21st May, 2021

BSE Limited	**National Stock Exchange of India Limited**
Corporate Relationship Department	Exchange Plaza,
P.J. Towers	Bandra Kurla Complex
Dalal Street	Bandra (East)
Mumbai – 400 001	Mumbai 400 051
Company Code: 502180	**Company Code: SHREDIGCEM**

Dear Sir / Madam,

Sub: 76th Annual General Meeting of Shree Digvijay Cement Company Ltd. (the "Company"), Intimation of Record Date & Dividend Payment date and Annual Report for FY'2020-2021.

Further to our Letter dated 28th April, 2021 , we would like to inform that the Seventy-Sixth (76th) Annual General Meeting ("AGM") of the Company will be held as under:

Day and Date: Friday, **18th June, 2021** Time: **10:00 a.m.** (IST)
Mode: Through Video Conference ("VC") / Other Audio-Visual Means ("OAVM")
Venue: The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at P.O. Digvijaygram – 361 140, Via Jamnagar, Gujarat, India.

Pursuant to Regulation 42 of the SEBI Listing Regulations, the Company has fixed **Friday, 11th June 2021 as the Record Date** for determining entitlement of members to Dividend for the financial year ended 31st March, 2021. If the Dividend as recommended by the Board of Directors, is approved at the 76th AGM, payment of such Dividend, subject to deduction of tax at source, will be made by 25th June, 2021 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 Friday, 11th June, 2021;

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 Friday, 11th June, 2021.

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 76th Annual Report of the Company along with the Notice of the 76th AGM of the Company for the financial year 2020-2021 which is being sent through electronic mode to the Members.

The 76th Annual Report containing the Notice of AGM is also uploaded on the Company's website at https://www.digvijaycement.com/wp-content/uploads/2021/05/76th-Annual-Report-2020-21.pdf

Thanking you,

Yours faithfully,
For Shree Digvijay Cement Company Limited

Suresh Kumar Meher
Digitally signed by Suresh Kumar Meher
Date: 2021.05.21 19:52:23 +05'30'

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

KAMAL CEMENT
SINCE 1944

A STRONG **LEGACY**
A PROMISING **FUTURE**

76TH
ANNUAL REPORT
2020-2021

SHREE DIGVIJAY CEMENT COMPANY LIMITED

Shree Digvijay Cement Co. Ltd stands to be a trusted building materials organization creating value for all our stakeholders through Excellence. Over the last **76 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.

TABLE OF CONTENTS

Annual Report
2020-21

1
COMPANY OVERVIEW

2
NOTICE & REPORTS

3
FINANCIAL STATEMENTS

Read online or download this report at
www.digvijaycement.com

From the desk of Chairman

"As we move into another year, we have miles to walk - no complacency, eyes on ground and with our cement plant now ready to meet increased demand of Kamal Cement, we are looking at the current year with greater optimism. We are also preparing ourselves for growth in future."

Dear Fellow Members,

Trust you and your dear ones are in good health and keeping safe.

When I was writing my previous letter to you at the same time last year, I was reasonably hopeful that we will come out of this pandemic well and may skip the proverbial second wave. But that remained just 'hope'. As I sit down to write this second letter to you, I am reminded of the 'Spanish Flu', which was just about a century ago. The second wave then, as now, was the deadliest. It seems nothing much has changed even a century later. I will deal with this in detail a little later.

As you all know, last year was a challenging year in more than many ways. The Pandemic resulted in nationwide lockdowns and factories were shut, demand had collapsed, and markets and streets looked deserted. But as I mentioned, in my previous letter, I always remain optimistic and great believer of human agility and ability to overcome the adversities and create opportunities.

It was perfect time for us at SDCC to look inwardly. We were confident- the markets and demand will re-emerge. But this may take some time, and this was perfect window for us to reboot ourselves. We used this time to look closely at our plants, markets, product, product mix, consumer preferences and prepare ourselves for a sustainable profitable future. We also looked at our weaknesses and impediments. We realized that we had two major challenges. 1. Limestone availability and 2. Productivity and cost of production. We needed to address both of them to be future fit.

Limestone has been a major cause of concern for our company for a long time. We prepared a blueprint of how to secure ourselves for the smooth operations of today and growth plans for tomorrow. I am glad to share with you that your company has been successful in securing new limestone deposit mines and today we have over 20 years of limestone for sustaining the current production, and plans are afoot to increase this availability to 50 million tonnes for future growth.

The second goal was productivity of the cement plant. As you all know, ours is an old plant and which has hardly ever produced one million ton of cement on a sustained basis. We rolled our sleeves and took a long shut down in August last when demand was low due to rains and pandemic. Extensive repairs were carried out to the plant, including repairs of our Waste Heat Recovery System (WHRS), which got damaged due to an incident. The results are before us. We started producing higher clinker with a very high generation of power. So much that in the month of March, 2021, we produced highest ever 98,002 MT clinker and generated over 30 lakhs units of power from WHRS, about 31% of power needs, saving considerably on the cost of power.

Our cost reduction drive has done wonders. We are today, among the best operating cement plants of our vintage, and the proof is before you. For the latest quarter ending March, 2021, we earned EBIDTA of over Rs.1400/- per tonnes of cement. This is indeed one of the Best in class. This was all possible due to a very dedicated team of people ably led by our CEO-Rajeev Nambiar. During the past year we have achieved many milestones, and this is just the beginning. We produced and sold over a million tons of cement and our Turnover crossed Rs.500 crores, earned highest EBIDTA of over Rs.111 crores, despite cement prices remaining constant. For those of you who have been shareholders of this company, I am sure must be a dream come true. I am not surprised that stock markets recognized this well and am happy to see that our market capitalization has reached Rs. 1,000 crores. A true reflection of our team's relentless efforts.

It was a year of great satisfaction, as we began with tremendous challenges before us due to pandemic, migration of labor and demand for most things taking a huge toll. But as expected, markets opened again, demand came back, and we worked ever longer and harder to see how we can –position ourselves in the market at higher pitch. I am glad to share that our efforts paid well. We have good demand for our cement in the Trade segment while getting the best price. Cost reduction is a continuous process and has become a "way of life" at SDCC. I am sure this will hold us in great shape on sustainable basis for all the time to come.

Now when I look today and gaze at the future, it seems nothing has changed. We are almost at the same stage. In this Second wave, demand for most goods and services is slowing down and people's sufferings are more pronounced than in the same time last year. And I wish to reflect on this and share my views with you.

There is an old saying; " If things are going out of control at present, look at the past. That's how our ancestors always dealt with tough times." The first wave of Spanish flu (1918) was more like a seasonal flu, and it started receding in few months. People become complacent and believed that it was just a wave and vanished. It was only the calm before the Storm. The second wave came with vengeance, a mutated strain of the Spanish flu virus had emerged that was very lethal and killed healthy young man and woman within no time. It took a huge toll globally and infected over 500 million people worldwide and killed over 40 million victims. We did not have media to cover the damage correctly and many were gagged but some estimates that one third to half the Indian population was infected and 10-15 million people, almost 5% of the population then, died. Only decades later, were scientists able to explain the phenomenon now known as "cytokine explosion". It became so rampant only because of lack of "masking", "distancing" and "quarantining". Does it not sound very familiar? The thing which worked in favour of the Spanish Flu and against the mankind was that, there was "no Vaccine" then. The lethal second wave did not vanish completely and there was a third wave. We need to learn lessons from history (and we know that history repeats itself) and this one seems to be playing with such striking similarity that's its almost frightening. We need to really work hard to safeguard ourselves from the third wave. We seem to be better equipped than in past, we have vaccines, that too produced in India. This one innovation in such short period of time is the biggest gift of the scientist to the humanity, I bow down my head for those who risked their lives and made this not only a possibility but a very good weapon in our hands to fight this unseen enemy. We are known to be the global capital of vaccines, now onus is upon us to prove this time. Let's learn, albeit a bit late, from –history. Let's make all out efforts to vaccinate India as soon and as much as possible. That's the only hope and prayer I have for preventing or reducing the third wave.

As of now, we see so much of sufferings around us, our health workers and society working tirelessly to reduce the pain, I am sure we will eventually win over this pandemic but with better planning and good management of resources at our command we can and we should reduce the human sufferings. Lockdowns are again becoming way of life, that surely is putting pressure on demand for most of things.

Cement demand, currently, is growing slowly but much better than the same time last year when we had a nation-wide lockdown. We are making all out efforts in keeping our operations moving with all safety measures in place. We are helping vaccinate our people and taking all precautions to have very safe and secure operations. I am sure we will overcome this hurdle as well. There was no vaccine in sight last year this time. This is what I call, a game changer. I am sure things will improve here on and this phase shall also pass, sooner than later.

But in all this pall of gloom, I wish to share something unique about cement. Cement is a basic need of humans. As per estimates, cement is the second most consumed product after water. There has been sea change in most things around us and they tend to become obsolete due to technology or preferences. Water and cement both being basic to humans have remained same thirst is best quenched with water and civilization is built by cement. Cement has one added advantage over Water. Unlike water, Cement not consumed today will be consumed tomorrow, the demand may be just postponed. This gives me tremendous confidence that if a cement company is run well, it can give one of the best returns' money can generate on sustainable basis.

As we move into another year, we have miles to walk-no complacency, eyes on ground and with our cement plant now ready to meet increased demand of Kamal Cement, we are looking at the current year with greater optimism. We are also preparing ourselves for growth in future. Logistics play a very big role in cement operations, Our Sikka Port is now ready to handle import of coal and other materials for us and others. With forthcoming additional limestone mines, we will examine the feasibility of expansion of operations keeping in mind our benchmarks for Return on Equity and Capital, which I am sure you would have seen they are amongst the highest in the Cement Industry. You would have also noticed that we have recommended for your approval an increased divided, perhaps highest dividend payout ratio in the cement industry. It is our firm belief that shareholders should be rewarded well, cash belongs to shareholders and we may use it only when we have another worthy cash generating avenue. I am mindful of the fact that cement is a growth business but growth for the sake of growth is not good for me. We will examine all options before us to sustain growth and we will surely grow higher than the cement industry growth to sustain the increasing demand of "Kamal cement".

Let's hope and pray we all come out well from the current second spell of pandemic and avoid the third wave by taking all the precautions and vaccinating all, at super speed.

I wish you and your dear ones safety and health,

Best regards
Anil Singhvi 10th May, 2021

BOARD OF DIRECTORS

Mr. Anil Singhvi
Executive Chairman

Mr. 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 39 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. Gupta has more than 4 decades of professional experience in the areas of Business Management and all dimensions of finance, M&As, Company Law, taxation etc.. In his career, he has played a critical role as a key strategist in turning around companies and guiding them to achieve new heights through his insights. Currently he is the Group Advisor to Ashok Piramal Group and has been associated with this group for about 16 years. Earlier, Mr. Gupta was Group CFO and Management Board Member of RPG Group and Piramal Enterprises. He is also on the Board of several other public listed companies. Mr. Gupta has received a number of recognitions including CFO of the Year Award (for special commendation for Financial Excellence in M&A Category). He holds Honours Degree in B.Com; L.L.B (Gen), a Chartered Accountant and a Company Secretary.

Ms. Mini Menon
Independent Director

Ms. 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 20 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. Kulkarni has rich experience of over 28 years in B2B business, consumer services, channel sales, brand management and marketing. He was Chairman on the Board of SCIB PAINTS, responsible to steer the Board of Egyptian subsidiary of Asian Paints Group. Mr. Satish Kulkarni had joined Asian Paints Ltd. in 1993 and held various positions at Asian Paints, prior to joining the Company's Board in June, 2020. Presently, he works as a Board Member or Board Advisory for a set of companies from diverse industry sectors. He is a B.E. (Electronics) from Walchand College of Engineering, Sangli; and PGDBM from IIM, Ahmedabad.

Mr. Pramod Kabra
Non-Executive Director

Mr. 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. KK Rajeev Nambiar
CEO & Managing Director

Mr. Nambiar has a rich experience of over 27 years in the cement industry. Prior to joining the company, he was Director Plant 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, HR, 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 programmmes from IIMA and IMD Luzane Switzerland.

CORPORATE INFORMATION

BOARD COMMITTEES

Audit Committee

Mr. Mahesh Gupta (Chairman)
Ms. Mini Menon
Mr. Pramod Kabra

Nomination & Remuneration Committee

Mr. Mahesh Gupta (Chairman)
Mr. Anil Singhvi
Ms. Mini Menon
Mr. Pramod Kabra

Stakeholders' Relationship Committee

Ms. Mini Menon (Chairman)
Mr. Pramod Kabra
Mr. Anil Singhvi

Corporate Social Responsibility Committee

Mr. Anil Singhvi (Chairman)
Ms. Mini Menon
Mr. Pramod Kabra
Mr. KK Rajeev Nambiar

Risk Management Committee

Mr. Mahesh Gupta (Chairman)
Ms. Mini Menon
Mr. Pramod Kabra

CHIEF FINANCIAL OFFICER

Mr. Vikas Kumar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Suresh Kumar Meher

OTHER SENIOR MANAGEMENT TEAM

Mr. P.R. Singh - VP (Marketing)
Mr. T.L. Narendran - VP (Project & Procurement)
Dr. Girish Mehta - VP (MRM & 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 SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

REGISTERED OFFICE AND WORKS

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

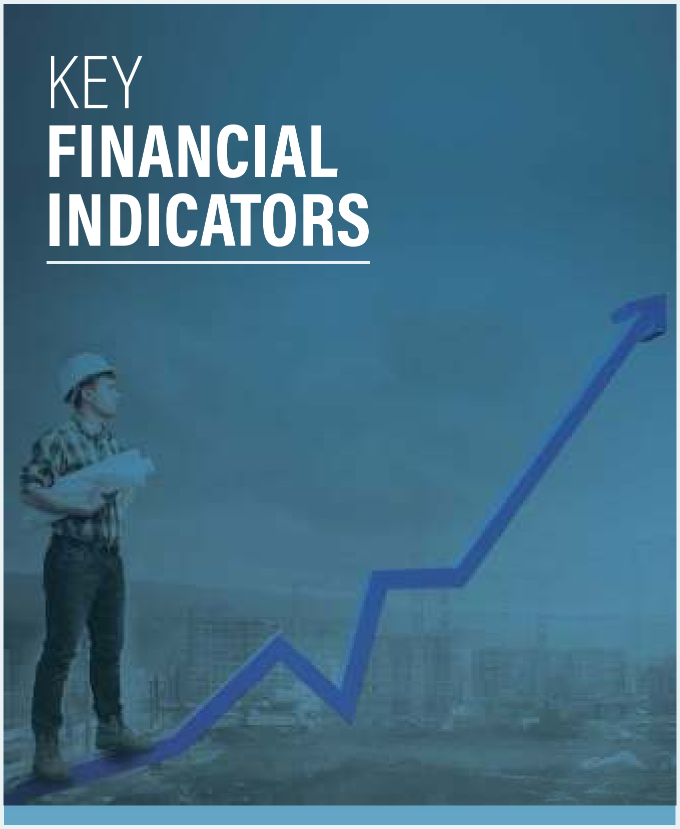
CORPORATE IDENTIFICATION NUMBER

L26940GJ1944PLC000749

10 YEARS FINANCIAL HIGHLIGHTS

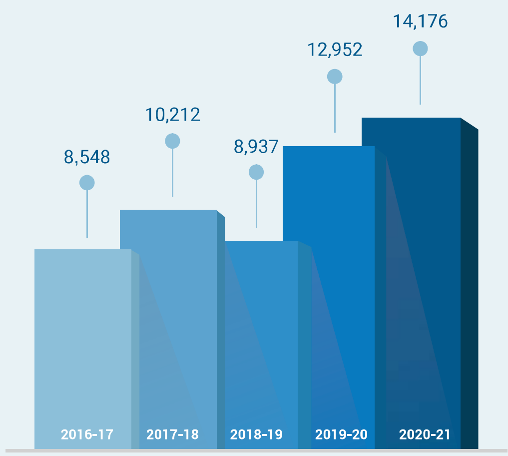
(All Amounts are in Rs. Crores, unless otherwise stated)

	IND AS					PREVIOUS GAP				
OPERATING RESULTS	**Mar '21 12 mths**	**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**
Total Revenue (Net of Excise Duty/ Net of GST)	509.14	472.09	441.11	419.72	327.04	481.22	421.18	337.84	391.99	338.61
Material Cost	96.39	81.52	99.01	102.68	69.23	105.55	117.77	83.67	79.14	65.66
Employee Benefit Expenses	36.62	34.39	28.99	26.94	26.27	34.69	23.32	21.93	23.53	22.29
Power & Fuel Cost	134.70	139.09	154.56	119.73	101.80	151.30	132.94	129.79	147.57	134.71
Other Expenses	130.07	113.94	127.38	116.17	109.92	145.43	122.23	107.18	92.06	96.14
Depreciation and Amortisation	26.83	24.80	23.99	22.88	22.19	25.80	14.10	13.19	9.87	10.07
Finance Cost	1.59	1.78	3.86	10.69	11.47	13.20	7.17	2.63	1.04	0.29
Profit Before Tax and Exceptional Items	**82.94**	**76.57**	**3.32**	**20.63**	**-13.84**	**5.25**	**3.65**	**-20.55**	**38.78**	**9.45**
Exceptional Items	-	-	-	-	-	-	-	14.14	-12.15	-
Tax Expense	28.95	20.14	1.26	7.26	-4.79	-	-	0.83	9.67	-
Profit After Tax and Exceptional Items	**53.99**	**56.43**	**2.06**	**13.37**	**-9.05**	**5.25**	**3.65**	**-35.52**	**41.26**	**9.45**
Other Comperehensive Income	-0.38	-0.41	-0.85	0.90	-0.21	-	-	-	-	-
Total Comprehensive Income for the year/period	**53.61**	**56.02**	**1.21**	**14.27**	**-9.26**	**5.25**	**3.65**	**-35.52**	**41.26**	**9.45**
Earning Per Share - Basic	3.79	3.99	0.15	0.95	-0.64	0.37	0.26	-2.51	2.92	0.67
Earning Per Share - Diluted	3.66	3.96	0.15	0.95	-0.64	0.37	0.26	-2.51	2.92	0.67
Dividend Rs. Per Share	2.50	1.50	-	-	-	-	-	-	-	-
ASSETS EMPLOYED										
Fixed Assets (Net)	194.94	197.34	204.09	208.24	217.13	216.59	210.14	173.29	174.39	176.41
Other Assets (Net)	236.76	182.45	155.85	142.28	160.88	197.20	150.76	147.16	155.25	117.09
Total Assets	431.70	379.79	359.94	350.52	378.01	413.79	360.90	320.45	329.64	293.50
FINANCED BY										
Share Capital	142.29	141.38	141.38	141.38	141.38	141.38	141.38	141.38	141.38	141.38
Other Equity	168.77	135.02	78.34	77.13	62.86	56.96	51.71	48.06	83.58	42.32
Total Equity	311.06	276.40	219.72	218.51	204.24	198.34	193.09	189.44	224.96	183.70
NUMBER OF EQUITY SHARES (IN LACS)	1,422.93	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



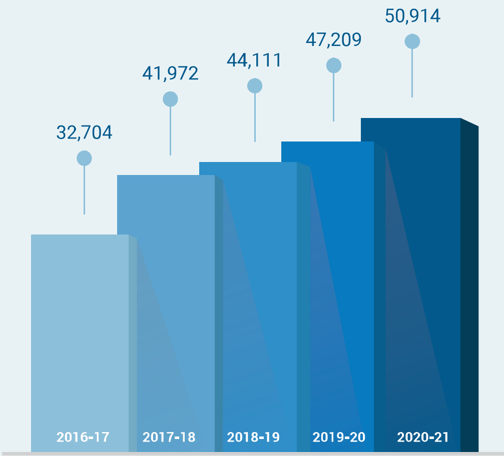
CONTRIBUTION TO EXCHEQUER

₹ In lakh



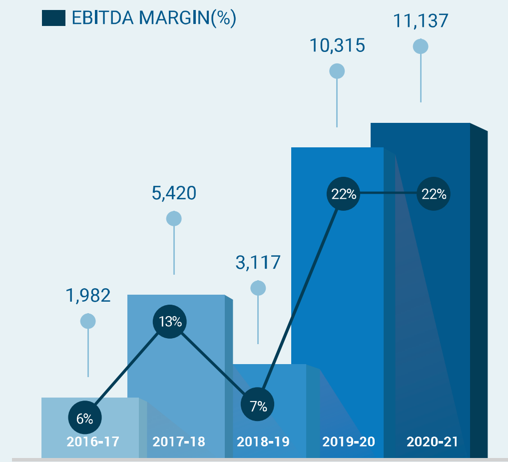
REVENUE GROWTH

₹ IN LAKH



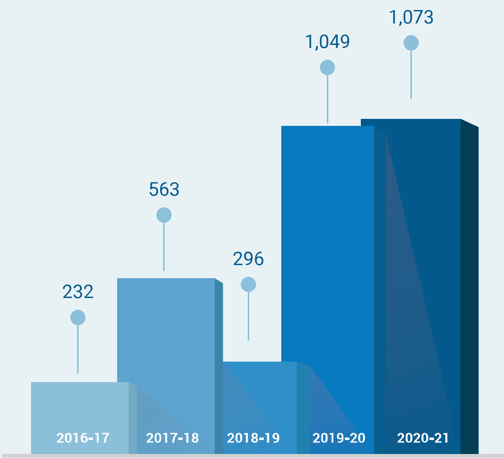
EBITDA / EBITDA MARGIN

₹ IN LAKH



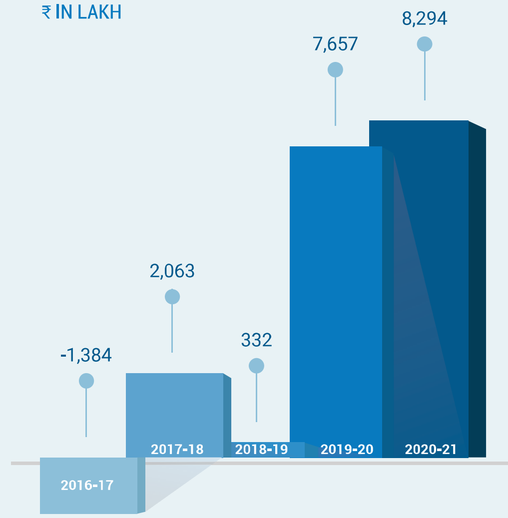
EBITDA PER TON

₹ PER TON



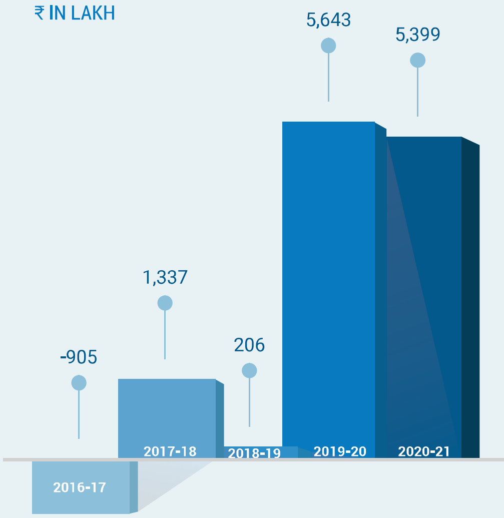
PBT

₹ IN LAKH



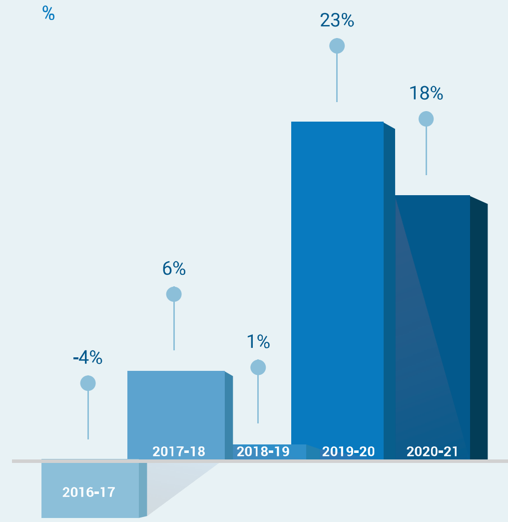
PAT *

₹ IN LAKH



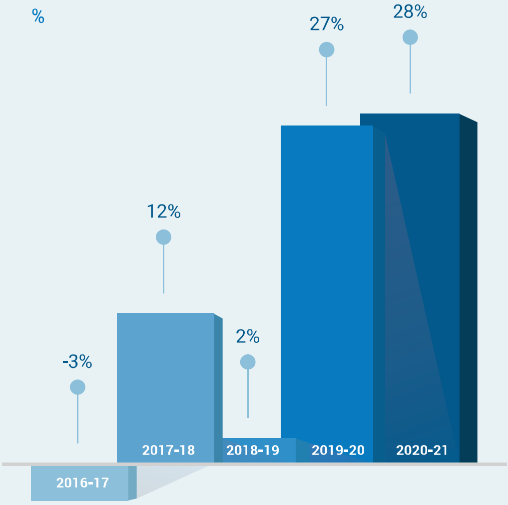
ROE *

%

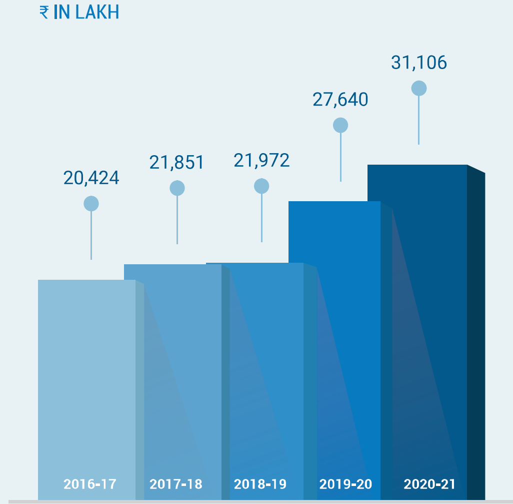


- Tax expense for the year ended March 31, 2020 is lower by ₹ 662.07 lakh on account of re-measurement of deferred tax assets (net), Resulted Higher PAT and ROE.

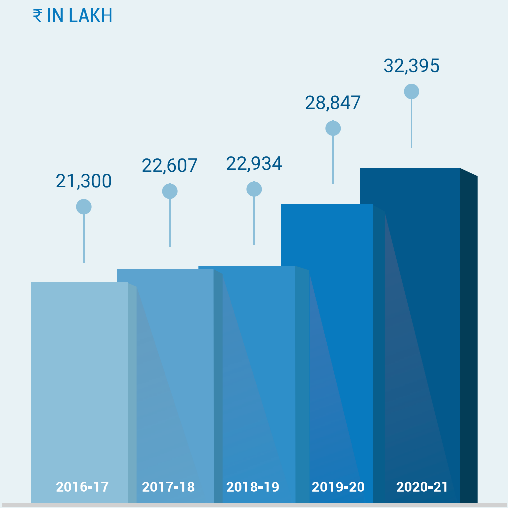
ROCE



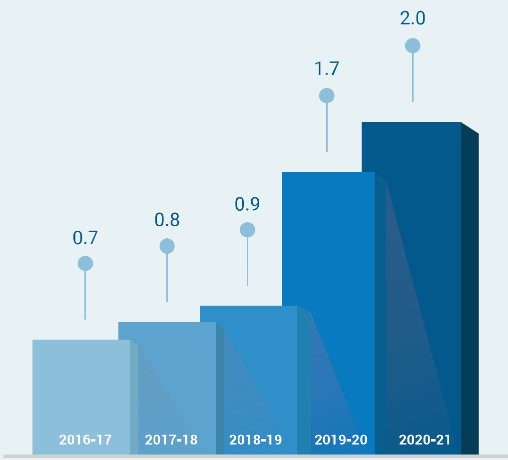
NET WORTH



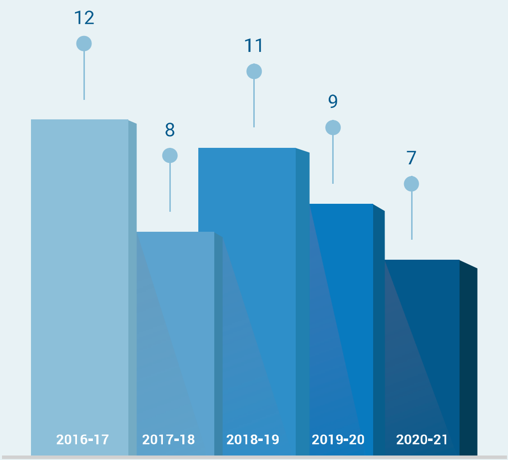
CAPITAL EMPLOYED



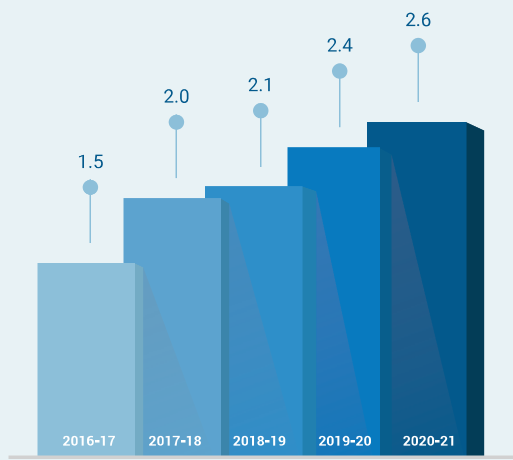
CURRENT RATIO



ACCOUNT RECEIVABLE DAYS



FIXED ASSETS TURNOVER RATIO



NOTICE

NOTICE is hereby given that THE 76TH ANNUAL GENERAL MEETING OF **SHREE DIGVIJAY CEMENT COMPANY LIMITED** (CIN L26940GJ1944PLC000749) (the "**Company**") will be held on Friday, 18th June, 2021 at 10:00 a.m. (IST) through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") facility to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2021 together with the Reports of the Auditors thereon.
2. To declare Dividend on equity shares of the Company for the Financial Year ended 31st March, 2021.

   [The Board of Directors of the Company at their meeting held on 28th April, 2021 recommended Dividend of Rs. 2.50 (i.e. @ 25%) per equity share of fully paid up face value of Rs. 10.00 each for the above financial year.]
3. To appoint a Director in place of Mr. KK Rajeev Nambiar (DIN: 07313541), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment of Mr. KK Rajeev Nambiar (DIN: 07313541) as Managing Director and fixation of remuneration**

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

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to such other permissions and approvals, if any, as may be required, consent of the Members be and is hereby accorded to re-appoint Mr. KK Rajeev Nambiar (DIN: 07313541) as a Managing Director, designated as "Chief Executive Officer (CEO) & Managing Director" of the Company, for a further period of 3 (three) years effective from 1st August, 2021 up to 31st July, 2024, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice."

