENT POLICY :

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing / mitigating the same. The Company has developed and

implemented a Risk Management Policy that also include the process for identifying, minimizing and mitigating risks which is periodically reviewed by the Audit Committee and the Board of Directors.

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 and free medical amenities, not only to its employees but to all nearby villagers, whose ever 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 various departments.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP) :

Appointment of Director

The Board has at their meeting held on 14th May, 2020 appointed Mr. Satish Kulkarni (DIN 0008741350), as Additional Director in the category of Independent Director with effect from 2nd June, 2020. Pursuant to Section 161 and other applicable provisions, if any of the Companies Act, 2013 and Article 109(i) of the Articles of Association of the Company, Mr. Satish Kulkarni shall hold office till the date of the ensuing Annual General Meeting. The Board recommends appointment of Mr. Kulkarni as Independent Director of the Company for a period of 5 years i.e. from 30th June, 2020 and upto the date of Annual General meeting in the year 2025.

Mr. Satish Kulkarni has submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013 and provisions of the Listing Regulations stating that he meets the criteria of independence as provided therein. The Board has also considered such declaration and have formed opinion that Mr. Satish Kulkarni as Independent Director, fulfils the criteria of independence and is independent from management.

The Company has received notice as per the provisions of Section 160(1) of the Companies Act, 2013 from Member in writing proposing his candidature for the office of Director.

Re-appointment of Director

Mr. Pramod Kabra, Non-Executive and Non-Independent 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.

As required by Regulation 36(3) of the SEBI (LODR) and provisions of the Secretarial standards, brief resume and other details of the above mentioned Directors getting appointed / re-appointed, is attached to the Notice of the ensuing Annual General Meeting.

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

Cessation of Directors

Mr. A.K. Chhatwani and Mr. Kumaresan Arcot have resigned from the office of Independent Directors effective from 29th July, 2019 and 28th January, 2020, respectively. Your Board takes the opportunity to acknowledge the contributions of Mr. A.K. Chhatwani and Mr. Kumaresan to the Company during their tenure on the Board.

Key Managerial Personnel (KMP)

During the year under review, there is no change in Key Managerial Personnel. The following are the Key Managerial Personnel of the Company as defined under Sections 2(51), 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Mr. KK Rajeev Nambiar, Chief Executive Officer & Managing Director
- Mr. Vikas Kumar, Chief Financial Officer
- Mr. Suresh Meher, Vice President (Legal) & Company Secretary

Certificate of Non Disqualification of Directors

In accordance with the SEBI (LODR) (Amendment) Regulations, 2018; a certificate has been received from M/s Manoj Hurkat & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been disqualified to act as Director. The same is annexed herewith as **Annexure F**.

Annual Evaluation by the Board of its own performance, its Committees and Individual Directors

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

AUDITORS :

Statutory Auditors and their Report

M/s. BSR & Associates LLP (BSR), Chartered Accountants, Mumbai (ICAI Firm Registration Number 116231W/W- 100024) were appointed as Statutory Auditor of the Company at the 73rd Annual General Meeting held on 7th September, 2018 to hold office from the conclusion of the said Meeting till the conclusion of the 78th Annual General Meeting to be held in 2023, subject to ratification of their appointment by the Members at every intervening Annual General Meeting held thereafter.

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

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

Cost Auditors and Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has made and maintained the cost accounts and records for the year 2019-20. The Board of Directors on the recommendation of the Audit Committee appointed M/s. Kiran J. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2019-20. The Cost Audit Report for the financial year ended 31st March, 2019 was filed with the Central Government on 19th August, 2019 vide SRN No.H834391090.

Further, the Board of Directors has appointed M/s Kiran J Mehta & Co. as the Cost Auditors of the Company for the financial year 2020-21 and fixed their remuneration, subject to ratification by the shareholders at the ensuing AGM of the Company. M/s Kiran J Mehta & Co. have confirmed that their appointment is within the limits of the section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. Necessary resolution seeking Member's approval for ratification of remuneration payable to the Cost Auditor for FY 2020-21, is included in the notice convening 75th Annual General Meeting.

Secretarial Auditor and Secretarial Audit Report

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

In line with the requirement of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Board of Directors of the Company had appointed M/s Manoj Hurkat & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended 31st March, 2020 are annexed as **Annexure G** to this Report. This report is unqualified and self-explanatory and does not call for any further comments/explanations

Tax Auditors

The Board of Directors on the recommendation of the Audit Committee re-appointed M/s. BSR & Associates LLP (BSR), Chartered Accountants, to carry out the Tax Audit for the Assessment Year 2020-21.

Internal Auditors

During the year under review M/s. RSM Astute Consulting (RSM) has acted as Internal Auditors of the Company. Audit observations of RSM and corrective actions thereon are periodically presented to the Audit Committee of the Board. The Board of Directors on the recommendation of the Audit Committee re-appointed RSM to carry out the Internal Audit of the Company for the Financial Year 2020-21.

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.

The Company had, in all material respects, an adequate internal financial controls system with respect to its financial statements for the year ended 31st March, 2020, and that are operating effectively. More details on internal financial controls forms part of the Management Discussion and Analysis Report.

WEB ADDRESS FOR ANNUAL RETURN AND OTHER POLICIES/ DOCUMENTS :

In line with the requirement of the Companies (Amendment) Act, 2017, effective from 31st July, 2018, the extract of annual return is no longer required to be part of the Board Report. However, for the Compliance of Conditions of Section 92 and Section 134, copy of the Annual Return for the financial year ended 31st March,

2020 and other policies of the Company shall be placed on the Company's website: www.digvijaycement.com.

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

Vigil Mechanism (Whistle Blower Policy) and Code of Conduct

Creating a fraud and corruption free culture has always been the core factor of your Company. In view of the potential risk of fraud, corruption and unethical behavior that could adversely impact the Company's business operations, performance and reputation, Digvijay has emphasized even more on addressing these risks. To meet this objective, a comprehensive vigil mechanism named Whistle Blower Policy, which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, is in place. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

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

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

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

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

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders (Insider Code). Any Insiders (as defined in Insider Code) including designated employees & persons 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 Insider 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

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

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.

BUSINESS RESPONSIBILITY REPORT :

The Business Responsibility Report as required under National Guidelines on Responsible Business Conduct formulated by Ministry of Corporate Affairs, Government of India, and under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by the Company from an environmental, social and governance perspective, form an integral part of this Annual Report and annexed hereto as **Annexure I**.

TRANSFER OF SHARES :

As notified under Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

LISTING OF EQUITY SHARES :

The Company's equity shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.. Listing fees have been paid up to 31st March 2021.

More details about the Transfer of Shares and Listing of Shares are given in the Corporate Governance Report.

COMPLIANCE WITH SECRETARIAL STANDARDS :

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

AWARDS AND RECOGNITION :

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

At Digvijay, we continuously invest in the development and improvement of our operations to achieve the world best. Your Company received several awards and recognitions during the year 2019-20.

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

- ❖ Best Cement Manufacturer in Gujarat for 75 years of development and contribution to Gujarat, handed over by the Hon'ble Chief Minister of Gujarat.
- ❖ Gold Category Exceed Award 2018 for outstanding achievements in Environment preservations.

- ❖ GOLD AWARD – SEEM ENERGY MANAGEMENT AWARD 2019 beating all the INDIAN CEMENT MANUFACTURERS through our outstanding achievements in ENERGY MANAGEMENT.
- ❖ Apex India Business Excellence Award 2019 for outstanding achievements in BUSINESS MANAGEMENT.
- ❖ GOLD CATEGORY AWARD FOR Outstanding Achievements in Safety Management by GREENTECH SAFETY AWARD 2019.
- ❖ Leadership Award for Health-Safety and Main streaming of HIV Prevention from Centre for Social Development Gujarat.
- ❖ National Award for Excellence in Cost Management – 2nd position in Private Small & Medium Enterprise by ICWAI.
- ❖ Ramakrishna Bajaj National Quality Award.
- ❖ Several other wards Mines Safety, Swachhta, Publicity, Propaganda and Fire Fighting for its Mines locations.

HOLDING ENTITY :

True North Fund VI LLP became the "Promoter" of the Company effective from 30th April, 2019 on acquisition of 80,825,928 fully paid-up equity shares of Rs. 10 each representing 57.17% of issued and paid up share capital of the Company i.e. 54.62% of shares acquired through on market purchase on the floor of stock exchange from erstwhile promoters Votorantim Cimentos EAA Inversiones S.L & Votorantim Cimentos S.A. and 2.55% through open offer from public shareholders, pursuant to the Share Purchase Agreement ("SPA") executed on 12th November, 2018 amongst True North Fund VI LLP and Votorantim Cimentos EAA Inversiones S.L & Votorantim Cimentos S.A.

HUMAN RESOURCES :

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

HEALTH AND SAFETY/ INDUSTRIAL RELATIONS :

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

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

GENERAL :

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

- 1) No material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31st March, 2020 and the date of this report.
- 2) No company have become or ceased to be Subsidiary, Associate or joint venture of the Company during the year under review.
- 3) No significant and material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.
- 4) No fraud has been reported during the audit conducted by the Statutory Auditors, Secretarial Auditors and Cost Auditors of the Company.
- 5) During the year under review, no revision was made in the previous financial statement of the Company, except as otherwise required under applicable laws.

ENVIRONMENT SUSTAINABILITY :

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

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

ACKNOWLEDGEMENT :

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

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

For and on behalf of the Board

Anil Singhvi K.K. Rajeev Nambiar
Executive Chairman CEO & Managing Director

Place: Mumbai /Digvijaygram
Date : 14th May, 2020

Annexure A

FORM NO. AOC -2

Particular of contracts / arrangement made with related parties

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

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

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 31st March, 2020, which are 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 at arm's length and in the ordinary course of business for the year ended 31st March, 2020 are as follows:

• **Name (s) of the Related Party & Nature of Relationship:**

Votorantim Cimentos EAA Inversiones S.L. (VCEAA) - Erstwhile Holding company

• **Nature of contracts/arrangements/transaction**

Reimbursement of expenses

• **Duration**

During 1st April, 2019 to 30th April, 2019

• **Salient Terms**

Reimbursement of engagement bonus to key employees by Votorantim Cimentos EAA Inversiones S.L..

• **Amount (Rs. in lakhs)**

Rs. 573.59

For and on behalf of the Board of Directors

Place : Mumbai
Date : 14th May, 2020

Anil Singhvi
Chairman

Annexure B

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Information Under Section 134(3)(m) of the Companies Act, 2013 read with Clause 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ending 31st March, 2020.

CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy	<ul style="list-style-type: none"> • Installation of SPRS for RM Ex. Fan to reduce the fan power consumption by around 180 kW. • Installation of new fans in cooler fan no. 2 & 3 to reduce the fan power consumption by around 150 kW. • Installation of new burner to save 39 kW power, 6.7 Kcal/Kg. clinker in thermal energy and reduction in NOx emission level by 300 mg/Nm3 thus avoiding ammonia injection. • Installation of new weigh feeders for better homogenization and raw coal feeding. • Installation of new rotary air locks in six cyclones of raw mill to avoid false air ingressto reduce the fan power consumption by around 100 kW. • Optimization of compressed air by continuous monitoring and survey and arresting of leakages. • Effective implementation of Preventive, Predictive and Condition Based maintenance to improve plant reliability. • Total 15.18 million kWh (15.84% of total power requirement) consumption sourced from renewal (wind) energy. • 4.63 million kWh (4.83%) generation from WHR. • Increase in PPC contribution (from 41.74% to 47.33%) & usage of Fly-ash from 31.80% to 32.20% in PPC Cement to improve overall Clinker-Cement ratio and thus reduction in power consumption.
(ii) The steps taken for utilizing alternate sources of energy	<ul style="list-style-type: none"> • Usage of around 10,443 MT Alternate Fuel to achieve 3.28% Thermal Substitution Rate. • Consumption of Green Energy generated through Wind generating units (Annual consumption 15.18 million kWh).
(iii) The capital investment on energy conservation equipment	Rs.1097.37 Lakhs

TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption.	<ul style="list-style-type: none"> • Use of Cost effective Copper slag in place of costlier Iron Ore. 4357 MT Copper slag used. • Optimization of Gypsum usage and quality by monitoring of SO3 content. • Use of PP mould along marine gypsum to reduce gypsum cost in OPC & PPC4650 MT PP mould used leading to cost saving. • Used 24,990 MT lime powder. • Trials of different Alternative fuels to achieve better Thermal substitution rate.
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(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.	<ul style="list-style-type: none"> Reduction in clinker factor to reduce CO₂ emission. Reduction in production cost. Improvement in MTBF, kiln OEE and Specific Power Consumption. 																		
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – (a) The details of technology imported; (b) The year of import; (c) Whether the technology been fully absorbed; (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	None																		
(iv) the expenditure incurred on Research and Development	<table border="1"> <tr> <td>1</td> <td>Capital Expenditures :</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Recurring Expenses (Rs. In Lakhs)</td> <td>2019-20 2018-19</td> </tr> <tr> <td>a</td> <td>Technical Royalty</td> <td>- 425.28</td> </tr> <tr> <td>b</td> <td>R & D Cess</td> <td>- -</td> </tr> <tr> <td>c</td> <td>Contribution to Cement Cess</td> <td>- -</td> </tr> <tr> <td>3</td> <td>Total R&D Expenditure as a percentage of total turnover</td> <td>NA 1%</td> </tr> </table>	1	Capital Expenditures :	Nil	2	Recurring Expenses (Rs. In Lakhs)	2019-20 2018-19	a	Technical Royalty	- 425.28	b	R & D Cess	- -	c	Contribution to Cement Cess	- -	3	Total R&D Expenditure as a percentage of total turnover	NA 1%
1	Capital Expenditures :	Nil																	
2	Recurring Expenses (Rs. In Lakhs)	2019-20 2018-19																	
a	Technical Royalty	- 425.28																	
b	R & D Cess	- -																	
c	Contribution to Cement Cess	- -																	
3	Total R&D Expenditure as a percentage of total turnover	NA 1%																	
FOREIGN EXCHANGE EARNINGS & OUTGO (Rs. in Lakhs)																			
	2019-20 2018-19																		
Foreign Exchange earned	573.59* 82.97																		
Foreign Exchange used	296.74 471.08																		
* Amount received from Votorantim Cimentos EAA Inversiones S. L. as reimbursement of expenses																			

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

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

Median remuneration of all the employees of the Company for the Financial Year 2019-20 (in Rs.)	6,41,321.00
Percentage increase in the median remuneration of employees in the Financial Year	16.60%
Number of permanent employees on the rolls of the Company as on 31 st March, 2020	281

Name of the Director* /KMP	Designation	Ratio of remuneration to median remuneration of All employees	% Increase in remuneration in the FY 2019-2020
Executive Director			
Mr. Anil Singhvi	Executive Chairman	38.90 : 1	NA
Mr. K.K.Rajeev Nambiar	CEO & Managing Director	31.65 : 1	9%
Other KMPs			
Mr. Vikas Kumar	CFO	6.65 : 1	9%
Mr. Suresh Kumar Meher	Company Secretary	8.16 : 1	9%

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

Note:

- The ratio of remuneration of each Director and KMP to the median remuneration is based on the CTC of remuneration for the year 2019-20 in their respective capacity as such Director or KMP.
- Mr. Anil Singhvi was appointed as Director and Executive Chairman of the Company effective from 30th April, 2019.

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

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

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

- iii. **The key parameters for any variable component of remuneration availed by the directors**

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

- iv. **The remuneration is as per the Remuneration Policy of the Company.**

ANNEXURE - D

The disclosures as required as per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI Requirements are given below:

Options granted during the year	70,60,000
Options vested during the year	NIL
Options Exercised	NIL
The total number of shares arising as a result of exercise of option	NIL
Options Lapsed	NIL
The Exercise Price	Rs. 16/- per option
Option cancelled	NIL
Variation of terms of Options	During the year, there is no variation in terms of Option since it was granted.
Money realized by exercise of options	Options yet to be exercised
Total no. of options in force	None of the options granted have vested. The number of options in force i.e. Options granted are 70,60,000.

Employee wise details of Options granted to :

a) Key Managerial Personnel

Name	Designation	No. of Options granted	No. of Options vested	No. of options exercised	No. of shares allotted
Mr. K.K. Rajeev Nambiar	CEO & Managing Director	28,50,000	NIL	NIL	NIL
Mr. Vikas Kumar	CFO	3,00,000	NIL	NIL	NIL
Mr. Suresh Meher	V.P. (Legal) & Company Secretary	2,50,000	NIL	NIL	NIL

b) Employee who receives a grant of options amounting to 5% or more of options granted during the year:

Name	Designation	Number of Options granted
Mr. K.K. Rajeev Nambiar	CEO & Managing Director	28,50,000
Mr. T.L. Narendran	Vice President (Projects & Procurement)	4,00,000
Mr. Prem R Singh	Vice President (Sales & Marketing)	4,00,000
Dr. Girish Mehta	Vice President (HR & Logistics)	4,00,000

c) Employees who were granted options, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant, during the year:

Name	Designation	Number of Options granted
Mr. K.K. Rajeev Nambiar	CEO & Managing Director	28,50,000

Utilisation of Funds :Not Applicable, as no options were vested and exercised during the year.

Annexure E
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR Policy is stated herein below:

Web Link: <https://www.digvijaycement.com/policies/>

- The Composition of the CSR Committee (from 5th August, 2019)

Mr. Anil Singhvi - Chairman

Ms. Mini Menon - Member (Independent Director)

Mr. Pramod Kabra -Member (Non-executive Non-Independent Director)

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

During the year, the Committee met on 29th April, 2019, and required quorum was present at the meeting.

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

(Rs.In Lakhs)

Particulars	2016-17	2017-18	2018-19
Net Profit	-1366.05	2079.81	334.25

Average net profit of the Company for last three financial years is at Rs.349.34 Lakhs

- Prescribed CSR Expenditure (2 % of the amount as in item 3 above) : Rs. 6.99 Lakhs

- Details of CSR spent during the financial year:

(a) Total amount spent for the financial year : Rs. 8.65 Lakhs

(b) Amount un-spent, if any : Not Applicable

(c) Manner in which amount has been spent during the financial year 2019-20 is as follows:

Sr.	Title of the Project	CSR Activities and areas where spent	Spent in Rupees*
1	Health, Hygiene and Sanitation	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 Health Awareness program on Swine flu, Blood Donation Camp.	2,28,123
2	Contribution for social cause	Disaster management, including relief, rehabilitation and reconstruction activities. On account of COVID-19 outbreak, distributed food packets, mask, safety jackets etc. in various locations of Gujarat.	1,15,167
3	Promotion of Education	Development of infrastructure facilities & renovation of School Buildings run by the Company. Activities on student skill development. Improving the quality of education by organising computer classes, debate, essay, drawing competitions and support to local Anganvadi.	3,20,884
4	Social Business Project and Welfare activities	Promoting local art & culture, sports and welfare activities by building, renovating cow shelter and other animal welfare activities. Engaged in other social business projects & welfare activities.	51,000
5	Empowerment of Women	Organized Skill Development Activity for women by distributing sewing machines, conducting tailoring classes, cooking classes, other activities for promoting gender equality and empowering women.	1,50,200
		Total	8,65,374

*As against spending obligations of Rs. 6.99 lakhs for 2019-20, the Company has spent a sum of Rs. 8.65 lakhs towards CSR activities.

- 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

- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the Company:

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

Place : Mumbai / Digvijaygram

Date : 14th May, 2020

Anil Singhvi
Chairman- CSR Committee

KK Rajeev Nambiar
Member - CSR Committee

Annexure F

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

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

To,
The Members
SHREE DIGVIJAY CEMENT CO. LIMITED
(CIN:L26940GJ1944PLC000749)
Digvijaygram - 361140
Via Jamnagar, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SHREE DIGVIJAY CEMENT CO. LIMITED ("Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the financial year ended 31st March, 2020.

