

KAMAL CEMENT

SHREE DIGVIJAY CEMENT CO. LTD.

(A VOTORANTIM GROUP COMPANY)



69th Annual Report and Accounts 2013



Votorantim

CONTENTS

Notice.....	2
Directors' Report	6
Management Discussion & Analysis	8
Report on Corporate Governance	12
Shareholder Information.....	16
Independent Auditors' Report	19
Balance Sheet.....	22
Statement of Profit and Loss	23
Cash Flow Statement	24
Notes to the Financial Statements.....	26
Attendance Slip / Form of Proxy	

SHREE DIGVIJAY CEMENT CO. LTD.

BOARD OF DIRECTORS

Mr. A. K. Chhatwani – Chairman
(From 24th April 2013)

Mr. A. Kumaresan
(From 5th June 2013)

Mr. Osvaldo Ayres Filho

Mr. Carlos Eduardo de Arruda Boggio

Mr. Sven Erik Oppelstrup Madsen

Mr. Chain Singh Jasol – Whole-time Director
(From 1st November 2013)

INTERIM CFO & COMPANY SECRETARY

Mr. S. N. Malpani

EXECUTIVES

Mr. Sanjay Tyagi – Asst. V. P. (Tech.)

Mr. Sandeep Anand – Asst. V. P. (S.C.M.)

Mr. Pravin Swamy – Asst. V. P. (H.R.)

Mr. P. R. Singh – G.M (Mktg.)

AUDITORS

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

COST AUDITORS

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

REGISTERED OFFICE AND WORKS

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

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Unit – Shree Digvijay Cement Co. Ltd.)
C-13, Pannalal Silk Mill Compound,
LBS Marg, Bhandup (West),
Mumbai 400 078

SHREE DIGVIJAY CEMENT CO. LTD.

NOTICE

NOTICE is hereby given that the **Sixty-ninth** Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT COMPANY LIMITED** will be held at the Registered Office of the Company at **DIGVIJAYGRAM** 361 140 Via: Jamnagar, Gujarat on Wednesday, the 23rd April, 2014 at 02:15 PM to transact with or without modifications as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Profit and Loss Account for the year ended 31st December, 2013 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to Article 149 of the Articles of Association of the Company and Section 262 of the Companies Act, 1956 Mr. A. K. Chhatwani, who was appointed by the Board of Directors to fill the casual vacancy on the Board caused by the resignation of Mr. Leonard D' Costa, and is eligible for reappointment as a Director, and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation”

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

“RESOLVED THAT pursuant to Article 149 of the Articles of Association of the Company and Section 262 of the Companies Act, 1956 Mr. A. Kumaresan, who was appointed by the Board of Directors to fill the casual vacancy on the Board caused by the resignation of Mr. Napoleon de la Colina, and is eligible for reappointment as a Director, and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation”.

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

“RESOLVED THAT pursuant to Article 149 of the Articles of Association of the Company and Section 262 of the Companies Act, 1956 Mr. Carlos Eduardo de Arruda Boggio, who was appointed by the Board of Directors to fill the casual vacancy on the Board caused by the resignation of Mr. Luis Miguel Da Ponte Alves Fernandes, and is eligible for reappointment as a Director, and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) read with Schedule XIII thereto as amended up to date and all guidelines issued by the Central Government from time to time, the Company hereby accords its approvals, for appointment of Mr. Chain Singh Jasol as Whole-time Director of the Company for a period of two years with effect from 1st November, 2013 on remuneration and perquisites as specified in the explanatory statement attached to this Notice and that the said remuneration shall be paid to him as Minimum Remuneration in the event of the Company has no profit or its profits are inadequate in any financial year.

“RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorized to alter amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Chain Singh Jasol within such guidelines or amendments as may be made to the Companies Act, 1956, and/or the Companies Act, 2013 and subject to such approvals as may be required.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and supplemental to the Ordinary Resolution passed at the 63rd Annual General Meeting of the Company held on 15th September, 2008 under Section 293(1)(d) of the Companies Act, 1956, as was applicable at the relevant time, the consent, approval and

ratification of the Company be and is hereby accorded to the Board of Directors of the Company to borrow at any time such sum or sums of money in such manner as may be required for the purpose of business of the Company with or without security and upon such terms and conditions as may think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business) may exceed aggregate of the paid up capital of the Company and its free reserves, that is to say reserve not set apart for any specific purpose provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 500 crores (Rupees Five hundred Crores).

“RESOLVED FURTHER THAT the aggregate borrowing of ₹ 3094.94 lacs, borrowed under Section 293(1) (d) of the Companies Act, 1956 from CITI Bank NA under Buyers credit arrangements after 12th September, 2013 under the authorization given by the Company vide resolution passed at the 63rd Annual General Meeting as stated above be and is hereby approved and ratified under Section 180(1)(c) of the Companies Act, 2013.”

By Order of the Board

Place: Mumbai
Date : 27th February, 2014

S. N. Malpani
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND THE PROXY NEED NOT BE A MEMBER.**
- The instrument appointing a proxy should however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- An explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items no. 3 to 7 of the Notice as set out above, is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from 15th April, 2014 to 23rd April, 2014 (both days inclusive).
- Members can avail facility of nomination in respect of shares held by them in physical form and may send their Nomination Form duly filled in to the Company.
- Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is attached hereto.

By Order of the Board

Place: Mumbai
Date : 27th February, 2014

S. N. Malpani
Company Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item Nos. 3 to 5

Mr. A. K. Chhatwani, Mr. A. Kumaresan and Mr. Carlos Eduardo de Arruda Boggio were appointed as directors by the Board of Directors of the Company to fill the casual vacancy caused by the resignation of Mr. Leonard D 'Costa, Mr. Napoleon de la Colina and Mr. Luis Miguel Da Ponte Alves Fernandes respectively. Pursuant to Section 262 of the Companies Act, 1956 and article 149 of the Articles of Association of the Company, Mr. A. K. Chhatwani, Mr. A. Kumaresan and Mr. Carlos Eduardo de Arruda Boggio will cease to hold their office of director at the ensuing Annual General Meeting. Notices have been received from members, together with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidatures of Mr. A. K. Chhatwani, Mr. A. Kumaresan and Mr. Carlos Eduardo de Arruda Boggio for the

office of the Directors of the Company. In view of the wide experience in the Corporate Management, it is considered desirable that the Company should avail the benefits of their association with the Company. Their appointment as directors is therefore recommended.

Mr. A. K. Chhatwani and Mr. A. Kumaresan are Independent Directors. Under Section 149 (10) of the Companies Act, 2013, the Independent Director shall hold office for a term up to five consecutive years on the Board of the Company. However, since the provisions of this section are yet to be made effective, the appointment of Mr. A. K. Chhatwani and Mr. A. Kumaresan is proposed to be made under the provisions of Section 255 and Section 256 of the Companies Act, 1956, liable to retire by rotation in terms of the existing provisions of the Companies Act, 1956 as aforesaid.