   "**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee or any committee of the Board constituted to exercise its power including the powers conferred by this resolution) be and is hereby authorized to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary, the type and amount of perquisites, performance based variable pay and other benefits payable to Mr. KK Rajeev Nambiar), in such manner as may be agreed to between the Company and Mr. KK Rajeev Nambiar, within the limits as mentioned in Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Schedule V of the Companies Act, 2013 and as approved by the Members and to the extent the Board may consider appropriate."

   "RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the said period of 3 (three) years from 1st August, 2021, up to 31st July, 2024, the remuneration mentioned in the Explanatory Statement here under shall be paid to Mr. KK Rajeev Nambiar, as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider, necessary, expedient or desirable in order to give effect to this resolution and to delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company."
5. **Remuneration to Non-Executive Directors**

   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 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 17 (6) of SEBI (Listing Obligations & Disclosure Requirements), 2015 (amended from time to time), and subject to such other permissions and approvals, if any, as may be required, the approval of the Company be and is hereby accorded to pay commission to the Directors of the Company who are neither in the whole time employment nor managing director(s) of the Company (hereinafter referred as 'eligible Directors'), in accordance with and up to the limit laid down under the provisions of Section 197(1) of the Companies

Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) subject to a limit upto 0.50% of net profits for each financial year, computed in the manner specified in Section 198 of the Companies Act, 2013 or such other limit (including the limits laid down in Table A of Section II of Part II of Schedule V of the Companies Act, 2013) as may be prescribed by the Central Government or the relevant authority for a period of 5 years from the financial year commencing 1st April, 2020 in such manner and up to such extent, as the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee or any committee of the Board constituted to exercise its power including the powers conferred by this resolution) may, from time to time, determine, such commission being divisible amongst the eligible Directors in such proportion, to such category and in such manner as may be decided by the Board."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform and / or to authorise any Committee of Directors or any other person to do or perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

6. **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.1,50,000/- (Rupees One Lakh Fifty Thousand) 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 have been appointed by the Board of Directors on recommendation of the Audit Committee, as Cost Auditors of the Company, to conduct the audit of cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending 31st March, 2022."

By Order of the Board

Suresh Kumar Meher
Vice President (Legal)
& Company Secretary

Place : Digvijaygram
Date : 28th April, 2021

Registered Office:
DIGVIJAYGRAM 361 140
Via: Jamnagar, Gujarat, India
CIN: L26940GJ1944PLC000749
Website: www.digvijaycement.com
Email: investors.sdccl@digvijaycement.com

NOTES:

1. In view of second wave of COVID-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79 and SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

2. The relative Explanatory Statements, pursuant to Section 102 of the Act, in respect of the Special Business set out under Items No. 4, 5 & 6, of the accompanying Notice are annexed hereto.

3. A statement giving additional details of the Director(s) 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 Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

4. 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 through VC / OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars and the SEBI Circulars. 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.

5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) ("Body Corporates") are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-

Voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address at manojhurkat@hotmail.com with a copy marked at evoting@nsdl.co.in.

6. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Friday, 11th June, 2021.

7. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice.

8. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2020-21 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 2020-21 are available on the website of the Company at www.digvijaycement.com and on the website of RTA at www.linkintime.co.in, on the 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).

9. 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.

10. 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.

11. 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.sdccl@digvijaycement.com from Friday, 11th June, 2021 (9:00 a.m. IST) to Monday 14th June, 2021 (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.

12. Member may also send their query in writing through investors.sdccl@digvijaycement.com on or before Monday, 14th June, 2021, 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.

13. 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 Friday, 11th June, 2021 through email on investors.sdccl@digvijaycement.com. The same will be replied by the Company suitably.

14. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 12th June, 2021 to Friday, 18th June, 2021 (both days inclusive).

15. Dividend on Company's Equity Shares for the year ended 31st March, 2021, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made 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 Friday, 11th June, 2021.

    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 Friday, 11th June, 2021.

    The Dividend, if approved, will be payable by 25th June, 2021.

16. 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.

17. Members are requested to note that SEBI, vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September, 2020, has fixed 31st March, 2021 as the cut-off date for re-lodgment of physical share transfer requests and has stipulated that such transferred shares shall be issued only in demat mode.

18. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ IMPS/ NEFT etc.

    In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to RTA / Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs before Friday, 11th June, 2021, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

    Members holding shares in physical form may communicate these details to the RTA viz. Link-Intime India Private Limited having address at Link-Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400 083, before Friday, 11th June, 2021 by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

    This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

    The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

19. 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.

20. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.

21. As per the provision of Section 72 of the Act, facility for making nomination(s) is available to Individuals holding shares in the Company. 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 or can be obtained by writing mail to the investors.sdccl@digvijaycement.com.

22. 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.

23. 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.

24. 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.

25. The Company's Statutory Auditors, M/s BSR & Associates LLP, were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years at the 73rd AGM held on 7th September, 2018, on the remuneration to be determined by the Board of Directors. Pursuant to the

Companies (Amendment) Act, 2017, effective from 7th May, 2018, it is no longer necessary to seek the ratification of the Shareholders for continuance of the above appointment. Hence, the Company is not seeking the ratification of the Shareholders for the appointment of the Statutory Auditors.

26. Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases:

    a. Deletion of name of the deceased shareholder(s);

    b. Transmission of shares to the legal heir(s); and

    c. Transposition of shares.

27. Pursuant to the 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).

28. 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. Shareholders can upload the aforesaid documents, as applicable, on the following link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before 14th June, 2021 **to** enable the Company to determine the appropriate TDS rates. To avail the benefit of non-deduction of tax at source, Shareholders may also write to rnt.helpdesk@linkintime.co.in by 11:59 p.m. IST on Friday, 11th June, 2021. No communication on the tax determination/deduction received post 14th June, 2021 shall be considered for payment of the Dividend. It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates. 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 rnt.helpdesk@linkintime.co.in or to investors.sdccl@digvijaycement.com. The aforesaid declarations and documents need to be submitted by the Shareholders by 11:59 p.m. IST on Friday, 11th June, 2021.

29. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and relevant documents referred to in the accompanying Notice and in the Explanatory Statement are requested to write to the Company on or before Friday, 11th June, 2021 through e-mail on investors.sdccl@digvijaycement.com. The same will be replied by the Company suitably. During 76th AGM, Members may also access the scanned copy of above Registers, upon Log-in to NSDL e-Voting system at www.evoting.nsdl.com

30. **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 : Digvijaygram
Date : 28th April, 2021

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 6 of the accompanying Notice dated 28th April, 2021.

Item no.4

Re-appointment of Mr. KK Rajeev Nambiar as Managing Director and fixation of remuneration

The Board of Directors of the Company ("the Board") at its meeting held on 28th April, 2021 has, subject to approval of members, re-appointed Mr. KK Rajeev Nambiar (DIN: 07313541) as a Managing Director, designated **as "Chief Executive Officer (CEO) & Managing Director"** for a further period of 3 (three) years effective from 1st August, 2021 up to 31st July, 2024, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board. It is proposed to seek members' approval for the re-appointment and remuneration payable to Mr. KK Rajeev Nambiar as a Managing Director of the Company, in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mr.Nambiar are as under:

1. **Period of Appointment:** Three years with effect from 1st August, 2021, which may be extended by mutual agreement.
2. **Nature of Duties :** Subject to the superintendence, control and direction of the Board of Directors of the Company, and the provisions of Memorandum and Articles of Association and the regulation made by the Company in General Meetings and the restrictions imposed by the Companies Act, 2013 (including any statutory modification(s) or re-enactment there of or amendment(s) thereto), Mr. KK Rajeev Nambiar shall be entrusted with substantial powers of management of affairs of the Company read with Explanation to Section 2(54) of the Companies Act, 2013, as amended from time to time. Mr. Nambiar will be in charge of the Company's operations with the responsibility and accountability for its management and smooth operations and carry out such duties as may been-trusted to him by the Chairman / Board of Directors from time to time and exercise such powers as may be assigned to him in connection with and in the best interest of the business of the Company.
3. **Remuneration:**

   (I) Emoluments: Rs. 2,19,26,000/- (Rupees Two Crores Nineteen Lakhs Twenty-Six Thousand) per annum, consisting of Annual Base Salary (ABS) and Performance Linked VariablePay as under:

   a) Annual Base Salary (ABS) of Rs.1,56,60,000/- (Rupees One Crore Fifty-Six Lakhs Sixty Thousand) inter alia covering the specified components as mentioned below, with such increase in ABS upto Rs. 2,00,00,000/- (Rupees Two Crores) during his tenure as "CEO & Managing Director", as the Board/Nomination and Remuneration Committee (NRC) may decide from time to time:

   i. Basic Salary: Rs. 73,50,000/- (Rupees Seventy-Three Lakhs Fifty Thousand) per annum, with such increase from time to time as the Board/ NRC may decide and/or subject to revision in line with the notification(s) as may be promulgated by the Government during the tenure of appointment.

   ii. Special Allowance: Rs. 69,57,500/- (Rupees Sixty-Nine Lakhs Fifty-Seven Thousand Five Hundred) per annum, with such increase from time to time as the Board/ NRC may decide.

   iii. Contribution towards Provident fund: @ 12% of the basic salary, subject to revision in line with the notification(s) as may be promulgated by the Government during the tenure of appointment.

   iv. Gratuity: @ 4.81% of the basic salary as per Rules of the Company as applicable from time to time.

   v. Allowances: Following allowances and re-imbursements annually with such increase proportionate to Basic Salary, as the Board/ NRC may decide from time to time

   a. Leave Travel Allowance – Rs. 78,000/- annually for self and family, in accordance with the Rules of the Company.

   b. Medical expenses reimbursement – Up to Rs. 15,000/- annually towards payment/ reimbursement of medical expenses incurred for self and family.

   c. Uniform Allowances – Up to Rs. 21,600/- annually;

   d. Education allowances – Rs. 2,400/- annually.

   b) Performance Linked Variable Pay: Variable Pay is based on the achievement of pre-established goals for each financial year. Mr. Nambiar will be entitled with a Variable Pay compensation of 40% of his Annual Base Salary as may be approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, for each financial year. This limit can go upto a maximum of 60% of the Annual Base Salary, with consequent increase in gross Emoluments, in the event of objectives achievement is more than 100% of pre-established goals.

(II) Perquisites and Benefits : In addition to the Annual Base Salary, Performance Linked Variable Pay as outlined above, CEO & Managing Director shall be entitled to following perquisites and benefits:

i) Fully furnished residential accommodation at Company's Colony at Digvijaygram with electricity & water connectivity,free telephone(s) and/or other communication facilities.

ii) One Company car with chauffeur and fuel for official use. Mr. Nambiar will be reimbursed fuel cost for personal use of Company owned car up to 300 km per month aggregating 3600 km per annum.

iii) Laptop and Mobile Phone as per Company Policy.

iv) Free medical and hospitalization insurance for self, wife and direct relatives (limited to two children and dependent parents). No limits within the Health Group Insurance Network. Reimbursement out of network upto Rs. 500,000.

v) Accident and Life Insurance as per Company's policy.

vi) Leave : Eligible for 30 days of Privileged Leave (PL), 15 days Sick Leave and 10 days casual leave annually as per Company's policy. Accumulation of un-availed earned PL will be permissible in accordance with the Rules of the Company subject to a maximum of 180 days during the tenure.

vii) Leave Encashment: Privileged Leave (PL) can be encashed on Basic Salary subject to a maximum of 30 days once in a year, provided 40 days PL remains to his credit after adjusting the leave encased asper Company Rules.

viii) Re-imbursement of other cost and expenses as per Company's policy.

ix) Other Perquisites, Benefits & Allowance(s): As per Rules of the Company as may be available to other senior executives of the Company and/or as may be decided by the Board of Directors based on approval, if any, accorded by the Nomination and Remuneration Committee.

(III) Stock Options under SDCCL Employee Stock Option Plan 2019 (ESOP 2019): 28,50,000 (Twenty-Eight Lakhs Fifty Thousand) stock options @ Rs. 16 per option granted to Mr. Nambiar by the Nomination and Remuneration Committee on 5th August, 2019 under ESOP 2019 pursuant to approval of Shareholders. Perquisite value of stock options exercised by Mr. Nambiar, from time to time, on satisfaction of terms and conditions of grant, shall not be considered as a part of above Remuneration, and that the perquisite value of such stock options shall be in addition to the Remuneration as mentioned above subject to the limits specified under the applicable law.

Mr. KK Rajeev Nambiar is interested in this resolution since it relates to his reappointment as Managing Director of the Company.

Except above, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the Resolution except to the extent of their respective shareholding in the Company.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of reappointment and payment of remuneration as mentioned above as per Section 190 of the Companies Act, 2013. Statement containing Information required to be under Clause (iv) of the Second Proviso to Section II of Part II of Schedule V of the Companies Act, 2013 is also attached herewith which also forms part of this Explanatory Statement. The Company proposes to pay the remuneration disclosed in the Resolution and Explanatory Statement as minimum remuneration to Mr. Nambiar in case of absence of inadequacy of profit in any of the financial years during the tenure of his position. It is also disclosed that at the time of obtaining this approval of the members of the Company, the Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors.

The Board of Directors (or any committee thereof) has also been conferred power to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary, the type and amount of perquisites, variable pay and other benefits payable to Mr. KK Rajeev Nambiar.

A copy of the draft Agreement setting out the terms and conditions of appointment of Mr. Nambiar will be available for inspection without any fee by the members at the Registered Office of the Company at Digvijaygram, Dist. Jamnagar-Gujarat 361 140, India, during office hours on all working days between 10.00 A.M. and 12.00 Noon upto Friday, 18th June, 2021 (i.e. the date of AGM) excluding Saturdays and shall also be uploaded on the website of the Company at https://www.digvijaycement.com/.

Your Directors recommend passing of the Special Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

Item no. 5

Remuneration to Non-Executive Directors

The Board of Directors, at their meeting held on 28th April, 2021, proposed the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 0.50% per annum of the net profit of the Company, calculated in accordance with the provisions of the Companies Act, 2013, for a period of five years commencing from the financial year beginning 1st April, 2020. Section 197 of the Companies Act, 2013 provides, inter alia, payment before of remuneration as: payment of remuneration to its directors remuneration to its directors (other than the managing director or whole-time director), by way of commission, if the Company by resolution authorize such payments. Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) payment of Regulations, 2015 also provides that all fees / commission paid to Non-Executive Directors shall be fixed by the Board and shall require the previous approval of the members. In this context, it is proposed to take this Ordinary Resolution for payment of commission to the Non-Executive Directors for a period of 5 years effective from 1st April, 2020, as may be determined by the Board or its Committee authorised for the purpose for each financial year at a rate such that the total remuneration does not exceed percentage limits of the net profit of the Company as specified in the Companies Act, 2013, subject to a limit up to 0.50% of the net profit for each financial year, calculated in accordance with Section 197 read with Section 198 and any other applicable provisions of the Companies Act, 2013 including the limits laid down in Table A of Section II of Part II of Schedule V of the Companies Act, 2013) as may be prescribed.

The payment of commission would be in addition to the sitting fees payable for attending meeting of the Board and Committees thereof, if any.

The Managing Director and KMP of the Company and their relatives are not concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice. The Non-Executive Directors may be deemed to be concerned or interested in the Ordinary resolution set out at Item No. 5 of the Notice to the extent of the remuneration.

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

Item no. 6

Ratification of Remuneration to Cost Auditor

The Board of Directors at their meeting held on 28th April, 2021, 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, 2022 on a remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand) 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. 6 of the Notice for remuneration to the Cost Auditor for the financial year ending on 31st March, 2022.

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.

The Board recommends ordinary resolution set out at Item No. 6 of the accompanying Notice of Annual General Meeting for retification by the Members of the Company.

By Order of the Board

Suresh Kumar Meher
Vice President (Legal)
& Company Secretary

Place : Digvijaygram
Date : 28th April, 2021

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

Details of Director(s) 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 Director(s):	**Mr. KK Rajeev Nambiar**
Director Identification Number (DIN)	07313541
Date of Birth	30th May,1972
Nationality	Indian
Date of Appointment	28th October, 2015 (effective from 1st November, 2018)
Qualification	B.E. (Mechanical)
Expertise in specificfunctional area	Operations, Technical area, Engineering, Commercial, HR, Logistics, Marketing, Administration and General Management in cement sector
List of the directorships held in other companies*	SDCCL Logistics Ltd.
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	None
Number of Board Meetings attended during the year 2020-21	4
Relationships between Directors Inter-Se	None
No. of Shares held in the Company	2,04,304 Equity Shares as on 31st March, 2021
Remuneration details (Including Sitting Fees & Commission) during the financial year	As per details described in Notice and Explanatory Statement

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

THE INFORMATION REQUIRED UNDER CLAUSE (iv) OF THE SECOND PROVISO TO SECTION II OF PART - II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IS GIVEN BELOW:

I. General Information:

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

(In Rs. Lakhs)

Particulars	2020-21	2019-20	2018-19
Total Income	50,914	47,209	44,111
Profit Before Interest, Depreciation & Tax (EBITDA)	11,137	10,316	3,117
Profit Before Tax	8,294	7,657	332
Profit After Tax	5,399	5,643	206
Dividend percentage	25%	15%	NIL

5. **Foreign investments or collaborations, if any** :NA

The holdings of Foreign Institutional Investors (FII) & NRI's as on 31st March, 2021 are 2.23 % of the equity share capital.

II. Information about the appointee:

1. **Background details:**

Mr. KK Rajeev Nambiar, aged 49 years is currently "CEO & Managing Director" (Executive and Non-Independent) of the Company. Mr. Nambiar joined the Company on 2nd June, 2015 as Chief Executive Officer (CEO) and as the Whole-time Director effective from 1st November, 2015. He was appointed as CEO & Managing Director of the Company for a period of three years from 1st August, 2018. He holds the degree as Mechanical Engineer from the National Institute of Technology, Suratkal, Karnataka (India). Mr. Nambiar has a rich experience of over 25 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.

Mr. Nambiar's impeccable technical acumen and excellent people management skills are widely recognized and validated by the fact that ACC has consistently shown a marked increase of Production, appreciable Cost reduction and quality improvement.

He is currently working as CEO & Managing Director of the Company and responsible for Company's busines operations. Mr. Nambiar has always been the person with strong technical & business acumen and leadership, impeccable industry foresight, and has contributed in implementing several path breaking business processes in his current and past roles.

2. **Past Remuneration**:

Mr. KK Rajeev Nambiar has been associated with the Company since 2nd June, 2015 and remuneration with his past employer is not comparable. During the financial year ended 31st March, 2021, he was paid total remuneration of Rs. 3,47,50,352/- by the Company. This amount also includes value of other benefits & perquisites towards exercise of stock options by him during the year, more details on which is disclosed in Corporate Governance Report.

3. **Recognition or award**:

During his earlier tenure, he could steer his team in getting National Energy Conservation award and first Green Cement Company award by CII.

4. **Job Profile and his suitability**:

Mr. KK Rajeev Nambiar is CEO & Managing Director of the Company and is currently responsible for Company's business operation. He has an extensive knowledge in cement industries and was heading ACC units in manufacturing operations all over India. He is mechanical engineer from the National Institute of Technology, Karnataka (India) and having outstanding professional career. Considering his vast experience, expertise and performance, the Nomination and Remuneration Committee has at their meeting held on 28th April, 2021 recommended re-appointment of Mr. Nambiar as CEO & Managing Director and the Board considers him suitable for the position of said position, subject to shareholders' approval of the Company.

5. **Remuneration Proposed**:

As stated in the Explanatory Statement of the Notice of the 76th AGM.

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

   The remuneration offered to Mr. KK Rajeev Nambiar is at par with the industry norms considering the nature of industry, profile and position of person.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

   Except for the remuneration drawn, Mr. KK Rajeev Nambiar does not have any pecuniary relation directly or indirectly with the Company.

   He has been appointed as a Director in SDCCL Logistics Ltd., Wholly Owned Subsidiary of the Company w.e.f. 28th July, 2020.

   Mr. Nambiar is not related to any other Director or key managerial personnel of the Company. He is an independent qualified professional.

III. Other Information:

1. **Reasons of loss or inadequate profits: Not Applicable.**

   Currently, Company's profits are adequate to pay managerial remuneration. Inadequacy of profits in past years is mainly attributable to slowdown of Indian economy, pressure on cement prices, competition, and increased cost of raw materials, increased costs of power and fuels.

2. **Steps taken or proposed to be taken for improvement:**

   To mitigate the adverse impact and reduce cost and increase realizations, the Company consistently adopt and implement various measures, which has contributed to Company performance and growth to a great extent.

3. **Expected increase in productivity and profits in measurable terms:**

   The Company has made substantial investment in plant for stabilizing the operations & plant capacity and exploring new markets. With the ramp up of operations at increased capacity, substantial contribution in revenue and profitability is expected in the coming years.

IV. Disclosures:

1. Details of remuneration being offered are given in the above resolution, which will be provided at appropriate places in the Corporate Governance Report and will be annexed to the Director's Report of the ensuing Annual General Meeting of the Company, to be held for the financial year 2020-21. The disclosures in respect of remuneration package and other details of all the Directors for financial year 2020-21 were provided at appropriate places in the Corporate Governance Report annexed to the Directors' Report of financial year 2020–21.

2. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:

   Company has granted 28,50,000 (Twenty-Eight Lakhs Fifty Thousand) stock options @ Rs. 16 per option to Mr. KK Rajeev Nambiar under "SDCCL Employee Stock Option Plan 2019 (ESOP 2019)". Details on this is disclosed in Corporate Governance Report annexed to the Directors' Report of financial year 2020–21.

3. The ceiling for the overall remuneration (inclusive of performance linked incentives) shall be as specified in the aforesaid resolution and may be altered/ revised from time to time within such overall limits approved by the Shareholders.

4. It is declared that Mr. KK Rajeev Nambiar hold 2,04,304 Equity shares of Rs. 10/- each of the Company as on 31st March, 2021. He holds 1 share of Rs.10/- of SDCCL Logistics Ltd., the Wholly Owned Subsidiary of the Company, as a nominee of the Company.

This Notice along with explanatory statement is and should be considered as an abstract of the terms of the remuneration and remuneration of Mr. KK Rajeev Nambiar designated as "Chief Executive Officer (CEO) & Managing Director" of the Company, for a further period of 3 (three) years effective from 1st August, 2021 up to 31st July, 2024, subject to approval of shareholders, of the Company and a memorandum as to nature of concern or interest of the Directors in the said remuneration.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **14th June, 2021 at 10:00 A.M. and ends on 17th June, 2021 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **record date (cut-off date) i.e. 11th June, 2021**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **11th June, 2021**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

Type of shareholders	Login Method
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-**Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user 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 etc.

   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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company, which is **116014** for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board 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 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Asst. Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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) by email to investors.sdccl@digvijaycement.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to your respective depository participants. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors.sdccl@digvijaycement.com. The same will be replied by the company suitably.

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors has immense pleasure in presenting 76th Annual Report on business and operation of Shree Digvijay Cement Company Limited along with audited standalone & consolidated financial statements for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS:

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

(Rs. in lakhs)

Particulars	Consolidated*	Standalone	
	Current Year Ended 31.03.2021	Current Year Ended 31.03.2021	Previous Year Ended 31.03.2020
Revenue from Operations (Gross) including Other Income	**50,914.43**	**50,914.43**	**47,209.29**
Operating Expense	39,781.04	39,777.86	36,893.55
Operating Profit (EBITDA)	**11,133.39**	**11,136.57**	**10,315.74**
Depreciation / Amortization	2,683.29	2,683.29	2,480.21
Interest	159.39	159.39	178.25
Profit Before Tax	**8,290.71**	**8,293.89**	**7,657.28**
Tax Expenses	2,894.72	2,894.72	2,013.57
Profit for the year	**5,395.99**	**5,399.17**	**5,643.71**
Other Comprehensive Income/(Expense)	(37.85)	(37.85)	(41.28)
Total Comprehensive Income/(Expense) for the year	**5,358.14**	**5,361.32**	**5,602.43**
Balance brought forward from previous year	4,588.54	4,588.54	(1008.11)
Transition impact of Ind AS 116, net of tax	-	-	(5.78)
Transfer to General Reserve	(1,000.00)	(1,000.00)	-
Dividends (including tax)	(2,120.61)	(2,120.61)	-
Total Profit Carried Over to Balance Sheet	**6,826.07**	**6,829.25**	**4,588.54**

*On 28th July, 2020, SDCCL Logistics Limited was incorporated as a wholly owned subsidiary ("Subsidiary") of the Company, having paid up capital of Rs.1,00,000 (10,000 equity shares of Rs.10 each). With the incorporation of Subsidiary, the Company is required to prepare consolidated financial statement for the first time for the year ended 31st March, 2021. Accordingly, the Company has presented consolidated financial statement for the year ended 31st March, 2021 with no comparative figures since this being the first year of consolidation. However, there is negligible impact on Company's financials as its Subsidiary has not yet started its operation during the year under review.

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

Company's total income for the year stood at Rs. 50,914.43 lakhs, 7.85% higher over the previous year driven by higher sales volume.

Profit before tax for the year was Rs. 8,293.89 lakhs as compared to Rs.7,657.28 lakhs in previous year. Profit after tax for the year was Rs. 5,399.17 lakhs as compared to Rs. 5,643.71 lakhs in the previous year. Tax expense for the year ended 31st March, 2020 was lower by Rs. 662.07 lakhs on account of re-measurement of deferred tax assets (net) which resulted higher profit after tax for the said financial year.

The growth was recorded mainly due to higher sales volume, cost optimization, higher production & efficiency parameters and sustainable plant operations.

PRODUCTION AND SALES:

(In lakhs MT)

	Current Year Ended 31.03.2021	Previous Year Ended 31.03.2020
Production:		
- **Cement**	10.28	9.93
- **Clinker**	8.72	8.12
Sales:		
- **Cement**	10.38	9.83
- **Clinker**	0.69	-

During the year under review, cement production was 10.28 lakhs MT as against 9.93 lakhs MT in previous year. Clinker production was 8.72 lakhs MT as against 8.12 lakhs MT in previous year. The Company has achieved a record cement sale of 10.38 lakhs MT as against 9.83 lakhs MT in previous year apart from clinker sale of 0.69 lakh MT as against NIL clinker sale in previous year.

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.2.50/- (i.e. 25%) per equity share of Rs. 10/- each on 14,22,92,276 equity shares for the year ended 31st March, 2021, aggregating to Rs. 3,557.31 Lakhs, payable to those Shareholders whose names appear in the Register of Members as on the Record Date. There is no dividend distribution tax applicable on the Dividend payable.

TRANSFER TO RESERVES:

During the year under review, the Company has transferred Rs. 1,000 lakhs to General Reserves.

SHARE CAPITAL:

During the year, the Paid-up Equity Share Capital of the Company increased from Rs.1,41,37,42,780/- (14,13,74,278 Equity Shares of Rs. 10/- each) to Rs. 1,42,29,22,760/- (14,22,92,276 Equity Shares of Rs 10/- each). Increase in share capital was on account of issue and allotment of fresh 9,17,998 equity shares of face value of Rs. 10/ each, arising out of exercise of 9,17,998 of stock options by eligible employees of the Company under "SDCCL Employee Stock Option Plan 2019" ("ESOP Plan").

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 ("Act") in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year, the Company has incorporated a Wholly Owned Subsidiary ("Subsidiary") Company viz. SDCCL Logistics Limited (CIN No. U63000GJ2020PLC115066) for carrying out business in the field of logistics and other related activities, including transport (both for captive use and /or commercial purpose) of all kind of materials, articles and goods. Subsidiary company has not started its operation during the year.

However, above Subsidiary is not a material subsidiary company as per the thresholds of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

The Board of Directors of the Company has formed policy for determining material subsidiaries in line with the Listing Regulations on 'Material' Subsidiary which is available on the Company's website.

During the year under review, there are no significant transactions and arrangements entered into by the Company with the Subsidiary.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements of the Company and its Subsidiary for the Financial Year 2020-21 are prepared in compliance with the Section 129(3) read with Schedule III of the Act and Rules made thereunder, including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report.

Pursuant to Section 129(3) of the Act read with the rules made there under, a statement containing salient features of the Financial Statements of the Subsidiary is disclosed in Form AOC-1 in this Annual Report.

The Financial Statements of the Subsidiary company is available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act. The Company shall provide free of cost, a copy of the Financial Statements of its Subsidiary company to the Members upon their request. The statements are also available on the website of the Company and can be accessed at www.digvijaycement.com under the 'Investors' section.

FINANCIAL LIQUIDITY:

Cash and cash equivalent as on 31st March, 2021 was Rs. 12,371.91 Lakhs vis-à-vis Rs. 7,436.26 Lakhs in the previous year.

The Company's working capital management is robust and involves a well-organised process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

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, except investment in its Subsidiary as appearing under Note no. 5 of this report, during the year under report attracting the provisions of Section 186 of the Act.

NUMBER OF MEETINGS :

Meetings of Board and its Committees are held as per statutory requirements and as per business needs. A calendar of meetings is circulated in advance to the Directors to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board and Committees have also been approving several proposals by circulation from time to time.

Board Meeting

During the year, four Board Meetings were convened and held on 14th May, 2020, 30th July, 2020, 10th November, 2020 and 27th January, 2021, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act, Secretarial Standards – 1 (SS-1) issued by the Institute of Company Secretaries of India (ICSI) and Listing Regulations.

The Company has the following six (6) Board-level Committees, which have been established in compliance with the relevant provisions of applicable laws and as per business requirements:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Stakeholders' Relationship Committee
5. Corporate Social Responsibility (CSR) Committee
6. Committee of Directors for routine matters

Audit Committee

The Audit Committee comprises of three members, with majority of Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met four times during the year.

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 once during the year.

Risk Management Committee

The Risk Management Committee, constituted by the Board during the year, comprises of three members, with majority of Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met once during the year.

Stakeholders' Relationship Committee

Stakeholders' Relationship Committee of Directors comprises of three members, with majority of Non-Executive Directors. The Chairman of the Committee is an Independent Director. The Committee met once during the year.

Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises of four members, of which one is Independent Director. The Committee met once during the reporting period.

More details about all the Committees of the Board, including details of the role and responsibilities of Committees, the particulars of meetings held and attendance of the Members at such meetings are stated in the Corporate Governance Report, which forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Act:

(a) in preparation of Annual Accounts for the financial year ended 31st March, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(b) that such accounting policies as mentioned in the Notes to the Accounts have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and the profit of the Company for the year ended on that date;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual accounts have been prepared on a going concern basis;

(e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and

(f) that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were 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/policies/.

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. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

Related Party Transactions are placed before the Audit Committee as also before the Board, wherever required, for their 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 Act 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 Form AOC-2 in **Annexure A**.

MATERIAL CHANGES AND COMMITMENTS :

In terms of Section 134(3)(l) of the Act, 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, 2021 and the date of this report i.e. 28th April, 2021.