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

In our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that for the financial year ended on 31st March, 2020, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

For MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R. HURKAT
Partner
FCS No.: 4287, CP No.: 2574
UDIN: F004287B000236926

Place : Ahmedabad
Date : 14th May, 2020

Annexure G

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 CO. LIMITED
(CIN:L26940GJ1944PLC000749)
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 CO. LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2020 according to the provisions of:
- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period:

- a. True North Fund VI LLP made an open offer vide letter of offer dated 10th January, 2019 to the public shareholders of the Company to acquire 3,56,11,817 equity shares (25.1%) in the Company pursuant to Regulation 3(1) and 4 of the SEBI (SAST) Regulations, 2011. Pursuant to such open public offer, True North Fund VI LLP acquired 36,12,284 (2.60%) equity shares in the Company on 18th February, 2019. Moreover, pursuant the Share Purchase Agreement (SPA) dated 12th November, 2018 with Votorantim Cimentos EAA Inversion S.L. and Votorantim Cimentos S.A, True North Fund VI LLP has acquired 7,72,13,644 Equity Shares (54.6%) of the Company on 16th April, 2019. Consequently, True North Fund VI LLP has become Promoters of the Company holding 8,08,25,928 equity shares (57.2%) in the Company.
- b. In view of consummation of transaction pursuant to the SPA, there has been changes in the Board of Directors of the Company w.e.f. 30th April, 2019. Mr. Jorge Alejandro Wagner, Mr. Persio Morassutti and Ms. Meike Albrecht representing the erstwhile Promoters resigned as Directors of the Company. Mr. Anil Singhvi, Mr. Pramod Kabra were appointed as Directors of the Company w.e.f. 30th April, 2019. In addition, Ms. Mini Menon and Mr. Mahesh Gupta were also appointed as Independent Directors of the Company w.e.f. 30th April, 2019.
- c. Pursuant to the approval of the Board of Directors at its meeting held on 30th April, 2019 as well as the approval of the members of the Company at 74th Annual General meeting held on 5th August, 2019, the Company made an application to the BSE on 23rd August, 2019 (Case

Number:98113) for de-classification of Votorantim Cimentos EAA Inversion S.L. and Votorantim Cimentos S.A. as Promoters of the Company under Regulation 31A of the SEBI (LODR) Regulations, 2015. As per current status reflected in the listing module of the Listing centre of the BSE, it is understood that the said case is under process with the listing operation team.

- d. The members of the Company at the 74th Annual General meeting held on 5th August, 2019 have approved the introduction and implementation of “SDCCL Employee Stock Option Plan 2019” and to create and grant upto 70,68,000 employee stock options thereunder.
- e. The Equity shares of the Company are also listed on the NSE w.e.f. 28th January, 2020.

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

For MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R. HURKAT
Partner

Place : Ahmedabad FCS No.: 4287, CP No.: 2574
Date : 14th May, 2020 UDIN: F004287B000236926

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

Annexure - A

To
The Members,
SHREE DIGVIJAY CEMENT CO. LIMITED
(CIN:L26940GJ1944PLC000749)
Digvijaygram - 361140
Via Jamnagar, Gujarat

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.

4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R. HURKAT
Partner

Place : Ahmedabad FCS No.: 4287, CP No.: 2574
Date : 14th May, 2020 UDIN: F004287B000236926

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO AND OUTLOOK

GLOBAL ECONOMY

The global macroeconomic outlook for the financial year 2020-21 has been adversely affected by COVID-19 pandemic which has impacted the majority of countries in the world across continents. The pandemic has cast its shadow across various economic activities with dislocation in global production, supply chains and trade. Developing countries face collapsing international trade, falling remittances, sharp reversals of capital flows, and currency depreciation. Only bold policies—debt relief, international financing, planning, and more-will avert further catastrophe.

This very severe economic impact largely stems not from the pandemic itself, but from measures that have been adopted across the world to contain it, which have ranged from relatively mild restrictions on mobility and public gatherings to complete lockdowns (and clampdowns) that have brought to a halt most economic activity. This has meant a simultaneous attack on demand and supply. Even the two world wars of the twentieth century, while they disrupted supply chains and devastated physical infrastructure and populations, did not involve the restrictions on mobility and economic activity that are in place in the majority of countries today. During lockdowns, people (especially those without formal work contracts) are deprived of incomes and joblessness increases drastically, causing huge declines in consumption demand that will continue into the period after the lockdown is lifted. At the same time, production and distribution are halted for all but essential commodities and services—and even for these sectors, supply is badly affected because of implementation issues and inadequate attention to the input-output linkages that enable production and distribution. Previous regional and global crises have not entailed this near-cessation of all economic activity. The deadly combination of collapses in both demand and supply is why this time is truly different and has to be dealt with differently.

World trade in both goods and services is already collapsing. The WTO expects trade to fall anywhere between 13 and 32 percent over 2020. But even these dismal projections could well be underestimates, because they implicitly rely on relatively rapid containment of the virus and the lifting of lockdown measures by late summer.

As per International Monetary Fund (IMF), the COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8

percent in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses domestically. And internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channelling aid to countries with weak health care systems.

INDIAN ECONOMY

The Covid-19 pandemic is having a deep impact on the Indian economy and members of Indian industry. The magnitude and speed of collapse in economic activity that India has seen over the last few weeks is unprecedented and there is tremendous uncertainty about what the future holds for businesses and enterprises. Almost 72% of the respondents to the ‘FICCI-Dhruva survey’ have reported that COVID-19 is having a ‘high to very high’ level of impact on their business. Further, a substantial majority of the respondents do not foresee a positive demand outlook for their business in this fiscal, with 70% of the surveyed firms expecting a de-growth in sales in the fiscal year 2020-21. A vast majority also foresee a reduction in their business cashflows and company’s order book.

The survey clearly highlights that unless a substantive economic package is announced by the government immediately, a permanent impairment of a large section of industry could be witnessed, which may lose the opportunity to come back to life again. Jobs are also at risk over the coming months as nearly three fourths of the surveyed firms said that they may look at some reduction in manpower in their respective companies.

These findings were revealed in a joint nationwide survey of businesses conducted by FICCI and Dhruva Advisors. The survey saw participation from almost 380 companies from across sectors and has thrown up some very important results and insights that should be useful for the policymakers as they plan for the next steps of their integrated approach to support Indian industry. The COVID-19 pandemic is causing deep economic harm and could reverse the gains made in the industrial economy over many decades. There is a need to render immediate and sizable support to industry to protect people, jobs, and enterprises. Industry members are reeling under severe financial stress and are in urgent need of ample liquidity to ensure business continuity.

https://www.business-standard.com/article/news-cm/covid-19-pandemic-is-having-a-deep-impact-on-the-indian-economy-ficci-business-impact-survey-120042200278_1.html

IMF has forecasted India's economy to grow by 1.9% in 2020-21 due to the devastating impact of the COVID-19 outbreak. The international agency's estimate for India is in line with forecasts by other economists and investment banks, Goldman Sachs estimates growth to slow to over 30-year lows of 1.6% in 2020-21, while the World Bank expects GDP growth in India to be in the 1.5% to 2.8% range, depending on extent of the pandemic.

GOVERNMENT INITIATIVES

The spread of COVID-19 in India and its mitigation plan of 54 days nationwide lockdown from 25th March 2020 to 17th May, 2020 and a possibility of further extension of lockdown by several State Governments, there is likely to be a significant impact across various sectors of the economy.

To address these adverse times, the Government of India has been preparing strategies and action plans not only for business continuity and sectoral revival but also to improve Ease of Doing Business in the country by releasing notifications/amendments/circulars highlighting measures to improve the business environment in India. Government and RBI are trying to cushion an economy that was slowing even before the coronavirus outbreak. Government has allowed farmers and certain industries outside virus hotspots to resume operations.

Even before COVID-19 outbreak, in order to help the private sector companies, thrive in the industry, the Government has been approving their investment schemes. Some such initiatives by the government in the recent past are as follows: In Union Budget 2020-21, the Government of India has extended benefits under Section 80 - IBA of the Income Tax Act till March 31, 2020 to promote affordable housing in India.

The Union Budget has allocated Rs. 139 billion (US\$ 1.93 billion) for Urban Rejuvenation Mission: AMRUT and Smart Cities Mission. Government's infrastructure push combined with housing for all, Smart Cities Mission and Swachh Bharat Abhiyan is going to boost cement demand in the country. The move is expected to boost the demand of cement from the housing segment. As per Union Budget 2019-20, Government is expected to upgrade 1,25,000 kms of road length over the next five years.

An outlay of Rs 27,500 crore (US\$ 3.93 billion) has been allotted under Pradhan Mantri Awas Yojana in Union Budget 2020-21.

Source: <https://www.ibef.org/industry/cement-india.aspx>

Despite all above measures, there is larger possibility to see a permanent impairment of a large section of industry and economy, unless a substantive and effective economic package are announced, and measures are taken by the Government immediately. Industries at large are hopeful that the government will introduce a series of measures in quick succession to support demand ensure business continuity. This would be a confidence booster and we hope sentiment will improve following the economic package.

ROAD AHEAD

The eastern states of India are likely to be the newer and virgin markets for cement companies and could contribute to their bottom line in future. In the next 10 years, India could become the main exporter of clinker and grey cement to the Middle East, Africa, and other developing nations of the world. Cement plants near the ports, for instance the plants in Gujarat and Visakhapatnam, will have an added advantage for exports and will logistically be well armed to face stiff competition from cement plants in the interior of the country. India's cement production capacity is expected to reach 550 million tonnes by 2025.

As per Union Budget 2019-20, Government is expected to upgrade 1,25,000 kms of road length over the next five years. Due to the increasing demand in various sectors such as housing, commercial construction and industrial construction, cement industry is expected to reach 550-600 Million Tonnes Per Annum (MTPA) by the year 2025.

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

<https://www.ibef.org/industry/cement-india.aspx>

INDUSTRY OUTLOOK

Dominated by domestic players, the Indian cement industry has been at the forefront of adopting next-generation technologies to improve its productivity as well as reduce its carbon footprint by moving towards Sustainable Development Goals.

Its position as a key building material enables cement to take up a fundamental role as the binding force for all infrastructure projects, such as roads, bridges, housing, sanitation and water conservation, and by extension, contribute to the building of the nation.

Indian Cement Industry has been on a sustained growth path adding capacity, driven largely by construction sector and the ambitious infrastructural projects announced by the government from time to time.

<https://www.cmaindia.org/cement-industry/future-outlook/>

INDIAN CEMENT INDUSTRY

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

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

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

Government earlier announced a number of proposals in the Union Budget 2018-19 that are directly linked with the sector's growth profile. The Government also plans to extend its rural road network scheme connecting all eligible habitations under Phase III of Prime Minister Gram Sadak Yojana (Prime Minister's Rural Road Scheme), set up new government medical colleges and hospitals, renovate about 600 railway stations and suburban railway infrastructure, and renew 26,000 km of railway lines.

Cement production is reached to 337.32 million tonnes in 2018-19 and stood at 278.79 million tonnes from April 2019-January 2020.

The Indian cement industry is dominated by a few companies. The top 20 cement companies account for almost 70 per cent of the total cement production of the country. A total of 210 large cement plants account for cumulative installed capacity of over 410 million tonnes, with 350 small plants accounting for the rest. Of these 210 large cement plants, 77 are located in the states of Andhra Pradesh, Rajasthan and Tamil Nadu. Capacity addition of 20 million tonnes per annum (MTPA) is expected in FY 19- FY 21.

Source: <https://www.cmaindia.org> and <https://www.ibef.org/industry/cement-india.aspx>

OPERATIONAL PERFORMANCE:

	Current Year ended 31.03.2020	Previous Year ended 31.03.2019
Installed Capacity (Lakhs Ton Per Annum)	10.75	10.75
Production (Lakhs TPA)		
Clinker	8.12	8.51
Cement	9.93	10.57
Effective Capacity utilization@	92.37	98.33
Sales Volume (Lakhs Ton)		
Domestic - Cement	9.83	10.52
Export - Cement	-	0.01
Domestic - Clinker	-	-
Export - Clinker	-	-
Net Cement Sales Realization (Rs./ MT)	4,721	4,110

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

COMPANY'S PERFORMANCE

During the year under review, the working results under review, earning before interest, tax and depreciation (EBITDA) of the Company recorded Rs.10,315 Lakhs as compared to Rs.3,117 Lakhs in previous year.

The Higher EBITDA was mainly due to higher market realisation, raw material cost optimization, reduction in overall fuel cost and sustainable plant operations.

The demand for cement may continue to be driven further by the pick-up in the infrastructure projects viz. bridges, roads, ports, metro rails and low budget housing segment, bringing opportunities for growth in this sector. There is a short-term dip in demand due to COVID-19 impact. The long-term outlook for cement is expected to be positive.

Despite the pressure from increase in freight costs, prolonged heavy monsoon and at the year-end negative impact of COVID-19 virus adversely impacted the operations and overall cement demand, the Company has recorded operating profit of 10,315 lakhs with strong EBITDA margin of 22%. Concerted efforts throughout the year resulted in reduction in variable cost per bag along with higher realizations from the market. Numerous initiatives on the procurement front enabled the Company to moderate the impact of increasing freight and lower absorption of fixed costs due to less production. The Company continues to focus on optimizing costs, improving operational efficiency and further strengthening the brand.

FINANCIAL PERFORMANCE:

(Rs. In Lakhs)

Particulars	Current Year Ended 31.03.2020	Previous Year Ended 31.03.2019
Revenue from Operations	46,984	43,646
Other Income	225	465
Total Income	47,209	44,111
Total Expenditure	36,894	40,994
Profit before Interest, Depreciation and Tax (PBITD)	10,315	3,117
Less: Interest Expense	178	386
Less: Depreciation / Amortisation	2,480	2,399
Profit before tax	7,657	332
Less: Tax Expenses	2,014	126
Profit for the year	5,643	206

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Sr. No.	PARTICULARS	UOM	FY 20	FY 19	GrowthYOY
1	Revenue from operations	Lakhs	46,984	43,646	8%
2	EBITDA Margin	%	22%	7%	15%
3	Net Worth	Lakhs	27,640	21,972	26%
4	ROE %	%	23%	1%	22%
5	Working Capital Ratio	Times	1.7	0.9	96%
6	Fixed Assets Turnover Ratio	Times	2.4	2.1	10%
7	Debt Service Coverage Ratio	Times	2.47	0.71	247%
8	Inventory Turnover Ratio	Times	7.7	8.7	-11%
9	Debtors Turnover Ratio	Times	40	34	17%

During the previous year ended 31st March, 2019, the Company was carrying working capital loan of Rs. 4,000 lakhs with the cash balance of Rs. 3,599 lakhs. During the financial year ended 31st March, 2020, the Company has repaid entire working capital loan of Rs. 4,000 lakhs and holding cash & bank balance of Rs. 7,436 lakhs at end of the year.

SEGMENT REVIEW AND ANALYSIS

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

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

COST AND PROFITABILITY

Transportation cost has witnessed a sharp increase due to higher diesel prices and other operating difficulties. Further there has been increase in overall sales promotion expenses and advertisement activities for launch of new product "CEMENT KA SARDAR" and higher fixed cost absorption.

The overall impact of increase in freight cost and sales promotion activities nullified with higher market realisation and a good amount of reduction in overall raw material cost.

Controlling costs is an on-going exercise of your Company. The Company continues to focus on cost reduction, procurement, sales & marketing, logistics operations and overheads, including manpower to improve the overall performance and profitability of the Company.

THREATS, RISK & CONCERN
INDUSTRY RISKS
Raw material risk

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

Competition risk

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

Infrastructure risk

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

Power and fuel risk

During the year, the Company has noticed volatility of fuel prices in the international markets coupled with uncertainty over availability of domestic and linkage coal continue to pose challenges in regard to coal availability and pricing to the cement industry as well as the Company.

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

Logistics risk

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

Marketing Risk

Demand for cement is expected to be muted in the near-term owing to exodus of labourers from construction sites following the nationwide lockdown due to COVID-19 outbreak.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use of disposition. Further, all transactions entered into by the Company are duly authorized and recorded correctly. M/s RSM Astute Consulting Pvt. Ltd. (RSM) has been appointed as Internal Auditor of the Company for the FY 2019-20. The Internal Auditors are submitting reports to the Company on a Quarterly basis.

INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICFR)

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

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

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

The total number of employees in the rolls of the Company as on 31st March, 2020 was 281 (previous year as on 31st March, 2019, number was 271).

Industrial relations during the year under report remained cordial.

EDUCATION

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

REFORESTATION

The Company has been continuously contributing towards environment sustainability. The Company is committed to the protection of environment and maintenance of biodiversity. A green belt has been developed in the plant premises and nearby areas. Your Company has planted more than 22,000 trees during the year with cumulative plantation of approx. 1,14,000 trees in the last eleven years with survival rate of more than 75 percent. The team at the plant has made lot of efforts in conservation

and propagation of rare species of trees, increasing forest cover and fruit garden.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations, tax laws, natural calamities including critically of epidemic Corona virus (COVID-19), litigation and industrial relations, monsoon, economic developments within the country and other factors.

Annexure H

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2020.

A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At Digvijay Cement, Corporate Governance has been an integral part of the way we are doing our business. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success. The Company believes 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 & mines, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment. It is governed by a set of principles, initiatives and management structures that confer an integrated vision and a great deal of agility in decision-making. It also employs the best practices and it prioritizes a long-term strategic vision of its businesses and the collective interest, focusing on results and a meritocracy. The way the Company operates is expressed in its Vision and its Values, in its Code of Conduct, and in its Environment, Social and Governance Policy & Sustainability Principles. Such elements are the organization's guidelines for its businesses, objectives and challenges.

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:

GOVERNANCE STRUCTURE:

Your Company's governance structure broadly comprises of its Board of Directors, Board's designated Committees and the Executive Management.

(i) Board of Directors:

The Directors are professionals, who have expertise in their respective functional areas and bring a wide range of skills and experience to make a significant

contribution to the deliberations of the Board of Directors. The Board plays a primary role to protect the interest of the Company and enhance value of all the stakeholders. The Company has a policy to maintain at least 50% of Board as Non-Executive Independent Directors. Further, in order to promote the specific objective of gender diversity - a vital asset to the business, there must be at least one woman Board member.

(ii) Committees of Board:

Boards of Directors perform their advisory and oversight function through well-structured, planned, and assigned committees to take advantage of the expertise of all the Directors. With a view to have better transparency in various areas of the business, to divide the work of the Board into manageable sections and for better accountability, the Board has constituted the committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors (for routine matters). These Committees undertake the functions, roles and responsibilities as per terms of reference approved by the Board of Directors and provided in this report.

(iii) Executive Management:

The Executive Management of the Company comprising of Executive Chairman and CEO & Managing Director with support from all business & functional heads oversees the day-to-day business and governance under the overall supervision and guidance of the Board.

B) BOARD OF DIRECTORS:

i) Composition of the Board :

The Board comprises of six (6) Directors consisting of three (3) Non-Executive Independent Directors[#] (50%) including a Woman Director, one (1) Non-Executive Non-Independent Director (16.67%) and two (2) Executive Directors including CEO & Managing Director (33.33%). The Chairman is an Executive Director. The details of the Directors with regard to outside directorships, committee positions as well as attendance at Board/General Meetings are as follows:

Director	Executive/ Non-Executive/ Independent	Number of other Director-ship held [^] in Board		Number of Membership/ Chairmanship of respective Board Committee [^]	No. of Board Meetings (During tenure respective Directors)		Attended Last AGM [§]
		Listed Company	Other Company		Held	Attended	
Mr. Anil Singhvi [®]	Executive	2	3	4	5	5	Yes
Mr. Mahesh Gupta [®]	Independent	4	1	4	5	5	Yes
Ms. Mini Menon [®]	Independent	-	-	-	5	5	Yes
Mr. Pramod Kabra [®]	Non-Executive	-	2	-	5	5	Yes
Mr. KK Rajeev Nambiar	Executive	-	-	-	6	6	Yes
Mr. A.K. Chhatwani *	Independent	-	-	-	3	2	No
Mr. Kumaresan Arcot *	Independent	-	-	-	5	4	Yes
Mr. Jorge Alejandro Wagner [®]	Non-Executive	-	-	-	2	2	NA
Mr. Persio Morassutti [®]	Non-Executive	-	-	-	2	-	NA
Ms. Meike Albrecht [®]	Non-Executive	-	-	-	2	-	NA

[^] These numbers exclude the Directorship / Committee Membership held in the Company and in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013. Further, it includes only the Chairmanship / Membership of the Audit Committee and Stakeholders' Relationship Committee.