SHREE DIGVIJAY CEMENT CO. LTD.

Mr. A. K. Chhatwani, Mr. A. Kumaresan and Mr. Carlos Eduardo de Arruda Boggio are interested in the resolution.

Item No. 6

Mr. Chain Singh Jasol working with the Company as Sr. Vice President (PA & Mines) was appointed as a Whole-time Director of the Company by the Board of Directors of the Company in their meeting held on 31st October, 2013 subject to the approval of the shareholders. The abstract of the terms of appointment of Mr. Chain Singh Jasol as Whole-time Director under Section 302 of the Companies Act, 1956 was sent to the shareholders on 14th November, 2013. The remuneration and other terms and conditions of his appointment, as approved by the Board of Directors on the recommendation of the Remuneration Committee of Directors are as under:

1. **Period of Appointment:** For a period of two years with effect from 1st November, 2013.
2. **Remuneration:**
 - A. **Emoluments:** ₹ 4,500,000/- [Rupees Forty five lacs] per annum, interalia covering the following specified payments and statutory allowances and the remaining balance to be bifurcated under various heads in mutual consent with the appointee in line with the Company's governing Rules:
 - a. **Basic salary:** ₹ 2,500,000/- [Rupees Twenty five lacs] per annum, with such increase as the Board/Committee of Directors may decide from time to time.
 - b. **Contribution toward Provident fund:** @12% of the basic salary [subject to the revision in line with the notification(s) as may be promulgated by the Government during the tenure of the appointment].
 - c. **Contribution towards Superannuation account:** @15% of the basic salary. On the proposed basic, contribution to provident fund and to superannuation fund, it will be at ₹ 6, 75,000/- together annually.
 - d. **Leave Travel Concession:** ₹ 50,000/- annually.
 - e. **Medical Expenses reimbursement:** up to ₹ 16,000/- annually
 - B. **Variable pay system of the Company:** Based on the achievement of pre-established goals, he will be entitled with a compensation of 40% of emoluments (annual base). Overachievement is

allowed up to 150% of objectives achievement which could represent a maximum of 60% of emoluments.

3. Other benefits:

- a) Fully furnished residential accommodation.
- b) One Company Car with chauffeur and fuel for office use.
- c) PDA + Laptop.
- d) Free medical and hospitalization insurance for self, wife and dependent parents.
- e) Leave and Gratuity: As per the rules of the Company.

4. Taxation:

He will be bearing the entire tax liability on the income from the employment.

This appointment may be terminated by either party giving to the other party 90 days' notice of such termination or payment of basic salary in lieu thereof.

Where in any financial year, the Company has no profit or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid or given to Mr. Chain Singh Jasol subject to the applicable provisions of Schedule XIII of the said Act. Further, Mr. Jasol shall not be paid any sitting fee to attend Board/Committee meetings of the Directors.

None of the Directors except Mr. Jasol is interested or concerned in the proposed resolution.

Mr. Jasol has requisite experience and qualifications and is competent to shoulder this responsibility. The Board recommends the resolution for approval of the shareholders.

The remuneration and other terms and conditions of his appointment as approved by the Board of Directors on the recommendation of the Remuneration Committee of Directors is available for inspection by the Members at the Registered Office of the Company during the business hours on any working day prior to the date of the meeting.

Information required under Clause (IV) of the proviso to paragraph 1(C) of section II of part II of Schedule XIII of the Companies Act, 1956.

I General Information

1. **Nature of Industry**

The Company is engaged in manufacture and sale of Clinker and Cement.
2. **Year of commencement of commercial production:**

Since 1951

3. In case of new Companies, expected date of commencement of activities:

Not applicable, as the Company is an existing Company.

4. Financial performance based on given indicators:
(₹ In lacs)

Years	2013	2012	2011
Turnover (Gross)	37287	42918	37060
Profit/(loss) before Tax	(3469)	5093	945
Profit/(Loss) after Tax	(3552)	4126	945

5. Export Performance and foreign exchange collaborations:

The FOB Value of export was ₹ NIL in the year 2011, ₹ 2.45 lacs in the year 2012 and ₹ NIL in the year 2013.

6. Foreign investments or collaborators if any.
NIL

II Information about appointee:

1. Background details:

Mr. Chain Singh Jasol is of 58 years in age and is qualified as B. A. (Hons.), M. A. and Diploma in Business Management with requisite experience.

2. Past Remuneration:

Mr. Chain Singh Jasol has joined this Company on 16th June, 1983 and has been paid remuneration of ₹ 47.97 lacs for the financial year 2013, which includes remuneration paid to him in his capacity as Sr. Vice President [PA and Mines].

3. Recognition or awards/job profile and his suitability:

With requisite experience and qualifications, the Board is of the opinion that he is suited for the position.

4. Remuneration proposed:

As set out above.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The remuneration of Mr. Chain Singh Jasol is not out of tune with the remuneration in similar sized industries in the same segment of business.

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

Other than the remuneration stated above, Mr. Chain Singh Jasol has no other pecuniary relationship directly or indirectly with the Company.

III. Other Information:

Reasons for inadequate profits/steps taken for improvement etc.

Elaborated in Directors' Report and Management Discussions and Analysis.

Item No. 7

The consent of the shareholders of the Company was given to the Board of Directors (Board) of the Company under Section 293(1)(d) of the Companies Act, 1956 vide an Ordinary Resolution passed in the 63rd Annual General Meeting of the Company held on 15th September, 2008, inter alia authorizing the Board to borrow, at any time, such sum or sums of money in any manner, as may be required for the purpose of the business of the company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of the business of the Company), within an overall limit of not exceeding ₹ 500 crores (Rupees Five hundred Crores only) outstanding at any time. The Company's outstanding borrowings at the end of the financial year 2013, including the fresh borrowing of ₹ 3094.94 lacs availed during the year under report from CITI Bank NA under "Buyers Credit arrangement" are within an overall limit of said ₹ 500 crores, authorized by the Shareholders as stated herein. Since the Section 180(1)(c) of the Companies Act, 2013 which is relevant with the said borrowings being effective from 12th September, 2013 the overall borrowing limit of ₹ 500 crores (Rupees Five hundred Crores only), together with the Buyers Credit arrangement availed by the Company is commended for ratification and approval by the shareholders under Section 180 (1) (C) of the Companies Act, 2013.

By Order of the Board

Place: Mumbai
Date : 27th February, 2014

S. N. Malpani
Company Secretary

SHREE DIGVIJAY CEMENT CO. LTD.

DIRECTORS' REPORT

Dear Shareholders

Your Directors present the 69th Annual Report together with the Audited Accounts of the Company for the year ended 31st December, 2013.