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

The year 2020-21 was full of challenges primarily posed by COVID-19 Pandemic. However, even in these difficult times, energy conservation and efficiency measures were undertaken in various areas of the cement manufacturing. Waste Heat Recovery System (WHRs) was revamped and started operating during the year through operational and capex measures.

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

PARTICULARS OF EMPLOYEES AND REMUNERATION :

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto as **Annexure C**.

In accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, is kept open for inspection during working hours (upto the date of ensuing Annual General Meeting) at the Registered Office of the Company, and the Report & Accounts are being sent to all the Members of the Company, excluding the aforesaid particulars of employees. Alternatively, any Member, who is interested in obtaining these details, may also write to the Vice Resident (Legal) & Company Secretary at the Registered Office of the Company or to email id at investors.sdccl@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), the Nomination and Remuneration Committee of the Board has, during the financial year 2019-20 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 SDCCL Employee Stock Option Plan 2019 ("ESOP 2019"). Out of total options granted, 14,12,000

(Fourteen Lakhs Twelve Thousand) options got vested during the year. 9,17,998 (Nine Lakhs Seventeen Thousand Nine Hundred Ninety-Eight) equity shares were allotted to eligible employees who exercised their right to convert equivalent no. of options vested on them.

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 and Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on 31st March, 2021 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 constituted an 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.

INSURANCE:

The Company's plant, properties, equipment and stocks are adequately insured against all major risks including loss on account of business interruption caused due to property damage. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

RISK MANAGEMENT:

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 Risk Management Committee, Audit Committee and the Board of Directors.

They also review Risk Management procedures and measures from time to time, to ensure that executive management controls risk through means of a properly defined framework. The major risks in critical areas have been identified by the Company and its mitigation process/measures have been formulated accordingly.

CORPORATE SOCIAL RESPONSIBILITY:

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, whosoever residing in the radius of more than 15 KMs.

As required under Section 135 of the Act and Rules made thereunder, to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Corporate Social Responsibility (CSR) 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):

Directors

The Company has six directors on its Board. Detailed composition about the Board is disclosed in Corporate Governance Report. All Directors have submitted relevant declarations / disclosures as required under Act and Listing Regulations.

Re-appointment of Director

Mr. KK Rajeev Nambiar (DIN No. 07313541), Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Act 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.

Current Tenure of Mr. KK Rajeev Nambiar as CEO & Managing Director will expire on 31st July, 2021. The Board of Directors has at their meeting held on 28th April, 2021 recommended to Shareholders for his re-appointment as CEO & Managing Director for a further period of three (3) years with effect from 1st August, 2021 on the terms & conditions, including remuneration, as more particularly described in the Notice of the Annual General Meeting.

As required by Regulation 36(3) of the Listing Regulations and provisions of the Secretarial Standards, brief resume and other details of the above-mentioned Director(s) 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 Act, the Listing Regulations or any other order, directions of MCA, SEBI or any other statutory authorities.

Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of strategy, business management, accounts & finance, auditing, tax and risk advisory services, legal, HR, IT, sales & marketing, logistics, people management, infrastructure, technical, banking, insurance, financial services, investments, mining & mineral industries both in cement & other sectors; and they hold highest standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended vide Notification No. GSR.774(E), dated 18.12.2020, wherever required, Independent Directors of the Company have undertaken to complete on line proficiency self-assessment test conducted by the said Institute.

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 Act 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 & HR) & Company Secretary

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 Act and Listing Regulations. The criteria and manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Certificate of Non-Disqualification of Directors

In accordance with the Listing Regulations, 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.**

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 Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has made and maintained the cost accounts and records for the year 2020-21. 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 2020-21. The Cost Audit Report for the financial year ended 31st March, 2020 was filed with the Central Government on 10th August, 2020 vide SRN No. R49122682.

Further, the Board of Directors has appointed M/s Kiran J Mehta & Co. as the Cost Auditors of the Company for the financial year 2021-22 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 Act and have also certified that they are free from any disqualifications specified under Section 141 of the Act. 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 2021-22, is included in the notice convening 76th Annual General Meeting.

Secretarial Auditor and Secretarial Audit Report

Section 204 of the Act, inter-alia requires every listed company to undertake Secretarial Audit and 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 Act 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 2020-21.

The Secretarial Audit Report for the financial year ended 31st March, 2021 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 2021-22.

Internal Auditors

During the year under review M/s. RSM Astute Consulting Pvt. Ltd. (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 2021-22.

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, 2021, and that are operating effectively. More details on internal financial controls forms part of the Management Discussion and Analysis Report.

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, in Compliance to the provisions of Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year ended 31st March, 2021 and other policies of the Company is placed on the Company's website at 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, in compliance with the provisions of Section 177(10) of the Act and Listing Regulations, is in place. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and posted on the website of the Company at www.digvijaycement.com.

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 programs and 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, as amended from time to time, the Company has adopted a Revised Code of Conduct for Prevention of Insider

Trading (Insider Code) as approved by the Company's Board. 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 Listing Regulations.

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 Listing Regulations, 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 Listing Regulations, 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, 2022.

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 2020-21.

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

- 18 Annual Greentech safety Award conferred due to improvement in EHS performance.
- Gold Category Exceed Award 2019-20 for Company's efforts towards a focused approach on safety and health ensuring that OHS is given paramount importance in your organization.

HOLDING ENTITY :

True North Fund VI LLP is the "Promoter" of the Company. During the year, there has not been any change in number of shares held by Promoter. As at the end of the Financial Year 2020-21, the Promoter and the Holding entity continue to hold 8,08,25,928 fully paid-up equity shares.

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 company have ceased to be Subsidiary, Associate or joint venture of the Company during the year under review.
2) 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.
3) No fraud has been reported during the audit conducted by the Statutory Auditors, Secretarial Auditors and Cost Auditors of the Company.
4) 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 an ISO 14001 Environment Management System Certified and adhere to OHSAS 18001 standards of Safety and Occupational Health. Company gives top priority to health and safety of its employees (bot direct & indirect) at its workplaces not only to avoid work related injuries and fatalities but they are essential to effective business performance. With this approach, Company switched over from OHSAS to ISO 45001:2018 on Occupational Health and Safety Management Systems.

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	KK Rajeev Nambiar
Executive Chairman	CEO & Managing Director

Place : Mumbai/Digvijaygram
Date : 28th April, 2021

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, 2021, 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, 2021are as follows:

   a. Name (s) of the Related Party & Nature of Relationship:

   SDCCL Logistics Limited -Wholly Owned Subsidiary

   The Company has remitted Rs. 1 Lakh towards subscription for 10,000 Equity Shares of Rs. 10/- each (Equity investment) in SDCCL Logistics Ltd., a Wholly Owned Subsidiary (Subsidiary) of the Company.

   During the period, Company has paid incorporation expense and other dues amounting to Rs. 1.94 lakhs, on behalf of the Subsidiary.

   b. Nature of contracts/arrangements/transaction:

   carrying out business in the field of logistics and other related activities, including transport (both for captive use and /or commercial purpose) of all kind of materials, articles and goods.

   c. Duration of the contracts/arrangements/transactions:

   Ongoing with the approval of the Audit Committee and Board, wherever required.

   d. Salient terms of the contracts or arrangements or transactions including the value, if any:

   Please refer item (b) above.

   e. Date(s) of approval by the Board, if any:

   Other than approval of Company's Board of Directors for incorporation of Subsidiary, there were no other transactions, that required approval of Board as the Subsidiary company has not started its operation during the year.

   f. Amount (Rs. in lakhs):

   Nil

Note : During the year, the Company has not entered into any transaction(s) which are material in nature as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, AOC-2 is disclosed, as a matter of good corporate governance practice.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 28th April, 2021

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, 2021.

CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy	1. Replacement of RM Ex. Fan by new energy efficient fan andchanging of design of mill nozzle rings to reduce specific loading of fan from 7.8 kWh/Ton to 6.89 kWh/Ton of material. 2. Optimization fuel to improve overall clinkerisation power from 72.86 to 67.78 kWh/Ton. Overall specific power consumption improved from 90.49 kWh/Ton to 89.29 kWh/Ton. 3. Re-design of WHR turbine to generate 4.5 MW gross on sustainable basis. Annual net generation of 1,07,38,583 kWh green energy (11.22% contribution of total annual consumption). 4. 12.90 million kWh energy consumption from green (renewable) energy sources (wind power). (13.48% energy contribution of total annual consumption). 5. Increase in fly-ash contribution from 32.42% to 33.65%. 6. Optimization of compressed air by continuous monitoring and survey and arresting of leakages.
(ii) The steps taken for utilizing alternate sources of energy	Steps were taken to use green (renewable) energy from sources like wind power. During the year wind power contributed 13.48% of total annual consumption.
(iii) The capital investment on energy conservation equipment	Rs. 356.41 Lakhs

TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption	1. Use of cost-effective copper slag in place of costlier Iron ore 2. Optimization of Gypsum usage and quality by monitoring of SO3 content 3. Use of P.P. mould along with marine gypsum to reduce Gypsum cost and environment degradation by using Industry waste.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	1. Improvement in clinker factor to reduce CO2 emission. 2. Reduction in production cost. 3. Improvement in MTBF, OEE & 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	1	Capital Expenditures : **Nil**			
	2	Recurring Expenses (Rs. In Lakhs)		**2020-21**	2019-20
		a	Technical Royalty	-	-
		b	R & D Cess	-	-
		c	Contribution to Cement Cess	-	-
	3	Total R&D Expenditure as a percentage of total turnover		**NA**	NA

FOREIGN EXCHANGE EARNINGS & OUTGO (Rs. in Lakhs)

	2020-21	2019-20
Foreign Exchange earned	-	573.59*
Foreign Exchange used	**2,575.42**	296.74

* Amount received from Votorantim Cimentos EAA Inversiones S.L., erstwhile promoter, 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 2020-21(in Rs.)	7,15,488
Percentage increase in the median remuneration of employees in the Financial Year	7%
Number of permanent employees on the rolls of the Company as on 31st March, 2021	273

Name of the Director / KMP	Designation	Ratio of remuneration to median remuneration of all employees	% Increase in remuneration in the FY 2020-2021
Executive Directors			
Mr. Anil Singhvi	Executive Chairman	34.87	-
Mr. KK Rajeev Nambiar	CEO & Managing Director	30.64	8%
Other KMPs			
Mr. Vikas Kumar	CFO	6.68	9%
Mr. Suresh Kumar Meher	VP (Legal) & Company Secretary	8.01	7%

Note

1. Independent Directors were paid sitting fees. Other Non-Executive Directors were not paid any remuneration during the financial year. Hence this is not applicable for Non-Executive Directors.
2. The ratio of remuneration of each Director and KMP to the median remuneration is based on the CTC of the remuneration for the year 2020-21 in their respective capacity as such Director or KMP.

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 approx. 8%, 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 as posted on website of the Company at https://www.digvijaycement.com/policies/

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:

No. of Options outstanding at the beginning of the period	70,60,000
No. of Options forfeited/lapsed during the year / No. of options expired (due to resignation & retirement if any)*	1,20,000
No. of Options vested during the year	14,12,000
No. of Options exercised during the year	9,17,998
No. of shares arising as a result of exercise of options	9,17,998
Exercise Price	Rs. 16/- per option
Option cancelled	Nil
Variation of terms of Option	None
Money realized by exercise of options	Rs. 1,46,87,968
No. of options outstanding at the end of the year (including 4,94,002 options already vested)	60,22,002
No. of options exercisable at the end of the year	4,94,002

***No. of stock options granted (but not yet vested) & expired.**

Employee wise details granted to:

I) Key Managerial Personnel

Name	Designation	No. of Options vested	No. of options exercised	No. of shares allotted
Mr. KK Rajeev Nambiar	CEO & Managing Director	5,70,000	1,99,998	1,99,998
Mr. Vikas Kumar	Chief Financial Officer	60,000	60,000	60,000
Mr. Suresh Meher	VP (Legal) & Company Secretary	50,000	35,000	35,000

II) Employees to whom 5% or more of options granted during the year:

Name	Designation	Number of Option Granted
	NIL	

III) Employees to whom options more than 1% of issued capital granted during the year :

Name	Designation	Number of Option Granted
	NIL	

Utilisation of Funds :

During the year, the Company has received Rs. 1,46,87,968/- on allotment of shares to the eligible employees under SDCCL Employees Stock Option Plan 2019, which was utilized towards working capital needs of the Company.

Disclosure under SBEB Regulations:

The details in respect of ESOP as required to be disclosed under the SBEB Regulations are posted onthe Company's website at https://www.digvijaycement.com/investors/shareholders-information/.

Annexure E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

In today's context, the 'Corporate Social Responsibility (CSR) is defined as a mandatory way for a Company to balance its Economic, Social and Environmental objectives while enhancing the Shareholders' value and Stakeholders expectations. Shree Digvijay Cement Co. Ltd. (Company) has engaged itself towards this journey since its inception. Company is contributing towards promoting quality of education, improvement in living standard and upliftment of communities comprising weaker section in nearby areas. Basic and higher education at SDCCL Public School at very discountable rates, and education facilities at other nearby areas, free supply of drinking water in nearby areas are also some of the welfare activities being undertaken by Company as a part of its CSR Programmes. Company in today's context is regularly working in the areas of preventive healthcare by organizing medical camps and awareness programmes from time to time benefitting to the residents of nearby areas.

During the COVID-19 pandemic, the Company provided dry ration, food packets as immediate relief to local poor families. Company stitched and distributed cotton masks to the underprivileged. Regular disinfection and sanitisation drives were carried out within host communities. Mass-scale awareness drives in communities were conducted on the usage of masks, social distancing and on hand washing. Frontline health workers were provided hand gloves, face shield, Corona Virus Protecting Suit, sanitisers and N95 masks to help them serve without fear of infection.

2. Composition of CSR Committee:

The CSR Committee comprises of four members, of which one is Independent Director. The Committee met once during the reporting period on 14th May, 2020 through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), and details of meeting is as under:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Singhvi	Chairman	1	1
2	Ms. Mini Menon	Member (Independent Director)	1	1
3	Mr. Pramod Kabra	Member (Non-executive Non-Independent Director)	1	1
4	Mr. KK Rajeev Nambiar	Member (Managing Director)	1	1

3. The web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

   The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is at https://www.digvijaycement.com/policies/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

(Rs. in Lakhs)

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set- off for the financial year, if any
1	2020-2021	NOT APPLICABLE	47.80
		TOTAL	47.80

6. Average net profit of the Company as per Section 135(5):

(Rs. In Lakhs)

Particulars	2017-18	2018-19	2019-20
Net Profit	2,079.81	334.25	7,664.62

Average net profit of the Company for last three financial years is at Rs. 3,359.56 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5):- **Rs. 67.19 Lakhs**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:NIL
   (c) Amount required to be set off for the financial year, if any :- NIL
   (d) Total CSR obligation for the financial year (7a+7b- 7c) :- **Rs. 67.19 Lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
114.99	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Imple-mentation Direct (Yes/No)	Mode of Implemen-tation - Through Implemen-ting Agency	
				State	District						Name	CSR Registration number
NOT APPLICABLE												

(c) Details of CSR amount spent against, **other than ongoing projects,** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (in Rs.)**	**Mode of imple-men-tation - Direct (Yes/No)**	**Mode of implemen-tation – Through implementing agency (Yes/No)**	
				State	**District**			**Name**	**CSR regist-ration number**
1.	Health Care, Hygiene & Sanitation	Company took various measures on preventive health care and sanitation. Providing medical facilities and distribution of medical instruments to local health centers. Organized various medical camps / health check-ups, medication and health awareness program on Swine flu, Covid-19 etc.	Yes	Gujarat	Jamnagar and Jam Khambaliya	3,04,736	Yes	NA	NA
2.	Eradication of hunger and poverty	Eradication of poverty, malnourishment and hunger, and providing safe drinking water etc.	Yes	Gujarat	Jamnagar and Jam Khambaliya	4,78,000	Yes	NA	NA
3.	Promotion of Education	Improvement in quality of education which includes special education, skill development and employment generating vocational skills among children, women, elderly. Development of infrastructure and safety & security system, sports facilities & renovation of Schools.	Yes	Gujarat	Jamnagar and Jam Khambaliya	10,354,833	Yes	NA	NA
4.	Contribution for Social Cause	Disaster management, Distribution of Food Packets & Masks, sanitizer in local area to prevent spread of COVID-19.	Yes	Gujarat	Jamnagar and Jam Khambaliya	3,20,318	Yes	NA	NA
5.	Empowerment of Women	Organized Skill Development Activity for women including tailoring classes as a part of ongoing project on empowering women	Yes	Gujarat	Digvijaygram, Jamnagar,	40,775	Yes	NA	NA
	TOTAL					**1,14,98,662**			

(d) Amount spent in Administrative Overheads : NA

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 114.99 Lakhs

(g) **Excess amount for set off, if any:** Rs. 47.80 Lakhs

Sr. No.	Particulars	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	67.19
(ii)	Total amount spent for the financial year	114.99
(iii)	Excess amount spent for the financial year[(ii)-(i)]	47.80
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial year, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	47.80

The Company's total CSR expenditure during the year was Rs. 1,14,98,662/-, which was 3.40% of the average net profit of the last three years. The Company's CSR projects primarily focused on the Quality of Education & Water, Sanitation, Health & Hygiene and activities on Social Cause which pertained to Schedule VII of the Companies Act, 2013.

9. (a) details of Unspent CSR Amount for the preceding three financial years:

Sl No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)(in Rs.)	Amount spent in the reporting Financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial year (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1	2017-18	Not Applicable					
2	2018-19	Not Applicable					
3	2019-20	Not Applicable					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years(s):

(1) Sl No.	(2) Project ID	(3) Name of The project	(4) Project Duration	(5) Total amount allocated for the project (in Rs.)	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reporting Financial year (in Rs.)	(8) Cumulative amount spent at the end of the reporting Financial Year (in Rs)	(9) Status of the project- Completed/ Ongoing
NA								

10. In case of creation or acquisition of capital assets, furnish the details relating to the assets so created or acquired through CSR spent in the financial year: Not Applicable

(asset-wise details)

(a) Date of acquisition of the capital asset(s): N.A.

(b) Amount of CSR spent for creation or acquisition of capital assets: N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.: N.A.

(d) Provide details of the capital assets(s) created or acquired (including complete address and location of the capital assets): N.A.

11. Specify the reason(s), if the Company has failed to spend two percent of the net profit as per Section 135(5): Not Applicable

Place : Mumbai / Digvijaygram
Date : 28th April, 2021

Anil Singhvi
Chairman- CSR Committee

KK Rajeev Nambiar
CEO & Managing Director

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 COMPANY LIMITED
(CIN:L26940GJ1944PLC000749)
Digvijaygram - 361140
Via Jamnagar, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SHREE DIGVIJAY CEMENT COMPANY LIMITED ("Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the financial year ended 31st March, 2021.

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, 2021, 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: F004287C000159631

Place : Ahmedabad
Date : 28th April, 2021

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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, 2021 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:

1. The Company has incorporated Wholly Owned Subsidiary in the name of M/s SDCCL Logistics Limited vide Certificate of Incorporation dated 28th July, 2020.
2. The Company has allotted equity of shares under SDCCL ESOP-2019 in three trenches respectively on 18th September, 2020 (517333 equity shares), 9th December, 2020 (223888 equity shares) and 25th January, 2021 (176777 equity shares).

Barring this, 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
FCS No.: 4287, CP No.: 2574
UDIN: F004287C000159662

Place : Ahmedabad
Date : 28th April, 2021

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

Annexure - A

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

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries
FRN: P2011GJ025800

MANOJ R. HURKAT
Partner
FCS No.: 4287, CP No.: 2574
UDIN: F004287C000159662

Place : Ahmedabad
Date : 28th April, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO AND OUTLOOK

GLOBAL ECONOMY

Global economy rebounded from the collapse triggered by COVID-19 pandemic with Global growth for 2021 and 2022 projected stronger than in 2020 as per World Economic Outlook (WEO). The upward revision reflects additional fiscal support in a few large economies and further boost by recent additional COVID-19 vaccine approvals and large-scale vaccinations across the globe. Although vaccination have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022.

The projected growth recovery this year follows a severe collapse in 2020 that has had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. The global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected in the previous forecast (reflecting stronger-than-expected momentum in the second half of 2020).

The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.

One of the legacies of the COVID pandemic could be a generational shift towards higher government spending, as fiscal policymakers adjust to the new reality of rising demands for government support while interest rates remain low. The shock of the COVID pandemic has pushed governments to increase spending to record levels, with over USD 10 trillion being allocated around the world. Much of this effort has been financed by additional borrowing, adding to the already large debt piles that governments had accumulated before the pandemic began. However, as interest rates have also fallen around the world – the cost of servicing that debt has remained low, which could mean that some of the extra spending may remain until the crisis period of the pandemic has passed.

INDIAN ECONOMY

The Indian economy is showing early signs of a broad V-shaped recovery, owing to larger public stimulus spends, the revival of consumer confidence, robust financial markets and an uptick in manufacturing activity. The proposed 34.5% hike in capital expenditure is expected to drive private investment while also boosting demand. Income levels and livelihood opportunities are expected to further improve in FY22, as economic recovery gathers pace and vaccine administration progresses. India is estimated to have one of the quickest economic rebounds in Asia.

With India emerging out of the pandemic-induced recession, its GDP improved by 0.4% in the December quarter, and these trends look set to continue in the final quarter of India's financial year, which ended on 31st March, 2021. This is evident from high-frequency indicators such as Goods and Services Tax (GST) collections, automobile and tractor sales, rail freight traffic, power demand, Purchasing Managers' Index (PMI), and corporate revenues. Also, with the selective lockdowns and limited mobility restrictions, manufacturing activity is reverting to pre-COVID levels. However, services, particularly high contact services, continue to lag. To further stimulate growth, policies over recent months have been focused on reforms that propagate growth. For example, the manufacturing sector stands to benefit from Production-Linked Incentives (PLIs) announced for key sectors that aim to showcase India as a preferred manufacturing and export hub. Meanwhile, services growth is expected to gain traction in 2H22 (especially contact intensive services) as vaccine availability and deployment improves. The outlook for growth in agriculture is contingent on the monsoon season, and the sector is expected to maintain growth similar to the current financial year (3%, year-on-year), if the monsoons are normal.

As the Indian economy returns to normalcy, there could be a healthy rise in tax collections as well as an uptick in public revenues arising from the disinvestment process. In this context, it is pertinent to note that the government has indicated that the sale of government stakes in selected State-Owned Enterprises (SOEs) as well as publicly owned banks and India's premier insurance company, is likely to be completed by the next financial year. This large-scale privatization process, coupled with the 6.8% fiscal deficit targeted for 2021-22, is expected to provide headway for incremental expenditures on healthcare and capital creation, which will play a pivotal role in enhancing the focus on sustainable economic development. These initiatives are expected to restore the pandemic-induced hiatus in the generation of new employment opportunities. The Indian government has undertaken a slew of reforms, including labor reforms, corporate tax cuts and PLIs to steer the economy to recovery in the next financial year. However, key factors that will drive this rebound include normal monsoons, success in averting a full-fledged second wave of COVID, and discretionary spending staying unaffected by cost pressures, particularly those stemming from high pump prices of petrol and diesel.

In its latest edition of World Economic Outlook, IMF said it expects India's GDP to grow 12.5 per cent in FY22, the highest among emerging and advanced economies. GDP growth for FY23 is pegged at 6.9 per cent.

GOVERNMENT INITIATIVES

Slew of measures announced during the union budget 2021 on infrastructure-led economic revival, disinvestment along with increased Capex spending and increase in number of projects under national infrastructure pipeline is expected to boost demand for India's cement companies.This time the government has allocated 34.5% more (BE to BE) than last year to infrastructure development and given equal emphasis to all physical infrastructure including roads and highways, railways, urban infrastructure, power, port, shipping and airways, and petroleum and natural gas.

The government has allocated Rs. 20,000 crore to set up and capitalise a Development Financial Institution (DFI) to act as a provider, enabler and catalyst for infrastructure financing and a Rs. 5 lakh crore lending portfolio will be created under the proposed DFI in three years. The Budget has allocated Rs. 1,18,101 crore, the highest ever outlay, for Ministry of Road Transport and Highways, of which Rs. 1,08,230 crore is for capital expenditure. Under the Bharatmala Pariyojana, with an estimated investment of Rs. 5.35 lakh crore, already 13,000 km of roads worth Rs. 3.30 lakh crore have been awarded for construction. A large amount of money has been earmarked for ongoing and new economic corridors/expressways, and Rs. 1,10,055 crore have been allocated to the Railways, of which Rs. 1,07,100 crore is for capital expenditure with a promise to complete 100% electrification of broad-gauge routes by December 2023.

In order to help private sector companies, thrive in the industry, the Government has been approving their investment schemes. Some of the initiatives taken by the Government off late are as below:

- 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 planned to upgrade 1,25,000 km of road length over the next five years.
- Also, the Government of India extended an additional outlay of Rs. 18,000 crore (US$ 2.43 billion) for the PM Awaas Yojana - Urban over the already allocated Rs. 8,000 crore (US$ 1.08 billion); this is expected to be used for the development of 30 lakh houses (ground support for 12 lakh houses and completion of 18 lakh houses) and will likely to create an additional 78 lakh jobs and boost production and sale in the steel and cement sectors.

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

ROAD AHEAD

The eastern states of India are likely to be the newer and untapped markets for cement companies and could contribute to their bottom line in future. In the next 10 years, India could become the main exporter of clinker and gray cement to the Middle East, Africa, and other developing nations of the world. Cement plants near the ports, for instance the plants in Gujarat and Visakhapatnam, will have an added advantage for export 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 MT by 2025.

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.

Number of foreign players are also expected to enter the cement sector owing to the profit margins and steady demand.

Gujarat Government Introduce new Solar Power Policy 2021:

Gujarat Chief Minister announced Gujarat Solar Power Policy, 2021 for the next five years that aims to reduce the power costs of industrial units by around 50 per cent while removing any capacity ceiling for setting up a solar project in Gujarat. The policy also allows consumers to give their roof or premises on lease to a third party for generation and consumption of power on same premises.

As a result of this new solar power policy, increase in consumption and production of solar energy in the state will bring down production cost for the industries and also intends to help 'Made in Gujarat' brand increase its presence in the global market. Under the policy, surplus power will be purchased by the state government after set-off against consumption of the project proprietor. For residential consumers and MSMEs, the state will purchase the surplus power at Rs. 2.25 per unit for initial five years and at 75 per cent of latest tariff discovered and contracted by Gujarat Urja Vikas Nigam Limited (GUVNL) through competitive bidding process for non-park-based solar projects in preceding six months which shall remain fixed for remaining life of the project.

INDUSTRY OUTLOOK

Outlook for the cement sector in the medium term remains positive with continued focus on affordable housing. The government is aiming at completing construction of all houses under the scheme by 2022, which could accelerate the pace of demand recovery. 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 time to time.

Over the medium term, we expect all India cement demand to grow at 5-6% on average mainly on the back of rural housing (accounts for 30% of the cement consumption), followed by the infrastructure segment (20-25%), mainly railways, roads and housing for all.

Furthermore, India has took decisive steps to deal with the COVID-19 crisis. This proactive stance by the government and policy makers will certainly help the country's faster economic revival. With the massive vaccination drive, India is expected to track a faster recovery in 2021-22. The Economic Survey 2021 predicts 10-12% growth in 2021-22, and back on the trend of 6.5% in 2022-23.

INDIAN CEMENT INDUSTRY

India is the second largest cement producer in the world and accounted for over 8% of the global installed capacity with a cumulative production capacity of nearly 540 million tonnes (MT) in 2020. As India has a high quantity and quality of limestone deposits through-out the country, the cement industry promises huge potential for growth.

Cement demand fell by an estimated 10-12% in 2020-21 owning to COVID-19 pandemic and lockdowns. However, the demand of cement industry is expected to reach 550-600 MT per annum (MTPA) by 2025 because of the expanding demand of different sectors, i.e., housing, commercial construction, and industrial construction.

The Government of India is strongly focused on infrastructure development to boost economic growth and is aiming for 100 smart cities. The Government also intends to expand the capacity of railways and the facilities for handling and storage to ease the transportation of cement and reduce transportation cost. These measures would lead to an increased construction activity, thereby boosting cement demand. As per Union Budget 2019-20, the Government expected to upgrade 1,25,000 kms of road length over the next five years, which would boost the demand for cement. Also, the Government of India extended an additional outlay of Rs. 18,000 crore (US$ 2.43 billion) for the PM Awaas Yojana - Urban over the already allocated Rs. 8,000 crore (US$ 1.08 billion); this is expected to be used for the development of ~30 lakh houses (ground support for 12 lakh houses and completion of 18 lakh houses) and will likely create an additional 78 lakh jobs and boost production and sale in the steel and cement sectors.

India cement market is advantageous mainly on following four factors:-

- **Robust cement demand** driven by government's focus in infrastructure and housing for all by 2022. Demand expected to grow at CAGR of 5.68% between FY16 and FY22.
- **New opportunities** due to Government announcements in late 2020 regarding key infrastructure projects such as National Highway projects in various states
- **Long-term cement demand** growth rate is estimated at 1.2 times of GDP growth rate
- **FDI inflows in the industry** related to manufacturing of cement and gypsum products reached US$ 5.28 billion between April and September 2020

COMPANY'S PERFORMANCE

During the year under review, the working results under review, earnings before interest, tax and depreciation (EBITDA) of the Company recorded Rs.11,136.57 Lakhs as compared to Rs.10,315.74 Lakhs in previous year.

The Higher EBITDA was mainly due to higher sales volume;record clinker and cement production; fixed and SGA cost optimization; reduction in overall power cost due to smooth waste heat recovery operation; and efficient & sustainable plant operations.

The cement demand 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 costsand negative impact of COVID-19 virus adversely impacted the operations and overall cement demand, the Company has recorded operating profit of Rs. 11,136.57 lakhs with strong EBITDA margin of 22%. Concerted efforts throughout the year resulted reduction in overall production cost along with higher sales volume. The Company continues to do well in the current year by stabilizing plant operations, focusing on optimization of costs, improving operational efficiency and further strengthening the brand.