[§] Last AGM was held on 5th August, 2019.

[®] Mr. Jorge Alejandro Wagner, Mr. Persio Morassutti and Ms. Meike Albrecht ceased to be Directors of the Company from 30th April, 2019, pursuant to the consummation of the transaction contemplated by the share purchase agreement ("SPA") executed on 12th November, 2018, by and amongst True North Fund VI LLP ("Promoter"), Votorantim Cimentos EAA Inversiones S.L and Votorantim Cimentos S.A. ("Votorantim"). The Board of Directors at their meeting held on 30th April, 2019 approved the change in directorship as well as change in shareholding & management control from Votorantim to current Promoter True North Fund VI LLP. Mr. Anil Singhvi, Mr. Mahesh Gupta, Ms. Mini Menon and Mr. Pramod Kabra were appointed Directors of the Company at the aforesaid Board meeting effective from 30th April, 2019.

* Mr. A.K. Chhatwani and Mr. Kumaresan Arcot ceased to be Directors of the Company from 29th July, 2019 and 28th January, 2020, respectively, due to their resignation.

Including directorship of Mr. Satish Kulkarni (DIN 0008741350), who was appointed as "Additional Director" in the category of Independent Director by the Board of Directors at their meeting held on 14th May, 2020, effective from 2nd June, 2020.

NOTES:

- None of the Directors are related inter-se.
- Mr. Anil Singhvi, directly /indirectly holds equity shares of the Company as on 31st March, 2020, as under:

Sr.	Name	No. of equity shares of the Company held	% of the shares held in the Company	Relation
1	Anagha Advisors LLP	7,024,048	4.97	Designated Partner
2	Ican Investments Advisors Private Limited	3,229,530	2.28	Director
3	Mrs. Nishi Anil Singhvi	500,000	0.35	Wife
4	Mr. Anil Singhvi	869,492	0.62	Self
	Total	11,623,070	8.22	

- Mr. K.K. Rajeev Nambiar holds 2,289 equity shares of the Company as on 31st March, 2020.
- None of the Directors (including non-executive directors) except above, holds any shares or convertible instruments in the Company.

ii) Skills / expertise / competencies of Directors

As per the amended regulations of SEBI (LODR) Regulations, 2015, the Board is required to review the core skills / expertise /competencies identified by the Board as required in the context of its business & sectors to function effectively. The Board of Directors have identified the below mentioned skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

- Knowledge of strategy, corporate legal, HR, IT, marketing, logistics etc. (specialized professional skill),
- Knowledge of accounts and finance, including taxation (ability to read and understand financial statement),
- Knowledge of cement sector, and
- Knowledge of technical, administration and management.

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

Name of the Director	Expertise in specific functional areas
Mr. Anil Singhvi	He is having expertise in accounts, finance, taxation, marketing, strategy planning, administration and general management in cement and other sectors.
Mr. Mahesh Gupta	He is having expertise in Business Management, Business Turnarounds, Corporate Legal Matters and All Dimensions of Finance including Mergers, Acquisitions and Restructuring.
Ms. Mini Menon	She is having expertise in strategy planning, business administration and management.
Mr. Pramod Kabra	He is having expertise in Consumer, healthcare, logistics and financial services.
Mr. K.K.Rajeev Nambiar	He is having expertise in HR, technical, marketing, administration and management in cement sector.

iii) 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. It is Company's endeavor to finalise the calendar in such a way that all Members of Board able to participate in Board and Committee meetings. During the year, all the existing Directors and Committee Members attended 100% of meetings held during their tenure.

During the financial year ended on 31st March 2020, six meetings of the Board of Directors were held. The details of Board Meetings held during the financial year ended on 31st March, 2020 are as follows:

Sr. No.	Date of Board Meeting	Place	No. of Directors attended
1.	30 th April, 2019 (Pre-management control change)	Mumbai	4
2.	30 th April, 2019 (Post-management control change)	Mumbai	8
3.	27 th May, 2019	Mumbai	6
4.	5 th August, 2019	Digvijaygram	6
5.	24 th October, 2019	Mumbai	5
6.	28 th January, 2020	Mumbai	5

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

iv) Agenda process:

The agenda items alongwith notes and information thereto (except for the price sensitive information, which is either placed at the meeting or sent just before meeting) as provided in Secretarial Standard (SS-1) on "Meeting of the Board of Directors" read with SEBI (LODR) Regulations, 2015 and Companies Act, 2013, are circulated to all Board Members well in advance before the Board Meetings. Additional agenda in the form of 'Other Business' are included with the permission of the Chairman and with the consent of the majority of the Independent Directors present at the meeting.

v) Proceedings & Attendance:

Apart from the Board members, the CEO, CFO and Company Secretary also attend all the Board & Committee Meetings. Other senior management executives of the Company / representatives from Promoter are also invited to meetings to provide inputs for the items being discussed by the Board. The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board Meeting.

The Directors and Committee Members committed to devote sufficient time available to discharge their duties as Board or Committee membership. As a policy, every Director and Committee members are expected to attend all the meetings held in a calendar year, but in

any case to attend at least 50% of meetings each of Board and Committee meetings held in a calendar year.

vi) Other Directorships:

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he/she is a Director.

The details of the Directorships and Committee memberships in other Companies (excluding private limited companies & foreign companies) held by the Directors as on 31st March, 2020 are given below:

Sr. No.	Name of the Director	Other Directorships*	Committee Positions**		Name of the Listed entities	Category of Directorship
			Chairman	Member		
1.	Mr. Anil Singhvi	5	1	3	(1) Subex Ltd. (2) Hindustan Construction Co.Ltd.	Independent Independent
2.	Mr. Mahesh Gupta	5	2	2	1) CEAT Ltd. (2) RPG Life Science Ltd. (3) Peninsula Land Ltd. (4) Morarjee Textiles Ltd.	Independent Independent Non-Independent, Non-Executive Non-Independent, Non-Executive
3.	Ms. Mini Menon	-	-	-	-	-
4.	Mr. Pramod Kabra	2	-	-	-	-
5.	Mr. K.K. Rajeev Nambiar	-	-	-	-	-

* Includes Directorships of Indian Public Limited companies other than Shree Digvijay Cement Company Ltd.

** Includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited companies (whether listed or not) other than Shree Digvijay Cement Company Ltd.

vii) Independent Directors:

Election Process: Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee (NRC) of the Company, for appointment as Independent Director on the Board. The NRC, *inter alia*, considers qualifications, positive attributes, area of expertise, number of Directorship(s) and Membership(s) held in other companies by such persons, in accordance with Company's policies on selection of Directors. The

Board considers the recommendation and takes appropriate decision.

Every Independent Director at the meeting of Board in which he is appointed as a Director and thereafter at the first meeting of Board held every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law.

Meeting of Independent Directors: As required under the Companies Act, 2013, one meeting of the Independent Directors of the Company was held on 29th April, 2019.

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 various programmes and presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and the Cement Industry as a whole. Regular visits to Company's plant and other business locations are organized for the Directors to enable them to understand the operations of the Company. They were regularly updated with the changes in the regulatory environment having significant impact on the operations of the Company.

In accordance with the requirements of SEBI (LODR) Regulations, 2015, the Company has during the financial year 2019-20 conducted various familiarization programmes (including induction of new Directors), organized visits to plants and made presentations on Company's operations. The terms and conditions of appointment of Independent Directors, number of hours spent and details of familiarization programmes has been placed on the website of the Company www.digvijaycement.com.

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

C) COMMITTEE OF DIRECTORS

1. AUDIT COMMITTEE:

- The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Regulations read with Section 177 of the Companies Act, 2013.
- Apart from all the matters provided in Regulation 18 of SEBI Regulations and Section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.
- The Audit Committee as on 31st March, 2020 comprises of three Directors, out of these, two (2) are Independent Directors and one (1) is Non-Executive Director. Following are the members of the Audit Committee[^] (from 5th August, 2019):

1. Mr. Mahesh Gupta
2. Ms. Mini Menon
3. Mr. Pramod Kabra

Mr. Mahesh Gupta, Independent Director is the Chairman of the Committee effective from 5th August, 2019. Mr. A.K. Chhatwani was the Chairman of the Committee till 29th July, 2019.

- All the Members of the Audit Committee attended the last Annual General Meeting of the Company held on 5th August, 2019 to answer the queries of shareholders.
- During the financial year ended on 31st March, 2020, four Meetings of the Audit Committee were held i.e. on 29th April, 2019; 5th August, 2019; 24th October, 2019; and 28th January, 2020.
- The attendance of each member of the Audit Committee are given below:

Name ^	Designation	Category	Meetings Attended
Mr. Mahesh Gupta	Chairman	Independent Director	3
Ms. Mini Menon	Member	Independent Director	3
Mr. Pramod Kabra	Member	Non-Executive Director	3
Mr. A.K. Chhatwani	Chairman	Independent Director	1
Mr. Kumaresan Arcot	Member	Independent Director	1
Mr. Persio Morassutti	Member	Non-Executive Director	1*

[^]Mr. Mahesh Gupta, Ms. Mini Menon and Mr. Pramod Kabra were appointed as Directors of the Company and as Members of the Audit Committee effective from 30th April, 2019. Mr. Kumaresan Arcot and Mr. Persio Morassutti ceased to be Members of the Audit Committee of the Company from 30th April, 2019. Mr. A.K. Chhatwani ceased to be Chairman of the Audit Committee from 29th July, 2019 consequent to his resignation from the Board. Mr. Mahesh Gupta was appointed as Chairman of the Audit Committee with effect from 5th August, 2019.

* Participated through Video conference

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

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

The necessary quorum was present at all the meetings.

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

- I. (1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the Board's report;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by Management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (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 Company with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;

(19) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

II. The Audit Committee mandatorily reviews the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

III. In addition to the above, the Audit Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable law.

IV. The Audit Committee may make recommendations to the Board on any matter within its purview, by passing appropriate resolutions at its meetings.

2) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors. The level and structure of appointment and remuneration of all Key Managerial

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

During the financial year, four Meetings of the Nomination & Remuneration Committee were held on 29th April, 2019; 30th April, 2019; 27th May, 2019 and 5th August, 2019.

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

- The Nomination and Remuneration Committee comprising of four Directors, of these two (2) are Independent Directors, one (1) is Non- Executive Director and one(1) is Executive Director, who is Chairman of the Board. Following are the members of Nomination and Remuneration Committee (from 30th April, 2019):

1. Mr. Mahesh Gupta
2. Mr. Anil Singhvi
3. Ms. Mini Menon
4. Mr. Pramod Kabra

Mr. Mahesh Gupta, Independent Director is the Chairman of the Committee.

- Chairman of the Nomination and remuneration Committee attended last Annual General Meeting of the Company held on 5th August, 2019.
- The details of attendance are as under:

Name ^	Designation	Category	Meetings Attended
Mr. Mahesh Gupta	Chairman	Independent Director	2
Mr. Anil Singhvi	Member	Executive Director	2
Ms. Mini Menon	Member	Independent Director	2
Mr. Pramod Kabra	Member	Non- Executive Director	2
Mr. Kumaresan Arco	Chairman	Independent Director	2
Mr. A.K. Chhatwani	Member	Independent Director	2
Ms. Meike Albrecht	Member	Non- Executive Director	1*

*Mr. Mahesh Gupta, Mr. Anil Singhvi, Ms. Mini Menon and Mr. Pramod Kabra were appointed as Directors of the Company and as Members of the Nomination and Remuneration Committee effective from 30th April,

2019. Mr. Mahesh Gupta is the Chairman of the Committee. Mr. Kumaresan Arcot, Mr. A.K. Chhatwani and Ms. Meike Albrecht ceased to be Members of the Committee from 30th April, 2019.

* Participated through Video conference

Mr. Suresh Meher, V.P. (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;
- (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.

Election Process of Executive Directors:

Considering the requirement of skill sets and expertise on the Board as well as Company, eminent people having expertise in cement industries, and who can effectively contribute to the Company's business and

policy decisions are considered by the Nomination and Remuneration Committee (NRC) of the Company, for appointment as Executive Director on the Board. The NRC, *inter alia*, considers qualifications, positive attributes, area of expertise, number of Directorship(s) and Membership(s) held in other companies by such persons, in accordance with Company's HR Policy and other policies on selection of Directors. The Board considers the recommendation and takes appropriate decision.

Every Director at the first meeting of Board in which he participates as a Director and thereafter at the first meeting of Board held every financial year, gives a declarations and disclosures as per statutory requirement.

Performance Evaluation for Board, Committees, Individual Directors (Independent and Non-Independent Directors):

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually as per the process and criteria laid down by the Board of Directors based on the Policy on Performance Evaluation for Board, Committees, Individual Directors and Nomination & Remuneration Policy. Forms with structured rating on a scale of 1 to 5 [1 = Strongly disagree; 2 = Disagree; 3 = Not Applicable; 4 = Agree; 5 = Strongly agree] on the functioning and performance of the Board, Committees and individual Directors was circulated to all Board and Committee Members, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, frequency of meetings, competencies, Board culture, execution and performance of specific duties, obligations & governance, Directors' knowledge, skills, time devoted and contributions made to Board and Committee meetings deliberations & policy decisions etc.. A consolidated summary of the ratings given by each Director was then prepared. The Independent Directors (IDs) discussed the performance of the Chairman and Managing Directors, Board and other Directors (other than IDs). Evaluation of Committees of Board and Independent Directors were also submitted to Board through Chairman. The report of performance evaluation was then discussed and noted by the Board at their Meeting. The Directors expressed their satisfaction with the evaluation process of the Company.

Remuneration of Directors:

The details of remuneration paid to the Directors for the financial year 2019-20 are given below:

(In Rupees)

Name of Director ^	Designation	Salary	Commission*	Perquisites	Retirement Benefits	Sitting Fee	Total
Mr. Anil Singhvi	Executive Chairman	2,22,71,300	-	-	-	-	2,22,71,300
Mr. K.K. Rajeev Nambiar	CEO & Managing Director	4,29,53,028 [#]	-	11,86,377	-	-	4,41,39,405
Mr. Mahesh Gupta	Independent Director	-	-	-	-	10,00,000	10,00,000
Ms. Mini Menon	Independent Director	-	-	-	-	10,00,000	10,00,000
Mr. Pramod Kabra	Non-executive Director	-	-	-	-	-	-
Mr. A.K. Chhatwani	Independent Director	-	1,20,000	-	-	9,00,000	10,20,000
Mr. Kumaresan Arcot	Independent Director	-	80,000	-	-	10,00,000	10,80,000
Mr. Jorge Alejandro Wagner	Non-executive Director	-	-	-	-	-	-
Mr. Persio Morassutti	Non-executive Director	-	-	-	-	-	-
Ms. Meike Albrecht	Non-executive Director	-	-	-	-	-	-
Total		6,52,24,328	2,00,000	11,86,377	-	39,00,000	7,05,10,705

[^] Mr. Anil Singhvi, Mr. Mahesh Gupta, Ms. Mini Menon and Mr. Pramod Kabra were appointed as Directors of the Company effective from 30th April, 2019. Mr. Jorge Alejandro Wagner, Mr. Persio Morassutti and Ms. Meike Albrecht ceased to be Directors of the Company effective from 30th April, 2019, consequent to their resignation pursuant to the consummation of the transaction contemplated under SPA. Mr. A.K. Chhatwani and Mr. Kumaresan Arcot ceased to be Directors of the Company effective from 29th July, 2019 and 28th January, 2020, due to their resignation.

* Commission is paid for financial year 2018-19, based on net profits of said financial year.

[#] Includes the engagement bonus of Rs. 2,88,08,000 paid during the year, which is part of transaction relating to reimbursement of expenses by Votorantim Cimentos EAA Inversiones S.L. Above amount of Salary is exclusive of short term incentives / variable payments for the period from 1st January, 2019 to 31st March, 2020, which is part of gross emoluments (CTC) constituting 40% of CTC approved by the shareholders, but not included herein as the payment will be made (after review by Nomination and Remuneration Committee) in the financial year 2020-21, on account of change in valuation period from calendar year to financial year.

Notes:

- 1) 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.
- 2) The Non-Executive Directors, other than Independent Directors are not accepting any sitting fee for attending Board/Committee meetings.
- 3) The service contracts and notice period of Executive Directors are as per Company's Policy. As per contracts, no severance fees payable to any of Executive Directors.
- 4) During the year, 28,50,000 Options were granted to Mr. K.K. Rajeev Nambiar, CEO & Managing Director under the SDCCL Employee Stock Option Plan 2019 of the Company.

Stock Options:

The Nomination and Remuneration Committee has, on 5th August, 2019, granted 70,60,000 stock options to eligible employees and director of the Company under SDCCL Employee Stock Option Plan 2019 during the year 2019-20. Stock Options are issued at an exercise price of Rs. 16/- per option and with a vesting period of minimum 1 year and maximum 4 years. Details of Options granted are given under the head 'Employees Stock Option Plan (ESOP)' in the Directors' Report.

Appointment and Remuneration for the Senior Management Employees

For appointment and in determining the remuneration of the Senior Management Employees and Key Managerial Personnel, the criteria and guidelines mentioned in the Nomination & Remuneration Policy and Company's HR Policy is followed. The Nomination and Remuneration Policy is uploaded on website of the Company at www.digvijaycement.com.

3) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year, the Committee met once on 30th April, 2019.

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

Following are the members of Stakeholder Relationship Committee from 30th April, 2019:

1. Ms. Mini Menon
2. Mr. Pramod Kabra
3. Mr. Anil Singhvi

Ms. Mini Menon, Independent Director is Chairman of the Committee.

Mr. Suresh Kumar Meher – V.P. (Legal) & Company Secretary is the Compliance Officer.

The Details of attendance of the members at the meeting held on 30th April, 2019 are given below:

Name ^	Designation	Category	Meetings Attended
Ms. Mini Menon	Chairman	Independent Director	NA
Mr. Pramod Kabra	Member	Non-Executive Director	NA
Mr. Anil Singhvi	Member	Executive Director	NA
Mr. Kumaresan Arcot	Chairman	Independent Director	1
Mr. A.K. Chhatwani	Member	Independent Director	1
Ms. Meike Albrecht	Member	Non-Executive Director	-

^ Ms. Mini Menon, Mr. Anil Singhvi and Mr. Pramod Kabra were appointed as Members of the Committee effective from 30th April, 2019. Ms. Mini Menon is the Chairman of the Committee. Mr. Kumaresan Arcot, Mr. A.K. Chhatwani and Ms. Meike Albrecht ceased to be Members of the Committee effective from 30th April, 2019.

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

The Company has designated an exclusive e-mail ID investors.sdcl@digvijaycement.com for redressal of shareholders' complaints/grievances. Further there were no instances of such complaints which were not solved to the satisfaction of shareholders.

4) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

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

- Following are the members of Corporate Social Responsibility Committee from 5th August, 2019:
 1. Mr. Anil Singhvi (Chairman)
 2. Mr. Pramod Kabra
 3. Ms. Mini Menon
 4. Mr. K.K. Rajeev Nambiar
- Mr. Anil Singhvi, Executive Director is the Chairman of the Committee
- The Details of attendance of the members at the meeting held on 29th April, 2019 are given below:

Name ^	Designation	Category	Meetings Attended
Mr. Anil Singhvi	Chairman	Executive Director	NA
Mr. Pramod Kabra	Member	Non-Executive Director	NA
Ms. Mini Menon	Member	Independent Director	NA
Mr. K.K. Rajeev Nambiar	Member	Managing Director	1
Mr. A.K. Chhatwani^	Chairman	Independent Director	1
Mr. Kumaresan Arcot^	Member	Independent Director	1

^Mr. Anil Singhvi and Mr. Pramod Kabra were appointed as Members of the Committee effective from 30th April, 2019. Ms. Mini Menon was inducted into the Committee from 5th August, 2019 after resignation of Mr. A.K. Chhatwani, who ceased to be Chairman of the Committee effective from 29th July, 2019. Mr. Kumaresan Arcot ceased to be Member of the Committee effective from 30th April, 2019.

The Annual Report on CSR activities, carried out during the year 2019-20, is annexed to Directors' Report.

DISCLOSURES

Legal Compliances:

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

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

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

Code of Conduct:

Code of Conduct adopted by the Company has been posted on the website of the Company. It prescribes Mechanisms to record and report on breaches against Code of Conduct. Company regularly conduct training program and awareness sessions to sensitize employees and contractors on Code of Conduct provisions, consequences of its breach etc. The Members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code of Conduct for the effective period. The declaration by the CEO & Managing Director is annexed to this report.

Related Party Transaction:

Pursuant to Regulation 23 of the Listing Regulations and applicable provisions of the Companies Act, 2013, the Company has formulated Related Party Transactions Policy for dealing with Related Party transactions. Transactions with every Related Party are as per the provisions of the law and the Related Party Transactions Policy. All Transaction with related parties was in the ordinary course of business and on arm's length pricing basis. The Policy on related party

transaction has been placed on the Company's website and can be accessed through <https://www.digvijaycement.com/wp-content/uploads/2019/06/Material-related-party-policy.pdf>.

CEO / CFO Certification:

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

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 ("Policy") as per the applicable laws and as per the standards, policies and procedures as laid down in 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.

As per the Policy, all Protected Disclosures concerning any alleged wrongful conduct or act can be addressed/ reported to the Conduct Committee with copy to Chairman of Audit Committee, or directly to Chairman of Audit Committee, through the following email ids:

Name	Email id
Conduct Committee	WB.Committee@digvijaycement.com
Mr. Mahesh Gupta – Chairman of Audit Committee	WB.ACChairman@digvijaycement.com

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. None of the employees of the Company has been denied access to the Audit Committee.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year : NIL
- b. number of complaints disposed of during the financial year : NIL

c. number of complaints pending as on end of the financial year: NIL

Policy for preservation of documents:

The Company has a policy for preservation of documents. The said policy is available at Company's website www.digvijaycement.com.

Policy for determination of material event and price sensitive information:

The Company has a policy for determination of material event and price sensitive information. The said policy is available at Company's website www.digvijaycement.com.

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, if there is any risk arising.

Fees paid to the Statutory Auditors:

During the financial year 2019–20, the Statutory Auditors of the Company were paid fees for audit and providing other services as per below details:

(Rs.in Lakhs)

Name of the Auditors	Fees paid		Total
	For Statutory Audit	For providing other services	
BSR & Associates LLP	19.75	4.28	24.03

Other Policies and Disclosures:

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.

In addition, the Company has, in line with its focus areas and international standards, developed an Environmental, Social and Governance (ESG) policy to incorporate ethical, environmental and social considerations into business activities thereby mitigating material risks, exploring areas of opportunity and improving overall performance.

Mandatory & Non-Mandatory Clauses:

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

E) GENERAL BODY MEETINGS

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

AGM	Financial Year	Location of the Meeting	Date & Time
72 nd	2016-17	Registered Office, Digvijaygram	20 th June, 2017 at 09.30 A.M.
73 rd	2017-18	Registered Office, Digvijaygram	7 th September, 2018 at 09.30 A.M.
74 th	2018-19	Registered Office, Digvijaygram	5 th August, 2019 at 03.00 P.M.

The details of special resolutions passed in the previous three Annual General Meetings are as follows:

Date of AGM	No. of special resolutions passed	Brief particulars of Special Resolution
20 th June, 2017	One	Adoption of New set of Articles of Association of the Company.
7 th September, 2018	One	Appointment of Mr.K.K. Rajeev Nambiar as Managing Director of the Company.
5 th August, 2019	Four	1. Appointment of Mr. Anil Singhvi as Executive Chairman of the Company for a period of 5 (five) years from 30 th April, 2019 to 29 th April, 2024 on the terms and conditions (including remuneration) as are set out in the said special resolution and explanatory statements thereto. 2. Approval of 'SDCCL Employee Stock Option Plan 2019' to create, offer, issue and allot 70,68,000 Options to eligible Directors and employees under Employee Stock Option Plan. 3. Grant of Stock options of 1% or more of the issued Share Capital of the Company to Mr. K.K. Rajeev Nambiar, CEO & Managing Director. 4. Alteration of Articles of Association.

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

F) MEANS OF COMMUNICATION

During the year, un-audited quarterly and audited annual financial results of the Company were submitted to the stock exchanges soon after the approval at Board meeting and were published in leading newspapers viz The Financial Express in all edition of English language and The Financial Express in Gujarati language. These were also promptly put on the Company's website www.digvijaycement.com. All other relevant news and information are also displayed on the Company's website.

In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide circular no. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (the 'MCA Circulars'), provided certain relaxations for companies, including conducting Annual General Meeting (AGM) through Video Conferencing (VC) or through Other Audio-Visual Means (OAVM) ('electronic mode'), if AGMs of such companies are conducted during the calendar year 2020. Said MCA Circulars has also dispensed with the printing and despatch of annual reports to shareholders.

In line with the above MCA Circulars, SEBI vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 dispensed with the requirement of Regulation 36 (1)(b) and (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('SEBI LODR') for listed entities, who conduct their AGMs during the calendar year 2020, which otherwise prescribes that a listed entity shall send a hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full

Tentative Financial Calendar for the year 2020-21:

Financial Year	1 st April to 31 st March
Quarterly results and Limited Review for the quarter ending 30 th June, 2020	Within 45 days of the end of the quarter
Quarterly/ Half-yearly results and Limited Review for the quarter ending 30 th September, 2020	
Quarterly/ Nine-months results and Limited Review for the quarter ending 31 st December, 2020	
Results for the Year ending 31 st March, 2021	Within 60 days of the end of the financial year
Annual General Meeting for the year ending 31 st March, 2021	By end of September, 2021

Listing of Shares :

The Equity shares of the Company are at present listed at the following Stock Exchanges:

Name of Exchange	Stock Code
1. National Stock Exchange of India Ltd. (NSE) * Exchange Plaza, C - 1, Block - G, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051.	SHREDIGCEM
2. BSE Ltd.(BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.	502180

*Stocks permitted for trading effective from 19th August, 2019 and admitted for listing at NSE with effect from 28th January, 2020. Annual Listing fees for the financial year 2019-20 & 2020-21 have been paid by the Company to the above Stock Exchanges.

annual reports to those shareholders, who request for the same, respectively.

Accordingly, this year, in view of spread of Covid-19 pandemic and also to support the "Green Initiative in Corporate Governance", an initiative taken by the MCA, the Company has decided to send soft copies of Annual Report 2019-20 (including AGM Notice) to those shareholders whose email IDs are registered with the Depository Participants and / or with the Company's Registrars and Transfer Agents.

In terms of above MCA Circulars and in view of the current extraordinary circumstances due to Covid-19 pandemic requiring social distancing, the Company is taking measures to allow Members to vote through the mechanism of e-voting or other electronic mode in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, without holding AGM that requires physical presence of Members at a common venue.

With respect to detailed procedure for Remote e-voting or voting through electronic mode and attending the AGM through VC/OAVM, please refer the Notes and instructions annexed to Notice of 75th AGM.

GENERAL INFORMATION TO SHAREHOLDER

- Financial Year: 1st April, 2019 to 31st March, 2020
- Dates of Book Closures : 24th June, 2020 to 30th June, 2020 (both days inclusive)
- Annual General Meeting : 30th June, 2020 at 3.00 pm at Digvijaygram, Gujarat, India
- Dividend Payment Date: The proposed Dividend, if approved at the ensuing AGM will be distributed around 3rd July, 2020.

The security of the Company was never suspended from trading during the year 2019-20.

Corporate Identity Number (CIN) : L26940GJ1944PLC000749

Market Price Data during financial year 2019-20:

Month	BSE (in Rs.)			NSE (in Rs.)		
	High	Low	Volume	High	Low	Volume
April-2019	23.85	15.45	17,53,41,697	Permitted for trading on NSE effective from 19 th August, 2019		
May-2019	17.90	14.55	1,03,28,101			
June-2019	16.50	13.30	31,28,371			
July-2019	16.40	14.02	61,33,776			
August-2019	17.10	14.25	18,43,556	17.30	14.05	8,57,785
September-2019	18.05	15.25	16,02,934	18.15	15.15	20,32,025
October-2019	24.50	15.55	38,11,093	24.50	14.55	73,54,761
November-2019	27.15	20.20	29,64,701	27.05	20.15	1,03,11,770
December-2019	28.05	22.25	20,60,896	28.20	22.20	55,29,635
January-2020	31.25	25.00	24,43,620	31.35	25.10	1,18,26,976
February-2020	33.90	25.70	22,84,420	33.90	25.50	1,20,94,370
March-2020	31.95	18.15	23,14,270	32.00	18.40	1,08,78,269

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

Month	Company's Share Price at BSE (Rs.)	S & P BSE Sensex	Relative Index for comparison purpose	
			Company Share price index	BSE Sensex
March-2019	21.25	38672.91	100.00	100.00
April-2019	18.00	39031.55	99.85	100.01
May-2019	16.35	39714.20	99.77	100.03
June-2019	14.65	39394.64	99.69	100.02
July-2019	14.64	37481.12	99.69	99.97
August-2019	15.60	37332.79	99.73	99.97
September-2019	17.40	38667.33	99.82	100.00
October-2019	22.75	40129.05	100.07	100.04
November-2019	22.45	40793.81	100.06	100.05
December-2019	26.80	41253.74	100.26	100.07
January-2020	27.65	40723.49	100.30	100.05
February-2020	30.15	38297.29	100.42	99.99
March-2020	23.70	29468.49	100.12	99.76

Dividend history for the last 5 years* is as under :

Financial Year	Date of Declaration	Dividend per Share (Rs.)
2015-16	NA	NIL
2016-17	NA	NIL
2017-18	NA	NIL
2018-19	NA	NIL
2019-20	NA	Rs. 1.50 (i.e. 15%)*

*The Company last distributed Dividend in the year 1987.

* As recommended by Board of Directors at its meeting held on 14th May, 2020 and subject to approval of shareholders at the ensuing Annual General Meeting.

Unclaimed Dividends:

The Company currently has no unclaimed dividends, since no dividend was declared in last 33 years. Above proposed Dividend, if declared, the Company is required to transfer dividends which have remained unpaid/ unclaimed, if any, for a period of seven years to the Investor Education & Protection Fund established by the Government.

Registrar and Share Transfer Agents:

M/s Link In-time India Pvt. Ltd.
C-101, 247 Park
LBS Marg, Vikhroli (W)
Mumbai – 400 083

Telephone No.022-4918 6000
Fax No.022-4918 6060
e-mail: rnt.helpdesk@linkintime.co.in

Investors Correspondence:

The Company Secretary
Shree Digvijay Cement Company Ltd.
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

Exclusive e-mail id for Investors' Grievances :

Pursuant to Regulation 85 of the Listing Regulations, the following e-mail id has been designated for communicating investors' grievances:

e-mail : investors.sdcl@digvijaycement.com

E-mail id pursuant to Green Initiative in the Corporate Governance :

As a part of Green Initiative, the Members who wants to receive the notices/documents including Annual Reports of the Company electronically, may kindly intimate their e-mail id to the Company at its designated e-mail id i.e. greeninitiative@digvijaycement.com.

Share Transfer System:

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

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

- The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after 1st April, 2019.
- Any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized.

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

- 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 by writing to the Company Secretary of the Company or RTA, or download the form from the Company's website. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regard.
- Permanent Account Number (PAN) and Bank Account details:
Members attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated 20th April, 2018 pursuant to which the Company has written to shareholders requesting them to furnish details regarding their PAN **as also their bank details for payment of dividend through electronic mode.**
Those shareholders who are yet to respond to the Company's request in this regard or not yet furnished the details of PAN or provided / updated bank details, are once again requested to take action in the matter at the earliest.
- Subdivision of shares
The Company had subdivided the face value of its Equity shares from Rs.100 to Rs.10 in 1995. The old shares having face value of Rs.100 are no longer tradable on the stock exchange. Members holding share certificates of the face value of Rs.100 are requested to send the certificates to the Company Secretary of the Company for exchange with shares of the face value of Rs.10 each.
- 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.
- 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 shares held in physical form, with the issued and listed capital. The Auditors Certificate in regard

to the same is submitted to BSE and NSE and also placed before the Stakeholders Relationship committee and the Board of Directors.

Distribution of shareholding as on 31st March 2020:

Holdings	No. of Shareholders	% age	No. of shares	% of shareholdings
1-500	17250	67.25	3318617	2.35
501-1000	3476	13.55	3068119	2.17
1001-2000	2000	7.80	3212637	2.27
2001-3000	801	3.12	2073573	1.47
3001-4000	341	1.33	1238905	0.88
4001-5000	508	1.98	2432651	1.72
5001-10000	638	2.49	4851852	3.43
10001 & above	637	2.48	121177924	85.71
Total	25651	100.00	14,13,74,278	100.00

Dematerialisation of Shares and liquidity:

As on 31st March, 2020, 99.44% of the Company's total equity shares representing 14,05,88,238 equity shares were held in dematerialised form and 7,86,040 equity shares representing 0.56% of paid-up share capital were held in physical form.

Categories of Shareholding as on 31st March, 2020:

Category	No. of shares held	% of Shareholdings
Promoters	8,08,25,928	57.17
NR & NRI's	29,24,191	2.07
Financial Ins./ Banks etc.	82,023	0.06
Corporate	1,38,57,951	9.80
Public	4,36,84,185	30.90
Total	14,13,74,278	100.00

Registered Office & Works / Plant Location:

Shree Digvijay Cement Company Ltd.
 CIN: L26940GJ1944PLC000749
 Digvijaygram – 361 140
 Dist. Jamnagar (Gujarat)
 Telephone : (0288) 2344 272 -2344 275
 Fax No. : (0288) 2344 092 & 2344 214
 Website : www.digvijaycement.com
 e-mail : investors.sdcl@digvijaycement.com

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

- **Shareholders Rights:**The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
- **Auditor's Opinion:**The Company's financial statements for the financial year 2019-20 do not contain any audit qualification.
- **Reporting of internal auditor:**The internal auditors report to the Audit Committee.
- **Separate posts for chairperson and chief executive officer:**The position of the Chairman of the Board of Directors and the CEO are separate.
- **Code for Prohibition of Insider Trading :** Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a "Code for Prevention of Insider Trading". The said Code of Conduct has been revised in accordance with the Securities and Exchange Board of India (Insider Trading) Regulations, 2018. The Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated persons as defined in the Code of Conduct.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

To
 The Shareholders,
 Affirmation of Compliance with Code of Conduct

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Conduct from all the Directors and the Senior Management Personnel of the Company, as applicable to them, for the financial year ended 31st March, 2020.

For Shree Digvijay Cement Company Ltd.

Place : Digvijaygram
 Date : 14th May, 2020

K.K. Rajeev Nambiar
 CEO & Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
 The Members of
 Shree Digvijay Cement Co. Limited

We have examined the compliance of conditions of corporate governance by **Shree Digvijay Cement Company Ltd. ("the Company")**, for the year ended 31st March, 2020, as specified Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Regulations**").

Management's Responsibility:

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

Auditors' Responsibility:

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

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

Conclusion:

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

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

Restrictions on use:

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

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

Place: Mumbai
 Date : 14th May, 2020

DINESH KUMAR DEORA
 PARTNER

Annexure I
BUSINESS RESPONSIBILITY REPORT 2019-20

Shree Digvijay Business Responsibility Report 2019-20 follows the National Guidelines on Responsible Business Conduct (NGRBC) as formulated by Ministry of Corporate Affairs (MCA) after revising the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011. In addition, Company has adopted Environment Social and Governance (ESG) Policy, in accordance with the Global Standards and Reporting Initiative's framework, with the object to incorporate ethical, environmental and social considerations into business activities thereby mitigating material risks, exploring areas of opportunity and improving overall performance.

Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR"), covering topics across environment, governance, and stakeholder relationships. This Business Responsibility Report is a testament to our accountability towards creating enduring value for all stakeholders in a responsible manner. In line with SEBI LODR and MCA NGRBC, the report summarizes our efforts to conduct business with responsibility.

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L26940GJ1944PLC000749			
2	Name of the Company	Shree Digvijay Cement Company Ltd.			
3	Registered address	Digvijaygram-361 140, Via: Jamnagar, Gujarat, India			
4	Website	www.digvijaycement.com			
5	E-mail id	investors.sdcl@digvijaycement.com			
6	Financial Year reported	2019-20			
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Details of major products			
		Group	Class	Sub Class	Description
		239	2394	23941 23942	Manufacturing and sale of Clinker and Cement
8	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	The Company manufactures cement of various kinds viz. Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Sulphate Resisting Portland Cement (SRPC), Oil Well Cement (OWC) and other special cements.			
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5)-Nil (b) Number of National Locations : One integrated cement unit comprising of clinker, grinding unit, blending unit at Sikka, Digvijaygram; Registered Office and Corporate Office at Sikka, Digvijaygram; Central Sales Office at Ahmedabad; and Regional Sales Offices at other locations in the state of Gujarat.			
10	Markets served by the Company	Local	State	National	International
		Yes	Yes	Yes	Yes

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	Rs. 14,137 Lakhs
2	Total Turnover	Rs. 47,209 Lakhs
3	Total profit after taxes	Rs. 5,643 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, an amount of Rs. 8.65 Lakhs was spent on CSR activities. This represents more than 2% of average net profit for three financial year immediately preceding the financial year 2019-20.
5	List of activities in which expenditure in 4 above has	1. Promoting Health Care, Hygiene and Sanitation
		2. Contribution for social cause
		3. Promotion of Education
		4. Empowerment of Women and other Social Welfare Activities
		5. Social Business Project

SECTION C: OTHER DETAILS
1. Does the Company has any Subsidiary Company/Companies?

As on 31st March, 2020, the Company has no subsidiary company.

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

Not Applicable.

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

Other entities viz. suppliers, distributors etc. with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company during the year.

SECTION D: BR INFORMATION
1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:		
1	DIN Number	: 07313541
2	Name	: Mr. K.K. Rajeev Nambiar
3	Designation	: CEO & Managing Director
b) Details of the BR head:		
No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Suresh Kumar Meher
3	Designation	V.P. (Legal) & Company Secretary
4	Telephone Number	0288-2344272
5	Email ID	suresh.meher@digvijaycement.com

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

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

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

P 1	Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.
P 2	Businesses should provide goods and services in a manner that is sustainable and safe
P 3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P 4	Businesses should respect the interests of and be responsive to all their stakeholders.
P 5	Businesses should respect and promote human rights.
P 6	Businesses should respect and make efforts to protect and restore the environment.
P 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P 8	Businesses should promote inclusive growth and equitable development.
P 9	Businesses should engage with and provide value to their consumers in a responsible manner.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for each principle?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on the National Guidelines on Responsible Business Conduct (NGRBC) as formulated by Ministry of Corporate Affairs (MCA). ESG Policy adopted by the Company is in accordance with the Global Standards and Reporting Initiative's framework.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Copies of the policy will be made available on receipt of written request from stakeholders.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company.								
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company is working on developing and improving its system for evaluating the implementation of the policies. The policies are evaluated from time to time and updated whenever required. ESG Policy is implemented with the help of external agency.								

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

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

BR performance of the Company is currently assessed annually and Company is planning to do this in 3-6 months from financial year 2020-21.