FINANCIAL RESULTS

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

(₹ In lacs)

	Current Year Ended 31.12.2013	Previous Year Ended 31.12.2012
Gross Turnover	37263	42918
Profit/(Loss) before Interest Depreciation, Exceptional Items & Tax [PBITD]	(472)	4969
Less: Interest	263	104
Less: Depreciation	1319	987
Profit/(Loss) after Interest & Depreciation but before Exceptional Item & Tax	(2054)	3878
Add/(Less): Exceptional Item	(1415)	1215
Profit from ordinary activities before Tax	(3469)	5093
Less: Provision for Current Tax(MAT)	(83)	(967)
Net Profit/(Loss) for the year	(3552)	4126
Balance brought forward from previous year	(484)	(4610)
(Loss) Carried Over	(4036)	(484)

(Previous figures have been regrouped wherever necessary)

FINANCIAL PERFORMANCE

The working results depict a set back in operation. The fall in Turnover is attributable to low off take of cement coupled with fall in unit realization with consequential impact on PBITD.

Other items of the working results are dealt with under Management Discussion and Analysis, forming part of the Report.

DIVIDEND

In view of the negative performance and accumulated losses, the Board of Directors does not recommend any dividend on Share Capital.

PRODUCTION AND SALES

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

(In lacs MT)

	Current Year Ended 31.12.2013	Previous Year Ended 31.12.2012
Production		
• Clinker	7.30	7.47
• Cement	8.94	9.26
Sales		
• Clinker	0.00	0.00
• Cement	8.95	9.30

Output of the Clinker and Cement during the year 2013 was 7.30 lacs MT and 8.94 lacs MT respectively as against 7.47 lac MT and 9.26 lac MT in 2012.

Though the Clinker production during the year under report is comparable with the previous year but the same has been adversely affected due to inconsistency in plant operations more particularly in the last quarter of the year due to unprecedented heavy rainfall. Production of Cement was circumscribed by limitations on sales front.

The Company is taking major steps for stability in production line with improved capacity utilization. The benefit thereof is expected to be reflected during part of the year 2014 onwards.

DIRECTORS

Mr. A. K. Chhatwani, Mr. A. Kumaresan and Mr. Carlos Boggio the directors of the Company who retire by rotation under Article 167 of the Articles of Association of the Company are available for appointment.

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

AUDITORS' REPORT

The observations made in the Auditors' Report are self explanatory and do not call for any further comments u/s 217(3) of the Companies Act, 1956.

AUDITORS

Your Directors request you to appoint Auditors for current accounting year and fix up their remuneration. M/s. Price Waterhouse, Chartered Accountants, Mumbai, the existing Auditors of the Company retiring at the ensuing Annual General Meeting are available for a fresh term and have furnished certificate of their eligibility for re-appointment.

COST AUDITORS

Pursuant to Section 233B of the Companies Act, 1956, your Directors have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the Cost Audit for the year ended 31st December 2013. The appointment has been approved by the Central Government.

PARTICULARS OF EMPLOYEES

The particulars of employee required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time forms part of this report. However in pursuance of Section 219(1)(b)(iv) of the Act, this report is being sent to all shareholders of the Company excluding the aforesaid information and the said particulars are available at the Registered Office of the Company. The members interested in obtaining such particulars may write to the Secretarial Department at the Registered Office of the Company.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information relating to conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, required under Section 217(1) (e) of the Companies Act, 1956 are annexed and form part of this report.

HUMAN RESOURCES

Your Company encourages and provides regular training to employees to improve skills. Your Company has performance appraisal system for senior employees and junior management staff. In-house news letters provide forum for information sharing. Rewarding individuals for their contribution is part of motivation towards Excellence.

CORPORATE GOVERNANCE

A separate section on Corporate Governance, in line with Clause 49 of the Listing Agreement with the Stock Exchange, forms part of this Report. The relevant Certificate from practicing Company Secretary is annexed and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, Directors subscribe to the "Directors Responsibility Statement" and confirm that:

- (i) in preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the accounting policies have been consistently applied and reasonable, prudent judgment and

estimates are made so as to give a true and fair view of the state of affairs of the Company as on 31st December 2013 and of the profit of the Company for that Year;

- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts of the Company are prepared on a going concern basis.

SOCIAL REPORT

Your Company is regularly working in the areas of Health Care, Education etc. in discharging of its social obligations. During the year under report, it has conducted Medical Camps, Rural Education and various awareness programmes benefiting to the residents of nearby areas, from time to time in partnership with the District Authorities, Village Panchayat etc.

ENVIRONMENT REPORT

Environment conservation – A way of life

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

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

ACKNOWLEDGEMENT

The Directors take this opportunity to express their appreciation for the support and co-operation received from the State and Central Government and Lenders. The Directors also recognize the commitment and dedication of the Company's employees.

For and on behalf of the Board

Sven Erik Oppelstrup Madsen
Director

Chain Singh Jasol
Whole-Time Director

Place : Mumbai

Date : 27th February, 2014

SHREE DIGVIJAY CEMENT CO. LTD.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS & FINANCIAL PERFORMANCE REVIEW

CAPACITY UTILIZATION

	Current Year Ended 31.12.2013	Previous Year Ended 31.12.2012
Installed Capacity (Lac. TPA)	10.75	10.75
Production (Lac TPA)		
Clinker	7.30	7.47
Cement	8.94	9.26
Effective Capacity utilization@	83.17%	86.12%
Sales Volume (Lac Ton)	8.95	9.30
Domestic – Cement	8.95	9.30
Export – Clinker	0.00	0.00
Net Cement Sales Realization (₹/ MT) (Net sales Revenue/ Cement sales qty)	3705	4121

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

FINANCIAL HIGHLIGHTS

(₹ In lacs)

	Current Year Ended 31.12.2013	Previous Year Ended 31.12.2012
Net Sales / Income from Operations	33180	38342
Add: Other operating Income	185	485
Less: Total Expenditure	34256	34230
Profit/(Loss) from operations before other income, interest, Depreciation & Exceptional items	(891)	4597
Add: Other Income	419	372
Profit/(Loss) before interest, Depreciation & Exceptional items	(472)	4969
Less: Interest	263	104
Less: Depreciation	1319	987
Profit/(Loss) after interest, Depreciation but before Exceptional items	(2054)	3878
Add : Exceptional items	(1415)	1215
Profit/(Loss) from ordinary activities before Tax	(3469)	5093
Less: Tax Expenses	(83)	(967)
Net Profit/(Loss) for the year after tax	(3552)	4126

Previous year figures have been regrouped wherever necessary.

NET SALES/INCOME FROM OPERATIONS

The net sales/income from operations decreased by about 13% over previous year mainly because of decreased unit realization and volume.

PROFIT FROM OPERATIONS

Profit from operation has turned negative at ₹ 891 lacs as against profit of ₹ 4597 lacs in the previous year. The composite impact on this front by ₹ 5488 lacs during the year under report has adversely affected the bottom line. Main factors attributable for these upheavals are:

- Lower volume of Cement sales coupled with heavy reduction in net realization.
- Increase in Raw material cost by more than 16% over previous year,
- Increase in Packing cost by 12%, Logistic cost by more than 9% and repairs to plant and machinery and other repairs by about 8%,
- Heavy negative impact on account of foreign exchange loss towards coal import, and
- Inconsistency in plant operations resulting in high operating cost.