OPERATIONAL PERFORMANCE:

Particulars	Current Year ended 31.03.2021	Previous Year ended 31.03.2020
Installed Capacity (Lakhs Ton Per Annum)	12.00	12.00
Production (Lakhs TPA)		
Clinker	8.72	8.12
Cement	10.28	9.93
Effective Capacity utilization	91.42%	82.75%
Sales Volume (Lakhs Ton)		
Domestic		
- Cement	10.38	9.83
- Clinker	0.69	-
Export		
- Cement	-	0.01
- Clinker	-	-
Net Cement Sales Realization (Rs. / MT)	4,655	4,721

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

FINANCIAL PERFORMANCE: **(Rs. In Lakhs)**

Particulars	Current Year Ended 31.03.2021	Previous Year Ended 31.03.2020
Revenue from Operations (Gross)	**50,059.22**	**46,446.34**
Add: Other Operating Income	223.03	538.25
Less: Total Expenditure	39,777.86	36,893.55
Profit before other income, interest, depreciation & tax	**10,504.39**	**10,091.04**
Add: Other Income	319.69	59.39
Profit before Interest Depreciation & Tax [PBIDT]	**10,824.08**	**10,150.43**
Add : Interest Income	312.49	165.31
Earning before Interest, Tax and Depreciation (EBITDA)	**11,136.57**	**10,315.74**
Less: Interest Expense	159.39	178.25
Less: Depreciation	2,683.29	2,480.21
Profit before tax	**8,293.89**	**7,657.28**
Less: Tax Expenses*	2,894.72	2,013.57
Profit for the year	**5,399.17**	**5,643.71**

* Tax expense for the year ended 31st March, 2020 is lower by Rs. 662.07 lakhs on account of re-measurement of deferred tax assets (net).

Details of significant changes in key financial ratios are as given below:

Sr. No.	PARTICULARS	UOM	Year Ended 31.03.2021	Year Ended 31.03.2020	Growth YOY
1	Contribution to Exchequer	Rs. In Lakhs	14,176	12,952	**9%**
2	Revenue Growth	Rs. In Lakhs	50,914	47,209	**8%**
3	EBITDA	Rs. In Lakhs	11,137	10,316	**8%**
4	EBITDA PER TON	Rs. Per Ton	1,073	1,049	**2%**
5	EBITDA MARGIN	%	22%	22%	**-**
6	ROE % *	%	18%	23%	**-5%**
7	ROCE%	%	28%	27%	**1%**
8	PBT	Rs. In Lakhs	8,294	7,657	**8%**
9	PAT *	Rs. In Lakhs	5,399	5,644	**-4%**
10	Net Worth	Rs. In Lakhs	31,106	27,640	**13%**
11	Capital Employed	Rs. In Lakhs	32,395	28,847	**12%**
12	Current Ratio	Times	2.0	1.7	**18%**
13	Accounts Receivable Days	Days	7.0	9.0	**2 days**
14	Fixed Assets Turnover Ratio	Times	2.6	2.4	**10%**

* Tax expense for the year ended 31st March, 2020 is lower by Rs. 662.07 lakhs on account of re-measurement of deferred tax assets (net) resulted higher PAT and ROE.

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 CODM has identified one business segment viz. Manufacturing and Sales of Cement and its only production facility is located in India. There are no other reportable segments.

COST AND PROFITABILITY

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

Transportation cost has witnessed a sharp increase due to higher diesel prices and other operating difficulties.

The overall impact of increase in freight cost, fuel expenses and packing bags cost nullified with higher sales volume, lower advertisement, travelling expenses and high operational efficiency parameters.

Controlling costs is an on-going exercise of your Company. The Company continues to focus on cost reduction, procurement, sales, marketing and logistics operations and overheads, focus, product mix, quicker deliveries, efficient operational parameters including competent manpower with good health and safety practices to improve the overall performance and profitability of the Company.

SUBSIDIARY:

During the year, the Company has incorporated a Wholly Owned Subsidiary (Subsidiary) company viz. SDCCL Logistics Limited for carrying out business in the field of logistics and other related activities, including transport (both for captive use and /or commercial purpose) of all kind of materials, articles and goods. Though Subsidiary company is yet to start its operation, opportunities for operation of Subsidiary is huge.

OPPORTUNITIES, THREATS, RISK & CONCERN

The Company has well defined structure which enable and empower management to identify, assess and leverage business opportunities and manage risk exposure in the organization effectively.

As per Risk Management framework and procedures, management treat various category of risks and take appropriate actions for its mitigation. For example, for higher priority risks, the Company has developed and implemented specific risk management plans that supports management in strategic decisions and funding considerations, if any. Lower priority risks are also monitored as per plan. Company has the process of communication, consultation, monitoring and periodical review of the risks and effectiveness of the mitigation plan.

Raw material risk

The cement industry depends primarily on limestone and other raw materials. However, availability of limestone from nearby sources 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 67%. 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, fuel and freight risk

The production cost has seen an adverse impact due to the increased cost of power & fuel and freight cost. Power & fuel costs have gone up sharply. Diesel prices are up 10% QoQ in Q4FY21.

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 close to 35% of its total expenditure consists of power and fuel costs. During the year, almost 70% of Company's requirement for kiln fire is met by imported coal directly imported at Company's captive Port. Thus, any rise in international coal prices will adversely impact operating costs of the Company. As Company also continues to use petcoke proportionately, increase in petcoke prices and International crude oil prices would also adversely impact the operating costs of the Company.

Both pet coke and imported thermal coal prices are up 50% in the past six months. The cement companies have so far managed to mitigate its impact due to the availability of substantial inventory at their disposal. However, that comfort has gone now. It has exposed the companies to the volatility in raw material prices.

At Digvijay Cement, we currently use railways for a limited use for despatches upto 5% of our outbound logistics. With the rise in diesel prices, cost of road transportation has increased. The cost increase and huge dependence on road transportation is having an adverse impact on our operational costs.

Marketing Risk

Demand for cement is expected to be muted in the near-term owing to fresh restrictions due to second wave of COVID-19 and the lockdown due to increased Covid-19 cases.

Strategies:

Keeping in mind the pandemic, we devised a short-term strategy, aimed at health, cost and cash to mitigate immediate risks. We focused on ensuring the health and safety of our employees, suppliers and channel partners, while initiating stringent measures to control costs and strengthen cash flows.

Our long-term strategies include increasing our market reach through capacity expansion, launch of innovative and superior quality products; enhance efficiency through digital transformation, cost optimization and logistics efficiency; and achieve our sustainability goals through our targeted initiatives across four pillars of our sustainable development plan.

DIGITAL TRANSFORMATION

The pandemic has led us to realign our strategy around digital transformation.We comprehensively rebuilt our digital strategy to build new capabilities during the year. The digital transformation encompasses the entire value chain, including manufacturing, logistics, sales and marketing, consumer connect, finance and human resources. Digital elements are intertwined in the business processes as a major media for capturing and disseminating information, analysing operational parameters and engaging with all stakeholders.

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), Chartered Accountant has been working as the Internal Auditor of the Company for the FY 2020-21. 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 on the rolls of the Company as on 31st March, 2021 was 273 (Previous year as on 31st March, 2020, number was 281)

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. More details on this is covered in Annual Report on CSR activities forming part of Directors Report.

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE

The Company has been continuously contributing towards environment sustainability. Continuous improvement, enhanced process efficiency and periodic capital expenditures have helped us position "KAMAL" Cement one of the most responsible cement manufacturers in the country. Company has been periodically reviewing the criteria of Environment, Sustainability & Governance (ESG) as per its ESG Policy with a focus on continuous improvement in Environment Sustainability. During the year, the Company's efforts continued with the same rigour. It conducted its business maintaining high standards of governance, respecting nature and demonstrating social responsiveness towards its communities & people.

Under the Company's ESG Implementation plan, the Company has identified certain key areas viz. water management, circular economy & waste management, energy & climate change, emissions, biodiversity management & green belt development, sustainable mining, product quality management, health & safety, transparency, ethical practices & corporate governance, innovations & digitalization, sales & supply chain, human resources, community engagement and corporate social responsibility under which key initiatives are undertaken. Despite a challenging year 2020-21, mainly impacted by COVID-19 pandemic, we were able to achieve considerable improvements across the targets and are on track with the agenda of the Company.

Details on ESG initiative and performance during the year is annexed to this MDA forming integral part of Annual Report.

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.

For and on behalf of the Board

Anil Singhvi Executive Chairman	KK Rajeev Nambiar CEO & Managing Director

Place : Mumbai / Digvijaygram
Date : 28th April, 2021

Annexure to MDA

ESG Initiative & Performance

Sustainable

An unwavering commitment to responsible stewardship, by giving back to our people, society and environment

Highlights FY 2020-21

10.28 Lakhs Ton
Cement production

Rs. 50,059 Lakhs
Revenue

Rs. 5,399 Lakhs
Profit after tax

Zero
Fatalities

248.62 Lakhs units of green energy consumed

Rs. 114.99 Lakhs
CSR Spend

About 25% reduction
in specific SOx & NOx emissions

100%
Water for industrial use is recycled

Water Management

During the year, specific fresh water consumption in cement operations reduced to 197 litre/t of cementitious material. Company also reduced its overall water consumption by 10.45% from 220 litre/t of cementitious material in 2019-20 to 197 litre/t of cementitious material in 2020-21. Efforts are on to promote water conservation and harvesting through close monitoring and creating water harvesting ponds / structures at plant and mining locations and by optimizing processes.

Circular Economy, Waste Management and Resource Conservation

From our systematic approach in a circular economy perspective, we utilized various types of waste at our operation with the aim 'wastes nothing'. Waste that is produced is either re-utilized in system or send to resource recovery i.e. downgrade uses. We co-processed 1738.93 MT of hazardous waste in our kiln as alternative fuels and raw materials (AFR) in the reporting year. Likewise, we utilized 1.62 Lakhs MT of flyash for manufacturing of cement in the year 2020-21.

By these efforts, the Company's continued to further reduce its average clinker factor across its full range of the cement portfolio. During 2020-21, the Company increased its blended cement portfolio to close to 48%. All these initiatives helped Company to significantly reduce the average overall clinker factor by 2.26%.

Energy and Climate Change

During 2020-21, the Company's WHR system at its Plant site generated 119.58 lakh units of electrical energy. Additionally, the Company consumed 129.04 lakh units of wind power through Power Purchase Agreement (PPA).

Thus a total of 248.62 lakh units of green energy was consumed in 2020-21, which is higher than last year's consumption.

Emissions

During 2020-21, Company reduced its specific CO_2 emissions to 729 kg/t of cementitious materials in comparison to 772 kg/t of cementitious materials in previous year.

Air emissions are a key environmental aspect of cement production. As an operating principle, the Company ensures that all its sites measure and manage air emissions to the extent possible. During the year, Company has undertaken several initiatives to help bring emissions under control. Various maintenance activities were undertaken through in-house and third-party teams for rectification of ESP internals, maintenance of bag filters, bag house and so on. All the above measures have together resulted in ensuring stack dust emissions in cement plants at <30 mg/Nm3. There is 10.92% reduction in specific dust emissions from 81.32 gm/t of cement in 2019-20 to 72.44 gm/t of cement in 2020-21. Regular water sprinkling and plantations supported Company to significantly reduce dust emissions.

NOx emission compliance was ensured through primary and secondary measures for NOx control and implementation of Selective Non-Catalytic Reduction (SNCR) systems in integrated cement plants in previous years. There is 22.35% reduction in specific NOx emissions from 756 mg/Nm3 of cement in 2019-20 to 587 mg/Nm3 of cement in 2020-21.

Company's SOx emissions are well within the specified regulatory limits and do not require major emission control measures. There is 25.58 % reduction in specific SOx emissions from 43 mg/Nm3 of cement in 2019-20 to 32 mg/Nm3 of cement in 2020-21.

Company is required to have continuous online reporting of ambient air quality, effluents and process emission on a real-time basis on its websites of regulatory authorities and accordingly Company has complied with this requirement. Monitoring of major stacks emissions (dust, NOx and SOx) of the Company's plant at Sikka is done.

Biodiversity Management and Greenbelt Development

We recognise that our businesses can influence the local ecology of the areas where we operate and that we have significant role to engage in recreation and protecting the ecosystems around us. The Company is committed to the protection of environment and maintenance of biodiversity for balancing the ecosystem. This also helps us in providing an additional aesthetic look in and around our works including our mines and residential areas. A green belt has been developed in the plant premises, mines and nearby areas. Your Company has planted more than 42000 trees during the year with cumulative plantation of approx. 1,56,000 trees with the survival rate of more than 80 percent. The team at the Plant & Mines has made lot of efforts in conservation and propagation of rare species of trees, Ayurveda plants increasing forest cover and fruit gardens. The native species selected for plantation include Neem, Pipal, Conocarpus, Peela Gulmohar, Chickoo, Mango, Ashok, Amaltas, etc.

For enhancement of biodiversity in operation areas, your Company has taken a forward step for preparation of Comprehensive Action Plan on Biodiversity (CAPB), with having clear vision on conservation of existing habitats, towards further improvement and delivery mechanisms.

Sustainable Mining

Mining is a key activity at Digvijay Cement, carried out for sourcing Limestone, Company's primary raw material. We operate in secluded, challenging environment with undulated topography and as a result, we are sensitive to the ecological needs of locals. We are always working in a manner to ensure that our mining activities cause minimum disturbance.

The Mining operation is carried out in eco-friendly manner in accordance with approved mining plan without drilling and blasting. Dozer-Ripper is the primary extraction equipment, which eliminates drilling and blasting induced pollutants like dust, noise, vibrations and other emissions. There is no solid waste generated from the mining. Multi-pit mining is adopted for blending low-grade & high-grade limestone for optimum utilization of mineral resources. The limestone is transported through trucks with fully covered tarpaulin. Reclamation of matured pits and non-mineralized zones are going on side by side as part of the Progressive Mines Closure Plan.

Mining is restricted to above water table and no dewatering from the mines pit. During the reporting year we planted around 10,079 nos. of trees in area of 6.88 hectares of mining land and converted 23.97 Hectares area as water reservoir so far, which helps to recharge ground water table of the surroundings.

Health and Safety

Health and Safety initiatives of the Company has continued to be an integral part of the H&S governance and assurance system. This has reinforced focus on the ground level and leadership engagement through interaction with frontline workers. This initiative has become a way of life at Digvijay and its implementation has improved safety performance in the Company.

Company regularly conducts safety audits through internal team as well as external agencies / authorities and organises EHS Training & awareness programme. Apart from this, Company celebrate National Safety Week, Global Safety Day, Ozone Day, Earth Day etc. covering population at all levels, including school, nearby villages. With a view to encourage and motivate employees (direct & indirect) for active participation, rewards are given every month.

Ethical Practices and Corporate Governance

Company believes that business ethics and profit go together in the long-run for the sustenance of any organisation. 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. Company manages its affairs in a fair manner by giving utmost importance to transparency in decision making process, ethical dealings with all, pollution free clean environment. The way the Company operates is expressed in its Vision and its Values, in its Code of Conduct, and in its other policies.

With a view to create awareness amongst all its employees and other stakeholders Company at regular intervals organizes trainings and awareness programme. Such initiatives also give great insights into the importance of managing different ethics and conflicting situations.

Details about Company's philosophy and practices on Corporate Governance is included in the Corporate Governance Report, forming integral part of Annual Report.

Community engagement and Corporate Social Responsibilities

We are a customer-centric organisation which takes pride in collaborating with all our customers, from channel partners to the end consumer, in order to better understand their requirements. We conduct regular customer satisfaction surveys which allow our customers to share their valuable feedback with us. Training programmes are conducted for engineers, channel partners, builders and contractors. We organise visits to our manufacturing plant as a part of this initiative. We connect closely with communities around our manufacturing facility and look for opportunities to support them to become more self-sufficient. Enthusiastic and dedicated CSR teams reach out to communities.

During the COVID-19 pandemic, the Company reached out to local villagers. Digvijay provided dry ration and food packets to locals and needy people. Company stitched cotton masks and distributed to the local people and various stakeholders. Regular disinfection and sanitisation drives were carried out within host communities. Mass-scale awareness drives in communities were conducted on the usage of masks, social distancing and on hand washing.Frontline health workers were provided hand gloves, sanitisers and N95 masks to help them serve without fear of infection. Many employees from various departments of the Company voluntarily served communities in need during the pandemic.

Company facilitated the local health centres at Company managed school premises for mass COVID vaccination, as a part of Company's drive towards 100% vaccination.The Company also provides drinking water to nearby communities.

Details about CSR activities is included in the Directors Report, forming integral part of Annual Report.

Responding to the Pandemic Crisis and Need of the Nation

The havoc caused by the outbreak of COVID-19 pandemic added by its fast spreading second wave, has triggered a major socio-economic crisis and posed challenges from many fronts because of new variants and uncertainty. At Digvijay Cement, we yet again demonstrated our commitment by displaying resilience and responding with agility to the welfare of all our stakeholders and the nation at large.

Safety and health of employees and stakeholders:

Safety of our people is of paramount importance to us. For the team members whose work could be conducted remotely, work from home (WFH) facilities were made available during pandemic. Our team members have adapted to the new normal and WFH situation well and worked productively and effectively. For employees who had to be on-site, stringent social distancing, hygiene and disinfection protocols based on guidance from health authorities were adopted.

Health & Hygiene:

Hygiene and disinfection protocols based on guidance from health authorities were adopted. Some of these safety measures included:

- Checking body temperatures and other symptoms of COVID-19
- Screening of every person entering the factory and colony
- Disinfecting all vehicles coming into and leaving the factory & colony premises
- Distribution of mask, sanitizers, ayurvedic ukala
- Organising and carrying out awareness campaigns/ programmes / public outreach campaigns on covid-19

Covid Care facilities:

Digvijay Cement always focusses on improving health care including preventive health care. Apart from donating tovarious relief funds, some of the notable actions to address on-ground challenges included:

- Setting-up covid care facilities and isolation centers

- Donating medical equipment, beds pillows etc. to local health care centers in and around Company's plant & mines location.

Covid Preparedness:

Looking at pandemic situations, Company's health care team were ready to handle all kinds of emergency situations

Caring for the community

Digvijay Cement worked in tandem with local administration and health authorities to facilitate vaccinations and covid testing for all stakeholders, directly and indirectly associated with the Company. The Company also facilitated vaccinations for local population.

The Company is committed to achieve and comply with sustainable development goals. For this purpose, Company has defined plans and strategies for the successful implementation and monitoring of the agenda.

Annexure H

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2021.

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 and communities surrounding to our plant, mines and other locations. Company manages its affairs in a fair manner by giving utmost importance to transparency in decision making process, 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 "Listing 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 Company and Board. 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, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders' Relationship 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 Managementof 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 regarding their outside directorships, committee positions as well as their attendance at Board/General Meetings are as follows:

Name of Directors	Category [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 of respective Directors)		Attended Last AGM$
		Listed Company	Other Company		Held	Attended	
Mr. Anil Singhvi	Executive	2	2	3	4	4	Yes
Mr. Mahesh Gupta	Independent	4	-	4	4	4	Yes
Ms. Mini Menon	Independent	-	-	-	4	4	Yes
Mr. Pramod Kabra	Non-Executive	-	2	-	4	4	Yes
Mr. Satish Kulkarni #	Independent	-	-	-	3	3	Yes
Mr. KK Rajeev Nambiar	Executive	-	1	-	4	4	Yes

^ 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 30th June, 2020.

Mr. Satish Kulkarni (DIN 08741350) was appointed as Independent Directoron the Board of the Company at the Annual General Meeting held on 30th June, 2020, effective from 2nd June, 2020.

NOTES:

1. None of the Directors are related inter-se.
2. Mr. Anil Singhvi, directly /indirectly holds following equity shares of the Company as on 31st March, 2021:

Sr. No.	Name	No. of equity shares of Company held	% of the shares held in the Company	Relation
i.	Anagha Advisors LLP	7,024,048	4.94	Designated Partner
ii.	Ican Investments Advisors Private Limited	3,229,530	2.27	Director
iii.	Mrs. Nishi Anil Singhvi	500,000	0.35	Wife
iv.	Mr. Anil Singhvi	1,169,492	0.82	Self
	Total	**11,923,070**	**8.38**	

3. Mr. KK Rajeev Nambiar holds 204,304 equity shares of the Company as on 31st March, 2021.
4. 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 Listing Regulations, the Board of Directors of the Company 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 cement and mining sector;
- Knowledge of strategy, corporate legal, HR, IT, sales & marketing, logistics etc. (specialized professional skill);
- Knowledge of accounts and finance,including taxation (ability to read and understand financial statement); 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 M&As, Restructuring and Taxation.
Mr. Satish Kulkarni	He is having expertise in executive areas of B2B business, consumer services, channel sales, brand management and marketing and strategic areas of organization structure and business strategy.
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. KK Rajeev Nambiar	He is having expertise in technical, marketing, HR and 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, 2021, four meetings of the Board of Directors were held. The details of Board Meetings held during the said financial year are as follows:

Sr. No.	Date of Board Meeting	No. of Directors attended*
1.	14th May, 2020	5
2.	30th July, 2020	6
3.	10th November, 2020	6
4.	27th January, 2021	6

*In the wake of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, the Directors participated in the meetings of the Board and Committees held after March, 2020 through video conferencing/ other audio-visual means.

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 on day before meeting) as provided in Secretarial Standard (SS-1) on "Meeting of the Board of Directors" read with Listing Regulations and Companies Act, 2013 (hereinafter referred to as "Act"), 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 Directors or Committee members. 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% ofmeetings 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, 2021 are given below:

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

* Includes directorships of Indian public limited companies other than Shree Digvijay Cement Company Limited.

** Includes only Audit Committee and Stakeholders' Relationship Committee of public limitedcompanies (whether listed or not) otherthan Shree Digvijay Cement Company Limited.

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 inother companies by such persons, in accordance with Company's policies on selection of Directors. The Board considers the recommendation of NRC 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 Act, one meeting of the Independent Directors of the Company was held on 30th March, 2021.

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 Listing Regulations, the Company has during the financial year 2020-21 conducted various familiarization programmes (including induction of new Directors). In view of COVID- 19 situations during the year, visits to Company's plant and other business locations were not possible for the Directors, though they were explained about the operations of the Company through online mode. The terms and conditions of appointment of Independent Directors, number of hours spent and details of familiarization programmeshas been placed on the website of the Company www.digvijaycement. com.

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

C) COMMITTEE OF DIRECTORS

1. AUDIT COMMITTEE:

- The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of Listing Regulationsread with Section 177 of the Act.
- Apart from all the matters provided in Regulation 18 of Listing Regulations and Section 177 of the Act, 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, 2021 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:

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

  Mr. Mahesh Gupta, Independent Director is the Chairman of the Committee.
- All the Members of the Audit Committee attended the last Annual General Meeting of the Company held on 30th June, 2020 to answer the queries of shareholders.
- During the financial year ended on 31st March, 2021, four Meetings of the Audit Committee were held i.e. on 14th May, 2020; 30th July, 2020; 10th November, 2020 and 27th January, 2021.
- The attendance of each member of the Audit Committee are given below:

Name	Designation	Category	Meetings Attended
Mr. Mahesh Gupta	Chairman	Independent Director	4
Ms. Mini Menon	Member	Independent Director	4
Mr. Pramod Kabra	Member	Non-Executive Director	4

The Executive Chairman, CEO & Managing Director and CFO are permanent invitees tothe 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, Sales &Marketing Head and SCM-Head) of the Company, as per the Nomination and Remuneration Policy, is also overseen by this Committee.

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:
  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.
- During the financial year, one meeting of the Nomination & Remuneration Committee was held on 14th May, 2020 and all the member were presented at the meeting.
- Chairman of the Nomination and remuneration Committee attended last Annual General Meeting of the Company held on 30th June, 2020.

Mr. Suresh Meher, Vice President (Legal) & Company Secretary, provided secretarial support to the Committee.

Pursuant to Section 178 of the Act 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 Act, Listing Regulations with stock exchanges or any other applicable law / regulations from time to time or as may be assigned by the Board of Directors.

3) RISK MANAGEMENT COMMITTEE:

The Risk Management Committee was constituted by the Board of Directors at their meeting held on 14th May, 2020.

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

- The Risk Management Committee comprises of three Directors, of these two (2) are Independent Directors and one (1) is Non- Executive Director. Following are the members of Risk Management Committee :
  1. Mr. Mahesh Gupta – Independent Director and Chairman of Committee
  2. Ms. Mini Menon - Independent Director and Member of Committee
  3. Mr. Pramod Kabra – Non-Executive Director and Member of Committee

- During the financial year, one meeting of the Risk Management Committee was held on 27th January, 2021 and all the member were present at the meeting.

Mr. Suresh Meher, VP (Legal) & Company Secretary, provided secretarial support to the Committee.

Risk Management Committee has the following principal terms of reference:

a) Framing, overseeing and monitoring implementation of Risk Management Policy.

b) Validating the process and procedure of Risk Management and Risk Mitigation.

c) Periodically reviewing and evaluating the Risk Management Policy.

d) In addition to the above, the Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable law, and/or as may be delegated by the Board of Directors of the Company, from time to time.

4) 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 14th May, 2020 and all the members were present at the meeting.

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 :

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

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

Mr. Suresh Meher – Vice President (Legal) & Company Secretary is the Compliance Officer.

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

Particulars	No. of Complaints
At the beginning of the year	NIL
Received during the year	2
Resolved during the year	2
At the end of the year	NIL

The Company has designated an exclusive e-mail ID investors.sdccl@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.

5) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Pursuant to Section 135 of the Act, 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:
  1. Mr. Anil Singhvi
  2. Mr. Pramod Kabra
  3. Ms. Mini Menon
  4. Mr. KK Rajeev Nambiar

- Mr. Anil Singhvi, Executive Director is the Chairman of the Committee

All the members were present at the meeting held on 14th May, 2020.

The Annual Report on CSR activities, carried out during the year 2020-21, is annexed to Directors' Report.

Apart from above Committees, Board also has constituted a "Committee of Directors" consisting of Mr. Anil Singhvi, as its Chairman; Mr. Pramod Kabra and Mr. KK Rajeev Nambiar as its members; whose principal terms of reference is to consider and decideon routine business matters, as brought before the Committee from time to time, as delegated by the Board.

D) NOMINATION, APPOINTMENT & REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

The Company is committed to excel in every sphere of its activity by attracting and retaining qualified, talented and experienced professionals through efficient selection and evaluation mechanism and to incentivize them to develop and implement the Company's Strategy, thereby enhancing the business value and maintains a high performance workforce.

With the above objective, the Board of Directors has adopted the Nomination and Remuneration Policy, which is uploaded on website of the Company at https://www.digvijaycement.com/policies/. This Policy, inter alia, sets out the guiding principles for determining the nominations of Directors & Key Managerial Personnel, and remuneration of Whole-time Director(s), Managing Director and other Executive Directors & other Directors, Senior Management Personnel and other employees.

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 Policy and other policies on selection of Directors. The Board considers the recommendation of NRC and takes appropriate decision.

Election Process of Non-Executive Directors:

All proposals on appointment of Non-Executive Directors including Independent Directors are reviewed by NRC. NRC identify potential candidates after assessment of their level of competence, experience and their personal and other positive attributes, compliance with applicable laws before making its recommendation to the Board. In case of re-appointment of Non-Executive Directors, NRC whilst making its recommendation to the Board of Directors, also take into consideration the performance evaluation of the Director and his engagement level.

In case of recommendation for appointment of Independent Directors, NRC shall also satisfy itself with regard to the independent nature of the Director vis-à-vis the Company apart from number of directorship and committee positions in other companies.

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 Act 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) at their meeting discussed the performance of the Chairman and Managing Directors, Board and other Directors (other than IDs) and briefed to Board on their suggestions. 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 and also noted the feedback of Independent Directors.

Remuneration of Directors:

Executive Directors

Remuneration including all perquisites and benefits of all Executive Directors are within the overall limits approved by the shareholders, subject to ceiling prescribed under the Act and other applicable laws. Executive Directors are not entitled to any sitting fees for attending meeting of the Board and committees thereof.

Non-Executive Directors

Remuneration for all Non-Executive Directors (including Independent Directors) are within the overall limits prescribed under the Act. In addition to remuneration by way of commission, as may be approved by the Board from time to time within the limits approved by the shareholders, Independent Directors are also entitled to sitting fees for attending each meeting of the Board and committees thereof as per limits as approved by the Board from time to time.

The details of remuneration paid to the Directors for the financial year 2020-21 are given below:

(In Rupees)

Name of Director	Designation	Salary[4]	Commi-ssion	Perquisites[4]	Retire-ment Benefits	Sitting Fee	Total
Mr. Anil Singhvi	Executive Chairman	2,46,28,000	-	9,794	-	-	2,46,37,794
Mr. KK Rajeev Nambiar	CEO & Managing Director	2,50,22,858	-	97,27,494		-	3,47,50,352
Mr. Mahesh Gupta	Independent Director	-	-	-	-	11,00,000	11,00,000
Ms. Mini Menon	Independent Director	-	-	-	-	13,00,000	13,00,000
Mr. Satish Kulkarni	Independent Director	-	-	-	-	4,00,000	4,00,000
Mr. Pramod Kabra	Non-executive Director	-	-	-	-	-	-
	Total	**4,96,50,858**	**-**	**97,37,288**	**-**	**28,00,000**	**6,21,88,146**

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 during the year. Payment of remuneration by way of Commission to Independent Directors, if approved by shareholders at the Annual General Meeting, will be made for the financial year 2020-21, based on net profits of said financial year.
2) The Non-Executive Directors, other than Independent Directors are not accepting any sitting fee for attending Board/ Committee meetings nor remuneration by way of commission, if any.
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) Total Salary of Mr. KK Rajeev Nambiar, CEO & Managing Director includes:
   a) Variable Pay for the period of 15 months from 1st January, 2019 to 31st March, 2020 amounting to Rs. 95,00,000; and
   b) Perquisite value of Rs. 77,19,923 on account of exercise of 1,99,998 stock options by him during the year.

Stock Options:

Out of 70,60,000 stock options granted to eligible employees and director of the Company under SDCCL Employee Stock Option Plan 2019, 14,12,000 (Fourteen Lakhs Twelve Thousand) stock options got vested during the year 2020-21.

Details of stock options granted to Mr. KK Rajeev Nambiar, CEO & Managing Director under SDCCL Employee Stock Option Plan 2019 ("ESOP 2019") and those got vested and exercised are as under:

Financial Year	Stock Options granted	Date of vesting*	No. of Options Vested/to be vested*	No. of options exercised	Fixed Price per option at which / granted exercised	No. of options unexercised	Period over which exercisable
2019-20	28,50,000	NA	NIL	NIL	Rs. 16	NA	Within a maximum period of 5 years commencing after each Vesting
2020-21	-	05/08/2020	5,70,000	1,99,998	Rs. 16	3,70,002	
2021-22	-	05/08/2021	8,55,000	NA	Rs. 16	NA	
2022-23	-	05/08/2022	8,55,000	NA	Rs. 16	NA	
2023-24	-	05/08/2023	5,70,000	NA	Rs. 16	NA	
Total	**28,50,000**		**28,50,000**	**1,99,998**		**3,70,002**	

*Subject to fulfilment of conditions of ESOP 2019.

More details about Stock Options are given under the head 'Employees Stock Option Scheme (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.

E) 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 Act, 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/policies/ .

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 canbe 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 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 availableat 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 2020-21, 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	For Tax Audit	
BSR & Associates LLP	23.25*	0.85	1.38#	**25.48**

*Statutory Audit fees includes fees paid for 2019-20 as well and out of pocket expenses for 2019-20 and 2020-21.