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

Effective from this year, the Company prepares Business Responsibility Report annually and the same is also placed on the website of the Company at www.digvijaycement.com.

SECTION E : PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

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

The Policy relating to Ethics, Bribery and Corruption is an extension of Code of Conduct (Code) and the backbone of Company's governance system and guides the operations of the Company. The Code of Conduct applies to the Directors and the Senior Management and all employees of the Company. The Policy and Code are also shared with our Suppliers/ Contractors / others, and it is Company's endeavor to encourage its suppliers, vendors, contractors, business partners and third parties with whom it conducts business to abide by this Policy and Code.

A Whistle Blower Policy/Vigil Mechanism is also in place, which provide opportunity to all stakeholders to report any concerns/ issues/incidents about unethical behaviour, actual or suspected fraud or violation of the Code and Policies.

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

During the financial year 2019-20, the Company has received 3 (three) complaints from the shareholders relating to non-receipt of Annual Report etc. and 100% of said complaints were satisfactorily resolved by the management.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

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

The Company has been focusing on developing products that are environment friendly, utilizing waste by product from other industries, reducing carbon foot-print and more energy efficient. Our major product range is blended cements which include Portland Pozzolana Cement (PPC), Ordinary Portland Cement (OPC), and Oil Well Cement (OWC). The Company has during the year launched a special blended PPC cement with brand name "CEMENT KA SARDAR" specially engineered for CRACK-FREE concrete. This very special Premium Cement comes with 6 Key benefits of High Early Strength, Superior Cohesion, Quick Setting, Resistant to Chemical Attack, Most Durable and Green Product.

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

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company is committed to environment protection, climate change and taking various initiatives to reduce carbon footprint. As a part of promoting renewable energy, Company has installed Waste Heat Recovery Power Generation Plant (WHRP) at its Manufacturing unit at Sikka. Apart from this, Company source close to 8% of power from wind-mills. Company always promote energy efficient technology to ensure lower energy consumption. The Company, as a part of drive to conserve natural resources and to reduce energy consumption, consumes industrial hazardous waste as a fuel in kiln in both solid and liquid form, by-products such as fly ash, chemical gypsum, iron sludge, copper slag in the cement manufacturing process, contributing to reduce greenhouse gas emission. Apart from use of wind power at its Sikka unit, Company also promote use of solar power and other renewable energy. For further details please refer to Annexure – 'B' to the Director's Report covering inter-alia, details of Conservation of Energy.

The Company is replacing fossil fuel with burnable agricultural waste (such as coconut shells, peanut shells) and industrial waste to the extent of availability.

The Company has a focused approach to cater to the cement needs of population and organizations in the areas close to its manufacturing plant in Sikka.

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

The Company's products are used by variety of consumers and it is neither feasible to measure reduction in the usage (energy, water) nor available with us. However, at plant level we are taking following actions to reduce energy and water:

- i) Use of alternative fuel for thermal substitution by using plastic wastes collected locally, poly residue plastic ETP sludge, industrial waste and replacing fossil fuel.
- ii) For water conservation, we collect rain-water in our mined out are a which is being used for plant and colony throughout the year, which saves 90% water required for plant and WHRP uses?

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's main raw material "limestone" is procured from its own mines and third party mines, situated at an average distance of 100 km from its Plant. These are transported through trucks with fully covered tarpulin. Most of the Company's inward bulk materials are sourced from nearby areas in a sustainable manner.

The Company also procures fly ash through bulker from nearby industries as much as possible.

The Company has started increasing the use of Alternate Fuel (plastic wastes, co-processed industrial waste and segregated municipal wastes) to replace part of fossil fuel, in a sustainable manner.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company encourages local vendors to supply its regular needs. The Company has trained and developed local

contractors to meet its repair and maintenance needs as much as possible. These contractors employ workmen mostly from local villages.

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

Cement manufacturing process does not generate any by-product / waste as such. The plant is a zero waste generator. The Company utilizes wastes of other industries like paint industries, refineries, power plants and other chemical plants as additives in cement manufacture and thus contributes to sustainable development.

PRINCIPLE 3 :

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

1. Please indicate the Total number of employees.

The total number of employees is 281 as on 31st March, 2020.

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

Total temporary/Contractual/Casual employees were 319 as on 31st March, 2020 out of which 8 comprises of Trainees and Apprentices.

3. Please indicate the Number of permanent women employees.

There were 5 permanent women employees as on 31st March, 2020.

4. Please indicate the Number of permanent employees with disabilities

There were Nil permanent employees with disabilities as on 31st March, 2020.

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

Company has workers union namely, Shree Sikka Cement Employees Union (Indian National Trade Union Congress) and Shree Digvijay Cement Mazdoor Sangh (Bharatiya Mazdoor Sangh). There is no Staff Union.

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

29.5% of permanent employees are members of above recognized trade unions.

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

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	The Company does not employ such labour	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

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

	Safety and skill up-gradation training
(a) Permanent Employees	66.00%
(b) Permanent Women Employees	60.00%
(c) Casual/temporary/Contractual Employees	100.00%
(d) Employees with Disabilities	NA

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL THEIR STAKEHOLDERS.

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

Yes. For Shree Digvijay Cement, maintaining relationship with stakeholders is a business imperative. The business revolves around stakeholders, right from suppliers to customers, shareholders to communities, government to workforce and contractors.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company has mapped disadvantaged, vulnerable and marginalized stakeholders viz. communities in and around the areas of its plant & mining operations, and is actively working towards their inclusive growth as part of Company's CSR efforts.

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

The Company undertakes special initiatives and projects in the areas of Women Empowerment, Health Care including preventive health care and sanitation, providing safe drinking water, education, skill development leading to creation of alternative employment, Infrastructure development and ensuring environmental sustainability through forestry, conservation of natural resources and maintaining quality of soil, air and water, all directed towards helping neighboring communities, including disadvantaged, vulnerable and marginalized stakeholders and being instrumental in cultivating their progress. The Company was the first industrial unit in the region, who started providing free drinking water and free medical amenities to all nearby villagers, particularly disadvantaged, vulnerable and marginalized population, whosoever residing around Company's plant and mining locations. The Company also has a well-established CSR policy which reflects the objective of economic and social development to create a positive impact.

PRINCIPLE 5 : BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

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

The Policy relating to respecting and promoting human rights covers the Company only. The Company encourages its business partners and third parties with whom it conducts business to abide by this Policy.

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

During the financial year 2019-20, the Company did not receive any complaint with regard to violation of human rights.

PRINCIPLE 6 : BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

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

The Policy relating to respecting, protecting and restoring the Environment covers the Company only. However, the Company encourages its suppliers, business partners and third parties with whom it conducts business to abide by this Policy.

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

The world is faced with serious challenges like Climate change, global warming and environmental risks. The Company is fully engaged mitigating the negative effects to the environment and climate through various initiatives in a sustainable and planned manner. The Company proactively takes measure to reduce carbon foot print to address the environmental issues. The Company has a special drive for tree plantation in the mined out areas, waste land and plant premises.

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

Yes. The Company identifies and assesses potential environmental risks periodically across its plant operations and projects. Company has constantly been investing in latest and best technology to reduce emissions as per new Environment norms which came into effective from 1st September, 2018.

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

Currently no projects related to Clean Development Mechanism (CDM) have been takenup by the Company. However, the Company has completed CDM project on WHRP at Sikka, which is operating successfully. The Company is also first to set up Amonia purging plant as a part of CDM to reduce SOx and NOx emissions by its processes. The Company burns plastic waste, sourced from plastic industry, colony and nearby villages, in its kiln routinely.

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

Yes, the Company has taken various initiatives on clean technology, energy efficiency, renewable energy etc., to reduce its impact on the environment, apart from its installed WHRP. In addition, the Company has installed system for feeding alternate fuel (plastic waste, co-processed industrial and chemical wastes etc.). In the coming periods, it is proposed to increase alternate fuel consumption to reduce the dependence on fossil fuel. For further details please refer to Annexure-'B' to the Director's Report covering inter-alia, details of Conservation of Energy. The Company has a target to achieve 10% substitution of renewable fuel with alternate fuels as stated above. The Company uses pet coke and fly ash from nearby refineries, power and petroleum industries. This also helps to reduce carbon foot-print.

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

Yes. The stacks are connected live to the Government body CPCB as per norms. The emissions/waste generated by the Company is within the permissible limits for the financial year 2019-20.

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

There are no show cause/ legal notices received from CPCB/SPCB which are pending as at end of the Financial Year 2019-20.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

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

The Company is a Member of the following trade/ chamber associations:

- (a) Cement Manufacturers Association (CMA)
- (b) Confederation of Indian Industry (CII)
- (c) Federation of Indian Mineral Industries (FIMI)
- (d) ASAP for Indian Cement Review (ICR)

2. Have you advocated/lobbied through above associations for the advance mentor improvement of public good ? Yes/No; if yes specify the broad are as (drop box : Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company continuously advocates the use of eco-friendly mining practices, use of alternative fuels and increase use of fly-ash, installation of WHRP in cement manufacturing units, energy conservation, infrastructure developments and construction of concrete roads.

PRINCIPLE 8 : BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

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

The Company has a continuous CSR programme which creates sustainable livelihoods, especially among the poor in rural places wherein the Company operates:

- a) Focus on skill development of people for alternate employment opportunity generation, particularly women empowerment including livelihood projects.
- b) Conduct Self Help Group training, meeting and development programme.
- c) Conduct meeting of villagers / farmers at mines and train them towards advanced agriculture techniques so that they can use their land more effectively and increase their income.
- d) Provide assistance to women for making various types of food items, tailoring and stitching etc. for Sustainable Livelihood.
- e) Work for women empowerment, education, skill development and entrepreneurship.
- f) Conduct vocational skill training for women empowerment such as Tailoring classes, Cooking classes, Ice-cream making classes & Dance classes, etc., manufacturing of Masks & bags etc. The Company also provides Computer Course, English Speaking Classes and open Learning Centre.

The Company also has Environment, Social and Governance (ESG) Policy, whose objective, inter alia include:

- a) Establishing systems to manage environmental and social impact of business activities across the value chain
- b) Establishing, implementing and maintaining an effective monitoring and reporting systems for continuous improvement of ESG performance
- c) Implementing mechanisms to achieve an equitable, healthy and safe working environment for employees
- d) Supporting the local communities for an inclusive development of the society
- e) Consulting and seeking feedback from relevant stakeholders to ensure continued relevance of policy

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

Programme / Projects are currently undertaken through in house team.

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

Our team / Field staffs regularly visit nearby villages and take feedback from beneficiaries. We also conduct Community Assessment to identify the need of local community for our CSR initiatives.

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

The Company has spent Rs. 8.65 Lakhs as part of its CSR initiatives during the year. Details of the projects are given in Annexure- 'E'- Report on CSR Activities forming part of Director's Report. These activities in CSR Report and amount spent doesn't include, spending by the Company in managing two schools at its Plant site at Sikka and one school at its Mines location, amount spent and efforts made in supplying free drinking water to nearby villages etc.

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

Yes. The Company has taken all possible steps to ensure that these programs are successfully adopted by the community. The Company arranges regular meetings of Company officials with villagers to ensure their satisfaction / specific need analysis. CSR officials regularly keep meeting with them to explain benefits of the programs undertaken by Company. As a result of this, mind-set and approach of local community has constructively improved. Women groups eagerly come forward to showcase their products i.e. pickles, bags, dress etc. during seasonal sales / events. During this period, women got the opportunity to interact with different stakeholders which helped to build their confidence for promotion of enterprises and also sold their products. With the support of the Company which is encouraging women to establish and expand the enterprises with the money received from sale of their products. The Company has also implemented monthly reporting system which contains progress and development report of all the ongoing programmes.

PRINCIPLE 9 : BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

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

The Company is firmly committed to providing world class quality products and services to its customers, supported by capable and qualified manpower to provide pre and after-sales services. The Company empathizes with concerns of all its stakeholders, influencers and recommenders. A well-established mechanism is in place to deal with customer feedback and complaints. Customers can connect with the Company through multiple channels such as email, telephone, website, social media and feedback forms. There is a robust mechanism in place to appropriately address and resolve any type of complaint. At the end of the financial year, there were no unresolved complaints.

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

Company displays and maintains high standards of communication and information dissemination to ensure full compliance with applicable regulations.

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

There are no cases in relation to unfair trade practices, irresponsible advertising and/or violation of any laws during the financial year 2019-20.

4. Did your Company carry out any consumer survey/consumer satisfaction trends

The Company conducts a Consumer Satisfaction Survey once every six months to gauge consumer sentiments and expectations. The exercise enables the Company to take appropriate measures, often proactively, to increase customer satisfaction.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SHREE DIGVIJAY CEMENT COMPANY LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shree Digvijay Cement Company Ltd. ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our

Litigations and contingencies See note 28 to the financial statements

The key audit matter	How the matter was addressed in our audit.
<ul style="list-style-type: none"> - The Company is required to comply with a variety of different Central and State laws including direct and indirect tax laws, regulations and interpretations which exposes it to risk of litigations and claims. - Provisions and contingent liability disclosures for litigations and claims may arise from tax proceedings, legal and regulatory proceedings, other government/department proceedings, as well as investigations by authorities and commercial claims. - The complex nature and magnitude of the litigation and claims involves application of significant judgment by the Company to estimate the possible outcome of each matter. Also, the proceedings to these litigations and claims may span over multiple years and may involve protracted negotiation or litigation. These accordingly having a significant impact on related accounting and disclosures in the financial statements. - These estimates could change significantly over time as new facts emerge and each legal case progresses - Considering the complexity, possible interpretations and the magnitude of the potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter. <p>Refer Note 28 to the financial statements</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> - Making enquiries with Company's in-house Legal Counsel and other senior personnel about the current and potential significant claims and litigation on the Company. - Obtained Company's assessment on key exposures and any related litigation. Reading and analyzing select key correspondences between the Company and various tax/legal authorities or plaintiffs and attorneys, where applicable, and external legal opinions/ consultations obtained by the Company for key legal and tax matters - Involving our internal tax experts to assess various tax position taken by the Company with respect to complex tax matters. - Assessing and challenging the Company's estimate of the possible outcome of the disputed cases by considering legal precedence and other judicial rulings. - Assessing and testing the adequacy of presentation and disclosures

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

Key Audit Matter

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Management's and Board of Directors' Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 1 April 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024
UDIN: **20045754AAAABO2013**

Place: Ahmedabad
Date : 14th May, 2020

Jeyur Shah
Partner
Membership No. 045754

Annexure A to the Independent Auditor's Report – 31 March 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report the following:

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

provided any security under Section 185 and 186 of the Act. Accordingly paragraph 3 (iv) of the Order is not applicable to the Company.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Section 148 (1) of the Act and are of the opinion, that prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Profession tax, Income-tax, Sales-tax, Service tax, Duty of excise, Duty of customs, Goods and Service tax, Value added tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Profession tax, Income-tax, Sales-tax, Service tax, Duty of customs, Goods and Service tax, Value added tax, Cess and other material statutory dues were in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable. Pending clarity on the matter as explained in Note 28 (e) to the Financial Statements, the Company is currently unable to determine the extent of arrears of such provident fund. As explained to us, the provisions of employee state insurance is not applicable to the Company.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, duty of customs, duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the statute	Nature of dues	Amount demanded (Rs in lakhs)	Amount under dispute not deposited (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	686.56	634.58	Financial year 2009-10 to 2010-11	The Customs, Excise and Service Tax Appellate Tribunal
		516.95	516.95	Financial year 2009-10 to 2012-13	Commissioner (Appeals), Ahmedabad
		48.46	46.60	Financial year 2008-09 to 2012-13	Commissioner (Appeals), Rajkot
The Finance Act, 1994	Service tax	2,041.70	1,907.59	Financial year 2005-06 to 2015-16	The Customs, Excise and Service Tax Appellate Tribunal
		27.45	27.45	Financial year 2005-06	Commissioner (Appeals), Rajkot
The Customers Act, 1962	Customs duty	451.55	100.00	Financial year 2011-12	The Customs, Excise and Service Tax Appellate Tribunal
Sales Tax Act of respective states	Valued added tax	269.68	214.01	Financial year 2009-10 to 2015-16	Joint Commissioner (Appeal)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company does not have any loans or borrowings from financial institutions and Government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the

Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024
UDIN: **20045754AAAABO2013**

Place: Ahmedabad
Date : 14th May, 2020

Jeyur Shah
Partner
Membership No. 045754

Annexure B to the Independent Auditor's Report on the financial statements of Shree Digvijay Cement Co. Limited for the year ended 31 March 2020

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Shree Digvijay Cement Co Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024
UDIN: **20045754AAAABO2013**

Place: Ahmedabad
Date : 14th May, 2020

Jeyur Shah
Partner
Membership No. 045754

BALANCE SHEET AS AT MARCH 31, 2020

	Notes	(Rs. in lakhs)	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,654.33	19,300.29
Capital work-in-progress		40.92	119.26
Intangible assets	4(A)	163.68	148.44
Right-of-use asset (Lease)	4(A)	27.24	-
Intangible assets under development	4(B)	847.82	840.75
Financial assets			
i. Loans	5	33.78	858.48
ii. Other financial assets	6	8.48	55.08
Deferred tax assets (net)	8	1,027.97	1,653.16
Income tax assets (net)	7	47.95	63.65
Other non-current assets	9	1,639.65	1,680.54
Total Non-Current Assets		22,491.82	24,719.65
Current assets			
Inventories	10	6,489.49	5,791.62
Financial assets			
i. Trade receivables	11	982.08	1,371.36
ii. Cash and cash equivalents	12	52.27	3,599.32
iii. Bank balances other than (ii) above	13	7,386.77	23.59
iv. Loans	14	35.79	17.36
v. Other financial assets	15	25.30	83.13
Other current assets	16	515.97	387.81
Total Current Assets		15,487.67	11,274.19
Total Assets		37,979.49	35,993.84
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	14,137.50	14,137.50
Other equity	18	13,502.52	7,834.19
Total Equity		27,640.02	21,971.69
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease liability	44	9.55	-
Provisions	19	384.82	345.27
Employee benefit obligations	20	812.73	616.89
Total Non-Current Liabilities		1,207.10	962.16
Current liabilities			
Financial liabilities			
i. Borrowings	21	-	4,026.08
ii. Lease liability	44	25.38	-
iii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	46	60.03	8.97
b. Total outstanding dues of creditors other than (a.) above	22	4,705.74	5,287.77
iv. Other financial liabilities	23	2,998.01	2,487.84
Other current liabilities	24	964.47	932.69
Provisions	25	249.86	249.86
Employee benefit obligations	26	69.76	66.78
Income tax liabilities	27	59.12	-
Total Current Liabilities		9,132.37	13,059.99
Total Equity and Liabilities		37,979.49	35,993.84
Significant accounting policies	2(A)		
The notes are an integral part of these financial statements			

In terms of our report of even date
For B S R & Associates LLP
 Firm Registration No.:116231W/W-100024
 Chartered Accountants
Jeyur Shah
 Partner
 Membership No.: 045754
Place: Ahmedabad
Date: 14th May, 2020