There has been considerable savings of about 16% and 13% on power and fuel cost in respectively in comparison with the previous year. However the same was more than eaten away by hefty increase in all round cost escalation coupled with lower sales realization as stated above.

OTHER OPERATING INCOME

Other operating income includes dividend on mutual funds and interest on various deposits.

EXCEPTIONAL ITEMS

During the year under report, the Company had introduced Voluntary Retirement Scheme -2013 ("VRS Scheme") elaborated under the notes forming part of the financial statements. 135 employees had opted for the benefits of this separation scheme resulting in an over- all pay out of ₹ 1415 lacs, appearing under this head.

TAX EXPENSES

The tax expenses of ₹ 83 lacs is net of Deferred Tax.

CASH FLOW ANALYSIS

(₹ In lacs)

	Current Year Ended 31.12.2013	Previous Year Ended 31.12.2012
Source of Cash		
Cash from Operation before working capital changes	(943)	4635
Non-operating Cash flow	400	349

	Current Year Ended 31.12.2013	Previous Year Ended 31.12.2012
Proceeds from borrowings	3104	0
Decrease/(Increase) in Working Capital	218	(2888)
Total	2779	2096
Use of Cash		
Capital Expenditure (net)	2822	1572
Taxes Paid	15	894
Interest paid on borrowings	261	105
Investment (Net) (including income on investment)	(3617)	820
Increase/(Decrease) in Cash equivalents	1883	(80)
Exceptional Items	1415	(1215)
Total	2779	2096

(Previous year figures have been regrouped wherever necessary)

FINANCE

Your Company has availed the buyer's credit facility for ₹ 3095 lacs [Equivalent to 5 million US\$] repayable in May, 2014 from CITI Bank NA.

CAPITAL EXPENDITURE

During the year under report, the Company has incurred capital expenditure of ₹ 2822 lacs for up gradation of Plant, Waste Heat Recovery Power project etc. The Waste Heat Recovery Project was commissioned during the year under report and is expected to yield results in the year 2014. The Company is under process to install various balancing equipment to achieve sustainable plant performance. Under modernization of the plant, Pet Coke Mill is being installed with a capital expenditure of about ₹ 3000 lacs towards process optimization. This project is expected to be commissioned in late 2014/early 2015. With these efforts, the management is confident to achieve improved performance in the year 2015.

SEGMENT REVIEW AND ANALYSIS

It is a single product Company

OUTLOOK

Looking at the prevailing scenario, anticipated good monsoon and ongoing developmental activities in Infrastructural segment, the demand for Cement in the year 2014 is likely register a moderate growth in the State of Gujarat – the home market for your Company. However, new entrants with increased capacities in the State/ adjoining States will have an adverse effect on overall market share as also on price sentiments.

RISK AND CONCERN

New capacities likely to come in operation can have a significant impact on the quantum of supply over demand and with it the risk of a drop in realization. The volatility in coal and energy prices with corresponding hike in petroleum product can further aggravate the logistic cost.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Industrial relations during the year under report remained cordial. Variable pay scheme is in place to reward employees for their performance, linked with the performance of the Company.

The total number of employees in the rolls of the Company as on 31st December, 2013 was 309. (Previous year as on 31st December, 2012 was 449)

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. Your Company's Risk management framework ensures compliance with the provisions of Clause 49 of the Listing Agreement.

Your Company has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and been acted upon by your Company are: Securing critical resources; ensuring sustainable plant operations; ensuring cost competitiveness including logistics; completion of CAPEX; maintaining and enhancing customer service standards and resolving environmental and safety related issues.

INTERNAL CONTROL SYSTEM

The Company has an appropriate internal control system commensurate with the size of its business. Appropriate internal audit further strengthens internal control system.

CAUTIONARY STATEMENTS

Forward-looking statements are based on certain assumptions and expectations of future events. Actual results may differ from those expressed or implied. Important factors that could influence the Company's operations include demand and supply conditions, availability of inputs and their prices both domestic and global, changes in government regulations, tax laws, natural calamities, monsoon, economic developments within the country and other factors.

For and on behalf of the Board

Sven Erik Oppelstrup Madsen Chain Singh Jasol
Director Whole-Time Director

Place : Mumbai

Date : 27th February, 2014

SHREE DIGVIJAY CEMENT CO. LTD.

Information Under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st December, 2013.

A. CONSERVATION OF ENERGY

a.	Energy conservation measures taken	1	a.	Installation of VFD in Raw Mill ESP Fan.
			b.	Installation of VFD in Cooler ESP Fan.
			c.	Installation of VFD in Atox Coal Mill Exhaust Fan.
		2.	Installation of WHR Power plant. (It is under stabilization phase)	
b.	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	1.	Apron feeder in place of primary crusher vibrator.	
		2.	Bypass duct and expansion joints replacements from GCT to ESP inlet.	
		3.	Replacement of PC & PH down comer duct with support.	
		4.	Replacement PG Bag House SPRS.	
c.	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	Expected saving about ₹ 1400 lacs.		

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

a.	Specific areas in which R & D carried out by the Company.	1.	Company is associated with National Council for Cement & Building Materials for research and development activities.	
		2.	Process study had been carried out by Cimpor Tec –Lisbon and findings had been implemented.	
		3.	In co-operation with Regional Training Centre, technical employees are being trained in various fields where latest technology is being taught and employees are trained to be utilized.	
b.	Benefits derived as a result of the above R & D.	1.	Enhancement of product quality and enhanced consistency of product quality.	
		2.	Manufacturing of special Cements as import substitutes and for specific customers requirements.	
		3.	Motivation towards technical knowledge and competency development of employees.	
c.	Future plan of action	1.	Stabilization operation of Waste Heat Recovery power plant.	
		2.	Increase in quantity of PPC Cement thus consuming more fly-ash and helping in conservation of minerals required for Cement production.	
d.	Expenditure on R & D	1.	Capital Expenditures –	
			NIL	
		2.	Recurring Expenditures –	
		a.	Technical Royalty	₹ 663.12 lacs
		b.	R & D Cess	₹ 33.16 lacs
		c.	Contribution to DCCI Cement Cess	₹ 6.71 lacs
		3.	Total R&D expenditure as a percentage of turnover	1.89%

FORM “A”