#Tax audit fees is for the tax audit of books of accounts for 2019-20

Other Policies and Disclosures:

The Company has also adopted other policies as required under Listing Regulations and other applicable laws, circular and notifications.

The discretionary requirements as specified in Part E of Schedule II of Listing 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 Listing 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 Listing Regulations. The non-mandatory requirements complied with has been disclosed at the relevant places.

F) 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
73rd	2017-18	Registered Office, Digvijaygram	7th September, 2018 at 09.30 A.M.
74th	2018-19	Registered Office, Digvijaygram	5th August, 2019 at 03.00 P.M.
75th	2019-20	Through Video Conference (VC)	30th June, 2020 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
7th September, 2018	One	Appointment of Mr. KK Rajeev Nambiar as Managing Director of the Company.
5th August, 2019	Four	1. Appointment of Mr. Anil Singhvi as Executive Chairman of the Company for a period of 5 (five) years from 30th April, 2019 to 29th 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. KK Rajeev Nambiar, CEO & Managing Director. 4. Alteration of Articles of Association.
30th June, 2020	None	None

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

G) 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 at 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 withGeneral Circular No. 14/2020 dated 8th April, 2020,General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021(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'). Said MCA Circulars has also dispensed with the printing and dispatch 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 ('Listing Regulations') for listed entities, who conduct their AGMs, inter alia, during the calendar year 2021, 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 Act to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively.

Accordingly, this year, in view of second wave of Covid-19 pandemic and rapid spread in covid cases 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 2020-21 (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 second wave of 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 Act 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 76th AGM.

GENERAL INFORMATION TO SHAREHOLDER

- Financial Year: 1st April, 2020 to 31st March, 2021
- Record Date: Friday, 11th June, 2021
- Annual General Meeting : Friday, 18th June, 2021 at 10.00 a.m. at Digvijaygram, Gujarat, Indiathrough VC/OAVM
- Dividend Payment Date: The proposed Dividend, if approved at the ensuing AGM, will be distributed by 25th June, 2021.

Tentative Financial Calendar for the year 2021-22:

Financial Year	1st April to 31st March
Quarterly results and Limited Review for the quarter ending 30th June, 2021	Within 45 days of the end of the quarter
Quarterly/Half-yearly results and Limited Review for the quarter ending 30th September, 2021	
Quarterly/Nine-months results and Limited Review for the quarter ending 31st December, 2021	
Results for the Year ending 31st March, 2022	Within 60 days of the end of the financial year
Annual General Meeting for the year ending 31st March, 2022	By end of September, 2022

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

Annual Listing fees for the financial year 2021-22 paid to both the Stock Exchanges.

The security of the Company was never suspended from trading duringthe year 2020-21.

Corporate Identity Number (CIN) : L26940GJ1944PLC000749

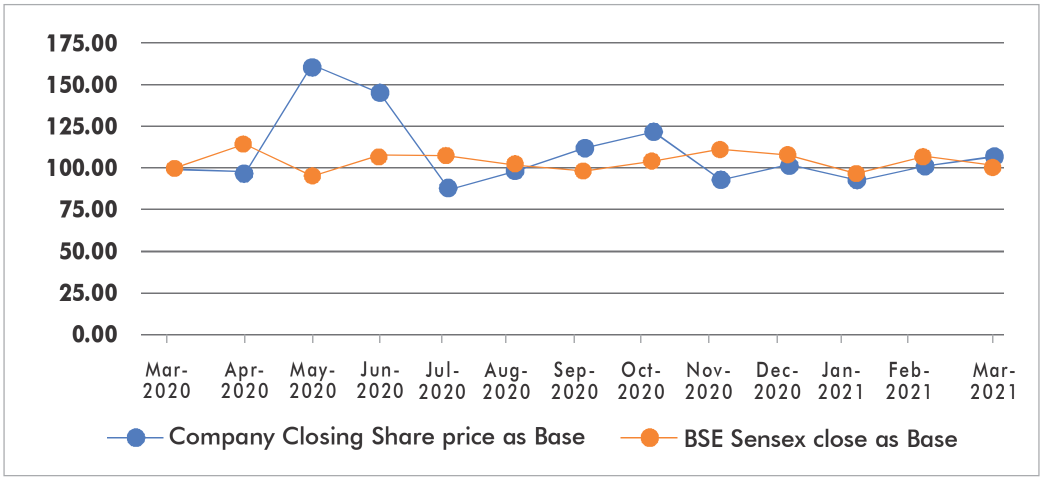
Market Price Data during financial year 2020-21:

Month	BSE (in Rs.)			NSE (in Rs.)		
	High	Low	Volume	High	Low	Volume
April-2020	26.10	21.40	6,35,554	26.25	21.30	44,16,000
May-2020	40.40	22.25	36,36,268	40.45	22.00	2,54,68,000
June-2020	59.05	34.50	67,22,322	59.15	34.30	5,58,57,000
July-2020	60.00	45.50	46,00,847	60.20	45.10	3,21,10,000
August-2020	53.95	45.15	22,62,072	53.75	45.00	1,43,15,000
September-2020	53.95	42.55	17,60,434	53.95	42.75	1,32,89,000
October-2020	66.85	49.15	36,81,657	66.90	49.10	3,34,50,000
November-2020	66.35	53.70	26,78,208	66.30	53.50	2,09,86,000
December-2020	63.70	50.30	25,96,372	63.85	50.50	1,97,91,000
January-2021	65.00	56.25	21,08,532	64.65	48.95	1,56,03,000
February-2021	61.25	55.50	11,75,410	61.20	55.05	99,86,000
March-2021	71.40	58.15	27,66,465	71.60	58.10	2,72,24,000

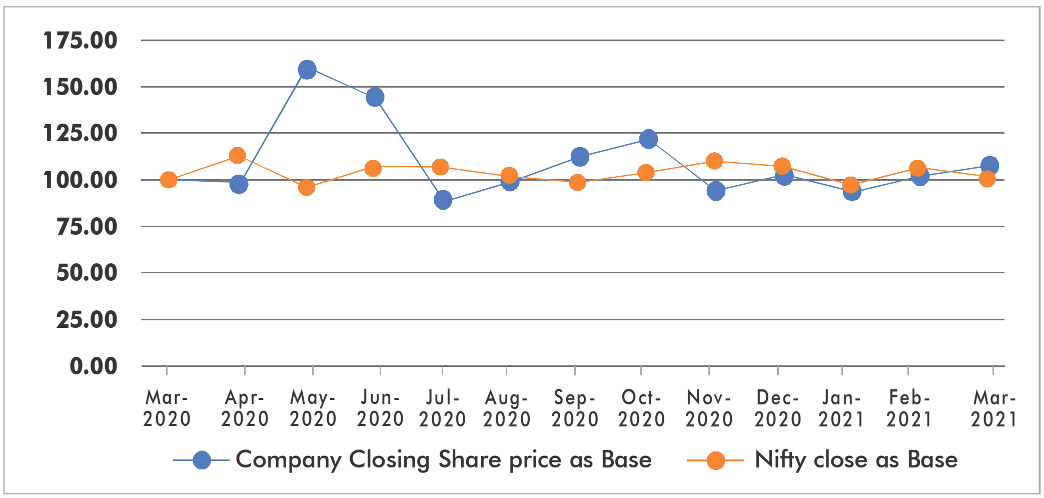
The performance of the equity share price of the Company vis-à-vis the S&P BSE Sensex is as under:

Month	Company's Share Price at BSE (Rs.)	S& P BSE Sensex	Relative Index for comparison purpose	
			Company Share price index	BSE Sensex
March-2020	23.70	29,468.49	100.00	100.00
April-2020	23.10	33,717.62	99.97	100.14
May-2020	37.30	32,424.10	100.57	100.10
June-2020	54.15	34,915.80	101.28	100.18
July-2020	47.50	37,606.89	101.00	100.28
August-2020	47.10	38,628.29	100.99	100.31
September-2020	52.35	38,067.93	101.21	100.29
October-2020	63.95	39,614.07	101.70	100.34
November-2020	59.95	44,149.72	101.53	100.50
December-2020	61.45	47,751.33	101.59	100.62
January-2021	57.65	46,285.77	101.43	100.57
February-2021	58.30	49,099.99	101.46	100.67
March-2021	61.90	49,509.15	101.61	100.68

Company's Share Price on BSE and BSE Sensex Trend (Base Price basis):



Company's Share Price on NSE and CNX Nifty Trend (Base Price basis) :



Dividend history for the last 5 years is as under:

Financial Year	Date of Declaration	Dividend per Share (Rs.)
2016-17	NA	NIL
2017-18	NA	NIL
2018-19	NA	NIL
2019-20	30-06-2020	Rs. 1.50 (i.e. 15%)
2020-21	18-06-2021	Rs. 2.50 (i.e. 25%)*

* As recommended by Board of Directors at its meeting held on 28th April, 2021 and subject to approval of shareholders at the ensuing Annual General Meeting scheduled on 18th June, 2021.

Unclaimed Dividends:

The Company currently has no unclaimed dividends that need to be transferred to the Investor Education & Protection Fund (IEPF), since dividend was declared by the Company in previous year 2019-20, after a gap of almost 33 years.

Registrar and Share Transfer Agents (RTA):

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

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

Investors Correspondence:
The Company Secretary
Shree Digvijay Cement Company Limited
CIN: L26940GJ1944PLC000749
Digvijaygram – 361 140
Dist. Jamnagar (Gujarat)

Telephone : (0288) 2344 272 - 2344 275
Fax No. : (0288) 2344 092 & 2344 214
Website : www.digvijaycement.com

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.sdccl@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:

a) The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after 1st April, 2019.

b) Any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized.

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

b) Nomination facility for shareholding

As per the provision of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form by writingto 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.

c) 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.

d) Subdivision of shares

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

e) Pending Investors' Grievances

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

f) Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carriedout 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, 2021:

Holdings	No. of Shareholders	% age	No. of shares	% of shareholdings
1-500	36,314	79.00	54,05,545	3.80
501-1000	4,462	9.71	38,53,974	2.71
1001-2000	2,270	4.94	35,98,695	2.53
2001-3000	871	1.89	22,50,907	1.58
3001-4000	382	0.83	13,81,816	0.97
4001-5000	463	1.00	22,22,689	1.56
5001-10000	641	1.39	49,71,692	3.49
10001 & above	568	1.24	11,86,06,958	83.36
Total	**45,971**	**100.00**	**14,22,92,276**	**100.00**

Dematerialisation of Shares and liquidity:

As on 31st March, 2021, 99.46% of the Company's total equity shares representing 14,15,16,761 equity shares were held in dematerialised form and 7,75,515 equity shares representing 0.54% of paid-up share capital were held in physical form.

Categories of Shareholding as on 31st March, 2021

Category	No. of shares held	% of Shareholdings
Promoters	8,08,25,928	56.80
NR & NRI's	31,80,326	2.24
Financial Ins./ Banks etc.	6,412	0.00
Corporate	1,26,21,222	8.87
Public	4,56,58,388	32.09
Total	**14,22,92,276**	**100.00**

Registered Office & Works / Plant Location:

Shree Digvijay Cement Company Limited
CIN: L26940GJ1944PLC000749
Digvijaygram – 361 140
Dist. Jamnagar (Gujarat)

Telephone : (0288) 2344 272 -2344 275
Fax No. : (0288) 2344 092 & 2344 214
Website : www.digvijaycement.com
e-mail : investors.sdccl@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 2020-21 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 of Conduct for Prevention of Insider Trading". The said Code of Conduct has been revised in accordance with the amended Securities and Exchange Board of India (Insider Trading) Regulations, 2015. 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, 2021.

For Shree Digvijay Cement Co. Ltd.

Place : Digvijaygram
Date : 28th April, 2021

KK Rajeev Nambiar
CEO & Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
Shree Digvijay Cement Company Limited

We have examined the compliance of conditions of corporate governance by **Shree Digvijay Cement Company Limited ("the Company")**, for the year ended 31st March, 2021, 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 : 28th April, 2021

DINESH KUMAR DEORA
PARTNER
Membership No.: FCS 5683 COP No 4119
UDIN Number:F005683C000195488

Annexure I

BUSINESS RESPONSIBILITY REPORT 2020-21

Shree Digvijay Cement Company Ltd. ("Company") believes that responsible business conduct is based on the principle of business being accountable towards its stakeholders in its drive for sustainable developmentin the arena of environmental protection, workplace safety, social responsibility and governance. With this intent, Company has during the year 2019-20 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. More details about Company's ESG performance is included in Management Discussion & Analysis (MDA) Report forming part of Annual Report.

Company's Business Responsibility Report 2020-21 follows the National Guidelines on Responsible Business Conduct (NGRBC) as formulated by Ministry of Corporate Affairs (MCA) and includes Company'sresponses 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 ("**Listing Regulations**"), covering topics across environment, governance, social responsibility 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 Listing Regulations 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 Limited			
3	Registered address	Digvijaygram-361 140, Via: Jamnagar, Gujarat, India			
4	Website	www.digvijaycement.com			
5	E-mail id	investors.sdccl@digvijaycement.com			
6	Financial Year reported	2020-21			
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 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), and 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; (c) Registered Office and Corporate Office at Sikka, Digvijaygram; Jamnagar, Gujarat; (d) Central Sales Office at Ahmedabad, Gujarat; and (e) 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. 14,229.34 Lakhs
2	Total Turnover	Rs. 50,914.43 Lakhs
3	Total profit after taxes	Rs. 5,399.17 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, an amount of Rs.114.99 Lakhs was spent on CSR activities. This represents more than 2% i.e. 3.4% of average net profit for three financial year immediately preceding the financial year 2020-21.
5	List of activities in which expenditure in 4 above has	1. Health Care, Hygiene & Sanitation been incurred:-
		2. Eradication of hunger and poverty
		3. Promotion of Education
		4. Contribution for Social Cause
		5. Empowerment of Women

SECTION C: OTHER DETAILS

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

   Yes. the Company has one Wholly Owned Subsidiary ("Subsidiary") namely SDCCL Logistics Limited as on 31st March, 2021 which was incorporated on 28th July, 2020.

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):**

   Company's Subsidiary has not started its operations during the year. As such, during the year it has not participated in the BR initiatives of the Company.

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

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

SECTION D: BR INFORMATION

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

a)	Details of the Director/Directors responsible for implementation of the BR policy/policies:		
	1	DIN Number	: 07313541
	2	Name	: Mr. KK 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 Ethics, Transparency 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, protect and make efforts to restore the environment.
P 7	Businesses, when engaging in influencing public and regulatory policy, should do so in amanner thatis 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 assessed in 3-6 months during the 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?

The Company prepares Business Responsibility Report annually and the same is 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 endeavour 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.

The Company' Subsidiary has its own policies which are also aligned with the policies of the Company.

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

During the financial year 2020-21, the Company has received 2 (two) complaints from the shareholders relating to non-receipt of dividend and 100% of the said complaints were satisfactorily resolved by the management. There is no complaints received from other stakeholders during the year, other than employee grievances, which are attended and resolved as per grievance redressal mechanism of the Company.

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 previous year launched a special blended PPC cement with brand name "CEMENT KA SARDAR" specially engineered for CRACK-FREE concrete. This very special Premium Green Cement comes with 6 Key benefits of High Early Strength, Superior Cohesion, Quick Setting, Resistant to Chemical Attack, Most Durable and Green Product. We have also introduced the first NOx control system in Gujarat to produce greener clinker and reduce the impact of gaseous pollutant to atmosphere. Installation of a new AFR system in our pyro section helps us to reduce the greenhouse gases emission through better fuel control. With the reduction in the overall kilo meters of delivery destinations, we are able to reduce the transport efficiency and greener footprint, thereby minimizing the cost and Carbon emission.

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 13.50% 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 intend to 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 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 consumption:

   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 also collect rain-water in three number of water ponds and twonumber of roof top systems,which is being used for plant and colony throughout the year.

   iii) Company has also rolled out water awareness campaign in and around plant and colony area.

   iv) Because of various measures, total water consumption intensity are in reducing trend.

   More details about above is disclosed in MDA forming part of Annual Report.

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 ownmines and third-party mines, situated at an average distance of 100 km from its Plant. These are transported through trucks with fully covered tarpaulin. 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.

During the year, Company has adopted advance technology giving solutions to provide real time fleet monitoring, incorporating travel history, movement reports, alerts and timely delivery by control and monitoring through mobile app remotely through GPS tracking which improved the efficiency of the logistic & transportation of the Company.

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 Company's 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. Almost 100% of the skilled workmen and majority of the knowledge-based workmen are sourced from local areas only. Also all the inward and outward transport vendors are all from the near vicinity.

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 steel plants, power plants and other chemical plants as additives in cement manufacture and thus contributes to sustainable development.

Company is collecting the waste plastic from municipalities and industries to recycle the same in the manufacturing process. New Transport belts and feeding circuit is being commissioned to recycle and consume 100% spillages and waste material inside the plant.

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 273 as on 31st March, 2021.

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

Total temporary/Contractual/Casual employees were 370 as on 31st March, 2021 out of which 11 comprises of Trainees and Apprentices.

3. Please indicate the Number of permanent women employees.

There were 6 permanent women employees as on 31st March, 2021.

4. Please indicate the Number of permanent employees with disabilities

There were Nil permanent employees with disabilities as on 31st March, 2021.

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?

26.01% 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.

Sr. 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 & skillup-gradation training in the last year?

Sr. No.	Category of Employees	Safety and skill up gradation training
(a)	Permanent Employees	79.85%
(b)	Permanent Women Employees	66.67%
(c)	Casual/temporary/Contractual Employees	100.00%
(d)	Employees with Disabilities	NA

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL 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 Eradication of Poverty, Women Empowerment, Health Care including preventive health care and sanitation, providing safe drinking water, education. Company also engage in skill development leading to creation of alternative employment.Company ensures 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.

During COVID-19 pandemic, Company took various initiatives to provide the employment to the local woman for their bread & butter to produce the face mask and other products. The produced mask were distributed among communities near the plant. In addition to this, Sanitisation was carried out among communities near the plant. Mass scale awareness drives in communities were conducted on the usage of masks, social distancing, the importance of hand washing, and vaccination. Frontline health workers were provided hand gloves, sanitisers and masks.

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 and its Suppliers, and Contractors. However, the Company encourages its other 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 2020-21, the Company did not receive any complaint regarding violation of human rights.

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

1. **Does the policy relate 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 footprint to address the environmental issues. The Company has a special drive for tree plantation in the mined-out areas, waste land and plant premises.

   More details on Company's efforts on climate change etc. is disclosed in MDA forming part of Annual Report.

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 Environment norms.

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 taken up 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 Ammonia purging plant (SNCR) as a part of CDM to reduce 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 & 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 and MDA forming part of Annual Report. 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/GPCB as per norms. The emissions/waste generated by the Company is within the permissible limits for the financial year 2020-21.

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/GPCB which are pending as at end of the Financial Year 2020-21.

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 advancement or improvement of public good? Yes/No; if yes specify the broad areas (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 SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

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

The Company has a well-defined CSR Policy and Programme wise implementation plan, which creates sustainable livelihoods, especially among the poor in rural areas wherein the Company operates and :

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) Aid 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, Dance classes, etc., manufacturing of masks & bags etc. The Company also provides Computer Course, English Speaking Classes and open Learning Centre.

The Company through its Environment, Social and Governance (ESG) Policy, inter alia:

a) established systems to manage environmental and social impact of business activities across the value chain.

b) established, implemented and maintained an effective monitoring and reporting systems for continuous improvement of ESG performance.

c) implemented mechanisms to achieve an equitable, healthy, and safe working environment for employees

d) supported the local communities for an inclusive development of the society.

e) consulting and sought 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. Company is not required to do any impact assessment as per MCA Notification.

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.114.99 Lakhs as part of its CSR initiatives during the year. Details of the projects are given in Annexure- 'E'- Annual 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 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 organise regular meetings of its officials with villagers to ensure their satisfaction / specific need analysis. CSR officials regularly keep interacting with them to explain benefits of the programs undertaken by the Company. As a result of this, mindset and approach of local community has constructively improved. Though, due to persisting Covid-19 situation frequent physical visits to local areas and physical interaction with different stakeholders was not possible, the Company encouraged women group to come forward and support in stitching of masks in Covid-19 pandemic apart from stitching of bags etc.. This helped the Company officials to interact with women groups to understand their needs, build confidence amongst them and to promote their enterprise, which is implemented through Company's CSR Programme. The Company has implemented monthly reporting system which contains progress and development report of all the ongoing programmes.

Company has taken various steps for promoting education in local area for which Company on continuous basis develop infrastructure facilities of School Buildings managed through Trust.

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

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

The Company is firmly committed to providing world class products and services to customers, supported by capable and qualified manpower to provide pre and after-sales services. The Company takes care of 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 2020-21.

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 Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Shree Digvijay Cement Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2021, 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 responsibilities under those SAs are further described in the Auditor's responsibilities for the audit of the standalone 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 standalone 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 standalone financial statements.

Key Audit Matter

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

Litigations and contingencies (See Note 28 to the standalone financial statements)

The key audit matter	How the matter was addressed in our audit·
- 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. Refer Note 28 to the standalone financial statements	Our audit procedures include: - 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

Information other than the standalone 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 standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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' responsibilities for the standalone 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 standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cashflows 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 the standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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 the standalone 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 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 on its financial position in its standalone financial statements - Refer Note 28 to the standalone 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 standalone 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 standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

    (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
ICAI UDIN: 21045754AAAABX7956

Jeyur Shah
Partner
Membership No. 045754

Place : Ahmedabad
Date : 28 April 2021

Annexure A to the Independent Auditor's Report – 31 March 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, 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 as disclosed in Note 3 to the standalone financial statements 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 granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.

(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 of India 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, 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 generally 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, 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, 2021 for a period of more than six months from the date they became payable. As explained to us, the provisions of employee state insurance are 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	Sales Tax	396.14	332.65	Financial year 2009-10 to 2017-18	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 has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024
ICAI UDIN: 21045754AAAABX7956

Jeyur Shah
Partner
Membership No. 045754

Place : Ahmedabad
Date : 28 April 2021

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of Shree Digvijay Cement Company Limited for the year ended 31 March, 2021

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 2 (A) (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 the standalone financial statements of Shree Digvijay Cement Company Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone 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 the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the standalone 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 the standalone 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 the standalone 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 the standalone 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 the standalone 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 the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such 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 standalone 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 the standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A Company's internal financial controls with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the standalone 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 the standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to the standalone 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 the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone 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
ICAI UDIN: 21045754AAAABX7956

Jeyur Shah
Partner
Membership No. 045754

Place : Ahmedabad
Date : 28 April 2021

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	17,154.64	18,654.33
Capital work-in-progress		899.05	40.92
Intangible assets	4(A)	1,054.83	163.68
Right-of-use asset (Lease)	4(A)	28.28	27.24
Intangible assets under development	4(B)	356.65	847.82
Financial assets			
i. Investment in subsidiary company	5	1.00	-
ii. Loans	6	30.94	33.78
iii. Other financial assets	7	8.94	8.48
Deferred tax assets (net)	9	-	1,027.97
Income tax assets	8	39.41	47.95
Other non-current assets	10	1,620.35	1,639.65
Total Non-Current Assets		**21,194.09**	**22,491.82**
Current assets			
Inventories	11	7,496.78	6,489.49
Financial assets			
i. Trade receivables	12	1,072.19	982.08
ii. Cash and cash equivalents	13	5,141.13	52.27
iii. Bank balances other than (ii) above	14	7,246.10	7,386.77
iv. Loans	15	42.54	35.79
v. Other financial assets	16	223.43	25.30
Other current assets	17	753.51	515.97
Total Current Assets		**21,975.68**	**15,487.67**
Total Assets		**43,169.77**	**37,979.49**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	14,229.30	14,137.50
Other equity	19	16,876.43	13,502.52
Total Equity		**31,105.73**	**27,640.02**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease liability	44	1.69	9.55
Provisions	20	426.84	384.82
Employee benefit obligations	21	861.04	812.73
Total Non-Current Liabilities		**1,289.57**	**1,207.10**
Current liabilities			
Financial liabilities			
i. Lease liability	44	25.84	25.38
ii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	46	20.92	60.03
b. Total outstanding dues of creditors other than (a) above	22	5,095.38	4,705.74
iii. Other financial liabilities	23	2,668.85	2,998.01
Other current liabilities	24	2,124.52	964.47
Provisions	25	249.86	249.86
Employee benefit obligations	26	81.93	69.76
Deferred tax liabilities (net)	9	356.41	-
Income tax liabilities	27	150.76	59.12
Total Current Liabilities		**10,774.47**	**9,132.37**
Total Equity and Liabilities		**43,169.77**	**37,979.49**
Significant accounting policies	2(A)		
The notes are an integral part of these standalone financial statements			

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

Jeyur Shah
Partner
Membership No.: 045754

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

	Notes	Year ended March 31,2021	Year ended March 31,2020
Revenue from operations	29	50,282.25	46,984.59
Other income	30	632.18	224.70
Total income		**50,914.43**	**47,209.29**
Expenses			
Cost of materials consumed	31	11,090.70	9,127.61
Changes in inventories of finished goods and work-in-progress	32	(1,451.84)	(976.03)
Employees benefits expenses	33	3,662.47	3,438.54
Finance costs	34	159.39	178.25
Depreciation and amortisation expenses	35	2,683.29	2,480.21
Power and fuel expenses		13,470.16	13,909.28
Freight and handling expenses		7,447.09	6,574.82
Other expenses	36	5,559.28	4,819.33
Total expenses		**42,620.54**	**39,552.01**
Profit before tax		**8,293.89**	**7,657.28**
Tax expense	8A		
Current tax		3,242.51	1,363.10
Short provision for tax of earlier years		3.91	-
Deferred tax charge/(credit)		(351.70)	650.47
Total tax expense/(credit)		**2,894.72**	**2,013.57**
Profit for the year		**5,399.17**	**5,643.71**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations, gain/(loss)	33A	(58.18)	(63.46)
Income tax relating to above	9B	20.33	22.18
Other comprehensive income for the year, net of tax		**(37.85)**	**(41.28)**
Total comprehensive income for the year		**5,361.32**	**5,602.43**
Earnings per equity share (in Rs.) (Nominal value per share Rs.10)	42		
Basic earning per Share (In Rs.)		3.79	3.99
Diluted earning per Share (In Rs.)		3.66	3.96
Significant accounting policies	2(A)		
The notes are an integral part of these standalone 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: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

	Year ended March 31,2021	Year ended March 31,2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,293.89	7,657.28
Adjustments for:		
Depreciation and amortisation expenses	2,683.29	2,480.21
Provision for slow / non-moving stores & spares	31.17	40.33
Loss/(profit) on sale / write-off of property, plant and equipments	55.28	(6.31)
Provision (written back)/provided for doubtful debts and advances	(2.05)	4.63
Interest income	(312.49)	(165.31)
Unrealized foreign exchange (gain) / loss on operating activities	(42.14)	(4.88)
Compensation Expenses under Employees Stock Options Scheme	78.12	71.68
Finance costs	159.39	178.25
Operating profit before working capital changes	**10,944.46**	**10,255.88**
Adjustments for:		
(Increase) in inventories	(1,038.46)	(738.20)
Decrease /(increase) in trade receivables	(79.54)	386.20
(Increase)/decrease in loans	(3.91)	806.27
(Increase)/decrease in other financial assets	(212.72)	14.77
(Increase) in other assets	(193.51)	(128.56)
Increase/(decrease) in trade payables	392.67	(526.09)
(Decrease)/increase in other financial liabilities	(74.71)	448.72
Increase in other liabilities	1,160.05	31.78
(Decrease)/increase in provision	(11.10)	13.20
Increase in employee benefit obligation	2.30	135.36
Cash generated from operations	**10,885.53**	**10,699.33**
Taxes paid (net of refunds)	(1,389.83)	(1,288.28)
Net cash generated from operating activities	**9,495.70**	**9,411.05**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment and intangible assets	(2,794.05)	(1,663.27)
Proceeds from sale of items of property, plant and equipment	32.39	18.10
Interest received	318.10	221.76
Proceeds from term deposit with bank (net)	2.78	55.92
Investment in subsidiaries	(1.00)	-
Net cash (used in) investing activities	**(2,441.78)**	**(1,367.49)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(4,000.00)
Interest paid	(100.49)	(174.21)
Dividend paid including tax	(2,120.61)	-
Proceeds from Issue of Share Capital on Exercise of ESOS	146.88	-
Repayment of lease liability	(44.06)	(32.41)
Net cash (used in) financing activities	**(2,118.28)**	**(4,206.62)**
Net increase in cash and cash equivalents (A+B+C)	**4,935.64**	**3,836.94**
Cash and cash equivalents at the beginning of the year	7,436.26	3,599.32
Cash and cash equivalents at the end of the year	**12,371.90**	**7,436.26**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

	Year ended March 31,2021	Year ended March 31,2020
Reconciliation of cash & cash equivalents as per cash flow statement :		
Cash and cash equivalents comprise:		
Cash on hand	1.50	4.97
Balances with banks - in current accounts	631.81	47.30
Demand deposits	11,738.59	7,383.99
Total	**12,371.90**	**7,436.26**
Significant accounting policies [Refer Note 2(A)]		
The notes are an integral part of these financial statements		

Note:

1 The cash flow statement has been prepared under "Indirect Method" specified in Ind AS 7 on "Statement of Cash Flows".

2 Reconciliation of movements of cash flows arising from financing activities

	As at March 31,2021	As at March 31,2020
Balance as at the beginning of the year	-	4,026.08
Cash Flow from financing activities		
Repayment of borrowings	-	(4,000.00)
Dividend paid including tax	(2,120.61)	-
Proceeds from Issue of Share Capital on Exercise of ESOS	146.88	-
Interest paid	(100.49)	(174.21)
Repayment of lease liability	(44.06)	(32.41)
Total cash flow from financing activities	**(2,118.28)**	**(4,206.62)**
Finance costs (Refer Note below)	159.39	178.25
Less : Unwinding of interest	(53.12)	(26.35)
Add: ROU Assets (Refer Note 4(A) & 44)	30.88	54.69
Add/Less : Lease liability (Refer Note 44)	7.40	(34.93)
Add : Transition impact of Ind AS 116, net of tax (Refer Note 19 & 44)	-	8.88
Add : Securities premium on Shares issued under ESOS	(55.08)	-
Add : Share capital - ESOS	(91.80)	-
Add: Unpaid dividend	15.33	-
Add: Dividend paid	2,105.28	-
Balance at the end of the year	**-**	**-**

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

Jeyur Shah
Partner
Membership No.: 045754

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Equity Share Capital (Rs. in lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	18	14,137.50	14,137.50
Changes in Equity Share Capital during the year		91.80	-
Balance at the end of the year	**18**	**14,229.30**	**14,137.50**

Other Equity (Rs. in lakhs)

Particulars	Note	Reserves and Surplus						Total Other Equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Share option outstanding	Retained Earnings	
As at March 31, 2019	19	**8,786.87**	**35.00**	**20.43**	**-**	**-**	**(1,008.11)**	**7,834.19**
Transition impact of Ind AS 116, net of tax (Refer Note 44)	19	-	-	-	-	-	(5.78)	(5.78)
Restated balance as at April 01, 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	19	**8,786.87**	**35.00**	**20.43**	**-**	**71.68**	**4,588.54**	**13,502.52**
Profit for the year		-	-	-	-	-	5,399.17	5,399.17
Other comprehensive income		-	-	-	-	-	(37.85)	(37.85)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**5,361.32**	**5,361.32**
Contribution by and distribution to owners								
Dividends (including tax)		-	-	-	-	-	(2,120.61)	(2,120.61)
Transfer from retained earnings		-	-	-	1,000.00	-	(1,000.00)	-
Employees Stock Options Exercised		-	-	84.18	-	(29.10)	-	55.08
Employees stock options scheme (ESOS)		-	-	-	-	78.12	-	78.12
Total contribution by and distribution to owners		**-**	**-**	**84.18**	**1,000.00**	**49.02**	**(3,120.61)**	**(1,987.41)**
As at March 31, 2021	**19**	**8,786.87**	**35.00**	**104.61**	**1,000.00**	**120.70**	**6,829.25**	**16,876.43**

Significant accounting policies [Refer Note 2(A)]

The notes are an integral part of these standalone financial statements

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

Jeyur Shah
Partner
Membership No.: 045754

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

1 Company Overview

Shree Digvijay Cement Company Limited (the 'Company') is a public limited Company domiciled in India with its registered office address being Digvijaygram, Dist: Jamnagar, Gujarat - 361140. The Company is listed on the Bombay Stock Exchange (BSE) & 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 12 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 standalone 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 standalone financial statements have been prepared on a historical cost basis, except for following items:

i) Employee's Defined Benefit Plan as per actuarial valuation.

ii) 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 standalone 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 standalone statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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.