For and on behalf of the Board of Directors

Anil Singhvi
 Executive Chairman
 DIN: 00239589

Mahesh Gupta
 Independent Director
 DIN: 00046810

Place: Mumbai
Date: 14th May, 2020

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

Vikas Kumar
 Chief Financial Officer

Place: Digvijaygram
Date: 14th May, 2020

Suresh Kumar Meher
 VP (Legal) &
 Company Secretary

Place: Ahmedabad
Date: 14th May, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Notes	(Rs. in lakhs)	
		Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	29	46,984.59	43,646.29
Other income	30	224.70	464.38
Total income		47,209.29	44,110.67
Expenses			
Cost of materials consumed	31	9,127.61	9,875.01
Changes in inventories of finished goods and work-in-progress	32	(976.03)	25.74
Employees benefits expenses	33	3,438.54	2,898.70
Finance costs	34	178.25	385.66
Depreciation and amortisation expenses	35	2,480.21	2,399.28
Power and fuel expenses		13,909.28	15,455.73
Freight and handling expenses		6,574.82	6,801.45
Other expenses	36	4,819.33	5,936.96
Total expenses		39,552.01	43,778.53
Profit before tax		7,657.28	332.14
Tax expense			
Current tax	7A	1,363.10	90.50
Deferred tax charge/(credit)	7A	650.47	35.53
Total tax expense/(credit)		2,013.57	126.03
Profit for the year		5,643.71	206.11
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations, gain/(loss)	33A	(63.46)	(130.89)
Income tax relating to above	8B	22.18	45.74
Other comprehensive income for the year, net of tax		(41.28)	(85.15)
Total comprehensive income for the year		5,602.43	120.96
Earnings per equity share (in Rs.) (Nominal value per share Rs.10)	42		
Basic earning per Share (In Rs.)		3.99	0.15
Diluted earning per Share (In Rs.)		3.96	0.15
Significant accounting policies	2(A)		
The notes are an integral part of these financial statements			

In terms of our report of even date
For B S R & Associates LLP
 Firm Registration No.:116231W/W-100024
 Chartered Accountants

Jeyur Shah
 Partner
 Membership No.: 045754

Place: Ahmedabad
Date: 14th May, 2020

For and on behalf of the Board of Directors

Anil Singhvi
 Executive Chairman
 DIN: 00239589

Mahesh Gupta
 Independent Director
 DIN: 00046810

Place: Mumbai
Date: 14th May, 2020

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

Vikas Kumar
 Chief Financial Officer

Place: Digvijaygram
Date: 14th May, 2020

Suresh Kumar Meher
 VP (Legal) &
 Company Secretary

Place: Ahmedabad
Date: 14th May, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	(Rs. in lakhs)	
	Year ended March 31,2020	Year ended March 31,2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,657.28	332.14
Adjustments for:		
Depreciation and amortisation expenses	2,480.21	2,399.28
Provision for slow / non-moving stores & spares	40.33	93.55
(Profit)/Loss on sale / write-off of property, plant and equipments (net)	(6.31)	(24.24)
Provision provided for doubtful debts and advances	4.63	23.86
Interest income	(165.31)	(148.69)
Unwinding of discount on security deposit	-	(1.53)
Liability/provision written back to the extent no longer required	-	(243.09)
Unrealized foreign exchange (gain) / loss on operating activities	(4.88)	25.18
Compensation Expenses under Employees Stock Options Scheme	71.68	-
Finance costs	178.25	385.66
Operating profit before working capital changes	10,255.88	2,842.12
Adjustments for:		
(Increase) in inventories	(738.20)	(1,483.23)
Decrease / (increase) in trade receivables	386.20	(170.61)
Decrease in loans	806.27	41.36
Decrease / (increase) in other financial assets	14.77	(28.95)
(Increase) in other assets	(128.56)	(427.83)
(Decrease) in trade payables	(526.09)	(239.95)
Increase / (decrease) in other financial liabilities	448.72	(13.15)
Increase / (decrease) in other liabilities	31.78	(590.57)
Increase in provision	13.20	-
Increase in employee benefit obligation	135.36	14.68
Cash generated from / (used in) operations	10,699.33	(56.13)
Taxes paid (net of refunds)	(1,288.28)	(100.91)
Net cash generated from / (used in) operating activities	9,411.05	(157.04)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment and intangible assets	(1,663.27)	(1,738.66)
Proceeds from sale of items of property, plant and equipment	18.10	30.57
Interest received	221.76	209.65
Proceeds from term deposit with bank (net)	55.92	1,092.19
Net cash (used in) investing activities	(1,367.49)	(406.25)

CASH FLOW STATEMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

	Year ended March 31,2020	Year ended March 31,2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(4,000.00)	(2,500.00)
Proceeds from borrowings	-	4,000.00
Interest paid	(174.21)	(336.66)
Repayment of lease liability	(32.41)	-
Net cash (used in) / generated from financing activities	(4,206.62)	1,163.34
Net increase in cash and cash equivalents (A+B+C)	3,836.94	600.05
Cash and cash equivalents at the beginning of the year	3,599.32	2,999.27
Cash and cash equivalents at the end of the year	7,436.26	3,599.32
Reconciliation of cash & cash equivalents as per cash flow statement :		
Cash and cash equivalents comprise:		
Cash on hand	4.97	0.63
Balances with banks - in current accounts	47.30	2,995.98
Demand deposits	7,383.99	602.71
Total	7,436.26	3,599.32
Significant accounting policies [Refer Note 2(A)]		
The notes are an integral part of these financial statements		

Note:

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

	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	4,026.08	2,500.63
Cash Flow from financing activities		
Repayment of borrowings	(4,000.00)	(2,500.00)
Proceeds from borrowings	-	4,000.00
Interest paid	(174.21)	(336.66)
Repayment of lease liability	(32.41)	-
Total cash flow from financing activities	(4,206.62)	1,163.34
Finance costs (refer note below)	178.25	385.66
Less : Unwinding of interest	(26.35)	(23.55)
Add: Lease liability assets (refer note 4(A) & 44)	54.69	-
Less : Lease liability (refer note 44)	(34.93)	-
Add : Transition impact of Ind AS 116, net of tax (refer note 18 & 44)	8.88	-
Balance at the end of the year	-	4,026.08

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

In terms of our report of even date

For B S R & Associates LLP

Firm Registration No.:116231W/W-100024

Chartered Accountants

Jeyur Shah

Partner

Membership No.: 045754

Place: Ahmedabad

Date: 14th May, 2020

For and on behalf of the Board of Directors
Anil Singhvi

Executive Chairman

DIN: 00239589

Mahesh Gupta

Independent Director

DIN: 00046810

Place: Mumbai

Date: 14th May, 2020

K. K. Rajeev Nambiar

CEO & Managing Director

DIN: 07313541

Vikas Kumar

Chief Financial Officer

Place: Digvijaygram

Date: 14th May, 2020

Suresh Kumar Meher

VP (Legal) &

Company Secretary

Place: Ahmedabad

Date: 14th May, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
A Equity Share Capital

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	17	14,137.50	14,137.50
Balance at the end of the year	17	14,137.50	14,137.50

B Other Equity

(Rs. in lakhs)

Particulars	Note	Reserves and Surplus					Total Other Equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Share option reserve	Retained Earnings	
As at March 31, 2018	18	8,786.87	35.00	20.43	-	(1,129.07)	7,713.23
Profit for the year		-	-	-	-	206.11	206.11
Other comprehensive income		-	-	-	-	(85.15)	(85.15)
Total comprehensive income for the year		-	-	-	-	120.96	120.96
As at March 31, 2019	18	8,786.87	35.00	20.43	-	(1,008.11)	7,834.19
Transition impact of Ind AS 116, net of tax (note 44)	18	-	-	-	-	(5.78)	(5.78)
Restated balance as at March 31, 2019		8,786.87	35.00	20.43	-	(1,013.89)	7,828.41
Profit for the year		-	-	-	-	5,643.71	5,643.71
Other comprehensive income		-	-	-	-	(41.28)	(41.28)
Total comprehensive income for the year		-	-	-	-	5,602.43	5,602.43
Add: Employees Stock Options Scheme (ESOS)		-	-	-	71.68	-	71.68
As at March 31, 2020	18	8,786.87	35.00	20.43	71.68	4,588.54	13,502.52
Significant accounting policies [Refer Note 2(A)]							

The notes are an integral part of these financial statements

In terms of our report of even date
For B S R & Associates LLP
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 Chartered Accountants

Jeyur Shah
 Partner
 Membership No.: 045754

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 VP (Legal) &
 Company Secretary

Place: Ahmedabad
Date: 14th May, 2020

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
1 Company Overview

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

2(A) Summary of significant accounting policies
2.01 Basis of preparation
a) Compliance with Indian Accounting Standards (Ind AS)

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

b) Historical cost convention

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

- Employee's Defined Benefit Plan as per actuarial valuation.
- Employee share based payments measured at fair value

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

c) Current versus non-current classification

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

2.02 Segment reporting

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

2.03 Foreign Currency Transactions
a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit and loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**2.04 Revenue Recognition**

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

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

Variable consideration :

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

Consideration payable to a customer :

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

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

Contract balances

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

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

Significant payment terms

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

Interest income :

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

2.05 Borrowing costs

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

2.06 Leasing - As a lessee**Ind AS 116 – Leases:**

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Transition to New Standards

Effective from April 01, 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 01, 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019.

Refer note 2(A) - "Summary of significant accounting policies" 2.06 – "Leasing - As a lessee" in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

2.07 Employee benefits**a) Short-term obligations**

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
b) Other long-term employee benefit obligations

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

c) Post employee obligations

The Company operates the following post-employment schemes:

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

i) Gratuity obligations

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

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

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

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

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

ii) Defined contribution plans
Provident fund

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

Superannuation Fund

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

2.08 Current and deferred tax

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

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

Current tax

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

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

Deferred tax

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

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

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

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

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

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

2.09 Property, plant and equipment

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
Depreciation methods, estimated useful lives and residual value

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

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

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

2.10 Intangible Assets and Amortisation

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

Amortisation methods and periods

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

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

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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

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

Mine Reclamation provision and related asset

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
2.11 Impairment of non-financial assets

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

2.12 Inventories

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

2.13 Cash and cash equivalents

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

2.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets
i) Classification

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

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

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

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

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

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

ii) Measurement

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

Debt instruments

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
Amortised cost:

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

Fair value through other comprehensive income (FVOCI):

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

Fair value through statement of profit and loss (FVTPL):

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

iii) Impairment of financial assets

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

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

iv) De-recognition of financial assets

A financial asset is derecognised only when:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
v) Trade Receivable

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

Financial Liabilities
i) Classification

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

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

ii) Measurement

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

iii) Derecognition:

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

iv) Borrowings

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

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

v) Trade and other payables

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

Offsetting financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**2.15 Provisions and contingent liabilities****Provision**

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

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

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets

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

2.16 Earnings per share

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

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

2.17 Employee Share based payments:

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share Options Outstanding.

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 48.

2.18 Rounding of amounts

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020**2(B) Critical estimates and judgements**

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

a.) Mines Reclamation Provisions and related asset

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

b.) Provisions & Contingent Liabilities

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

c.) Current tax expense and deferred tax

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

Recognition of deferred tax assets

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

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

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

e.) Employee benefit plans

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 33A(ii).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
3 PROPERTY, PLANT AND EQUIPMENT

Sr. No.	Particulars	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount As at March 31, 2020
		Opening as at April 01, 2019	Closing as at March 31, 2020	Opening as at April 01, 2019	Closing as at March 31, 2020	
1	Own Assets	850.03	850.03	-	-	850.03
2	Land Freehold (Refer note 1 below)	571.08	720.82	149.74	41.27	583.56
3	Building	8.06	8.06	-	-	7.48
4	Railway Sidings	23,011.97	24,574.14	1,569.63	2,215.70	16,709.57
5	Plant and Equipment	355.36	355.36	-	-	137.57
6	Electric Installations	1.69	1.69	-	-	1.69
7	Rolling Stocks and Locomotives	426.35	451.46	36.26	55.40	271.15
8	Furniture, Fixtures and Office Equipments	104.53	92.77	11.76	15.97	56.00
9	Vehicles	129.08	129.08	-	17.24	37.28
	Jetty and Wharf (Refer note 3 below)					
	TOTAL	25,458.15	27,183.41	1,755.63	2,389.80	18,654.33

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount As at March 31, 2019
		Opening as at April 01, 2018	Closing as at March 31, 2019	Opening as at April 01, 2018	Closing as at March 31, 2019	
1	Own Assets	848.36	850.03	1.67	-	850.03
2	Land Freehold (Refer note 1 below)	547.43	571.08	27.17	33.42	475.09
3	Building	8.06	8.06	-	0.42	7.48
4	Railway Sidings	21,446.13	23,011.97	1,565.84	2,167.41	17,355.97
5	Plant and Equipment	344.36	355.36	11.00	55.86	181.79
6	Electric Installations	1.69	1.69	-	-	1.69
7	Rolling Stocks and Locomotives	292.74	426.35	133.61	58.31	292.73
8	Furniture, Fixtures and Office Equipments	112.48	104.53	8.14	13.93	80.99
9	Vehicles	129.08	129.08	-	11.21	54.52
	Jetty and Wharf (Refer note 3 below)					
	TOTAL	23,730.33	25,458.15	1,747.43	2,358.21	19,300.29

Notes:

- The Company is in process of obtaining mining rights. Geology & Mining department conducted Drilling activities, Samples analyzed. Geological Report is under finalization.
- The carrying amount of Leasehold Land (in respect of which the Company pays nominal ground rent) at Sikka, Gujarat is Nil. The lease period expires on November 20, 2044 and the Company has an option to renew the same for further period of 99 years.
- The Company has currently valid, subsisting and exclusive priority license with Gujarat Maritime Board ("GMB") for construction, upgradation and use of the Captive Wharf / Jetty at Sikka vide License Agreement dated 20 September 1999 valid till 2024. However, the title to the jetty / wharf is with GMB.
- There are no qualifying assets and accordingly no borrowing cost is capitalised during the year.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount As at March 31, 2020
		Opening as at April 01, 2019	Closing as at March 31, 2020	Opening as at April 01, 2019	Closing as at March 31, 2020	
1	Own Assets (Acquired)	129.87	194.85	64.98	54.72	69.91
	Computer Software and Licenses					
2	Mining right (land) (Refer note below)	107.72	120.94	13.22	8.24	93.77
3	Right-of-use asset (Lease)	-	54.69	54.69	27.45	27.24
	TOTAL	237.59	370.48	132.89	90.41	190.92

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount As at March 31, 2019
		Opening as at April 01, 2018	Closing as at March 31, 2019	Opening as at April 01, 2018	Closing as at March 31, 2019	
1	Own Assets (Acquired)	95.62	129.87	34.25	34.15	59.65
	Computer Software and Licenses					
2	Mining right (land) (Refer note below)	107.72	107.72	-	-	88.79
	TOTAL	203.34	237.59	34.25	41.07	148.44

Notes: Mining right (land) includes assets in respect of mines reclamation.

4(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

The Company has acquired mineral rights of three mines i.e. Debhar-Bhavneswar, Mokhana and Pachhiardi having total expected Limestone Reserve of 27.49 MT. However, Company is yet to obtain environment clearance on all three mines from Ministry of Environment & Forest, Climate Change. These mines are outside the Eco-Sensitive Zone but Debhar-Bhavneswar and Mokhana mines major portion fall within 1km restrictions of Barda Wildlife Sanctuary. Company has made various representation to Ministry of Environment and Forest and State Government. Management is confident of getting positive response from the respective authorities and will be able to get the requisite clearance. Value of such assets is Rs. 847.82 lakhs (as on March 31, 2019 - Rs. 840.75 lakhs).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

5	LOANS (NON-CURRENT)	As at March 31, 2020	As at March 31, 2019
	(Unsecured, considered good) Security deposits	33.78	858.48
	TOTAL	33.78	858.48

(Rs. in lakhs)

6	OTHER FINANCIAL ASSETS (NON-CURRENT)	As at March 31, 2020	As at March 31, 2019
	Deposits with bank with maturity period of more than 12 months from reporting date (Refer note below)	8.48	55.08
	TOTAL	8.48	55.08

Note : Deposit with bank amounting to Rs. 8.48 lakhs (March 31, 2019 : Rs. 55.08 lakhs) are lien marked against Bank Guarantees.

(Rs. in lakhs)

7	INCOME TAX ASSETS (NON-CURRENT)	As at March 31, 2020	As at March 31, 2019
	Income tax asset (net of provision for tax Rs. 99.00 lakhs, as on March 31, 2019 Rs. 384.27 lakhs)	47.95	63.65
	TOTAL	47.95	63.65

(Rs. in lakhs)

7A	TAX EXPENSE	Year ended March 31, 2020	Year ended March 31, 2019
	Current tax :		
	Current tax on profits for the year	1,363.10	90.50
	Total current tax expense	1,363.10	90.50
	Deferred tax :		
	Decrease/(increase) in deferred tax assets (net)	1,453.86	238.67
	(Decrease)/increase in deferred tax liabilities	(803.39)	(203.14)
	Total deferred tax charge/(credit)	650.47	35.53
	Total tax expense/(credit)	2,013.57	126.03
	Reconciliation of tax expense and accounting profit multiplied by statutory tax rate		
	Profit/(Loss) before tax	7,657.28	332.14
	Rate of tax	34.944%	34.944%
	Tax expense/(credit) at applicable tax rate	2,675.76	116.06
	Effect of expenses not deductible in determining taxable profit	(0.12)	9.97
	Change in Corporate Tax Rate assumption (refer note - 47)	(662.07)	-
	Total tax expense/(credit)	2,013.57	126.03

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

8	DEFERRED TAX ASSETS (NET)	As at March 31, 2020	As at March 31, 2019
	Deferred tax assets (Net)	1,027.97	1,653.16
	TOTAL	1,027.97	1,653.16
	The balance comprises temporary differences attributable to:		
	Deferred Tax Liabilities		
	Depreciation/ Amortisation on property, plant and equipment and intangible assets	2,464.61	3,270.32
	Deferred tax on ROU asset created under Ind AS 116	19.11	-
	Less : Deferred Tax Assets		
	Allowance for doubtful debts	66.58	64.96
	Unabsorbed depreciation	-	2,800.05
	Provision for slow moving/obsolete inventory	106.40	92.31
	Items allowed on payment/utilisation basis	369.06	290.63
	Disallowances for items to be allowed in subsequent years	77.54	37.63
	Provision for mines reclamation assets	80.13	68.05
	Deferred tax on lease liability created under Ind AS 116	22.01	-
	Unused tax credits (MAT credit entitlement)	2,789.97	1,569.85
	Deferred tax Asset (net) [refer note below]	1,027.97	1,653.16

Note : Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation laws.

(Rs. in lakhs)

8A	MOVEMENT IN DEFERRED TAX ASSETS/LIABILITIES	As at April 01, 2018	(Charged)/ Credited to Profit and Loss	Credited to OCI	As at March 31, 2019
	Deferred tax liabilities				
	Depreciation/amortisation on property, plant and equipment and intangible assets	(3,473.46)	203.14	-	(3,270.32)
	Total deferred tax (liabilities)	(3,473.46)	203.14	-	(3,270.32)
	Less : Deferred tax assets				
	Allowance for doubtful debts	56.63	8.33	-	64.96
	Unabsorbed depreciation and carried forward business losses	3,236.43	(436.38)	-	2,800.05
	Provision for slow moving/obsolete inventory	59.61	32.70	-	92.31
	Items allowed on payment/utilisation basis	224.68	20.21	45.74	290.63
	Disallowances for items to be allowed in subsequent years	-	37.63	-	37.63
	Provision for mines reclamation assets	59.71	8.34	-	68.05
	Unused tax credits (MAT credit entitlement)	1,479.35	90.50	-	1,569.85
	Total deferred tax assets	5,116.41	(238.67)	45.74	4,923.48
	Deferred tax assets (net)	1,642.95	(35.53)	45.74	1,653.16

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

8B	MOVEMENT IN DEFERRED TAX ASSETS/LIABILITIES	As at April 01, 2019	(Charged)/ Credited to Profit and Loss	Credited/ (Charged) to OCI/equity	As at March 31, 2020
	Deferred tax liabilities				
	Depreciation/amortisation on property, plant and equipment and intangible assets (refer Note - 47) Deferred tax on ROU asset created under Ind AS 116	(3,270.32)	805.71	-	(2,464.61)
		-	(2.32)	(16.79)	(19.11)
	Total deferred tax (liabilities)	(3,270.32)	803.39	(16.79)	(2,483.72)
	Less : Deferred tax assets				
	Allowance for doubtful debts	64.96	1.62	-	66.58
	Unabsorbed depreciation and carried forward business losses	2,800.05	(2,800.05)	-	-
	Provision for slow moving/obsolete inventory	92.31	14.09	-	106.40
	Items allowed on payment/utilisation basis	290.63	56.25	22.18	369.06
	Disallowances for items to be allowed in subsequent years	37.63	39.91	-	77.54
	Provision for mines reclamation assets	68.05	12.08	-	80.13
	Deferred tax on lease liability created under Ind AS 116	-	2.12	19.89	22.01
	Unused tax credits (MAT credit entitlement)	1,569.85	1,220.12	-	2,789.97
	Total deferred tax assets	4,923.48	(1,453.86)	42.07	3,511.69
	Deferred tax assets (net)	1,653.16	(650.47)	25.28	1,027.97

The management is of view that realisation of deferred tax assets is probable considering the future financial projections of the Company. Accordingly, the Company has recognized deferred tax asset.