Form for disclosure of particulars with respect to Conservation of Energy

		Current Year 2013	Previous Year 2012
A) POWER & FUEL CONSUMPTION:			
1) Electricity:			
(a) Purchased			
Unit KWH	Lacs	561	493
Amount	₹ Lacs	2999	3318
Rate per Unit	₹	5.34	6.73
(b) Own Generation: DG set			
Through Diesel / Furnance Oil Genset			
Units KWH (Gross)	Lacs	277	349
Units per Ltrs of Furnance Oil	Kwh	4.14	4.20
Cost per Unit (Net basis) (Excluded Salary / wages)	₹	11.04	11.06
(c) Own Generation: Waste Heat Recovery (WHR)			
Units KWH (Gross)	Lacs	26	16
Cost per Unit (Net) (excl.salary/wages)	₹	3.15	0.95
2) Coal for Kilns (Various grades)			
Quantity	In Thousand Tonne	111	109
Total Cost	₹ In lacs	6951	7880
Average Rate	₹ Per tonne	6273	7229
3) Furnance Oil (for power generation)			
Quantity	K Ltrs	6707	8313
Total FO Cost	₹ In lacs	2627	3338
Average Rate	₹/ Ltr	39.17	40.16
B) CONSUMPTION PER UNIT OF PRODUCTION:			
	Standard(if any)		
a) Electricity / kwh / Tonne of Cement	120	98.13	94.52
b) Coal			
Clinker (K.Cal/kg Clinker)	800	839	824

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

Company's philosophy on code of governance:

The Company believes in adopting the best Corporate Governance practices. The Company further believes that the shareholders have the right to know complete information on the Board of Directors and the Management, their interest in the Organization as well as governance practices followed by them.

I. BOARD OF DIRECTORS

• Composition and provisions as to Board and Committees

The Board should have an optimum combination of executive and non-executive directors with not less than 50% of the Board comprising non-executive directors. Further, at least one-third

of the Board should comprise of independent directors if the Chairman is non-executive and at least half of the Board should be independent in case of an executive Chairman. Further in case of non-executive Chairman is a promoter of the Company or related to any promoter half of the Board of the Company shall consist of independent directors. Also a Director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all Companies in which he is a director.

Your Company's existing Board comprises of 6 (Six) directors of these, 2 (two) are independent directors and 1(one) is executive director. The Chairman is an independent director. The details of the directors with regard to outside directorships, committee positions as well as attendance at Board / General Meetings are as follows:

Director	Executive/ Non-Executive/ Independent	No. of Outside Directorship(s) Held		No. of Outside Committee Positions Held		No. of Board Meetings (During tenure of respective Directors)		Attended Last AGM \$
		Public	Private	Member	Chairman	held	attended	
Mr. A. K. Chhatwani	Independent	-	-	-	-	3	3	Yes
Mr. A. Kumaresan	Independent	-	2	-	-	3	3	Yes
Mr. Osvaldo Ayres Filho	Non-Executive	-	-	-	-	5	2*	No
Mr. Carlos Eduardo de Arruda Boggio	Non-Executive	-	-	-	-	5	5*	Yes
Mr. Sven Erik Oppelstrup Madsen	Non-Executive	6@	-	-	-	5	3*	No
Mr. Chain Singh Jasol	Executive	-	-	-	3	0	0	Yes
Mr. Robert Pavrey (Till 22 nd March 2013)	Independent	1	10	-	-	1	1	No
Mr. Leonard D' Costa (Till 22 nd March 2013)	Independent	-	-	-	-	1	1	No
Mr. Napoleon De la Colina (Till 22 nd March 2013)	Independent	-	1	-	-	1	1	No
Mr. Suman Mukherjee (Till 31 st October 2013)	Executive	-	-	-	-	5	4	Yes

\$ held on 19th June, 2013 / @ In foreign Companies / * Includes one meeting attended through Video Conference.

• Non Executive Directors' compensation and disclosure

All fees/compensation, (except sitting fees) paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require shareholders' approval. The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, including independent directors.

Independent Directors were paid sitting fee of ₹15,000 for attending each meeting of Board and Committees during the year under review are as follows:

Name of Director	Sitting fees paid(₹)
Mr. Leonard. D' Costa	45000
Mr. Napoleon De la Colina	45000
Mr. Robert Pavrey	60000
Mr. A. K. Chhatwani	90000
Mr. A. Kumaresan	105000

Apart from sitting fees for attending Board/ Committee Meetings, no other fees/compensation is paid to the Directors. Your Company does not have any stock option scheme for its Directors and employees.

The Non Executive Directors are not accepting any sitting fee for attending Board/Committee Meetings.

• Other provisions of the Board and Committees

The Board shall meet at least four times a year, with a maximum time gap of four months between any two meetings. The minimum information to be made available to the Board should be as prescribed in Annexure IA of Clause 49 of the Listing Agreement.

Your Company's Board plays a primary role in ensuing good governance and functioning of the Company. The Board consists of professionals from diverse fields and has vast experience in their respective areas. The Board's role, functions,

responsibility are clearly defined. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the meeting with the permission of the Chairman. The Board guides the management in achieving its goal and creating value for all stock holders.

The details of Board Meetings held during FY 2013 (January to December) are as follows:

Date of Board Meeting	City	No. of directors attended/ Participated through Video Conference
20 th February, 2013	Mumbai	5
8 th May, 2013	Digvijaygram	4
19 th June, 2013	Digvijaygram	4
18 th July, 2013	Mumbai	6
31 st October, 2013	Mumbai	5

• Code of Conduct

The Board shall lay down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct shall be posted on website of the Company. All Board members and Senior Management Personnel shall affirm compliance with the code on annual basis. The Annual Report of the Company shall contain a declaration signed by the C.E.O.

The Board of Directors of Your Company have laid down a Code of Conduct applicable to all Board Members and Senior Management personnel of your Company. A declaration from C.E.O of your Company to the effect that all Board Members and Senior Management personnel of your Company have affirmed compliance with the Code of Conduct, forms a part of this report. The Code of Conduct has been posted on the website of your Company – www.digvijaycement.com

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st December 2013

Place: Mumbai
Date: 27th February, 2014

Chain Singh Jasol
Whole Time Director

II. AUDIT COMMITTEE

A qualified and independent Audit Committee shall be set up and should meet at least four times in a year. The Audit Committee shall have minimum three directors as member, with two-thirds of its members being independent directors.

All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise. The Chairman of the Audit Committee shall be an independent director and shall be present at Annual General Meeting to answer shareholder queries. The Company Secretary shall act as secretary to the Committee.

Your Company has an Audit Committee at the Board level which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors and oversees the financial reporting process. The Audit Committee has Three Directors, of these Two are Independent directors and one is Non Executive Directors as members. All the Members of the Audit Committee are financially literate. Mr. A. K. Chhatwani is the Chairman of the Committee and was present at Annual General Meeting of the Company. During the period, the Audit Committee met three times to deliberate on various matters. The meetings were held on 20th February, 2013; 18th July, 2013 and 31st October, 2013. The details of attendance are as follows:

Name of Audit Committee Member	No. of Meetings	
	Held	No. of directors attended/ Participated through Video Conference
Mr. Napoleon De la Colina	1	1
Mr. Leonard D' Costa	1	1
Mr. Robert Pavrey	1	1
Mr. A.K.Chhatwani	2	2
Mr. A.Kumaresan	2	2
Mr. Osvaldo Ayres Filho	3	1

1. The Whole Time Director and Finance Head are permanent invitees to the Audit Committee. The Statutory, Internal as well as the Cost Auditors of your Company are also invited to the Audit Committee Meetings.
2. Mr. S. N. Malpani, Company Secretary, acts as the Secretary to the Committee.