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 whenthe 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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.

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 standalone statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

2.07 Employee benefits

a) Short-term obligations

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

b) Other long-term employee benefit obligations

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

ii) Defined contribution plans

Provident fund

The Company pays contributions towards 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 Standalone 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 standalone statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the standalone 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 standalone 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 standalone 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 Standalone Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

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

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

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

2.10 Intangible Assets and Amortisation

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

Amortisation methods and periods

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 Standalone Statement of Profit and Loss under finance cost. Subsequent adjustments to the obligation for changes in the estimated cash flows/disbursement period/discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

2.11 Impairment of non-financial assets

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

2.12 Inventories

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

2.13 Cash and cash equivalents

For the purpose of presentation in the Standalone 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 the Standalone 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 standalone 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:

<u>Amortised cost:</u>

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 standalone 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.

<u>Fair value through other comprehensive income (FVOCI):</u>

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 standalone 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.

<u>Fair value through statement of profit and loss (FVTPL):</u>

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through standalone 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 standalone 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 standalone 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 standalone 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 standalone 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.

v) Trade Receivables

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 standalone 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 standalone 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 standalone 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.

2.15 Provisions and contingent liabilities

Provisions

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 equityshares 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 Standalone Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share Option 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 Investment in Subsidiaries :

The Company's investment in its subsidiaries is carried at cost net of accumulated impairment loss, if any. On disposal of the Investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Standalone Statement of Profit and Loss.

2.19 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

2.20 Rounding of amounts

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

2(B) Critical estimates and judgements

The preparation of standalone 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 20).

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 8 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 9).

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 STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

3 PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
		Opening as at April 01, 2020	Additions	Disposals	Closing as at March 31, 2021	Opening as at April 01, 2020	For the Year	Disposals	Closing as at March 31, 2021	As at March 31, 2021
	Own Assets									
1	Land Freehold (Refer note 1 below)	850.03	-	-	850.03	-	-	-	-	850.03
2	Building	720.82	43.05	8.74	755.13	137.26	53.32	8.74	181.84	573.29
3	Railway Sidings	8.06	-	-	8.06	0.58	-	-	0.58	7.48
4	Plant and Equipment	24,574.14	1,099.12	105.77	25,567.49	7,864.57	2,436.78	40.18	10,261.17	15,306.32
5	Electric Installations	355.36	-	-	355.36	217.79	33.25	-	251.04	104.32
6	Rolling Stocks and Locomotives	1.69	-	-	1.69	-	-	-	-	1.69
7	Furniture, Fixtures and Office Equipments	451.46	29.85	115.34	365.97	180.31	53.81	105.14	128.98	236.99
8	Vehicles	92.77	1.10	0.40	93.47	36.77	14.80	0.38	51.19	42.28
9	Jetty and Wharf (Refer note 3 below)	129.08	-	-	129.08	91.80	5.04	-	96.84	32.24
	TOTAL	**27,183.41**	**1,173.12**	**230.25**	**28,126.28**	**8,529.08**	**2,597.00**	**154.44**	**10,971.64**	**17,154.64**

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
		Opening as at April 01, 2019	Additions	Disposals	Closing as at March 31, 2020	Opening as at April 01, 2019	For the Year	Disposals	Closing as at March 31, 2020	As at March 31, 2020
	Own Assets									
1	Land Freehold (Refer note 1 below)	850.03	-	-	850.03	-	-	-	-	850.03
2	Building	571.08	149.74	-	720.82	95.99	41.27	-	137.26	583.56
3	Railway Sidings	8.06	-	-	8.06	0.58	-	-	0.58	7.48
4	Plant and Equipment	23,011.97	1,569.63	7.46	24,574.14	5,656.00	2,215.70	7.13	7,864.57	16,709.57
5	Electric Installations	355.36	-	-	355.36	173.57	44.22	-	217.79	137.57
6	Rolling Stocks and Locomotives	1.69	-	-	1.69	-	-	-	-	1.69
7	Furniture, Fixtures and Office Equipments	426.35	36.26	11.15	451.46	133.62	55.40	8.71	180.31	271.15
8	Vehicles	104.53	-	11.76	92.77	23.54	15.97	2.74	36.77	56.00
9	Jetty and Wharf (Refer note 3 below)	129.08	-	-	129.08	74.56	17.24	-	91.80	37.28
	TOTAL	**25,458.15**	**1,755.63**	**30.37**	**27,183.41**	**6,157.86**	**2,389.80**	**18.58**	**8,529.08**	**18,654.33**

Notes:

1. The Company is in process of obtaining mining rights. Geology & Mining department conducted Drilling activities, Samples analyzed. Geological Report is under finalization.
2. 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.
3. 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.
4. There are no qualifying assets and accordingly no borrowing cost is capitalised during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

4(A) INTANGIBLE ASSETS

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
		Opening as at April 01, 2020	Additions	Adjustments/ Disposals	Closing as at March 31, 2021	Opening as at April 01, 2020	For the Year	Adjustments/ Disposals	Closing as at March 31, 2021	As at March 31, 2021
	Own Assets (Acquired)									
1	Computer Software and Licenses	194.85	63.14	180.69	77.30	124.94	48.21	168.83	4.32	72.98
2	Mining right (land) (Refer note below)	120.94	896.32	-	1,017.26	27.17	8.24	-	35.41	981.85
3	Right-of-use asset (Lease)	54.69	30.88	-	85.57	27.45	29.84	-	57.29	28.28
	TOTAL	**370.48**	**990.34**	**180.69**	**1,180.13**	**179.56**	**86.29**	**168.83**	**97.02**	**1,083.11**

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
		Opening as at April 01, 2019	Additions	Adjustments/ Disposals	Closing as at March 31, 2020	Opening as at April 01, 2019	For the Year	Adjustments/ Disposals	Closing as at March 31, 2020	As at March 31, 2020
	Own Assets (Acquired)									
1	Computer Software and Licenses	129.87	64.98	-	194.85	70.22	54.72	-	124.94	69.91
2	Mining right (land) (Refer note below)	107.72	13.22	-	120.94	18.93	8.24	-	27.17	93.77
3	Right-of-use asset (Lease)	-	54.69	-	54.69	-	27.45	-	27.45	27.24
	TOTAL	**237.59**	**132.89**	**-**	**370.48**	**89.15**	**90.41**	**-**	**179.56**	**190.92**

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-Bhavneshwar, Mokhana and Pachhtardi having total expected Limestone Reserve of 27.49 million tons. Out of which, company has got the celearacne for Pachhtardi mines and company will start extractions from May 2021 onwards. The value of the same mines have been moved to Intangible assets under Mining right (land). However, Company is yet to obtain environment clearance on remaining mines from Ministry of Environment & Forest, Climate Change. These mines are outside the Eco-Sensitive Zone but Debhar-Bhavneshwar 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. 351.24 lakhs (as on March 31, 2020 - Rs. 847.82 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

5	INVESTMENT IN SUBSIDIARY COMPANY	As at March 31, 2021	As at March 31, 2020
	Equity Instruments		
	SDCCL Logistics Limited (Face value of Rs.10 each fully paid)	1.00	-
	TOTAL	**1.00**	**-**

(Rs. in lakhs)

6	LOANS (NON-CURRENT)	As at March 31, 2021	As at March 31, 2020
	(Unsecured, considered good)		
	Security deposits	30.94	33.78
	TOTAL	**30.94**	**33.78**

(Rs. in lakhs)

7	OTHER FINANCIAL ASSETS (NON-CURRENT)	As at March 31, 2021	As at March 31, 2020
	Deposits with bank with maturity period of more than 12 months from reporting date (Refer Note below)	8.94	8.48
	TOTAL	**8.94**	**8.48**

Note: Deposit with bank amounting to Rs. 8.94 lakhs (March 31, 2020 : Rs. 8.48 lakhs) are lien marked against Bank Guarantees.

(Rs. in lakhs)

8	INCOME TAX ASSETS (NON-CURRENT)	As at March 31, 2021	As at March 31, 2020
	Income tax asset (net of provision for tax Nil, as on March 31, 2020 Rs. 99.00 lakhs)	39.41	47.95
	TOTAL	**39.41**	**47.95**

(Rs. in lakhs)

8A	TAX EXPENSE	Year ended March 31, 2021	Year ended March 31, 2020
	Current tax :		
	Current tax on profits for the year	3,242.51	1,363.10
	Short provision for tax of earlier years	3.91	-
	Total current tax expense	**3,246.42**	**1,363.10**
	Deferred tax :		
	Decrease in deferred tax assets (net)	(114.57)	1,453.86
	(Decrease) in deferred tax liabilities	(237.13)	(803.39)
	Total deferred tax (credit)/charge	**(351.70)**	**650.47**
	Total tax expense	**2,894.72**	**2,013.57**
	Effective tax rate	34.902%	26.296%
	Reconciliation of tax expense and accounting profit multiplied by statutory tax rate		
	Profit before tax	8,293.89	7,657.28
	Rate of tax	34.944%	34.944%
	Tax expense at applicable tax rate	**2,898.22**	**2,675.76**
	Effect of expenses not deductible in determining taxable profit	24.05	(0.12)
	Additional MAT created for earlier years	(9.75)	-
	Short provision for tax of earlier years	3.91	-
	Change in Corporate Tax Rate assumption (Refer note - 47)	(21.71)	(662.07)
	Total tax expense	**2,894.72**	**2,013.57**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

9	DEFERRED TAX ASSETS/LIABILITIES (NET)	As at March 31, 2021	As at March 31, 2020
	Deferred tax liabilities/assets (Net)	(356.41)	1,027.97
	TOTAL	**(356.41)**	**1,027.97**
	The balance comprises temporary differences attributable to:		
	Deferred Tax Liabilities		
	Depreciation/ Amortisation on property, plant and equipment and intangible assets	2,216.69	2,464.61
	Deferred tax on ROU asset created under Ind AS 116	29.90	19.11
	Less : Deferred Tax Assets		
	Allowance for doubtful debts	65.87	66.58
	Provision for slow moving/obsolete inventory	117.29	106.40
	Items allowed on payment/utilisation basis	387.72	369.06
	Disallowances for items to be allowed in subsequent years	148.36	77.54
	Provision for mines reclamation assets	94.83	80.13
	Deferred tax on lease liability created under Ind AS 116	32.80	22.01
	Unused tax credits (MAT credit entitlement)	1,043.31	2,789.97
	Deferred tax Liabilities/Asset (net) [Refer note below]	**(356.41)**	**1,027.97**

Note : Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation laws.

(Rs. in lakhs)

9A	MOVEMENT IN DEFERRED TAX ASSETS/LIABILITIES	As at April 01, 2019	(Charged)/ Credited to Profit and Loss	Credited/ (Charge) to OCI/ equity	As at March 31, 2020
	Deferred tax liabilities				
	Depreciation/amortisation on property, plant and equipment and intangible assets (refer Note - 47)	(3,270.32)	805.71	-	(2,464.61)
	Deferred tax on ROU asset created under Ind AS 116	-	(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

9B	MOVEMENT IN DEFERRED TAX ASSETS/ LIABILITIES	As at April 01, 2020	Utilisation	(Charged)/ Credited to Profit and Loss	Credited/ (Charged) to OCI/equity	As at March 31, 2021
	Deferred tax liabilities					
	Depreciation/amortisation on property, plant and equipment and intangible assets (refer Note - 47)	(2,464.61)	-	247.92	-	(2,216.69)
	Deferred tax on ROU asset created under Ind AS 116	(19.11)	-	(10.79)	-	(29.90)
	Total deferred tax (liabilities)	**(2,483.72)**	**-**	**237.13**	**-**	**(2,246.59)**
	Less : Deferred tax assets					
	Allowance for doubtful debts	66.58	-	(0.71)	-	65.87
	Provision for slow moving/obsolete inventory	106.40	-	10.89	-	117.29
	Items allowed on payment/utilisation basis	369.06	-	(1.67)	20.33	387.72
	Disallowances for items to be allowed in subsequent years	77.54	-	70.82	-	148.36
	Provision for mines reclamation assets	80.13	-	14.70	-	94.83
	Deferred tax on lease liability created under Ind AS 116	22.01	-	10.79	-	32.80
	Unused tax credits (MAT credit entitlement)	2,789.97	(1,756.41)	9.75	-	1,043.31
	Total deferred tax assets	**3,511.69**	**(1,756.41)**	**114.57**	**20.33**	**1,890.18**
	Deferred tax liabilities (net)	**1,027.97**	**(1,756.41)**	**351.70**	**20.33**	**(356.41)**

For current year, the Company has calculated its tax liability for current taxes as per normal provision and has utilized MAT credit from Carry forward MAT credit. The Company is required to pay MAT during previous years and have accumulated MAT Credit. Balance MAT credit can be carried forward for a period of 15 years from the year of recognition.

(Rs. in lakhs)

9C	Income assessment year to which MAT credit entitlement relates	Expiry year of credit	As at March 31, 2021	As at March 31, 2020
	Financial year 2009-10 (AY 2010-11)	Financial year 2024-25 (AY 2025-26)	-	135.61
	Financial year 2011-12 (AY 2012-13)	Financial year 2026-27 (AY 2027-28)	-	257.51
	Financial year 2012-13 (AY 2013-14)	Financial year 2027-28 (AY 2028-29)	-	792.46
	Financial year 2017-18 (AY 2018-19)	Financial year 2032-33 (AY 2033-34)	-	293.79
	Financial year 2018-19 (AY 2019-20)	Financial year 2033-34 (AY 2034-35)	-	99.00
	Financial year 2019-20 (AY 2020-21)	Financial year 2034-35 (AY 2035-36)	1,043.31	1,211.60
		Total	**1,043.31**	**2,789.97**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

10	OTHER NON-CURRENT ASSETS	As at March 31, 2021	As at March 31, 2020
	Capital advances	29.51	4.78
	Deposits with government authorities	1,266.04	1,289.36
	Balances with statutory authorities	305.06	311.28
	Pre-paid expenses	19.74	34.23
	TOTAL	**1,620.35**	**1,639.65**

(Rs. in lakhs)

11	INVENTORIES	As at March 31, 2021	As at March 31, 2020
	Raw materials	513.14	650.76
	Work in progress	3,859.07	2,072.57
	Finished Goods	399.10	733.76
	Stores and spare parts (net off provision)	1,478.38	1,775.95
	Packing materials	231.20	220.40
	Fuels	1,015.89	1,036.05
	TOTAL	**7,496.78**	**6,489.49**

(Rs. in lakhs)

12	TRADE RECEIVABLES	As at March 31, 2021	As at March 31, 2020
	Considered good - secured	148.60	136.57
	Considered good - unsecured	923.59	845.51
	Credit impaired	7.87	18.44
	SUB- TOTAL	**1,080.06**	**1,000.52**
	Less: Allowance for doubtful debts	(7.87)	(18.44)
	TOTAL	**1,072.19**	**982.08**
	Movement in allowance for doubtful debts		
	Balance at the beginning of the year	18.44	15.36
	Add: Allowance for the year	(10.57)	3.08
	Balance at the end of the year	**7.87**	**18.44**

(Rs. in lakhs)

13	CASH AND CASH EQUIVALENTS	As at March 31, 2021	As at March 31, 2020
	Cash and Cash equivalents:		
	Cash on hand	1.50	4.97
	Bank Balances :		
	In Current accounts	631.81	47.30
	Demand deposits (Maturity upto three months)	4,507.82	-
	TOTAL	**5,141.13**	**52.27**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

14	OTHER BANK BALANCES	As at March 31, 2021	As at March 31, 2020
	Deposits with banks (Maturity more than three months and upto twelve months - Refer note below)	7,230.77	7,386.77
	Earmarked balance with bank for unpaid dividend	15.33	-
	TOTAL	**7,246.10**	**7,386.77**

Note : Term deposit amounting to Nil (March 31, 2020 : Rs. 2.78 lakhs) are against bank guarantees or as a security deposit.

(Rs. in lakhs)

15	LOANS (CURRENT)	As at March 31, 2021	As at March 31, 2020
	(Unsecured, considered good)		
	Loan to employees	42.54	35.79
	TOTAL	**42.54**	**35.79**

(Rs. in lakhs)

16	OTHER FINANCIAL ASSETS (CURRENT)	As at March 31, 2021	As at March 31, 2020
	(Unsecured, considered good)		
	Interest accrued on security deposits	0.78	6.85
	Others (net of provision of Rs.154.03 lakhs, as on March 31, 2020 Rs.145.50 lakhs)	222.65	18.45
	TOTAL	**223.43**	**25.30**

(Rs. in lakhs)

17	OTHER CURRENT ASSETS	As at March 31, 2021	As at March 31, 2020
	(Unsecured, considered good unless otherwise stated)		
	Advance royalty	81.60	33.28
	Pre-paid expense	198.56	78.09
	Pre-paid expense - CSR (Refer Note - 45)	47.80	-
	Advances to suppliers :		
	Considered good	425.55	404.60
	Considered doubtful	26.59	26.59
	Less: Provision for doubtful advances	(26.59)	(26.59)
	TOTAL	**753.51**	**515.97**
	Movement in allowance for doubtful debts		
	Balance at the beginning of the year	26.59	23.14
	Add: Allowance for the year	-	3.45
	Balance at the end of the year	**26.59**	**26.59**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

18	SHARE CAPITAL	As at March 31, 2020	As at March 31, 2019
	Authorised		
	250,000,000 (March 31, 2020: 250,000,000) equity shares of Rs. 10/- each (Refer Note (h) below)	25,000.00	25,000.00
		25,000.00	**25,000.00**
	Issued		
	14,25,61,643 (March 31, 2020: 14,16,43,645) equity shares of Rs. 10/- each	14,256.16	14,164.36
	Subscribed and paid-up		
	14,22,93,396 (March 31, 2020: 141,375,398) equity shares of Rs. 10/- each fully paid	14,229.34	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	**14,229.30**	**14,137.50**

a) Reconciliation of the number of shares : Equity Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	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
Issue of shares under ESOS -2019	9,17,998	91.80	-	-
Balance at the end of the year	**14,22,92,276**	**14,229.30**	**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, 2020: 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

d) 3,035 equity shares (March 31, 2020: 3,035) were issued in past but remain unsubscribed.

e) Shares held by holding company

(Rs. in lakhs)

Equity Shares:	As at March 31, 2021	As at March 31, 2020
True North Fund VI LLP	8,082.59	8,082.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

f) Details of shareholder holding more than of 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
True North Fund VI LLP	8,08,25,928	56.80%	8,08,25,928	57.17%
TOTAL	**8,08,25,928**	**56.80%**	**8,08,25,928**	**57.17%**

g) 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, 2021.

h) 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.

i) During the year ended March 31, 2021, the Company has allotted 9,17,998 equity shares of Rs.10/- each to the option grantees upon exercise of Option under the Company's Employees Stock Option Scheme - 2019. Pursuant to this allotment, the paid up equity share capital of the Company has increased from 14,13,74,278 equity shares of Rs.10/- each to 14,22,92,276 equity shares of Rs.10/- each.

(Rs. in lakhs)

19	OTHER EQUITY	As at March 31, 2021	As at March 31, 2020
	Capital reserve	8,786.87	8,786.87
	Capital redemption reserve	35.00	35.00
	Securities premium	104.61	20.43
	Share option outstanding (Refer Note 33 & 48)	120.70	71.68
	General Reserve	1,000.00	-
	Surplus/(deficit) in statement of profit and loss		
	Balance as at the beginning of the year	4,588.54	(1,008.11)
	Transition impact of Ind AS 116, net of tax (Refer Note 44)	-	(5.78)
	Restated balance	**4,588.54**	**(1,013.89)**
	Add : Profit for the year	5,399.17	5,643.71
	Add : Other comprehensive (loss)	(37.85)	(41.28)
	Less: Transfer to general reserve	(1,000.00)	-
	Less: Dividends (including tax)	(2,120.61)	-
	Balance as at the end of the year	**6,829.25**	**4,588.54**
	TOTAL	**16,876.43**	**13,502.52**

Notes :

1) **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.

2) **Capital Redemption Reserve :** This was created on redemption of 14% redeemable cumulative preference shares in year 1996-97.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

3) **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.

4) **Shares Options Outstanding Reserve :** The Company has share option schemes under which options to subscribe for the Company's shares have been granted to specific employees. The share-based 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) **General Reserve:** The Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

6) **Analysis of Accumulated OCI :**

(Rs. in lakhs)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning of the year	(86.24)	(44.96)
Remeasurements of post employment benefit obligations, gain/(loss)	(58.18)	(63.46)
Income tax effect	20.33	22.18
Balance at the end of the year	**(124.09)**	**(86.24)**

Note : Balance of OCI transferred to retained earnings

7) The Board has recommended a Dividend of Rs. 2.50/- (i.e. 25%) per equity share (March 31, 2020 Rs. 1.5/- per equity share) of Rs. 10/- each on 14,22,92,276 fully paid Equity Shares for the year ended March 31, 2021 (March 31, 2020 141,374,278 fully paid equity shares), aggregating to Rs. 3,557.31 lakhs (March 31, 2020 - Rs. 2,120.61 lakhs).

(Rs. in lakhs)

20	**PROVISIONS - NON-CURRENT**	**As at March 31, 2021**	**As at March 31, 2020**
	Provision for mines reclamation	426.84	384.82
	TOTAL	**426.84**	**384.82**
	Movement in provision for mines reclamation		
	Balance at the beginning of the year	384.82	345.27
	Add: Unwinding of interest on provision	53.12	26.35
	Add : Effect of changes in estimates	-	14.72
	Less : Utilised during the year	(11.10)	(1.52)
	Balance at the end of the year	**426.84**	**384.82**

(Rs. in lakhs)

21	**EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)**	**As at March 31, 2021**	**As at March 31, 2020**
	Provision for employee benefits (Refer Note 33A):		
	Provision for gratuity	424.83	421.89
	Provision for compensated absences	436.21	390.84
	TOTAL	**861.04**	**812.73**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

22	TRADE PAYABLES	As at March 31, 2021	As at March 31, 2020
	a) total outstanding dues of micro enterprises and small enterprises (Refer Note 46)	20.92	60.03
	b) total outstanding dues of creditors other than micro enterprises and small enterprises.	5,095.38	4,705.74
	TOTAL	**5,116.30**	**4,765.77**

(Rs. in lakhs)

23	OTHER FINANCIAL LIABILITIES (CURRENT)	As at March 31, 2021	As at March 31, 2020
	Security deposits from customers	1,019.21	891.93
	Rebate and discount to customers	708.56	842.21
	Security deposits from vendors	232.02	278.45
	Payable to creditors related to fixed assets	116.27	386.05
	Employee benefits payable	570.46	592.08
	Unpaid Dividends	15.33	-
	Others	7.00	7.29
	TOTAL	**2,668.85**	**2,998.01**

(Rs. in lakhs)

24	OTHER CURRENT LIABILITIES	As at March 31, 2021	As at March 31, 2020
	Advances from customers	577.21	456.99
	Statutory dues (including provident fund and tax deducted at source)	1,546.93	507.10
	Others	0.38	0.38
	TOTAL	**2,124.52**	**964.47**

(Rs. in lakhs)

25	PROVISIONS (CURRENT)	As at March 31, 2021	As at March 31, 2020
	Provision for litigations and disputes (Refer note below)	249.86	249.86
	TOTAL	**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 STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

26	EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)	As at March 31, 2021	As at March 31, 2020
	Provision for employee benefits (Refer Note 33A):		
	Provision for compensated absences	81.93	69.76
	TOTAL	**81.93**	**69.76**

(Rs. in lakhs)

27	INCOME TAX LIABILITY	As at March 31, 2021	As at March 31, 2020
	Income tax liability (net of advance tax of Rs. 1,335.34 lakhs, as on March 31, 2020 Rs. 1,303.98 lakhs)	150.76	59.12
	TOTAL	**150.76**	**59.12**

(Rs. in lakhs)

28	CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS	As at March 31, 2021	As at March 31, 2020
a)	Claim against the Company not acknowledged as debts		
	Demand contested by the Company		
	- Sales tax	396.14	269.68
	- Excise duty	1,251.97	1,251.97
	- Service tax	2,069.15	2,069.15
	- Custom duty	451.55	451.55
	- Labour cases	79.50	86.30
	- Other cases	909.02	909.02
	TOTAL	**5,157.33**	**5,037.67**

b) A sum of Rs. 309.84 lakhs (March 31, 2020: 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) **Capital commitments :**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 313.40 lakhs (March 31, 2020: Rs. 338.13 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

29	REVENUE FROM OPERATIONS	Year ended March 31, 2021	Year ended March 31, 2020
	Sale of product (Refer Note 43)	50,059.22	46,446.34
	Other Operating Revenue		
	Scrap sales	165.01	118.88
	Miscellaneous income	58.02	419.37
	TOTAL	**50,282.25**	**46,984.59**

(Rs. in lakhs)

30	OTHER INCOME	Year ended March 31, 2021	Year ended March 31, 2020
	Interest income	312.49	165.31
	Profit on sale of property, plant and equipments (net)	-	6.31
	Net gain on foreign currency transactions and translations	42.14	4.88
	Provision for Doubtful Debt written back (net) (Refer Note 12 and 16)	2.05	-
	Insurance Claim (Refer Note - 49)	187.83	-
	Miscellaneous income	87.67	48.20
	TOTAL	**632.18**	**224.70**

(Rs. in lakhs)

31	COST OF MATERIAL CONSUMED	Year ended March 31, 2021	Year ended March 31, 2020
	Raw material consumed		
	Opening inventory	650.76	698.62
	Add: Purchases and incidental expenses (including cost of raising and transporting lime stone Rs. 5,056.53 lakhs, March 31, 2020 Rs.3,215.75 lakhs)	9,308.41	7,658.28
	Less: Closing inventory	513.14	650.76
	Cost of raw material consumed during the year	**9,446.03**	**7,706.14**
	Packing material consumed		
	Opening inventory	220.40	160.45
	Add: Purchases and incidental expenses	1,655.47	1,481.42
	Less: Closing inventory	231.20	220.40
	Cost of packing material consumed during the year	**1,644.67**	**1,421.47**
	TOTAL	**11,090.70**	**9,127.61**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

32	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	Year ended March 31,2021	Year ended March 31,2020
	(Increase) in stocks		
	Stock at the end of the year		
	Work in progress	3,859.07	2,072.57
	Finished goods	399.10	733.76
	TOTAL A	**4,258.17**	**2,806.33**
	Less: Stock at the beginning of the year		
	Work in progress	2,072.57	1,342.46
	Finished goods	733.76	487.84
	TOTAL B	**2,806.33**	**1,830.30**
	(Increase) in stocks (B-A)	**(1,451.84)**	**(976.03)**

(Rs. in lakhs)

33	EMPLOYEE BENEFITS EXPENSES	Year ended March 31,2021	Year ended March 31,2020
	Salaries, wages and bonus	3,311.30	3,005.66
	Contribution to provident and other funds:		
	Provident fund [Refer Note 33A(i)]	172.85	162.24
	Superannuation fund [Refer Note 33A(i)]	25.70	25.70
	Gratuity [Refer Note 33A(ii)]	9.76	84.64
	Expenses on Employees Stock Options Scheme (Refer Note 19 & 48)	78.12	71.68
	Staff welfare expenses	64.74	88.62
	TOTAL	**3,662.47**	**3,438.54**

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 Standalone Statement of Profit and Loss	Year ended March 31,2021	Year ended March 31,2020
	Provident fund	172.85	162.24
	Superannuation fund	25.70	25.70

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 STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

Amount recognised in Standalone Statement of Profit and Loss **(Rs. in lakhs)**

Particulars	Year ended March 31,2021	Year ended March 31,2020
Current service cost	77.09	67.16
Past service cost	(92.12)	-
Interest on defined benefit obligation/(asset) (net)	24.79	17.48
Total amount recognised in Standalone Statement of Profit and Loss	**9.76**	**84.64**

Amount recognised in other comprehensive income: **(Rs. in lakhs)**

Particulars	Year ended March 31,2021	Year ended March 31,2020
Remeasurement during the period due to:		
(Gain)/loss from change in financial assumptions	5.59	55.97
(Gain)/loss from change in demographic assumptions	-	(38.99)
Experience (gains)/losses	53.15	36.00
Actuarial (gains)/losses on plan assets	(0.56)	10.48
Total amount recognised in Other Comprehensive Income	**58.18**	**63.46**

Present value of defined benefit obligation : [Gratuity -Funded Plan] **(Rs. in lakhs)**

Particulars	As at March 31,2021	As at March 31,2020
Balance at the beginning of the year	1,132.12	1,005.02
Current service cost	77.09	67.16
Past service cost	(92.12)	-
Interest on defined benefit obligation	68.54	68.05
Remeasurement due to:		
(Gain)/loss from change in financial assumptions	5.59	55.97
(Gain)/loss from change in demographic assumptions	-	(38.99)
Experience (gains)/losses	53.15	36.00
Benefit paid	(82.47)	(61.09)
Balance at the end of the year	**1,161.90**	**1,132.12**

Fair value of plan assets: **(Rs. in lakhs)**

Particulars	As at March 31,2021	As at March 31,2020
Balance at the beginning of the year	710.23	731.23
Contributions by employer	65.00	-
Interest income	43.76	50.57
Benefits paid	(82.47)	(61.09)
Actuarial (gains)/losses on plan assets	0.55	(10.48)
Balance at the close of the year	**737.07**	**710.23**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

Assets and Liabilities recognised in the Standalone Balance Sheet: **(Rs. in lakhs)**

Particulars	As at March 31,2021	As at March 31,2020
Present value of funded obligations	1,161.90	1,132.12
Fair value of plan assets	(737.07)	(710.23)
Deficit of funded plan	**424.83**	**421.89**
Non-current (Note 21)	424.83	421.89
Current	-	-

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

Particulars	As at March 31,2021	As at March 31,2020
Government of India securities	25%	26%
Corporate bonds	7%	7%
Insurance managed fund	65%	63%
Others	3%	4%
	100%	**100%**

Actuarial Assumptions:

Particulars	As at March 31,2021	As at March 31,2020
Discount rate	6.35%	6.45%
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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate (%)	-2.36%	-2.66%	2.47%	2.78%
Discount rate (Rs. In lakhs)	1,134.44	1,102.03	1,190.06	1,163.62
Salary growth rate (%)	2.42%	2.73%	-2.34%	-2.63%
Salary growth rate (Rs. In lakhs)	1,190.01	1,163.01	1,134.74	1,102.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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	Amount
Gratuity	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 4.83 years (March 31, 2020 - 5.44 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, 2021	As at March 31, 2020
1st following year	167.29	138.39
2nd following year	195.66	115.69
3rd following year	227.83	178.23
4th following year	145.11	217.09
5th following year	159.87	127.98
Sum of 6th to 10th following year	758.79	917.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

v) **Other long term employee benefits :** **(Rs. in lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current (Note 21)	436.21	390.84
Current (Note 26)	81.93	69.76
Total	**518.14**	**460.60**

Note: The above classification is based on actuary's report.