The Company has calculated its tax liability for current taxes after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. The Company is required to pay MAT during current and previous years and accordingly, a deferred tax asset is recognised which can be carried forward for a period of 15 years from the year of recognition.

(Rs. in lakhs)

8C	Income assessment year to which MAT credit entitlement relates	Expiry year of credit	As at March 31, 2020	As at March 31, 2019
	Financial year 2009-10 (AY 2010-11)	Financial year 2024-25 (AY 2025-26)	135.61	135.61
	Financial year 2011-12 (AY 2012-13)	Financial year 2026-27 (AY 2027-28)	257.51	257.51
	Financial year 2012-13 (AY 2013-14)	Financial year 2027-28 (AY 2028-29)	792.46	792.46
	Financial year 2017-18 (AY 2018-19)	Financial year 2032-33 (AY 2033-34)	293.79	293.79
	Financial year 2018-19 (AY 2019-20)	Financial year 2033-34 (AY 2034-35)	99.00	90.48
	Financial year 2019-20 (AY 2020-21)	Financial year 2034-35 (AY 2035-36)	1,211.60	-
		Total	2,789.97	1,569.85

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

9	OTHER NON-CURRENT ASSETS	As at March 31, 2020	As at March 31, 2019
	Capital advances	4.78	42.62
	Deposits with government authorities	1,289.36	1,299.71
	Balances with statutory authorities	311.28	311.28
	Pre-paid expenses	34.23	26.93
	TOTAL	1,639.65	1,680.54

(Rs. in lakhs)

10	INVENTORIES	As at March 31, 2020	As at March 31, 2019
	Raw materials	650.76	698.62
	Work in progress	2,072.57	1,342.46
	Finished Goods	733.76	487.84
	Stores and spare parts (net off provision)	1,775.95	1,214.29
	Packing materials	220.40	160.45
	Fuels	1,036.05	1,887.96
	TOTAL	6,489.49	5,791.62

(Rs. in lakhs)

11	TRADE RECEIVABLES	As at March 31, 2020	As at March 31, 2019
	Considered good - secured	136.57	259.22
	Considered good - unsecured	845.51	1,106.17
	Credit impaired	18.44	21.33
	SUB- TOTAL	1,000.52	1,386.72
	Less: Allowance for doubtful debts	(18.44)	(15.36)
	TOTAL	982.08	1,371.36
	Movement in allowance for doubtful debts		
	Balance at the beginning of the year	15.36	8.23
	Add: Allowance for the year	3.08	7.13
	Balance at the end of the year	18.44	15.36

(Rs. in lakhs)

12	CASH AND CASH EQUIVALENTS	As at March 31, 2020	As at March 31, 2019
	Cash and Cash equivalents:		
	Cash on hand	4.97	0.63
	Bank Balances :		
	In Current accounts	47.30	2,995.98
	Demand deposits (less than 3 months of original maturity)	-	602.71
	TOTAL	52.27	3,599.32

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

13	OTHER BANK BALANCES	As at March 31, 2020	As at March 31, 2019
	Balances with banks		
	Demand deposits (less than 12 months but more than 3 months maturity - refer note below)	7,386.77	23.59
	TOTAL	7,386.77	23.59

Note : Term deposit amounting to Rs. 1.22 lakhs (March 31, 2019 : Rs. 22.14 lakhs) are lien marked against bank guarantees.

(Rs. in lakhs)

14	LOANS (CURRENT)	As at March 31, 2020	As at March 31, 2019
	(Unsecured, considered good)		
	Loan to employees	35.79	17.36
	TOTAL	35.79	17.36

(Rs. in lakhs)

15	OTHER FINANCIAL ASSETS (CURRENT)	As at March 31, 2020	As at March 31, 2019
	(Unsecured, considered good)		
	Interest accrued on security deposits	6.85	51.81
	Others (net of provision of Rs.145.50 lakhs, as on March 31, 2019 Rs.147.40 lakhs)	18.45	31.32
	TOTAL	25.30	83.13

(Rs. in lakhs)

16	OTHER CURRENT ASSETS	As at March 31, 2020	As at March 31, 2019
	(Unsecured, considered good unless otherwise stated)		
	Advance royalty	33.28	71.59
	Pre-paid expense	78.09	108.09
	Advances to suppliers :		
	Considered good	404.60	208.13
	Considered doubtful	26.59	23.14
	Less: Provision for doubtful advances	(26.59)	(23.14)
	TOTAL	515.97	387.81
	Movement in allowance for doubtful debts		
	Balance at the beginning of the year	23.14	18.14
	Add: Allowance for the year	3.45	5.00
	Balance at the end of the year	26.59	23.14

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

17	SHARE CAPITAL	As at March 31, 2020	As at March 31, 2019
	Authorised		
	250,000,000 (March 31, 2019: 150,000,000) equity shares of Rs. 10/- each (Refer note (i) below)	25,000.00	15,000.00
	Nil (March 31, 2019: 10,000,000) preference shares of Rs. 100/- each (Refer note (i) below)	-	10,000.00
	TOTAL	25,000.00	25,000.00
	Issued		
	141,643,645 (March 31, 2019: 141,643,645) equity shares of Rs. 10/- each	14,164.36	14,164.36
	Subscribed and paid-up		
	141,375,398 (March 31, 2019: 141,375,398) equity shares of Rs. 10/- each fully paid	14,137.54	14,137.54
	Less: 1,120 equity shares of Rs. 10/- each forfeited	(0.11)	(0.11)
	Add: Forfeited shares (amount originally paid-up on equity shares)	0.07	0.07
	TOTAL	14,137.50	14,137.50

a) Reconciliation of the number of shares : Equity Shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Rs. in lakhs	Number of Shares	Rs. in lakhs
Balance at the beginning of the year	14,13,74,278	14,137.50	14,13,74,278	14,137.50
Balance at the end of the year	14,13,74,278	14,137.50	14,13,74,278	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 Rs. 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. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend.

c) 265,212 equity shares (March 31, 2019: 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

d) 3,035 equity shares (March 31, 2019: 3,035) were issued in past but unsubscribed.

e) Shares held by holding company and intermediate holding company

(Rs. in lakhs)

Equity Shares:	As at March 31, 2020	As at March 31, 2019
Nil Shares (March 31, 2019 103,709,063) held by Votorantim Cimentos EAA Inversiones S.L., the holding company	-	10,370.91
Nil Shares (March 31, 2019 2,321,645) held by Votorantim Cimentos S. A., the intermediate holding Company	-	232.16
True North Fund VI LLP (from April 30, 2019)	8,082.59	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

f) Details of shareholder holding more than of 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Votorantim Cimentos EAA Inversiones S.L., the holding company True North Fund VI LLP (from April 30, 2019)	8,08,25,928	57.17%	10,37,09,063	73.36%
TOTAL	8,08,25,928	57.17%	10,37,09,063	73.36%

g) Pursuant to the Share Purchase Agreement ("SPA") executed on November 12, 2018 amongst True North Fund VI LLP (the "Acquirer" or "Promoter"), and Votorantim Cimentos EAA Inversiones S.L & Votorantim Cimentos S.A. ("erstwhile promoters"), the Promoter has acquired 80,825,928 fully paid-up equity shares of Rs. 10 each representing 57.17% of issued and paid up share capital of the Company. Consequent to this acquisition and after Board approval, True North Fund VI LLP became the Promoter of the Company effective from on April 30, 2019.

h) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2020.

i) In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shareholders of the Company have, at their Annual General Meeting held on August 05, 2019, approved reclassification of the Authorised Share Capital of the Company from Rs. 2,50,00,00,000 (Rupees Two Hundred Fifty Crores only) comprising 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10 (Rupees Ten) each and 1,00,00,000 (One Crore) Preference Shares of Rs. 100 (Rupees One Hundred) each to Rs. 2,50,00,00,000 (Rupees Two Hundred Fifty Crores only) comprising entirely of 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.10 (Rupees Ten). Consequently, the preference shares of the Company has become NIL.

(Rs. in lakhs)

18 OTHER EQUITY	As at March 31, 2020	As at March 31, 2019
Capital reserve	8,786.87	8,786.87
Capital redemption reserve	35.00	35.00
Securities premium	20.43	20.43
Share option outstanding reserve	71.68	-
Surplus/(deficit) in statement of profit and loss		
Balance as at the beginning of the year	(1,008.11)	(1,129.07)
Transition impact of Ind AS 116, net of tax (note 44)	(5.78)	-
Restated balance as at March 31, 2019	(1,013.89)	(1,129.07)
Add : Profit for the year	5,643.71	206.11
Add : Other comprehensive (loss)	(41.28)	(85.15)
Balance as at the end of the year	4,588.54	(1,008.11)
TOTAL	13,502.52	7,834.19

Notes :

- Capital Reserve :** The Company had issued 6% non-cumulative compulsorily convertible preference shares to its then parent company. Subsequently, the preference shareholders relinquished their right and resultant gain was recorded in the capital reserve in the year of 2010. It also include subsidies received from State Government in the year 2002-03.
- Capital Redemption Reserve :** This was created on redemption of 14% redeemable cumulative preference shares in year 1996-97.
- Securities Premium :** Securities premium is used to record the excess of the amount received over the face value of the shares. This can be utilised in accordance with the provision of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

 4) **Shares Options Outstanding Reserve :** The Company has four share option schemes under which options to subscribe for the Company's shares have been granted to specific employees. The sharebased payment reserve is used to recognise the value of equity-settled share-based payments provided to certain class of employee as part of their remuneration. Refer to Note 48 for further details of these plans.

 5) **Analysis of Accumulated OCI :** (Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	(44.96)	40.19
Remeasurements of post employment benefit obligations, gain/(loss)	(63.46)	(130.89)
Income tax effect	22.18	45.74
Balance at the end of the year	(86.24)	(44.96)

Note : Balance of OCI transferred to retained earnings

6) The Board has recommended a Dividend of Rs. 1.5/- (i.e. 15%) per equity share of Rs. 10/- each on 141,374,278 fully paid Equity Shares for the year ended March 31, 2020, aggregating to Rs. 2,120.61 lakhs.

(Rs. in lakhs)

19 PROVISIONS - NON-CURRENT	As at March 31, 2020	As at March 31, 2019
Provision for mines reclamation	384.82	345.27
TOTAL	384.82	345.27
Movement in provision for mines reclamation		
Balance at the beginning of the year	345.27	321.72
Add: Unwinding of interest on provision	26.35	23.55
Add : Effect of changes in estimates as on 01.04.2019	14.72	-
Less : Utilised during the year	(1.52)	-
Balance at the end of the year	384.82	345.27

(Rs. in lakhs)

20 EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note no. 33A):		
Provision for gratuity	421.89	273.79
Provision for compensated absences	390.84	343.10
TOTAL	812.73	616.89

(Rs. in lakhs)

21 BORROWINGS (CURRENT)	As at March 31, 2020	As at March 31, 2019
Secured:		
Working capital loan from bank (Refer note 1 below)	-	3,025.55
Unsecured:		
Short term loan from bank (Refer note 2 below)	-	1,000.53
TOTAL	-	4,026.08

Note :

- This borrowing facility is secured by charge on stock and book debts. This loan is repayable within 120 days with fixed interest rate of 1 year MCLR plus 65 BPS (Current interest rate 9.40%).
- This unsecured borrowing facility is repayable within 90 days and carry fixed interest rate of 9.75%.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

22	TRADE PAYABLES	As at March 31, 2020	As at March 31, 2019
	a) total outstanding dues of micro enterprises and small enterprises (Refer note no. 46)	60.03	8.97
	b) total outstanding dues of creditors other than micro enterprises and small enterprises.	4,705.74	5,287.77
	TOTAL	4,765.77	5,296.74

(Rs. in lakhs)

23	OTHER FINANCIAL LIABILITIES (CURRENT)	As at March 31, 2020	As at March 31, 2019
	Security deposits from customers	891.93	979.45
	Rebate and discount to customers	842.21	711.78
	Security deposits from vendors	278.45	214.81
	Payable to creditors related to fixed assets	386.05	324.60
	Employee benefits payable	592.08	249.03
	Others	7.29	8.17
	TOTAL	2,998.01	2,487.84

(Rs. in lakhs)

24	OTHER CURRENT LIABILITIES	As at March 31, 2020	As at March 31, 2019
	Advances from customers	456.99	228.67
	Statutory dues (including provident fund and tax deducted at source)	507.10	701.96
	Others	0.38	2.06
	TOTAL	964.47	932.69

(Rs. in lakhs)

25	PROVISIONS (CURRENT)	As at March 31, 2020	As at March 31, 2019
	Provision for litigations and disputes (Refer note below)	249.86	249.86
	TOTAL	249.86	249.86
	Movement in Provision for litigations and disputes		
	Balance at the beginning of the year	249.86	249.86
	Movement during the year	-	-
	Balance at the end of the year	249.86	249.86

Note: Provision for arrears of rent claimed by Mumbai Port Trust with respect to plot of land C-2 and C3 at Sewri Estate Mumbai towards the proceeding filed by Mumbai Port Trust (MPT) against the Company. The Company is contesting the said order before the High Court.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

26	EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)	As at March 31, 2020	As at March 31, 2019
	Provision for employee benefits (Refer note no. 33A):		
	Provision for compensated absences	69.76	66.78
	TOTAL	69.76	66.78

(Rs. in lakhs)

27	INCOME TAX LIABILITY (NET)	As at March 31, 2020	As at March 31, 2019
	Income tax liability (net of advance tax of Rs.1,303.98 lakhs, as on March 31, 2019 Rs. nil lakhs)	59.12	-
	TOTAL	59.12	-

(Rs. in lakhs)

28	CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS	As at March 31, 2020	As at March 31, 2019
a)	Claim against the Company not acknowledged as debts		
	Demand contested by the Company		
	- Sales tax	269.68	138.75
	- Excise duty	1,251.97	3,623.08
	- Service tax	2,069.15	1,504.77
	- Custom duty	451.55	451.55
	- Labour cases	86.30	101.90
	- Other cases	909.02	1,036.57
	TOTAL	5,037.67	6,856.62

- b) A sum of Rs. 309.84 lakhs (March 31, 2019: Rs. 309.84 lakhs) on account of arrears, rent, service charges, way leave fees of certain leasehold property, consequent to the Order of the Estate Officer of Mumbai Port Trust (MPT) dated February 28, 2007, has not been provided for as the said property was assigned in an earlier year to M/s Dinbandhu Estate Pvt. Ltd. (the Assignee). The assignment was subject to the approval of MPT which was to be arranged by the Assignee. The Company is contesting the said Order before the High Court.
- c) In respect of retrospective revision (August 2012 to January 2018) of electricity duty the Company has received a demand of Rs. 1,472 lakhs from Paschim Gujarat Vij Company Limited. The Company has filed a writ petition with the High Court. Management believes that the probability of the above matter converting into a liability for the Company is remote basis various precedents and applicable laws. As per the direction received from High Court, the Company has deposited Rs. 500 lakhs as fixed deposit with the High Court in July 2018.
- d) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- e) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition was filed against this decision which has been dismissed by SC on 28 August 2019. In view of management, guidelines directed under SC judgement has been implemented w.e.f. 01 October 2019 and an additional financial liability for the period from 01 April 2019 to 30 September 2019 has been considered in provision. In addition, the SC judgement hasn't expressed whether this effect shall be prospectively or retrospectively, the impact before 01 April 2019, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts. Accordingly, this has been disclosed as a contingent liability in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
f) Capital commitments :

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 338.13 lakhs (March 31, 2019: Rs. 160.86 lakhs).

		(Rs. in lakhs)	
29 REVENUE FROM OPERATIONS		Year ended March 31,2020	Year ended March 31,2019
Sale of product (Refer note 43)		46,446.34	43,292.03
Other Operating Revenue			
Scrap sales		118.88	227.78
Miscellaneous income		419.37	126.48
TOTAL		46,984.59	43,646.29

		(Rs. in lakhs)	
30 OTHER INCOME		Year ended March 31,2020	Year ended March 31,2019
Interest income		165.31	148.69
Unwinding of discount on security deposit		-	1.53
Profit on sale of property, plant and equipments (net)		6.31	24.24
Net gain on foreign currency transactions and translations		4.88	-
Provision/liability written back to the extent no longer required		-	243.09
Miscellaneous income		48.20	46.83
TOTAL		224.70	464.38

		(Rs. in lakhs)	
31 COST OF MATERIAL CONSUMED		Year ended March 31,2020	Year ended March 31,2019
Raw material consumed			
Opening inventory		698.62	352.52
Add: Purchases and incidental expenses (including cost of raising and transporting lime stone Rs. 3,215.75 lakhs, March 31, 2019 Rs.3,755.98 lakhs)		7,658.28	8,687.05
Less: Closing inventory		650.76	698.62
Cost of raw material consumed during the year		7,706.14	8,340.95
Packing material consumed			
Opening inventory		160.45	170.48
Add: Purchases and incidental expenses		1,481.42	1,524.03
Less: Closing inventory		220.40	160.45
Cost of packing material consumed during the year		1,421.47	1,534.06
TOTAL		9,127.61	9,875.01

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		Year ended March 31,2020	Year ended March 31,2019
(Increase)/decrease in stocks			
Stock at the end of the year		2,072.57	1,342.46
Work in progress		733.76	487.84
Finished goods			
TOTAL A		2,806.33	1,830.30
Less: Stock at the beginning of the year			
Work in progress		1,342.46	1,498.97
Finished goods		487.84	357.07
TOTAL B		1,830.30	1,856.04
(Increase)/decrease in stocks (B-A)		(976.03)	25.74

(Rs. in lakhs)

33 EMPLOYEE BENEFITS EXPENSES		Year ended March 31,2020	Year ended March 31,2019
Salaries, wages and bonus		3,005.66	2,546.15
Contribution to provident and other funds:			
Provident fund [Refer note no. 33A(i)]		162.24	130.41
Superannuation fund [Refer note no. 33A(i)]		25.70	27.48
Gratuity [Refer note no. 33A(ii)]		84.64	61.65
Expenses on Employees Stock Options Scheme (Refer note 18 & 48)		71.68	-
Staff welfare expenses		88.62	133.01
TOTAL		3,438.54	2,898.70

33A EMPLOYEE BENEFIT OBLIGATIONS:

i) Defined-contribution plans

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

(Rs. in lakhs)

Amount recognised in Statement of Profit and Loss		Year ended March 31,2020	Year ended March 31,2019
Provident fund		162.24	130.41
Superannuation fund		25.70	27.48

ii) Defined-benefits plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, as per the Company's policy. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death. The gratuity payable to employees is based on the employee's tenure of service and last drawn salary at the time of leaving the services of the Company. The gratuity plan is a funded plan and is administrated through a trust namely Shree Digvijay Cement Co. Ltd. Employee Gratuity Fund.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
Amount recognised in Statement of Profit and Loss (Rs. in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	67.16	56.00
Past service cost	-	-
Interest on defined benefit obligation/(asset) (net)	17.48	5.65
Total amount recognised in Statement of Profit and Loss	84.64	61.65

Amount recognised in other comprehensive income: (Rs. in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurement during the period due to:		
(Gain)/loss from change in financial assumptions	55.97	37.75
(Gain)/loss from change in demographic assumptions	(38.99)	48.88
Experience (gains)/losses	36.00	16.68
Actuarial (gains)/losses on plan assets	10.48	27.58
Total amount recognised in Other Comprehensive Income	63.46	130.89

Present value of defined benefit obligation : [Gratuity -Funded Plan] (Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1,005.02	887.78
Current service cost	67.16	56.00
Past service cost	-	-
Interest on defined benefit obligation	68.05	62.81
Remeasurement due to:		
(Gain)/loss from change in financial assumptions	55.97	37.75
(Gain)/loss from change in demographic assumptions	(38.99)	48.88
Experience (gains)/losses	36.00	16.68
Benefit paid	(61.09)	(104.88)
Balance at the end of the year	1,132.12	1,005.02

Fair value of plan assets: (Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	731.23	780.54
Contributions by employer	-	26.00
Interest income	50.57	57.15
Benefits paid	(61.09)	(104.88)
Actuarial (gains)/losses on plan assets	(10.48)	(27.58)
Balance at the close of the year	710.23	731.23

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
Assets and Liabilities recognised in the Balance Sheet: (Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	1,132.12	1,005.02
Fair value of plan assets	(710.23)	(731.23)
Deficit of funded plan	421.89	273.79
Non-current (Note 20)	421.89	273.79
Current	-	-

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

Particulars	As at March 31, 2020	As at March 31, 2019
Government of India securities	26%	25%
Corporate bonds	7%	11%
Insurance managed fund	63%	56%
Others	4%	8%
	100%	100%

Actuarial Assumptions:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.45%	7.40%
Salary growth rate	8.00%	8.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Mortality:

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions by 50 basis Point is:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate (%)	-2.66%	-2.71%	2.78%	2.85%
Discount rate (Rs. In lakhs)	1,102.03	977.76	1,163.62	1,033.64
Salary growth rate (%)	2.73%	2.82%	-2.63%	-2.71%
Salary growth rate (Rs. In lakhs)	1,163.01	1,033.35	1,102.32	977.79

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which has been used for calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected Contribution to the Fund in the next year: (Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity	75.00	75.00

iii) Risk Exposure

The Gratuity scheme is Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The risks commonly affecting the defined benefit plan are expected to be:

Demographic Risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Salary Inflation Risk :

Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

iv) Defined Benefit Liability and Employer Contributions

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The weighted average duration of the defined benefit obligation is 5.44 years (March 31, 2019 - 5.56 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity (undiscounted) (Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
1st following year	138.39	170.73
2nd following year	115.69	77.39
3rd following year	178.23	136.14
4th following year	217.09	180.58
5th following year	127.98	151.86
Sum of 6th to 10th following year	917.72	933.37

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
v) Other long term employee benefits : (Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current (Note 20)	390.84	343.10
Current (Note 26)	69.76	66.78
Total	460.60	409.88

Note: The above classification is based on actuary's report.