The Audit Committee has the following powers:

- a. To investigate any activity within its terms of reference,
- b. To seek information from any employee,
- c. To obtain outside legal or other professional advice,
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee includes following:

- a. 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.
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement

or removal of statutory auditor and the fixation of audit fee and also approval for payment for any other services,

- c. Reviewing with Management, the annual financial statements before submission to the Board for approval, with particular reference to ;
 - Matters required to be included in the Directors' responsibility statement to be included in the Boards' report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same,
 - Major accounting entries involving estimates based on exercise of judgment by Management,
 - Significant adjustments made in the financial statements arising out of audit findings,
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualification in the draft audit report.
- d. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- e. Reviewing with the Management, performance of statutory and internal Auditors, adequacy of internal control systems.
- f. 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,
- g. Discussion with internal Auditors any significant findings and follow up there on.
- h. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a materials nature and reporting the matter to the Board,
- i. Discussion with statutory Auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern,
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, share holders (in case of non-payment of declared dividends) as creditors.
- k. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee reviews the following information:

- a. Management discussion and analysis on financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by Management;

- c. Management letters / letters of internal control weaknesses issued by the statutory Auditors, if any;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal Auditor

Remuneration Committee has met on 20th February 2013 and 31st October 2013.

III. DISCLOSURES

(A) Basis of related party transactions

A statement in summary form of transactions with related parties in the ordinary course of business, details of material individual transactions with related parties that are not in the normal course of business and details of material individual transactions with related parties that are not on an arm's length basis is required to be placed before the Audit Committee.

Your Company places all the aforesaid details before the Audit Committee.

Particulars of related party transactions are listed out in under Note no. 34b. However, all these transactions are on normal commercial arm's length basis.

(B) Disclosure of Accounting treatment

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

(C) Risk Management

The Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be reviewed to ensure that executive management controls risk through means of properly defined framework.

Your Company is aware of the risks associated with the business. It regularly analysis the risks and takes corrective actions for managing/mitigating the same. Your Company has developed risk management policy.

(D) Proceeds from public issues, rights issues, preferential issues etc.

If any capital is raised through an issue, the Company needs to disclose to the Audit Committee, the uses/applications of funds on a quarterly basis. Further, on an annual basis, the Company shall prepare a statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and place it before the Audit Committee. This statement shall be certified by the Statutory Auditors of the Company.

The Company did not raise any capital during the year under report.

(E) Remuneration of Directors and details of Directors' shareholding

- The Company needs to disclose all pecuniary relationship or transactions of the non-executive directors' vis-à-vis the Company.

Apart from sitting fees that are paid to the Directors for attending Board / Committee meetings, no significant material transactions have been made with the non-executive Directors vis-à-vis the Company.

- The Company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.

Details of Director Shareholding in the Company were/ are as follows:

Name of Director	No. of shares
Mr. Leonard D'Costa	2000
Mr. Osvaldo Ayres Filho	500
Mr. Carlos Eduardo de Arruda Boggio	500
Mr. Sven Erik Oppelstrup Madsen	500
Mr. Chain Singh Jasol	1511

(F) Management

- As part of the Directors' Report or as an additional thereto, a Management Discussion and Analysis Report should form part of the Annual Report to the shareholders.

The Management Discussion and Analysis Report forms part of Annual Report and in accordance with the requirements laid out in Clause 49 of the Listing Agreement.

- Senior management shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (for e.g. dealing in company shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.)

No material transactions has been entered in to by your Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have a potential conflict with interest of your Company.

(G) Shareholders

- In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with the details of Directors.

Details of Directors seeking appointment / re-appointment at the ensuing AGM are provided in the Notice convening the AGM.

- Quarterly results and presentations made by the Company to analysts shall be put on Company's website, or shall be sent in such a form so as to enable the stock exchange on which the Company is listed to put it on its own website.

Financial results are made available on the website of your Company - www.digvijaycement.com

- Share Transfer and Shareholders / Investors Grievance Committee

A shareholders' Grievances Committee under the Chairmanship of a non-executive director shall be formed to specifically look in to the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. To expedite the process of share transfers, the Board of the Company shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer agents. The delegated authority shall attend to share transfer formalities at least once in fortnight.

Your Company has a "Share Transfer and Shareholder / Investors Grievance Committee" at the Board level, under the Chairmanship of a non-executive director. The Committee looks into issues relating to share holders, including transfer/transmission of shares, issue of duplicate share/debenture certificates, non receipt of Annual Report, shares after transfer and delays in transfer of shares. The Committee met on 20th February 2013 and 18th July 2013 to review the status of investor grievances, dematerialization / rematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The Company's shares are compulsorily traded and delivered in the dematerialized form. The equity shares of the Company have been admitted with National Securities Depository Limited and Central Depository Services (I) Limited, bearing ISIN No. INE232A01011.

To expedite the transfer in the physical segment, necessary authority has been delegated by your Board to Officers of the Company, to approve issue of share certificates, approve transfer/ transmission of shares, consolidation, sub-division, split of share certificates etc. Details of transfer/transmission of shares approved by the officers are placed before the Board.

Details of complaints received, number of shares transferred during the year, time taken for affecting these transfers and the number of share transfer pending are furnished in the "Shareholder Information" section of this Annual Report.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by stock exchange or SEBI or any other statutory authority, on any matter relating to capital market during the year.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the year under review and hence no strictures/penalties have been imposed on the Company by the SEBI or any statutory authority.

SHREE DIGVIJAY CEMENT CO. LTD.

IV. CEO/CFO CERTIFICATION

Mr. Chain Singh Jasol – Whole Time Director and Mr. S. N. Malpani – Interim CFO & Company Secretary have certified to the Board that:

1. *They have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement;*
2. *Based on their knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state material fact that might be misleading with respect to the statements made;*
3. *Based on their knowledge, information and belief, the financial statements and other financial information included in this Report present a true and fair view of the Company's affairs for the period presented in this Report and are in compliance with the existing accounting standards, applicable laws and regulations;*
4. *To the best of their knowledge, information and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;*
5. *They are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting;*
6. *They have disclosed, based on their most recent evaluation, wherever applicable, to the Company's Auditors and Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify the deficiencies;*
They have indicated to the Auditors and the Audit Committee:
 - a) *Significant changes in the Company's internal control over financial reporting during the year;*
 - b) *All significant changes in the accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements;*

- c) *Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.*

V. GENERAL BODY MEETINGS

Details of Annual General Meetings;

Location and time, where last three Annual General Meetings (AGM's) were held:

Financial Year	Location of the Meeting	Date & Time
2010	Registered Office, Digvijaygram	28 th April, 2011 – 04:30 P. M.
2011	Registered Office, Digvijaygram	15 th May, 2012 – 04:00 P. M.
2012	Registered Office, Digvijaygram	19 th June, 2013 – 09:30 A. M.