Actuarial Assumptions:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.35%	6.45%
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, 2021	Year ended March 31, 2020
	Interest on short term borrowings	13.93	93.14
	Interest on income tax	20.34	3.91
	Interest to others	31.39	27.95
	Unwinding of discount on provision	53.12	26.35
	Unwinding of discount on lease liability	5.78	3.77
	Other finance cost	34.83	23.13
	TOTAL	**159.39**	**178.25**

(Rs. in lakhs)

35	DEPRECIATION AND AMORTISATION EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
	Depreciation on property, plant and equipment [Refer note 3]	2,597.00	2,389.80
	Amortisation on intangible assets [Refer note 4(A)]	56.45	62.96
	Amortisation on Right-of-use asset (Lease) [Refer note 4(A)]	29.84	27.45
	TOTAL	**2,683.29**	**2,480.21**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

36	OTHER EXPENSES	Year ended March 31, 2021	Year ended March 31, 2020
	Consumption of stores and spare parts	1,459.23	808.94
	Repairs to building	182.78	153.50
	Repairs to machinery	1,162.17	997.03
	Sales commission	832.15	804.54
	Advertisement and publicity expenses	103.82	313.87
	Insurance	138.61	100.46
	Rent (including lease rent) (Refer note 44)	81.47	109.83
	Rates and taxes	59.96	16.60
	Printing, stationery and communications expenses	32.86	56.47
	Travelling expenses	144.60	293.98
	Legal and professional fees	535.75	542.93
	Equipment hire charges	296.01	262.21
	Provision for doubtful debts and advances (net) (Refer note 12,16 and 17)	-	4.63
	Loss on sale / write-off of property, plant and equipments (net)	55.28	-
	Provision for slow / non-moving stores and spares	31.17	40.33
	Directors sitting fees	28.00	39.00
	Directors commission	15.00	2.00
	Donation	-	5.00
	Payment to auditors		
	As auditor:		
	Audit fees (Including limited review)	22.00	19.75
	Tax audit fees	1.50	1.25
	Certification	0.75	1.50
	Reimbursement of expenses	1.76	1.53
	Expenditure towards corporate social responsibility (CSR) activities (Refer Note 45)	67.19	8.65
	Miscellaneous expenses	307.22	235.33
	TOTAL	**5,559.28**	**4,819.33**

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 STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 Entity/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)

Wholly Owned Subsidiary Company
SDCCL Logistics Limited (with effect from July 28, 2020)

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. KK Rajeev Nambiar (CEO and Managing Director)
Mr. Pramod Kabra (Director) (with effect from 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. Satish Kulkarni (Independent Director) (with effect from June 02,2020)
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)

iv) Trust
Shree Digvijay Cement Co. Ltd. Employees' Gratuity Fund

38b Details of Transactions with related Parties: **(Rs. in lakhs)**

Nature of Transactions	Holding Entity	Subsidiary Company	Other Related Parties	Total
Investment in subsidiary	- (-)	1.00 (-)	- (-)	1.00 (-)
Other expenses	- (-)	1.94 (-)	- (-)	1.94 (-)
Reimbursement of expenses	- (573.59)	- (-)	- (-)	- (573.59)
Dividend Paid	1,225.50 (-)	- (-)	- (-)	1,225.50 (-)
Contribution made to Trust	- (-)	- (-)	65.00 (-)	65.00 (-)

Figures in bracket are relates to the previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

38c Compensation of key managerial personnel **(Rs. in lakhs)**

Related Parties	Year ended March 31,2021	Year ended March 31,2020
Employee benefits to CEO and managing director & Chairman	593.78	376.09
Commission to independent directors	15.00	2.00
Directors' sitting fees to independent directors	28.00	39.00
Total	**636.78**	**417.09**

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 for previous year 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 March 31, 2020 and vested as on March 31, 2021.

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, 2021	As at March 31, 2020
Financial Assets		
Loans (non-current)	30.94	33.78
Other non-current financial assets	8.94	8.48
Trade receivables	1,072.19	982.08
Cash and cash equivalents	5,141.13	52.27
Other bank balances	7,246.10	7,386.77
Loans (current)	42.54	35.79
Other current financial assets	223.43	25.30
Total Financial Assets	**13,765.27**	**8,524.47**
Financial Liabilities		
Trade payables	5,116.30	4,765.77
Other financial liabilities	2,696.38	3,032.94
Total Financial Liabilities	**7,812.68**	**7,798.71**

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of term deposits and interest there on, trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short-term nature.

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. 1,072.19 lakhs as of March 31, 2021 (March 31, 2020 - Rs. 982.08 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. 380.25 lakhs as of March 31, 2021 (March 31, 2020 - Rs. 240.52 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	> 120 days	Total
Gross carrying amount	1,072.19	7.87	1,080.06
Expected loss rate	0%	100%	0.73%
Expected credit losses (Loss allowance provision)	-	7.87	7.87
Carrying amount of trade receivables (net of impairment)	**1,072.19**	**-**	**1,072.19**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 the 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. 4,665.62 lakhs as at March 31, 2021 (Rs. 4,933.27 lakhs as at March 31, 2020). 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 Company's 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, 2021			
Trade payables	5,116.30	-	**5,116.30**
Other financial liabilities	2,694.69	1.69	**2,696.38**
Total Liabilities	**7,810.99**	**1.69**	**7,812.68**

(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 1 Year	Above 1 Year	Total
March 31, 2020			
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**

41 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure of the Company, Management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders , issue new shares or sell assets to reduce, for example, debt.

The Company considers total equity reported in the standalone financial statements to be managed as part of capital.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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, 2021**	**As at March 31, 2020**
Total Debt	-	-
Less : Cash and cash equivalents	5,141.13	52.27
Adjusted net debt	**(5,141.13)**	**(52.27)**
Equity share capital	14,229.30	14,137.50
Other equity	16,876.43	13,502.52
Total equity	**31,105.73**	**27,640.02**
Adjusted net debt to equity ratio	**-**	**-**

42 EARNINGS PER SHARE (EPS)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Profit after tax (Rs. in lakhs)	5,399.17	5,643.71
Weighted average number of shares outstanding for basic EPS (In lakhs)	1,422.92	1,413.74
Add: Potential Equity Shares on exercise of options (In lakhs)	51.67	10.68
Weighted average number of shares outstanding for diluted EPS (In lakhs)	1,474.59	1,424.42
Nominal value per share (In Rs.)	10.00	10.00
Basic earning per share (In Rs.)	3.79	3.99
Diluted earning per share (In Rs.)	3.66	3.96

43 Reconciliation of the amount of revenue recognised in the standalone statement of profit and loss with the contracted price:

(Rs. in lakhs)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Revenue as per contracted price	51,071.84	47,699.17
Adjustments :		
Rebates & Discounts	1,012.62	1,252.83
Revenue from contract with customers	**50,059.22**	**46,446.34**

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 STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 prior to April 01, 2019 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 31,2021	**Year ended March 31,2020**
Lease payments recognised in the Statement of Profit and Loss during the year	81.47	109.83

Transition to New Standards :

On transition date April 01, 2019, 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 Rs. 54.69 lakhs and lease liability of Rs. 63.57 lakhs has been recognised during the March 31, 2020. The cumulative effect on transition in retained earnings is Rs. 5.78 lakhs net of tax for the year ended March 31, 2020 (note 19). The weighted average incremental borrowing rate of 9.25% for the year ended March 31, 2021(March 31, 2020 - 9.25%) has been applied to lease liabilities recognised in the balance sheet at the date.

(Rs. in lakhs)

Lease Liabilities on account of adoption of Ind AS 116	**As at March 31,2021**	**As at March 31,2020**
Balance at the beginning of the year	**34.93**	**62.97**
Add: Addition during the year	30.88	-
Finance costs incurred during the year	5.78	3.77
Payments of Lease liabilities	(44.06)	(31.81)
Balance at the end of the year	**27.53**	**34.93**
Current	1.69	9.55
Non- Current	25.84	25.38

45 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

(Rs. in lakhs)

PARTICULARS	**Year ended March 31,2021**	**Year ended March 31,2020**
Gross amount required to be spent by the Company during the year	67.19	6.99
Amount spent during the year on:		
i) Construction / acquisition of asset	9.84	1.50
ii) On purposes other than (i) above	105.15	7.15
Total amount spent	**114.99**	**8.65**
Closing Balance (Refer Note below)	**47.80**	**-**

Note: Excess amount spent under CSR have been disclosed in Note-17 as pre-paid expenses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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, 2021	Year Ended March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	20.92	60.03
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 ofdeferred tax assets (net).

48 SHARE BASED PAYMENTS (Ind AS 102)

(A) The Company has granted 70,60,000 options during the FY 2019-20 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 (Refer Note 48(D))	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

(B) Fair Valuation

Nil share options were granted during the year (March 31, 2020 70,60,000 shares 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. Nil per share (March 31, 2020 Rs. 3.06 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(C) The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant August 05, 2019 :

Risk Free Rate	6.39%
Expected annual volatility	40.62%
Dividend Yield	Nil

(D) Movement of Options Granted :

	As at March 31,2021	As at March 31,2020
Outstanding at the beginning of the year	70,60,000.00	-
Granted during the year	-	70,60,000.00
Vested during the year	14,12,000.00	-
Exercised during the year	9,17,998.00	-
options expired (due to resignation & retirement)	1,20,000.00	-
Outstanding at the end of the year	**60,22,002.00**	**70,60,000.00**
Options exercisable at the end of the year	4,94,002.00	-

49 On June 01, 2020 the turbine and generator of Waste Heat Recovery plant got damaged due to an incident. The Company had lodged insurance claim for recovering cost of damage to the equipments and loss of profit on account of increase in power cost. The Company had accounted for Rs. 261 lakhs (Rs. 187.83 lakhs as against machinery break down claim and Rs. 73.17 lakhs as reimbursement of power cost against the additional cost of power). Out of which Rs. 187.83 lakhs have been received on account of machinery break down claim. The balance of the claim is under consideration with insurance Company.

50 **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 standalone financial statements.

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

Jeyur Shah
Partner
Membership No.: 045754

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021


CONSOLIDATED
FINANCIAL
STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of
Shree Digvijay Cement Company Limited

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Shree Digvijay Cement Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

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

Litigations and contingencies (See Note 27 to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit·
- The Group 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 Group 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. Refer Note 27 to the consolidated financial statements	Our audit procedures include: - Making enquiries with Group's in-house Legal Counsel and other senior personnel about the current and potential significant claims and litigation on the Group. - Obtained Group's assessment on key exposures and any related litigation. Reading and analyzing select key correspondences between the Group and various tax/ legal authorities or plaintiffs and attorneys, where applicable, and external legal opinions/ consultations obtained by the Group for key legal and tax matters - Involving our internal tax experts to assess various tax position taken by the Group with respect to complex tax matters. - Assessing and challenging the Group'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.

Information other than the Consolidated financial statements and Auditors' Report thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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' responsibilities for the consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each Company.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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

A. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and its Subsidiary Company incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 2021 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 Holding Company, its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 27 to the consolidated financial statements;

   ii. The Group 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 to the Investor Education and Protection Fund by the Holding Company or its subsidiary Company incorporated in India during the year ended 31 March 2021.

iv. The disclosure in the consolidated 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 the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

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 during the current year by the Holding Company and its subsidiary Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary Company 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
ICAI UDIN: 21045754AAAABX7956

Jeyur Shah
Place : Ahmedabad — Partner
Date : 28 April 2021 — Membership No. 045754

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Shree Digvijay Cement Company Limited for the year ended 31 March 2021

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Shree Digvijay Cement Company Limited (hereinafter referred to as "the Holding Company") and such Company incorporated in India under the Companies Act, 2013, which is its subsidiary Company as of that date.

In our opinion, the Holding Company and such Company incorporated in India which is its subsidiary Company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective 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 internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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
ICAI UDIN: 21045754AAAABX7956

Jeyur Shah
Partner
Membership No. 045754

Place : Ahmedabad
Date : 28 April 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in lakhs)

	Notes	As at March 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	3	17,154.64
Capital work-in-progress		899.05
Intangible assets	4(A)	1,054.83
Right-of-use asset (Lease)	4(A)	28.28
Intangible assets under development	4(B)	356.65
Financial assets		
i. Loans	5	30.94
ii. Other financial assets	6	8.94
Income tax assets	7	39.41
Other non-current assets	9	1,620.35
Total Non-Current Assets		**21,193.09**
Current assets		
Inventories	10	7,496.78
Financial assets		
i. Trade receivables	11	1,072.19
ii. Cash and cash equivalents	12	5,142.13
iii. Bank balances other than (ii) above	13	7,246.10
iv. Loans	14	42.54
v. Other financial assets	15	223.43
Other current assets	16	751.57
Total Current Assets		**21,974.74**
Total Assets		**43,167.83**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	17	14,229.30
Other equity	18	16,873.25
Total Equity		**31,102.55**
Liabilities		
Non-current liabilities		
Financial liabilities		
i. Lease liability	43	1.69
Provisions	19	426.84
Employee benefit obligations	20	861.04
Total Non-Current Liabilities		**1,289.57**
Current liabilities		
Financial liabilities		
i. Lease liability	43	25.84
ii. Trade payables		
a. Total outstanding dues of micro enterprises and small enterprises	45	20.92
b. Total outstanding dues of creditors other than (a) above	21	5,096.59
iii. Other financial liabilities	22	2,668.85
Other current liabilities	23	2,124.55
Provisions	24	249.86
Employee benefit obligations	25	81.93
Deferred tax liabilities (net)	8	356.41
Income tax liabilities	26	150.76
Total Current Liabilities		**10,775.71**
Total Equity and Liabilities		**43,167.83**
Significant accounting policies	2(A)	
The notes are an integral part of these consolidated financial statements		

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

Jeyur Shah
Partner
Membership No.: 045754

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

	Notes	Year ended March 31,2021
Revenue from operations	28	50,282.25
Other income	29	632.18
Total income		**50,914.43**
Expenses		
Cost of materials consumed	30	11,090.70
Changes in inventories of finished goods and work-in-progress	31	(1,451.84)
Employees benefits expenses	32	3,662.47
Finance costs	33	159.39
Depreciation and amortisation expenses	34	2,683.29
Power and fuel expenses		13,470.16
Freight and handling expenses		7,447.09
Other expenses	35	5,562.46
Total expenses		**42,623.72**
Profit before tax		**8,290.71**
Tax expense	7A	
Current tax		3,242.51
Short provision for tax of earlier years		3.91
Deferred tax charge/(credit)		(351.70)
Total tax expense/(credit)		**2,894.72**
Profit for the year		**5,395.99**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations, gain/(loss)	32A	(58.18)
Income tax relating to above	8A	20.33
Other comprehensive income for the year, net of tax		**(37.85)**
Total comprehensive income for the year		**5,358.14**
Earnings per equity share (in Rs.) (Nominal value per share Rs.10)	41	
Basic earning per Share (In Rs.)		3.79
Diluted earning per Share (In Rs.)		3.66
Significant accounting policies	2(A)	
The notes are an integral part of these consolidated financial statements		

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

Jeyur Shah
Partner
Membership No.: 045754

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

	Year ended March 31,2021
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax	8,290.71
Adjustments for:	
Depreciation and amortisation expenses	2,683.29
Provision for slow / non-moving stores & spares	31.17
Loss on sale / write-off of property, plant and equipments	55.28
Provision (written back) for doubtful debts and advances	(2.05)
Interest income	(312.49)
Unrealized foreign exchange (gain) on operating activities	(42.14)
Compensation Expenses under Employees Stock Options Scheme	78.12
Finance costs	159.39
Operating profit before working capital changes	**10,941.28**
Adjustments for:	
(Increase) in inventories	(1,038.46)
(Increase) in trade receivables	(79.54)
(Increase) in loans	(3.91)
(Increase) in other financial assets	(212.72)
(Increase) in other assets	(191.57)
Increase in trade payables	393.88
(Decrease) in other financial liabilities	(74.71)
Increase in other liabilities	1,160.08
(Decrease) in provision	(11.10)
Increase in employee benefit obligation	2.30
Cash generated from operations	**10,885.53**
Taxes paid (net of refunds)	(1,389.83)
Net cash generated from operating activities	**9,495.70**
B. CASH FLOW FROM INVESTING ACTIVITIES	
Payments for purchase of property, plant and equipment and intangible assets	(2,794.05)
Proceeds from sale of items of property, plant and equipment	32.39
Interest received	318.10
Proceeds from term deposit with bank (net)	2.78
Net cash (used in) investing activities	**(2,440.78)**
C. CASH FLOW FROM FINANCING ACTIVITIES	
Interest paid	(100.49)
Dividend paid including tax	(2,120.61)
Proceeds from Issue of Share Capital on Exercise of ESOS	146.88
Repayment of lease liability	(44.06)
Net cash (used in) financing activities	**(2,118.28)**
Net increase in cash and cash equivalents (A+B+C)	**4,936.64**
Cash and cash equivalents at the beginning of the year	7,436.26
Cash and cash equivalents at the end of the year	**12,372.90**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

	Year ended March 31,2021
Reconciliation of cash & cash equivalents as per cash flow statement :	
Cash and cash equivalents comprise:	
Cash on hand	1.50
Balances with banks - in current accounts	632.81
Demand deposits	11,738.59
Total	**12,372.90**

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

Note:

1 The cash flow statement has been prepared under "Indirect Method" specified in Ind AS 7 on "Statement of Cash Flows".

2 Reconciliation of movements of cash flows arising from financing activities

	As at March 31,2021
Balance as at the beginning of the year	-
Cash Flow from financing activities	
Dividend paid including tax	(2,120.61)
Proceeds from Issue of Share Capital on Exercise of ESOS	146.88
Interest paid	(100.49)
Repayment of lease liability	(44.06)
Total cash flow from financing activities	**(2,118.28)**
Finance costs (Refer Note below)	159.39
Less : Unwinding of interest	(53.12)
Add: ROU Assets (Refer Note 4(A) & 43)	30.88
Less : Lease liability (Refer Note 43)	7.40
Add : Securities premium on Shares issued under ESOS	(55.08)
Add : Share capital - ESOS	(91.80)
Add: Unpaid dividend	15.33
Add: Dividend paid	2,105.28
Balance at the end of the year	**-**

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: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Equity Share Capital (Rs. in lakhs)

Particulars	Note	As at March 31, 2021
Balance at the beginning of the year	17	14,137.50
Changes in Equity Share Capital during the year		91.80
Balance at the end of the year	**17**	**14,229.30**

Other Equity (Rs. in lakhs)

Particulars	Note	Reserves and Surplus						Total Other Equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Share option outstanding	Retained Earnings	
As at March 31, 2020	**18**	**8,786.87**	**35.00**	**20.43**	**-**	**71.68**	**4,588.54**	**13,502.52**
Profit for the year		-	-	-	-	-	5,395.99	5,395.99
Other comprehensive income		-	-	-	-	-	(37.85)	(37.85)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**5,358.14**	**5,358.14**
Contribution by and distribution to owners								
Dividends (including tax)		-	-	-	-	-	(2,120.61)	(2,120.61)
Transfer from retained earnings		-	-	-	1,000.00	-	(1,000.00)	-
Employees Stock Options Exercised		-	-	84.18	-	(29.10)	-	55.08
Employees stock options scheme (ESOS)		-	-	-	-	78.12	-	78.12
Total contribution by and distribution to owners		**-**	**-**	**84.18**	**1,000.00**	**49.02**	**(3,120.61)**	**(1,987.41)**
As at March 31, 2021	**18**	**8,786.87**	**35.00**	**104.61**	**1,000.00**	**120.70**	**6,826.07**	**16,873.25**

Significant accounting policies [Refer Note 2(A)]

The notes are an integral part of these consolidated financial statements

In terms of our report of even date

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

Jeyur Shah
Partner
Membership No.: 045754

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 12 lacs MT per annum. The Company caters mainly to the domestic market. Shree Digvijay Cement Company Limited (the "Company") and its subsidiary collectively referred to as the "Group".

2(A) Summary of significant accounting policies

2.01 Basis of preparation

a) First year of consolidation (Ind AS Schedule III)

On July 28, 2020, SDCCL Logistics Limited was incorporated as a wholly owned subsidiary of the Company, having paid up capital of Rs.1,00,000 (10,000 equity shares of Rs.10 each). With the incorporation of subsidiary, the Group is required to prepare consolidated financial statements for the first time for the year ended March 31, 2021. Ind AS schedule III requires that except in case of first financial statements laid before the company after incorporation, the corresponding amounts (i.e. comparatives) for the immediately preceding period are to be disclosed in the financial statements including notes to accounts. Accordingly, the Group has presented consolidated financial statements for the year ended March 31, 2021 with no comparative figures since this being the first year of consolidation.

b) Compliance with Indian Accounting Standards (Ind AS)

The consolidated 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.

c) Historical cost convention

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

i) Employee's Defined Benefit Plan as per actuarial valuation.

ii) 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 Group 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.

d) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group'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 Group 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 Group has been identified as CODM who assesses the financial performance and position of the Group, and makes strategic decisions.

2.03 Foreign Currency Transactions

a) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is the Group'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.

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 Group expects to be entitled in exchange for those goods. The Group 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 Group 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 Group.

Further, in accordance with Ind AS 37, the Group 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 Group'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 Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Significant payment terms

Generally, the Group 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 CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

Interest income :

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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.

The Group 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 Group, 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group 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 Group’s estimate of the amount expected to be payable under a residual value guarantee, or if Group 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

The Group 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 Group 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.

2.07 Employee benefits

a) Short-term obligations

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

b) Other long-term employee benefit obligations

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the period are treated as other long term employee benefits for measurement purpose. The Group'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 consolidated statement of profit and loss.

c) Post employee obligations

The Group 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 consolidated 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 consolidated 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 consolidated 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 consolidated statement of profit and loss as past service cost.

ii) Defined contribution plans

Provident fund

The Group pays contributions towards provident fund to the regulatory authorities as per local regulations where the Group 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 Group's policy is made to Life Insurance Corporation of India where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group 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 Consolidated 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 Consolidated 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 Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Group 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 consolidated 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 Consolidated Balance sheet, if and only when, (a) the Group 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 induding 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 Group 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 consolidated 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 consolidated statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

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

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

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

2.10 Intangible Assets and Amortisation

Intangible assets with finite useful life are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group 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 Group 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 Consolidated 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 Group 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 Consolidated Statement of Profit and Loss under finance cost. Subsequent adjustments to the obligation for changes in the estimated cash flows/disbursement period/discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

2.11 Impairment of non-financial assets

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

2.12 Inventories

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

2.13 Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 Group 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 consolidated 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the Group 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 consolidated statement of profit and loss.

Debt instruments

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

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in consolidated 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 consolidated 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 consolidated 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 Group 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 consolidated statement of profit and loss.

For trade receivables only, the Group 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 Group 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 consolidated statement of profit and loss.

iv) De-recognition of financial assets

A financial asset is derecognised only when:

- the Group 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 Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Trade Receivables

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 Group 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 consolidated 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 consolidated 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 consolidated statement of profit and loss.

v) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group 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 Group or the counterparty.

2.15 Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group 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 Group 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 Group 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 equityshares 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group 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 Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share Option Outstanding.

The Group 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 47

2.18 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

2.19 Rounding of amounts

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

2(B) Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Group'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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

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 Group 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, consolidated cash flows or consolidated financial statements of the Group. (Refer Note 24 and 27)

c.) Current tax expense and deferred tax

The calculation of the Group'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 26).

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 detemine 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 Group operate. (Refer Note 8).

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

The Group 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 Group's long-term strategic planning. (Refer note 2(A) 2.09 and 2(A) 2.10).

e.) Employee benefit plans

The Group'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 32A(ii).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

3 PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
		Opening as at April 01, 2020	Additions	Disposals	Closing as at March 31, 2021	Opening as at April 01, 2020	For the Year	Disposals	Closing as at March 31, 2021	As at March 31, 2021
	Own Assets									
1	Land Freehold (Refer note 1 below)	850.03	-	-	850.03	-	-	-	-	850.03
2	Building	720.82	43.05	8.74	755.13	137.26	53.32	8.74	181.84	573.29
3	Railway Sidings	8.06	-	-	8.06	0.58	-	-	0.58	7.48
4	Plant and Equipment	24,574.14	1,099.12	105.77	25,567.49	7,864.57	2,436.78	40.18	10,261.17	15,306.32
5	Electric Installations	355.36	-	-	355.36	217.79	33.25	-	251.04	104.32
6	Rolling Stocks and Locomotives	1.69	-	-	1.69	-	-	-	-	1.69
7	Furniture, Fixtures and Office Equipments	451.46	29.85	115.34	365.97	180.31	53.81	105.14	128.98	236.99
8	Vehicles	92.77	1.10	0.40	93.47	36.77	14.80	0.38	51.19	42.28
9	Jetty and Wharf (Refer note 3 below)	129.08	-	-	129.08	91.80	5.04	-	96.84	32.24
	TOTAL	**27,183.41**	**1,173.12**	**230.25**	**28,126.28**	**8,529.08**	**2,597.00**	**154.44**	**10,971.64**	**17,154.64**

Notes:

1 The Group is in process of obtaining mining rights. Geology & Mining department conducted Drilling activities, Samples analyzed. Geological Report is under finalization.

2 The carrying amount of Leasehold Land (in respect of which the Group pays nominal ground rent) at Sikka, Gujarat is Nil. The lease period expires on November 20, 2044 and the Group has an option to renew the same for further period of 99 years.

3 The Group 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.

4 There are no qualifying assets and accordingly no borrowing cost is capitalised during the year.

4(A) INTANGIBLE ASSETS

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
		Opening as at April 01, 2020	Additions	Adjust-ment/ Disposals	Closing as at March 31, 2021	Opening as at April 01, 2020	For the Year	Adjust-ment/ Disposals	Closing as at March 31, 2021	As at March 31, 2021
	Own Assets (Acquired)									
1	Computer Software and Licenses	194.85	63.14	180.69	77.30	124.94	48.21	168.83	4.32	72.98
2	Mining right (land) (Refer note below)	120.94	896.32	-	1,017.26	27.17	8.24	-	35.41	981.85
3	Right-of-use asset (Lease)	54.69	30.88	-	85.57	27.45	29.84	-	57.29	28.28
	TOTAL	**370.48**	**990.34**	**180.69**	**1,180.13**	**179.56**	**86.29**	**168.83**	**97.02**	**1,083.11**

Notes: Mining right (land) includes assets in respect of mines reclamation.

4(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

The Group has acquired mineral rights of three mines i.e. Debhar-Bhavneshwar, Mokhana and Pachhtardi having total expected Limestone Reserve of 27.49 million tons. Out of which, Group has got the celearacne for Pachhtardi mines and Group will start extractions from May 2021 onwards. The value of the same mines have been moved to Intangible assets under Mining right (land). However, Group is yet to obtain environment clearance on remaining mines from Ministry of Environment & Forest, Climate Change. These mines are outside the Eco-Sensitive Zone but Debhar-Bhavneshwar and Mokhana mines major portion fall within 1km restrictions of Barda Wildlife Sanctuary. Group 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. 351.24 lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

5	LOANS (NON-CURRENT)	As at March 31, 2021
	(Unsecured, considered good)	
	Security deposits	30.94
	TOTAL	30.94

(Rs. in lakhs)

6	OTHER FINANCIAL ASSETS (NON-CURRENT)	As at March 31, 2021
	Deposits with bank with maturity period of more than 12 months from reporting date (Refer Note below)	8.94
	TOTAL	8.94

Note: Deposit with bank amounting to Rs. 8.94 lakhs are lien marked against Bank Guarantees.