Actuarial Assumptions:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.45%	7.40%
Salary growth rate	8.00%	8.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Leave Availment Pattern:

Based on the data provided to us on the pattern of availment of leave by employees of the Company in the past, it has been assumed that 2.5% of leave balance as at the valuation date and each subsequent year following the valuation date is availed by the employee. The balance leave is assumed to be available for encashment on separation from the Company.

(Rs. in lakhs)

34	FINANCE COSTS	Year ended March 31, 2020	Year ended March 31, 2019
	Interest on short term borrowings	93.14	240.24
	Interest on income tax	3.91	15.31
	Interest to others	27.95	33.79
	Unwinding of discount on provision	26.35	23.55
	Unwinding of discount on lease liability	3.77	-
	Other finance cost	23.13	72.77
	TOTAL	178.25	385.66

(Rs. in lakhs)

35	DEPRECIATION AND AMORTISATION EXPENSES	Year ended March 31, 2020	Year ended March 31, 2019
	Depreciation on property, plant and equipment [Refer note 3]	2,389.80	2,358.21
	Amortisation on intangible assets [Refer note 4(A)]	62.96	41.07
	Amortisation on Right-of-use asset (Lease) [Refer note 4(A)]	27.45	-
	TOTAL	2,480.21	2,399.28

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

36	OTHER EXPENSES	Year ended March 31,2020	Year ended March 31,2019
	Consumption of stores and spare parts	808.94	1,351.95
	Repairs to building	153.50	181.42
	Repairs to machinery	997.03	1,017.90
	Sales commission	804.54	854.09
	Advertisement and publicity expenses	313.87	257.27
	Insurance	100.46	108.57
	Rent (including lease rent) (Refer note 44)	109.83	129.24
	Rates and taxes	16.60	4.78
	Printing, stationery and communications expenses	56.47	76.55
	Travelling expenses	293.98	331.87
	Legal and professional fees	542.93	460.27
	Technical royalty fees	-	425.28
	Equipment hire charges	262.21	174.16
	Provision for doubtful debts and advances (net) (Refer note 11,15 and 16)	4.63	23.86
	Provision for slow / non-moving stores and spares	40.33	93.55
	Directors sitting fees	39.00	48.00
	Directors commission	2.00	15.00
	Donation	5.00	13.56
	Net loss on foreign currency transactions and translations	-	25.18
	Payment to auditors		
	As auditor:		
	Audit fees (Including limited review)	19.75	24.75
	Tax audit fees	1.25	1.25
	Certification	1.50	-
	Reimbursement of expenses	1.53	1.48
	Expenditure towards corporate social responsibility (CSR) activities (Refer Note 45)	8.65	12.79
	Miscellaneous expenses	235.33	304.19
	TOTAL	4,819.33	5,936.96

37 SEGMENT INFORMATION

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

The Company does not have revenue from customer located outside India during the year. The Company does not hold any non-current assets in foreign countries. There are no individual customers or a particular group contributing to more than 10% of revenue.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
38 RELATED PARTY DISCLOSURES:
38a Names of the related parties and nature of relationship:

- i) Where control exists
 - Ultimate Holding Entities :
Hejoassu S.A. (till April 30,2019)
 - Holding Company :
True North Fund VI LLP (with effect from April 30,2019)
Votorantim Cimentos EAA Inversiones S.L. (till April 30,2019)
 - Intermediate Holding Company :
Votorantim Cimentos S.A. (till April 30,2019)
- ii) Other Related Parties with whom transactions have taken place
 - Fellow Subsidiaries :
Votorantim Cement Trading S.L. (till April 30,2019)
- iii) Key Management Personnel
 - Mr. Anil Singhvi (Executive Chairman) (with effect from April 30,2019)
 - Mr. Rajeev Nambiar (CEO and Managing Director)
 - Mr. A. K. Chhatwani (Independent Director & Chairman) (up to July 29,2019)
 - Mr. A. Kumaresan (Independent Director) (up to January 28,2020)
 - Mr. Jorge Alejandro Wagner (Director) (up to April 30,2019)
 - Mr. Persio Morassutti (Director) (up to April 30,2019)
 - Ms. Meike Albrecht (Director) (up to April 30,2019)
 - Mr. Mahesh Gupta (Independent Director) (with effect from April 30,2019)
 - Ms. Mini Menon (Independent Director) (with effect from April 30,2019)
 - Mr. Pramod Kabra (Director) (with effect from April 30,2019)
- iv) Trust
 - Shree Digvijay Cement Co. Ltd. Employees' Gratuity Fund

38b Details of Transactions with related Parties:

(Rs. in lakhs)

Nature of Transactions	Holding Company Votorantim Cimentos EAA Inversiones S.L.	Other Related Parties	Total
Technical royalty fees	- (425.28)	- (-)	- (425.28)
Guarantee commission paid	- (13.60)	- (-)	- (13.60)
Reimbursement of expenses	573.59 (-)	- (-)	573.59 (-)
Contribution made to Trust	- (-)	- (26.00)	- (26.00)

Figures in bracket are relates to the previous year.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
38c Compensation of key managerial personnel

(Rs. in lakhs)

Related Parties	Year ended March 31, 2020	Year ended March 31, 2019
Employee benefits to CEO and managing director & Chairman	376.09	196.52
Commission to independent directors	2.00	15.00
Directors' sitting fees to independent directors	39.00	48.00
Total	417.09	259.52

Key Management Personnel Compensation

Provision for gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified. Compensation to CEO & MD exclude the amount paid out of the amount reimbursed by erstwhile holding company - Votorantim Cimentos EAA Inversiones S.L. and perquisite in relation to ESOP granted during the year and not vested as on March 31, 2020.

39 FAIR VALUE MEASUREMENTS
(i) Financial instruments by category

There are no financial assets/liabilities that are measured at fair value through statement of profit and loss or other comprehensive income. The following financial assets/liabilities are measured at amortised cost:

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Loans (non-current)	33.78	858.48
Other non-current financial assets	8.48	55.08
Trade receivables	982.08	1,371.36
Cash and cash equivalents	52.27	3,599.32
Other bank balances	7,386.77	23.59
Loans (current)	35.79	17.36
Other current financial assets	25.30	83.13
Total Financial Assets	8,524.47	6,008.32
Financial Liabilities		
Borrowings - current	-	4,026.08
Trade payables	4,765.77	5,296.74
Other current financial liabilities	3,032.94	2,487.84
Total Financial Liabilities	7,798.71	11,810.66

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of term deposits and interest there on, trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short-term nature.

40 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The market risk to the Company is foreign exchange risk and interest rate. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

40A CREDIT RISK

Credit risk comprises of direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from trade receivables, cash and cash equivalents (excluding cash on hand) and bank deposits.

(i) Credit risk management
a) Trade receivables

The carrying amount of trade receivables represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was Rs. 982.08 lakhs as of March 31, 2020 (March 31, 2019 - Rs. 1,371.36 lakhs).

Trade receivables are derived from revenue earned from customers. Credit risk for trade receivable is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business. Further, there are customers covered either by security deposits or bank guarantee. The Company's credit period generally ranges from 0-30 days. Two customers have the total exposure in receivables Rs. 240.52 lakhs as of March 31, 2020 (March 31, 2019 - Rs. 170.03 lakhs).

As per simplified approach, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of Company's customers' financial condition; aging of trade accounts receivable, the extent of credit insurance coverage; the value and adequacy of collateral received from the customers in certain circumstances; the Company's historical loss experience; and changes in credit risk and capital availability of the Company's customers resulting from economic conditions. The Company defines default as an event when there is no reasonable expectation of recovery.

Expected credit loss for trade receivables

(Rs. in lakhs)

Ageing	0-120 days	More than 120 days	Total
Gross carrying amount	982.08	18.44	1,000.52
Expected loss rate	0%	100%	1.84%
Expected credit losses (Loss allowance provision)	-	18.44	18.44
Carrying amount of trade receivables (net of impairment)	982.08	-	982.08

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalents and bank deposits is generally low as the said deposits have been made with banks having good reputation, good past track record and high quality credit rating and company also reviews their credit-worthiness on an on-going basis.

40B LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk is managed by Company's Liquidity and Financial Indebtedness Management Policy, which aims to ensure the availability of sufficient net funds to meet the Company's financial commitments with minimal additional cost. One of the main liquidity monitoring measurement instruments is the cash flow projection, using a minimum projection period of 12 months from the benchmark date.

(i) Financing arrangements

The Company has undrawn borrowing facilities of Rs. 4,933.27 lakhs as at March 31, 2020 (Rs. 3,417.72 lakhs as at March 31, 2019). Undrawn credit facilities comprises of fund based and non-fund based.

(ii) Maturities of financial liabilities

The following table shows the maturity analysis of the companies financial liabilities based on the contractually agreed undiscounted cash flows as at the Balance Sheet date.

(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 1 Year	Above 1 Year	Total
March 31, 2020			
Borrowings	-	-	-
Trade payables	4,765.77	-	4,765.77
Other financial liabilities	3,023.39	9.55	3,032.94
Total Liabilities	7,789.16	9.55	7,798.71

(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 1 Year	Above 1 Year	Total
March 31, 2019			
Borrowings	4,026.08	-	4,026.08
Trade payables	5,296.74	-	5,296.74
Other financial liabilities	2,487.84	-	2,487.84
Total Liabilities	11,810.66	-	11,810.66

41 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure of the Company, management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

The Company considers total equity reported in the financial statements to be managed as part of capital.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Debt	0.00	4,026.08
Less : Cash and cash equivalents	52.27	3,599.32
Adjusted net debt	-52.27	426.76
Equity share capital	14,137.50	14,137.50
Other equity	13,502.52	7,834.19
Total equity	27,640.02	21,971.69
Adjusted net debt to equity ratio	0.00	0.02

42 EARNINGS PER SHARE (EPS)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit after tax (Rs. in lakhs)	5,643.71	206.11
Weighted average number of shares outstanding for basic EPS (In lakhs)	1,413.74	1,413.74
Add: Potential Equity Shares on exercise of options (In lakhs)	10.68	-
Weighted average number of shares outstanding for diluted EPS (In lakhs)	1,424.42	1,413.74
Nominal value per share (In Rs.)	10.00	10.00
Basic earning per share (In Rs.)	3.99	0.15
Diluted earning per share (In Rs.)	3.96	0.15

43 Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(Rs. in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per contracted price	47,699.17	44,387.48
Adjustments :		
Rebates & Discounts	1,252.83	1,095.45
Revenue from contract with customers	46,446.34	43,292.03

Disaggregation of revenue

The management determines that the segment information reported under Note 37 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Significant payment terms

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

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
44 LEASES

As a lessee:

As a lessee, the Company entered in to leases agreement for many assets including property, production equipment and IT equipment. The Company previously classified leases as operating. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases. 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.

(Rs. in lakhs)

	Year ended March 31,2020	Year ended March 31,2019
Lease payments recognised in the Statement of Profit and Loss during the year	109.83	129.24

Transition to New Standards :

On transition, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Accordingly, a right-of-use asset of 54.69 lakhs and lease liability of 63.57 lakhs has been recognised. The cumulative effect on transition in retained earnings is 5.78 lakhs net of tax (note 18). The weighted average incremental borrowing rate of 9.25% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

(Rs. in lakhs)

Lease Liabilities on account of adoption of Ind AS 116	As at March 31,2020
Balance As at April 01, 2019	63.57
Finance costs incurred during the year	3.77
Payments of Lease liabilities	32.41
Balance as at March 31,2020	34.93
Current	9.55
Non- Current	25.38

45 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

(Rs. in lakhs)

PARTICULARS	Year ended March 31,2020	Year ended March 31,2019
Gross amount required to be spent by the Company during the year	6.99	8.40
Amount spent during the year on:		
i) Construction / acquisition of asset	-	1.50
ii) On purposes other than (i) above	8.65	11.29
Total	8.65	12.79

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020
46 DUES TO MICRO AND SMALL ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 as below

(Rs. in lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	60.03	8.97
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made.	-	-
Further interest remaining due and payable for earlier years	-	-

There is no principal and interest overdue to Micro and Small enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has relied upon by the auditors.

47 The Company expects that it will exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in FY 2022-23. Accordingly the Company has re-measured its deferred tax assets (net) positions and on basis of the rate prescribed under section 115BAA, has taken the full effect to Statement of profit and loss during the year ended March 31, 2020.

Tax expenses for year ended March 31, 2020 includes tax benefit of Rs.662.07 Lakhs on account of re-measurement of deferred tax assets (net).

48 SHARE BASED PAYMENTS (Ind AS 102)

(A) The Company has granted 70,60,000 options to its eligible employee including 1 MD & CEO and 5 business heads under ESOP Schemes, details are as under:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Vesting plan	20%	30%	30%	20%
No. of Options	14,12,000	21,18,000	21,18,000	14,12,000
Vesting period	1 Year	2 Years	3 Years	4 Years
Exercise period	5 Years	5 Years	5 Years	5 Years
Time to expiration (Years)	6 Years	7 Years	8 Years	9 Years
Grant Date	August 05, 2019	August 05, 2019	August 05, 2019	August 05, 2019
Exercise Date	August 04, 2025	August 04, 2026	August 04, 2027	August 04, 2028
Exercise price (Rs.per share)	16.00	16.00	16.00	16.00
Fair Value per Stock Option (Rs.per share)	3.17	3.11	3.03	2.94
Share price as on grant date (Rs.per share)	14.74	14.74	14.74	14.74

Note : Options would be vested based on Company's and individual performance and time as per Grant Letter

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(B) Fair Valuation

70,60,000 share options were granted during the year with vesting plan of 20%, 30%, 30% and 20% basis each year. Weighted average fair value of the options granted during the year is Rs. 3.06 per share (March 31, 2019 Rs. Nil per share).

The fair value of option has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.

(C) The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

Risk Free Rate	6.39%
Expected annual volatility	40.62%
Dividend Yield	Nil

49 Impact on COVID-19

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, intangible assets, Trade Receivables, and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the financial statements.

Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of the financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

The notes are an integral part of these financial statements.

In terms of our report of even date
For B S R & Associates LLP
 Firm Registration No.:116231W/W-100024
 Chartered Accountants

Jeyur Shah
 Partner
 Membership No.: 045754

Place: Ahmedabad
Date: 14th May, 2020

For and on behalf of the Board of Directors

Anil Singhvi Executive Chairman DIN: 00239589	K. K. Rajeev Nambiar CEO & Managing Director DIN: 07313541	Suresh Kumar Meher VP (Legal) & Company Secretary
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Mahesh Gupta Independent Director DIN: 00046810	Vikas Kumar Chief Financial Officer
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Place: Mumbai Date: 14 th May, 2020	Place: Digvijaygram Date: 14 th May, 2020	Place: Ahmedabad Date: 14 th May, 2020
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NOTE



NOTE

SERVING THE SOCIETY FOR A BETTER FUTURE



Tailoring classes for women empowerment



Medical / Polio Vaccination Camp.



Support to local Community by distribution of Ration packets, mask during COVID-19



Protecting Ecosystem around Plant



SHREE DIGVIJAY CEMENT CO. LTD.

BUILDING SOLUTIONS FOR THE CONSTRUCTION INDUSTRY

**SULPHATE RESISTANT
PORTLAND CEMENT**

**OIL WELL
CLASS G CEMENT**

**PORTLAND POZOLLONA
CEMENT**

**ORDINARY PORTLAND
CEMENT**

CEMENT KA SARDAR



WHEN YOUR REQUIREMENT IS UNIQUE

WE HAVE SOLUTIONS FROM OUR SPECIALITY PRODUCT



AWARDS AND RECOGNITION



AWARDED 2ND PRIZE – FOR PUBLICITY, PROPAGANDA AND FIRE FIGHTING, (CHORBEDI MINES)
3RD PRIZE – SWACHHTA (PACHHTAR) IN GROUP -A1 MINES, DURING 10TH GUJARAT METALLIFEROUS MINES SAFETY, SWACHHATA & SILICOSIS AWARENESS WEEK 2019-20

SDCCL has been awarded for **Gold Category Exceed Award** 2018 for outstanding achievements in Environment Management



SDCCL has won the Apex India Business Excellence Award 2019



SDCCL has won the GOLD AWARD – SEEM ENERGY MANAGEMENT AWARD 2019 beating all the **INDIAN CEMENT MANUFACTURERS**



GOLD CATEGORY AWARD FOR Outstanding Achievements in Safety Management – **GREENTECH SAFETY AWARD 2019**

Leadership Award for Health-Safety and Mainstreaming of HIV Prevention From **Centre for Social Development, Gujarat**



Best Cement Manufacturer in Gujarat (for 75 years development and contribution in Gujarat) handed over by **CM, Gujarat**



National Award for Excellence in Cost Management – 2nd position in Private Small & Medium Enterprise



Ramakrishna Bajaj National Quality Award



KAMAL CEMENT



SHREE DIGVIJAY CEMENT COMPANY LTD.

CIN: L26940GJ1944PLC000749

Digvijaygram – 361 140

Dist. Jamnagar (Gujarat)

Telephone : (0288) 2344 272 - 2344 275

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

E-mail : investors.sdcl@digvijaycement.com

Website : www.digvijaycement.com