Whether special resolution passed in the previous 3 AGMs? Yes

Whether any special resolution passed last year through postal ballot: No

Details of voting pattern: N.A.

Person who conducted the postal ballot exercise: N.A.

Whether any special resolution is proposed to be conducted through

Postal ballot: N.A.

Procedure for postal ballot: N.A.

VI. MEANS OF COMMUNICATION

Quarterly results

- a. Which news papers normally published in
 - Business Standard – All India Edition
 - Jansatta - Gujarati
- b. Any website, where displayed
 - www.digvijaycement.com
- c. Whether MD&A is part of Annual Report
 - Yes
- d. Whether Shareholder Information Section form part of the Annual Report
 - Yes

SHARE HOLDER INFORMATION

1. Annual General Meeting

Date & Time : **23rd April 2014 at 02.15 PM**
Venue : Digvijaygram-361 140,
Via. Jamnagar (Gujarat)

2. Financial Calender

Financial reporting and Limited Review for the quarter ending 31st March 2014 upto 15th May 2014.

Financial reporting and Limited Review for the quarter ending 30th June 2014 upto 14th August 2014.

Financial reporting and Limited Review for the quarter ending 30th September 2014 upto 15th November 2014.

Financial reporting for the Year ending 31st December 2014 By end of February 2015.

Annual General Meeting for the year ending 31st December 2014 By end of June 2015.

3. Dates of Book Closure

15th April 2014 to 23rd April 2014 (both days inclusive)

4. Registered Office & Works

Digvijaygram – 361 140, Via. Jamnagar (Gujarat)
 Telephone: (0288) 2344272-2344275
 Fax No. (0288) 2344092 & 2344214
 Website: www.digvijaycement.com

5. Listing on Stock Exchanges & Stock Code No.

BSE Limited

P. J .Towers, Dalal Street, Mumbai – 400 001
 (Stock Code - 502180).

Note: The annual listing fee has been paid to BSE Limited.

6. Stock Price Data

Price on BSE Limited.

Month	High (₹)	Low (₹)
January-2013	16.95	13.90
February-2013	14.99	12.00
March-2013	13.05	9.50
April-2013	13.70	9.55
May-2013	12.74	10.60
June-2013	11.15	8.82
July-2013	10.45	8.17
August-2013	9.25	7.50
September-2013	10.40	7.25
October-2013	9.93	8.50
November-2013	9.39	8.38
December-2013	12.50	8.33

7. Registrars and Share Transfer Agents

Link Intime India Pvt. Ltd.
 (Unit :Shree Digvijay Cement Co.Ltd.)
 C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
 Bhandup (West), Mumbai 400 078
 Tel No.(022) 2596 3838
 Fax No.(022) 2594 6969
 E.mail: mumbai@linkintime.co.in

8. Investors Correspondence

A) For shares held in physical Form

Link Intime India Pvt. Ltd.
 (Unit :Shree Digvijay Cement Co.Ltd.)
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg,
 Bhandup (West), Mumbai 400 078
 Tel No.(022) 2596 3838
 Fax No.(022) 2594 6969
 Email: mumbai@linkintime.co.in

B) For shares held in demate form

To the respective DP

C) For General Correspondence

The Company Secretary,
 SHREE DIGVIJAY CEMENT CO. LTD.
 Digvijaygram – 361 140, Via. Jamnagar (Gujarat)
 Telephone: (0288) 2344272-2344275
 Fax No. (0288) 2344092 & 2344214
 Email: sma1@vceaa.com

9. Share Transfer System

The Share Transfers and Shareholders Grievance Committee meets every fortnight. Share Transfer in physical form are re-registered or returned within a period of 15 days from the date of receipt in case documents are completed in all respects.

10. Distribution of Shareholding as on 31st December, 2013

Holding	Shareholders Nos.	% age	No. of Shares	% of Shareholdings
1 - 500	17763	68.19	3724606	2.63
501 - 1000	3656	14.04	3214996	2.28
1001 - 5000	3618	13.88	8516796	6.02
5001 - 10000	562	2.16	4245706	3.00
10001 & above	450	1.73	121672174	86.07
TOTAL	26049	100.00	141374278	100.00

11. Dematerialisation of Shares & Liquidity

The shares of the company are in compulsory demat sagement, and are available for demat both with the NSDL & CDSL. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE232A01011.

As on 31st December 2013, 140365448 Equity Shares of the Company representing 99.29% have been dematerialised.

12. Registered Office & Works

Digvijaygram – 361 140, Via. Jamnagar (Gujarat)
 Telephone: (0288) 2344272-2344275
 Fax No. (0288) 2344092 & 2344214
 Website: www.digvijaycement.com

13. Categories of Shareholding as on - 31st December, 2013.

Category	No. of shares held	% of share- holding
Promoters	106030708	75.00
NR & NRIs	1159610	0.82
Fin.Inst.& Banks etc.	6207	0.00
Corporates	2808202	1.99
Public	31369551	22.19
TOTAL	141374278	100

14. Nomination facility

Share holders are eligible to file their nominations against shareholding for smooth transmission process. Nomination forms are available at the Investors Service Division. Those interested in getting the facility of informations may write to the Company Secretary for a copy of the prescribed Nomination Form.

SHREE DIGVIJAY CEMENT CO. LTD.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

SHREE DIGVIJAY CEMENT COMPANY LIMITED

We have examined the compliance conditions of Corporate Governance by **Shree Digvijay Cement Company Limited** ("**the Company**") for the year ended 31st December, 2013 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We 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.

Dinesh Kumar Deora
Company Secretary in Practice

Place: Mumbai
Date : 7th January, 2014

Membership No. FCS 5683
CP No. 4119

Details of Directors seeking Appointment/Re-appointment in Annual General Meeting fixed for 23rd April 2014

Name of Director	Mr. A. K. Chhatwani	Mr. A. Kumaresan	Mr. Carlos Eduardo de Arruda Boggio
Date of Birth	February 16, 1946	December 20, 1951	December 12, 1970
Date of Appointment	April 24, 2013	June 5, 2013	October 15, 2012
Qualification	B.E (Mechanical)	B.Sc., LLB, FFII, FCS, PG Diploma in Journalism	LLM
Experience in specific functional area	Management	Management	Law
List of outside Company Directorship held.	NIL	1. NatOne Energy Solutions Pvt. Ltd. 2. AEC Promog Consultancy Pvt. Ltd.	NIL
Chairman/Member of the Committee of the Board of Directors of the Company	Board of Directors – Chairman.	Board of Directors – Member.	Board of Directors – Member.
	Audit Committee – Chairman.	Audit Committee – Member.	
	Remuneration Committee-Member	Remuneration Committee-Chairman.	Remuneration Committee-Member.
		Share Transfer and Shareholders/Investors Grievance Committee – Chairman.	Share Transfer and Shareholders/Investors Grievance Committee –Member.
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL	NIL	NIL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHREE DIGVIJAY CEMENT COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Shree Digvijay Cement Company (the "Company"), which comprise the Balance Sheet as at December 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with

the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

7. The financial statements of the Company as at December 31, 2012 and for the year then ended were audited by another firm of chartered accountants who, vide their report dated February 20, 2013, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

8. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on December 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Partha Ghosh
Partner
Place : Kovalam
Date : February 27th, 2014 (Membership No. 055913)

SHREE DIGVIJAY CEMENT CO. LTD.