(Rs. in lakhs)

7	INCOME TAX ASSETS (NON-CURRENT)	As at March 31, 2021
	Income tax asset	39.41
	TOTAL	39.41

(Rs. in lakhs)

7A	TAX EXPENSE	Year ended March 31, 2021
	Current tax :	
	Current tax on profits for the year	3,242.51
	Short provision for tax of earlier years	3.91
	Total current tax expense	**3,246.42**
	Deferred tax :	
	Decrease in deferred tax assets (net)	(114.57)
	(Decrease) in deferred tax liabilities	(237.13)
	Total deferred tax (credit)/charge	**(351.70)**
	Total tax expense	**2,894.72**
	Effective tax rate	34.915%
	Reconciliation of tax expense and accounting profit multiplied by statutory tax rate	
	Profit before tax	8,290.71
	Rate of tax	34.944%
	Tax expense at applicable tax rate	**2,897.11**
	Effect of expenses not deductible in determining taxable profit	19.32
	Additional MAT created for earlier years	(9.75)
	Short provision for tax of earlier years	3.91
	Change in Corporate Tax Rate assumption (Refer note - 46)	(21.71)
	Total tax expense	**2,894.72**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

8	DEFERRED TAX ASSETS/LIABILITIES (NET)	As at March 31, 2021
	Deferred tax assets/liabilities (Net)	(356.41)
	TOTAL	**(356.41)**
	The balance comprises temporary differences attributable to:	
	Deferred Tax Liabilities	
	Depreciation/ Amortisation on property, plant and equipment and intangible assets	2,216.69
	Deferred tax on ROU asset created under Ind AS 116	29.90
	Less : Deferred Tax Assets	
	Allowance for doubtful debts	65.87
	Provision for slow moving/obsolete inventory	117.29
	Items allowed on payment/utilisation basis	387.72
	Disallowances for items to be allowed in subsequent years	148.36
	Provision for mines reclamation assets	94.83
	Deferred tax on lease liability created under Ind AS 116	32.80
	Unused tax credits (MAT credit entitlement)	1,043.31
	Deferred tax Asset (net) [Refer note below]	**(356.41)**

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, 2020	Utilisation	(Charged)/ Credited to Profit and Loss	Credited/ (Charged) to OCI/equity	As at March 31, 2021
	Deferred tax liabilities					
	Depreciation/amortisation on property, plant and equipment and intangible assets (refer Note - 46)	(2,464.61)	-	247.92	-	(2,216.69)
	Deferred tax on ROU asset created under Ind AS 116	(19.11)	-	(10.79)	-	(29.90)
	Total deferred tax (liabilities)	**(2,483.72)**	**-**	**237.13**	**-**	**(2,246.59)**
	Less : Deferred tax assets					
	Allowance for doubtful debts	66.58	-	(0.71)	-	65.87
	Provision for slow moving/obsolete inventory	106.40	-	10.89	-	117.29
	Items allowed on payment/utilisation basis	369.06	-	(1.67)	20.33	387.72
	Disallowances for items to be allowed in subsequent years	77.54	-	70.82	-	148.36
	Provision for mines reclamation assets	80.13	-	14.70	-	94.83
	Deferred tax on lease liability created under Ind AS 116	22.01	-	10.79	-	32.80
	Unused tax credits (MAT credit entitlement)	2,789.97	(1,756.41)	9.75	-	1,043.31
	Total deferred tax assets	**3,511.69**	**(1,756.41)**	**114.57**	**20.33**	**1,890.18**
	Deferred tax liabilities (net)	**1,027.97**	**(1,756.41)**	**351.70**	**20.33**	**(356.41)**

For current year, the Group has calculated its tax liability for current taxes as per normal provision and has utilized MAT credit from Carry forward MAT credit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

9	OTHER NON-CURRENT ASSETS	As at March 31, 2021
	Capital advances	29.51
	Deposits with government authorities	1,266.04
	Balances with statutory authorities	305.06
	Pre-paid expenses	19.74
	TOTAL	**1,620.35**

(Rs. in lakhs)

10	INVENTORIES	As at March 31, 2021
	Raw materials	513.14
	Work in progress	3,859.07
	Finished Goods	399.10
	Stores and spare parts (net off provision)	1,478.38
	Packing materials	231.20
	Fuels	1,015.89
	TOTAL	**7,496.78**

(Rs. in lakhs)

11	TRADE RECEIVABLES	As at March 31, 2021
	Considered good - secured	148.60
	Considered good - unsecured	923.59
	Credit impaired	7.87
	SUB- TOTAL	**1,080.06**
	Less: Allowance for doubtful debts	(7.87)
	TOTAL	**1,072.19**

(Rs. in lakhs)

12	CASH AND CASH EQUIVALENTS	As at March 31, 2021
	Cash and Cash equivalents:	
	Cash on hand	1.50
	Bank Balances :	
	In Current accounts	632.81
	Demand deposits (Maturity upto three months)	4,507.82
	TOTAL	**5,142.13**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

13	OTHER BANK BALANCES	As at March 31, 2021
	Deposits with banks (Maturity more than three months and upto twelve months)	7,230.77
	Earmarked balance with bank for unpaid dividend	15.33
	TOTAL	**7,246.10**

(Rs. in lakhs)

14	LOANS (CURRENT)	As at March 31, 2021
	(Unsecured, considered good)	
	Loan to employees	42.54
	TOTAL	**42.54**

(Rs. in lakhs)

15	OTHER FINANCIAL ASSETS (CURRENT)	As at March 31, 2021
	(Unsecured, considered good)	
	Interest accrued on security deposits	0.78
	Others (net of provision of Rs.154.03 lakhs)	222.65
	TOTAL	**223.43**

(Rs. in lakhs)

16	OTHER CURRENT ASSETS	As at March 31, 2021
	(Unsecured, considered good unless otherwise stated)	
	Advance royalty	81.60
	Pre-paid expense	198.56
	Pre-paid expense - CSR (Refer Note - 44)	47.80
	Advances to suppliers :	
	Considered good	423.61
	Considered doubtful	26.59
	Less: Provision for doubtful advances	(26.59)
	TOTAL	**751.57**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

17	SHARE CAPITAL	As at March 31, 2021
	Authorised	
	250,000,000 equity shares of Rs. 10/- each	25,000.00
		25,000.00
	Issued	
	14,25,61,643 equity shares of Rs. 10/- each	14,256.16
	Subscribed and paid-up	
	14,22,93,396 equity shares of Rs. 10/- each fully paid	14,229.34
	Less: 1,120 equity shares of Rs. 10/- each forfeited	(0.11)
	Add: Forfeited shares (amount originally paid-up on equity shares)	0.07
	TOTAL	**14,229.30**

a) Reconciliation of the number of shares : Equity Shares

Particulars	As at March 31, 2021	
	Number of Shares	Rs. in lakhs
Balance at the beginning of the year	14,13,74,278	14,137.50
Issue of shares under ESOS -2019	9,17,998	91.80
Balance at the end of the year	**14,22,92,276**	**14,229.30**

b) Rights, preferences and restrictions attached to equity shares
The Group 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 Group 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 are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

d) 3,035 equity shares were issued in past but unsubscribed.

e) Shares held by holding company **(Rs. in lakhs)**

Equity Shares:	As at March 31, 2021
True North Fund VI LLP	8,082.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

f) Details of shareholder holding more than of 5% of the aggregate shares in the Group

Name of Shareholder	As at March 31, 2021	
	No. of Shares held	% of Holding
True North Fund VI LLP	8,08,25,928	56.80%
TOTAL	**8,08,25,928**	**56.80%**

g) 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, 2021.

h) During the year ended March 31, 2021, the Group has allotted 9,17,998 equity shares of Rs.10/- each to the option grantees upon exercise of Option under the Group's Employees Stock Option Scheme - 2019. Pursuant to this allotment, the paid up equity share capital of the Group has increased from 14,13,74,278 equity shares of Rs.10/- each to 14,22,92,276 equity shares of Rs.10/- each.

(Rs. in lakhs)

18	OTHER EQUITY	As at March 31, 2021
	Capital reserve	8,786.87
	Capital redemption reserve	35.00
	Securities premium	104.61
	Share option outstanding (Refer Note 32 & 47)	120.70
	General Reserve	1,000.00
	Surplus in statement of profit and loss	
	Balance as at the beginning of the year	4,588.54
	Add : Profit for the year	5,395.99
	Add : Other comprehensive (loss)	(37.85)
	Less: Transfer to general reserve	(1,000.00)
	Less: Dividends (including tax)	(2,120.61)
	Balance as at the end of the year	**6,826.07**
	TOTAL	**16,873.25**

Notes :

1) **Capital Reserve :** The Holding 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.

2) **Capital Redemption Reserve :** This was created on redemption of 14% redeemable cumulative preference shares in year 1996-97.

3) **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.

4) **Shares Options Outstanding :** The Group has share option schemes under which options to subscribe for the Group's shares have been granted to specific employees. The share-based 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 47 for further details of these plans.

5) **General Reserve:** The Group has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

6) **Analysis of Accumulated OCI :** **(Rs. in lakhs)**

Particulars	**As at March 31, 2021**
Balance at the beginning of the year	(86.24)
Remeasurements of post employment benefit obligations, gain/(loss)	(58.18)
Income tax effect	20.33
Balance at the end of the year	**(124.09)**

Note : Balance of OCI transferred to retained earnings

7) The Board has recommended a Dividend of Rs. 2.50/- (i.e. 25%) per equity share of Rs. 10/- each on 14,22,92,276 fully paid Equity Shares for the year ended March 31, 2021 , aggregating to Rs. 3,557.31 lakhs.

(Rs. in lakhs)

19	**PROVISIONS - NON-CURRENT**		**As at March 31, 2021**
	Provision for mines reclamation		426.84
		TOTAL	**426.84**
	Movement in provision for mines reclamation		
	Balance at the beginning of the year		384.82
	Add: Unwinding of interest on provision		53.12
	Add : Effect of changes in estimates		896.32
	Less : Utilised during the year		(11.10)
	Balance at the end of the year		**1,323.16**

(Rs. in lakhs)

20	**EMPLOYEE BENEFIT OBLIGATIONS (NON-CURRENT)**		**As at March 31, 2021**
	Provision for employee benefits (Refer Note 32A):		
	Provision for gratuity		424.83
	Provision for compensated absences		436.21
		TOTAL	**861.04**

(Rs. in lakhs)

21	**TRADE PAYABLES**		**As at March 31, 2021**
	a) total outstanding dues of micro enterprises and small enterprises (Refer Note 45)		20.92
	b) total outstanding dues of creditors other than micro enterprises and small enterprises.		5,096.59
		TOTAL	**5,117.51**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

22	OTHER FINANCIAL LIABILITIES (CURRENT)	As at March 31, 2021
	Security deposits from customers	1,019.21
	Rebate and discount to customers	708.56
	Security deposits from vendors	232.02
	Payable to creditors related to fixed assets	116.27
	Employee benefits payable	570.46
	Unpaid Dividends	15.33
	Others	7.00
	TOTAL	**2,668.85**

(Rs. in lakhs)

23	OTHER CURRENT LIABILITIES	As at March 31, 2021
	Advances from customers	577.21
	Statutory dues (including provident fund and tax deducted at source)	1,546.96
	Others	0.38
	TOTAL	**2,124.55**

(Rs. in lakhs)

24	PROVISIONS (CURRENT)	As at March 31, 2021
	Provision for litigations and disputes (Refer note below)	249.86
	TOTAL	**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 Group. The Group is contesting the said order before the High Court.

(Rs. in lakhs)

25	EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)	As at March 31, 2021
	Provision for employee benefits (Refer Note 32A):	
	Provision for compensated absences	81.93
	TOTAL	**81.93**

(Rs. in lakhs)

26	INCOME TAX LIABILITY	As at March 31, 2021
	Income tax liability (net of advance tax of Rs. 1,335.34 lakhs)	150.76
	TOTAL	**150.76**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

27	CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS	As at March 31, 2021
a)	Claim against the Group not acknowledged as debts	
	Demand contested by the Group	
	- Sales tax	396.14
	- Excise duty	1,251.97
	- Service tax	2,069.15
	- Custom duty	451.55
	- Labour cases	79.50
	- Other cases	909.02
	TOTAL	**5,157.33**

b) A sum of 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 Group is contesting the said Order before the High Court.

c) In respect of retrospective revision (August 2012 to January 2018) of electricity duty the Group has received a demand of Rs. 1,472 lakhs from Paschim Gujarat Vij Group Limited. The Group has filed a writ petition with the High Court. Management believes that the probability of the above matter converting into a liability for the Group is remote basis various precedents and applicable laws. As per the direction received from High Court, the Group has deposited Rs. 500 lakhs as fixed deposit with the High Court in July 2018.

d) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities.

e) **Capital commitments :**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 313.40 lakhs.

(Rs. in lakhs)

28	REVENUE FROM OPERATIONS	Year ended March 31, 2021
	Sale of product (Refer note 42)	50,059.22
	Other Operating Revenue	
	Scrap sales	165.01
	Miscellaneous income	58.02
	TOTAL	**50,282.25**

(Rs. in lakhs)

29	OTHER INCOME	Year ended March 31, 2021
	Interest income	312.49
	Net gain on foreign currency transactions and translations	42.14
	Provision for Doubtful Debt written back (net) (Refer note 11 and 15)	2.05
	Insurance Claim (Refer Note - 50)	187.83
	Miscellaneous income	87.67
	TOTAL	**632.18**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

30	COST OF MATERIAL CONSUMED	Year ended March 31, 2021
	Raw material consumed	
	Opening inventory	650.76
	Add: Purchases and incidental expenses (including cost of raising and transporting lime stone Rs. 5,056.53 lakhs)	9,308.41
	Less: Closing inventory	513.14
	Cost of raw material consumed during the year	**9,446.03**
	Packing material consumed	
	Opening inventory	220.40
	Add: Purchases and incidental expenses	1,655.47
	Less: Closing inventory	231.20
	Cost of packing material consumed during the year	**1,644.67**
	TOTAL	**11,090.70**

(Rs. in lakhs)

31	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	Year ended March 31,2021
	(Increase) in stocks	
	Stock at the end of the year	
	Work in progress	3,859.07
	Finished goods	399.10
	TOTAL A	**4,258.17**
	Less: Stock at the beginning of the year	
	Work in progress	2,072.57
	Finished goods	733.76
	TOTAL B	**2,806.33**
	(Increase) in stocks (B-A)	**(1,451.84)**

(Rs. in lakhs)

32	EMPLOYEE BENEFITS EXPENSES	Year ended March 31,2021
	Salaries, wages and bonus	3,311.30
	Contribution to provident and other funds:	
	Provident fund [Refer Note 33A(i)]	172.85
	Superannuation fund [Refer Note 33A(i)]	25.70
	Gratuity [Refer Note 32A(ii)]	9.76
	Expenses on Employees Stock Options Scheme (Refer Note 18 & 47)	78.12
	Staff welfare expenses	64.74
	TOTAL	**3,662.47**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

32A EMPLOYEE BENEFIT OBLIGATIONS:

i) Defined-contribution plans

The Group 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 Group's policy.

(Rs. in lakhs)

Amount recognised in Consolidated Statement of Profit and Loss	**Year ended March 31,2021**
Provident fund	172.85
Superannuation fund	25.70

ii) Defined-benefits plans

The Group 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 Group'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 Group. The gratuity plan is a funded plan and is administrated through a trust namely Shree Digvijay Cement Co. Ltd. Employee Gratuity Fund.

Amount recognised in Consolidated Statement of Profit and Loss **(Rs. in lakhs)**

Particulars	**Year ended March 31,2021**
Current service cost	77.09
Past service cost	(92.12)
Interest on defined benefit obligation/(asset) (net)	24.79
Total amount recognised in Consolidated Statement of Profit and Loss	**9.76**

Amount recognised in other comprehensive income: **(Rs. in lakhs)**

Particulars	**Year ended March 31,2021**
Remeasurement during the period due to:	
Loss from change in financial assumptions	5.59
Experience losses	53.15
Actuarial (gains) on plan assets	(0.56)
Total amount recognised in Other Comprehensive Income	**58.18**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

Present value of defined benefit obligation : [Gratuity -Funded Plan] **(Rs. in lakhs)**

Particulars	As at March 31,2021
Balance at the beginning of the year	1,132.12
Current service cost	77.09
Past service cost	(92.12)
Interest on defined benefit obligation	68.54
Remeasurement due to:	
Loss from change in financial assumptions	5.59
Experience losses	53.15
Benefit paid	(82.47)
Balance at the end of the year	**1,161.90**

Fair value of plan assets: **(Rs. in lakhs)**

Particulars	As at March 31,2021
Balance at the beginning of the year	710.23
Contributions by employer	65.00
Interest income	43.76
Benefits paid	(82.47)
Actuarial losses on plan assets	0.55
Balance at the close of the year	**737.07**

Assets and Liabilities recognised in the Consolidated Balance Sheet: **(Rs. in lakhs)**

Particulars	As at March 31,2021
Present value of funded obligations	1,161.90
Fair value of plan assets	(737.07)
Deficit of funded plan	**424.83**
Non-current (Note 20)	424.83
Current	-

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

Particulars	As at March 31,2021
Government of India securities	25%
Corporate bonds	7%
Insurance managed fund	65%
Others	3%
	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

Actuarial Assumptions:

Particulars	As at March 31,2021
Discount rate	6.35%
Salary growth rate	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:

Impact on defined benefit obligation as on March 31, 2021	Increase in assumptions	Decrease in assumptions
Discount rate (%)	-2.36%	2.47%
Discount rate (Rs. In lakhs)	1,134.44	1,190.06
Salary growth rate (%)	2.42%	-2.34%
Salary growth rate (Rs. In lakhs)	1,190.01	1,134.74

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	Amount
Gratuity	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 Group 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 4.83 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, 2021
1st following year	167.29
2nd following year	195.66
3rd following year	227.83
4th following year	145.11
5th following year	159.87
Sum of 6th to 10th following year	758.79

v) **Other long term employee benefits :** **(Rs. in lakhs)**

Particulars	As at March 31, 2021
Non-current (Note 20)	436.21
Current (Note 25)	81.93
Total	**518.14**

Note: The above classification is based on actuary's report.

Actuarial Assumptions:

Particulars	As at March 31, 2021
Discount rate	6.35%
Salary growth rate	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 Group 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 Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

33	FINANCE COSTS	Year ended March 31, 2021
	Interest on short term borrowings	13.93
	Interest on income tax	20.34
	Interest to others	31.39
	Unwinding of discount on provision	53.12
	Unwinding of discount on lease liability	5.78
	Other finance cost	34.83
	TOTAL	**159.39**

(Rs. in lakhs)

34	DEPRECIATION AND AMORTISATION EXPENSES	Year ended March 31, 2021
	Depreciation on property, plant and equipment [Refer note 3]	2,597.00
	Amortisation on intangible assets [Refer note 4(A)]	56.45
	Amortisation on Right-of-use asset (Lease) [Refer note 4(A)]	29.84
	TOTAL	**2,683.29**

(Rs. in lakhs)

35	OTHER EXPENSES	Year ended March 31, 2021
	Consumption of stores and spare parts	1,459.23
	Repairs to building	182.78
	Repairs to machinery	1,162.17
	Sales commission	832.15
	Advertisement and publicity expenses	103.82
	Insurance	138.61
	Rent (including lease rent) (Refer note 43)	81.47
	Rates and taxes	59.96
	Printing, stationery and communications expenses	32.86
	Travelling expenses	144.60
	Legal and professional fees	538.93
	Equipment hire charges	296.01
	Loss on sale / write-off of property, plant and equipments (net)	55.28
	Provision for slow / non-moving stores and spares	31.17
	Directors sitting fees	28.00
	Directors commission	15.00
	Payment to auditors	
	As auditor:	
	Audit fees (Including limited review)	22.00
	Tax audit fees	1.50
	Certification	0.75
	Reimbursement of expenses	1.76
	Expenditure towards corporate social responsibility (CSR) activities (Refer Note 44)	67.19
	Miscellaneous expenses	307.22
	TOTAL	**5,562.46**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

36 SEGMENT INFORMATION

The Group'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 Group does not have revenue from customer located outside India during the year. The Group 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.

37 RELATED PARTY DISCLOSURES:

37a Names of the related parties and nature of relationship:

i) Where control exists

Holding Entity :
True North Fund VI LLP

iii) Key Management Personnel
Mr. Anil Singhvi (Executive Chairman)
Mr. KK Rajeev Nambiar (CEO and Managing Director)
Mr. Pramod Kabra (Director)
Mr. Mahesh Gupta (Independent Director)
Ms. Mini Menon (Independent Director)
Mr. Satish Kulkarni (Independent Director) (with effect from June 02,2020)

iii) Trust
Shree Digvijay Cement Co. Ltd. Employees' Gratuity Fund

37b Details of Transactions with related Parties: **(Rs. in lakhs)**

Nature of Transactions	Holding Entity	Other Related Parties	Total
Dividend Paid	1,225.50	-	1,225.50
Contribution made to Trust	-	65.00	65.00

37c Compensation of key managerial personnel **(Rs. in lakhs)**

Related Parties	Year ended March 31,2021
Employee benefits to CEO and managing director & Chairman	593.78
Commission to independent directors	15.00
Directors' sitting fees to independent directors	28.00
Total	**636.78**

Key Management Personnel Compensation

Provision for gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

38 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, 2021
Financial Assets	
Loans (non-current)	30.94
Other non-current financial assets	8.94
Trade receivables	1,072.19
Cash and cash equivalents	5,142.13
Other bank balances	7,246.10
Loans (current)	42.54
Other current financial assets	223.43
Total Financial Assets	**13,766.27**
Financial Liabilities	
Trade payables	5,117.51
Other financial liabilities	2,696.38
Total Financial Liabilities	**7,813.89**

(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 Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of term deposits and interest there on, trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short-term nature.

39 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group'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 Group is foreign exchange risk and interest rate. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

39A 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 forimpairment. The maximum exposure to credit risk was Rs. 1,072.19 lakhs as of March 31, 2021.

Trade receivables are derived from revenue earned from customers. Credit risk for trade receivable is managed by the Group through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Group grants credit terms in the normal course of business. Further, there are customers covered either by security deposits or bank guarantee. The Group's credit period generally ranges from 0-30 days. Two customers have the total exposure in receivables Rs. 380.25 lakhs as of March 31, 2021.

As per simplified approach, the Group 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 Group'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 Group's historical loss experience; and changes in credit risk and capital availability of the Group's customers resulting from economic conditions. The Group 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	> 120 days	Total
Gross carrying amount	1,072.19	7.87	1,080.06
Expected loss rate	0%	100%	0.73%
Expected credit losses (Loss allowance provision)	-	7.87	7.87
Carrying amount of trade receivables (net of impairment)	**1,072.19**	**-**	**1,072.19**

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 Group also reviews their credit-worthiness on an on-going basis.

39B LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group 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 Group's Liquidity and Financial Indebtedness Management Policy, which aims to ensure the availability of sufficient net funds to meet the Group'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 Group has undrawn borrowing facilities of Rs. 4,665.62 lakhs as at March 31, 2021. Undrawn credit facilities comprises of fund based and non-fund based.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

(ii) Maturities of financial liabilities

The following table shows the maturity analysis of the Group's 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, 2021			
Trade payables	5,117.51	-	**5,117.51**
Other financial liabilities	2,694.69	1.69	**2,696.38**
Total Liabilities	**7,812.20**	**1.69**	**7,813.89**

40 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group'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 Group, Management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

The Group considers total equity reported in the consolidated financial statements to be managed as part of capital.

The Group 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, 2021
Total Debt	-
Less : Cash and cash equivalents	5,142.13
Adjusted net debt	**(5,141.13)**
Equity share capital	14,229.30
Other equity	16,873.25
Total equity	**31,102.55**
Adjusted net debt to equity ratio	**-**

41 EARNINGS PER SHARE (EPS)

Particulars	Year ended March 31, 2021
Profit after tax (Rs. in lakhs)	5,395.99
Weighted average number of shares outstanding for basic EPS (In lakhs)	1,422.92
Add: Potential Equity Shares on exercise of options (In lakhs)	51.67
Weighted average number of shares outstanding for diluted EPS (In lakhs)	1,474.59
Nominal value per share (In Rs.)	10.00
Basic earning per share (In Rs.)	3.79
Diluted earning per share (In Rs.)	3.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

42 Reconciliation of the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price:

(Rs. in lakhs)

Particulars	**Year ended March 31, 2021**
Revenue as per contracted price	51,071.84
Adjustments :	
Rebates & Discounts	1,012.62
Revenue from contract with customers	**50,059.22**

Disaggregation of revenue

The management determines that the segment information reported under Note 36 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 Group 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.

43 LEASES

As a lessee:

As a lessee, the Group entered in to leases agreement for many assets including property, production equipment and IT equipment. The Group 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 31,2021
Lease payments recognised in the Consolidated Statement of Profit and Loss during the year	81.47

(Rs. in lakhs)

Lease Liabilities on account of adoption of Ind AS 116	**As at March 31,2021**
Balance at the beginning of the year	**34.93**
Add: Addition during the year	30.88
Finance costs incurred during the year	5.78
Payments of Lease liabilities	(44.06)
Balance at the end of the year	**27.53**
Current	1.69
Non- Current	25.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

44 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

(Rs. in lakhs)

PARTICULARS	Year ended March 31,2021
Gross amount required to be spent by the Group during the year	67.19
Amount spent during the year on:	
i) Construction / acquisition of asset	9.84
ii) On purposes other than (i) above	105.15
Total amount spent	**114.99**
Closing Balance (Refer Note below)	**47.80**

Note: Excess amount spent under CSR have been disclosed in Note-16 as pre-paid expenses.

45 DUES TO MICRO AND SMALL ENTERPRISES

The Group 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, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	20.92
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 Group and the same has relied upon by the auditors.

46 The Group 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 Group 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

47 SHARE BASED PAYMENTS (Ind AS 102)

(A) The Group has granted 70,60,000 options during the FY 2019-20 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 (Refer Note 47(D))	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 Group's and individual performance and time as per Grant Letter

(B) Fair Valuation

70,60,000 share options were granted during the year March 31, 2020 with vesting plan of 20%, 30%, 30% and 20% basis each year. Weighted average fair value of the options granted is Rs. 3.06 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 August 05, 2019 :

Risk Free Rate	6.39%
Expected annual volatility	40.62%
Dividend Yield	Nil

(D) Movement of Options Granted :

	As at March 31,2021
Outstanding at the beginning of the year	70,60,000.00
Granted during the year	-
Vested during the year	14,12,000.00
Exercised during the year	9,17,998.00
options expired (due to resignation & retirement)	1,20,000.00
Outstanding at the end of the year	**60,22,002.00**
Options exercisable at the end of the year	4,94,002.00

48 Principles of Consolidation

These Consolidated Financial Statements (CFS) are prepared in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110) and "Disclosure of interests in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

Wholly owned subsidiary

On July 28, 2020, SDCCL Logistics Limited was incorporated as a wholly owned subsidiary of the Company, having paid up capital of Rs.1,00,000 (10,000 equity shares of Rs.10 each). With the incorporation of subsidiary, the Group is required to prepare consolidated financial statements for the first time for the year ended March 31, 2021. Ind AS schedule III requires that except in case of first financial statements laid before the company after incorporation, the corresponding amounts (i.e. comparatives) for the immediately preceding period are to be disclosed in the financial statements including notes to accounts. Accordingly, the Group has presented consolidated financial statements for the year ended March 31, 2021 with no comparative figures since this being the first year of consolidation.

49 Additional Information as required by Paragraph 2 of Part III - General Instruction for Preparation of CFS of Schedule III of the Companies Act, 2013.

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in Total Comprehensive Income (TCI)		Share in Other Comprehensive Income (OCI)	
	% of consolidated net assets	Rs. In lakhs	% of consolidated profit/(loss)	Rs. In lakhs	% of consolidated OCI	Rs. In lakhs	% of consolidated TCI	Rs. In lakhs
Parent	100.01%	31,105.73	100.06%	5,399.17	100%	(37.85)	100.06%	5,361.32
Wholly owned subsidiary								
SDCCL Logistics Limited	(0.01%)	(3.18)	(0.06%)	(3.18)	-	-	(0.06%)	(3.18)

50 On June 01, 2020 the turbine and generator of Waste Heat Recovery plant got damaged due to an incident. The Group had lodged insurance claim for recovering cost of damage to the equipments and loss of profit on account of increase in power cost. The Group had accounted for Rs. 261 lakhs (Rs. 187.83 lakhs as against machinery break down claim and Rs. 73.17 lakhs as reimbursement of power cost against the additional cost of power). Out of which Rs. 187.83 lakhs have been received on account of machinery break down claim. The balance of the claim is under consideration with insurance Company.

51 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 Group 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 Group will continue to monitor any material changes to future economic conditions.

The notes are an integral part of these consolidated financial statements.

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

Jeyur Shah
Partner
Membership No.: 045754

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of the Board of Directors

Anil Singhvi
Executive Chairman
DIN: 00239589

KK Rajeev Nambiar
CEO & Managing Director
DIN: 07313541

Suresh Kumar Meher
VP (Legal) &
Company Secretary

Mahesh Gupta
Independent Director
DIN: 00046810

Vikas Kumar
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Place: Digvijaygram
Date: April 28, 2021

Form AOC-1
(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries, Associates And Joint Ventures

Part A: Wholly Owned Subsidiary (WOS)

Amount (in Rs.)

Sr.	Particulars	Details
1	Name of the wholly owned Subsidiary	SDCCL Logistics Limited (CIN :U63000GJ2020PLC115066)
2	The date since when Subsidiary was Incorporated	28th July, 2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Upto 31st March, 2021 (28th July, 2020 to 31st March, 2021)
4	Reporting Currency and Exchange Rate as on the last date of the relevant financial year in case of foreign subsidiaries	NA
5	Share Capital	1,00,000
6	Other Equity	(3,18,000)
7	Total Assets	1,00,000
8	Total Liabilities	1,00,000
9	Investments	-
10	Turnover	-
11	Profit before Taxation	(3,18,000)
12	Provision for Taxation	-
13	Profit after Taxation	(3,18,000)
14	Proposed Dividend	-
15	% of Shareholding	100%

Part B: Associates and Joint Ventures :

The Company does not have any Associates or Joint Ventures, hence the requirements under this part is not applicable to the Company.

For and on behalf of the Board of Directors

Place : Mumbai /Digvijaygram	Anil Singhvi Chairman	KK Rajeev Nambiar CEO & Managing Director	Vikas Kumar CFO	Suresh Meher V.P. (Legal) & Company Secretary
Date : 28th April, 2021				

NOTE

Glimpses of CSR activities:

Focus on sanitation

Distribution of school kits and mobiles to students

Stitching of masks and other tailoring activities for women empowerment

Focus on Plantations at Plant & Company

Medical / polio vaccination camps

KAMAL CEMENT

KAMAL CEMENT

SINCE 1944

76 YEARS OF UNWAVERING TRUST

SHREE DIGVIJAY CEMENT CO. LTD.

KAMAL CEMENT
SINCE 1944

WHEN YOUR REQUIREMENT IS UNIQUE

WE HAVE SOLUTIONS FROM OUR SPECIALITY PRODUCT

www.digvijaycement.com

KAMAL
CEMENT

BREAK
THE CHAIN

Together we can fight
Coronavirus!

GET
Vaccinated

Wear Mask · **Use Hand Sanitiser** · **Keep Social Distance** · **Avoid Crowds**

Be informed. Be prepared. Be smart. Be safe.
Be ready to fight ***COVID***

KAMAL CEMENT
SINCE 1944

SHREE DIGVIJAY CEMENT COMPANY LIMITED

CIN: L26940GJ1944PLC000749

Digvijaygram – 361 140

Dist. Jamnagar (Gujarat)

Telephone : (0288) 2344 272 - 2344 275

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

E-mail : investors.sdccl@digvijaycement.com

Website :www.digvijaycement.com

Pratiksha PRINTER