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Shree Digvijay Cement Company Limited on the financial statements as of and for the year ended December 31, 2013.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (b), (c) and (d) of the Order are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (f) and (g) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth-tax, customs

duty which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax and excise duty as at December 31, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount in ₹ lacs	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	2,660.10	Financial years 2002-03, 2007-08 to 2010-11	CESTAT (Tribunal)
		1,003.47	Financial years 2007-08 to 2010-11	Commissioner Appeal
The Finance Act, 1994	Service Tax	146.15	Financial years 2004-05 to 2007-08	CESTAT (Tribunal)
		74.66	Financial years 2005-06 to 2010-11	Commissioner Appeal
Motor Spirit Act	Sales Tax	2.41	Financial years 1992-93 to 1994-95	Deputy Commissioner
		5.75	Financial years 1995-96 and 1997-98	Commissioner Sales Tax

- x. The accumulated losses of the Company did not exceed fifty percent of its net worth as at December 31, 2013 and it has incurred cash losses in the financial year ended on that date and it has not incurred cash losses in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has used funds raised on short-term basis for long-term investment. The company has raised working capital funds amounting to

₹ 4,976 lacs on a short term basis, which has been used for long term loans and advances and funding losses incurred during the year.

- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Kovalam
February 27th, 2014

Partha Ghosh
Partner
(Membership No. 055913)

SHREE DIGVIJAY CEMENT CO. LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 2013

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	As at December 31, 2013	As at December 31 2012
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	14,137.50	14,137.50
Reserves and surplus	4	4,806.11	8,358.21
		18,943.61	22,495.71
Non current liabilities			
Long term borrowings	5	-	2,914.72
Deferred tax liabilities (Net)	6	-	72.97
Long term provisions	7	361.58	455.50
		361.58	3,443.19
Current liabilities			
Short term borrowings	8	3,094.94	-
Trade payables	9	2,353.88	2,572.01
Other current liabilities	10	7,026.05	3,925.38
Short term provisions	11	435.69	527.32
		12,910.56	7,024.71
TOTAL		32,215.75	32,963.61
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	12	15,916.81	10,052.08
Intangible assets	13	85.45	144.81
Capital work-in-progress		1,326.98	7,241.92
		17,329.24	17,438.81
Long term loans and advances	14	2,911.11	1,546.34
Other non current assets	15	54.65	586.36
		20,295.00	19,571.51
Current assets			
Current investments	16	400.00	4,031.41
Inventories	17	6,385.03	7,256.14
Trade receivables	18	446.29	561.10
Cash and bank balances	19	2,797.02	906.30
Short-term loans and advances	20	929.75	597.16
Other current assets	21	962.66	39.99
		11,920.75	13,392.10
TOTAL		32,215.75	32,963.61
The notes are an integral part of these financial statements			

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

For Price Waterhouse
Firm Registration No. : 301112E
Chartered Accountants

A. K. Chhatwani
A. Kumaresan
Sven Erik Oppelstrup Madsen

} Directors

Partha Ghosh
Partner
Membership No.: 055913

S. N. Malpani
Interim CFO & Company Secretary

Chain Singh Jasol
Whole-time Director

Place : Kovalam
Date : 27th February, 2014

Place : Mumbai
Date : 27th February, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST DECEMBER, 2013

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	Year ended December 31, 2013	Year ended December 31, 2012
Revenue from operations (Gross)	25	37,287.44	42,937.52
Less : Excise duty		4,106.99	4,595.28
Revenue from operations (Net)		33,180.45	38,342.24
Other income	26	603.22	856.78
Total revenue		33,783.67	39,199.02
Expenses			
Cost of materials consumed	27	5,582.18	4,715.79
Changes in inventories of finished goods and work in progress	28	1,012.72	114.42
Employee benefits expense	29	2,192.54	2,353.11
Financial costs	30	262.95	104.49
Depreciation and amortization expense	31	1,319.36	987.33
Other expenses	32	25,475.09	27,050.16
		35,844.84	35,325.30
Less: Internal Consumption of Cement		6.55	3.88
Total expenses		35,838.29	35,321.42
Profit / (Loss) before exceptional items and tax		(2,054.62)	3,877.60
Exceptional items	38	(1,414.52)	1,215.10
Profit / (Loss) before tax		(3,469.14)	5,092.70
Tax Expenses - Current tax	41	155.93	894.04
- Deferred tax		(72.97)	72.97
Total Tax Expenses		82.96	967.01
Profit / (Loss) for the year		(3,552.10)	4,125.69
Earning/ (Loss) per equity share (in ₹) (Nominal value per Share ₹10)	36		
Basic earning per share (in ₹)		(2.51)	2.91
Diluted earning per share (in ₹)		(2.51)	2.91
The notes are an integral part of these financial statements			

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

For Price Waterhouse
Firm Registration No. : 301112E
Chartered Accountants

A. K. Chhatwani
A. Kumaresan
Sven Erik Oppelstrup Madsen

} Directors

Partha Ghosh
Partner
Membership No.: 055913

S. N. Malpani
Interim CFO & Company Secretary

Chain Singh Jasol
Whole-time Director

Place : Kovalam
Date : 27th February, 2014

Place : Mumbai
Date : 27th February, 2014

SHREE DIGVIJAY CEMENT CO. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2013

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended December 31, 2013	Year ended December 31, 2012
(A) Cash flow from Operating Activities		
Net Profit/(Loss) before exceptional items and tax	(2,054.62)	3,877.60
Adjustment for:		
Depreciation on tangible assets	1,260.00	924.13
Amortisation on intangible assets	59.36	63.50
Provision for doubtful debts and advances	44.75	5.34
Liability written back to the extent no longer required	(82.82)	(30.49)
Unrealised Exchange (Gain)/Loss	(7.64)	58.66
Loss on sale/retirement of fixed assets	0.04	7.64
Interest Income	(131.65)	(72.43)
Dividend Income	(286.92)	(299.23)
Internal Consumption of Cement	(6.55)	(3.88)
Finance Cost	262.95	104.49
Operating profit / (loss) before working capital changes	(943.10)	4,635.34
Adjustment for:		
Increase/(Decrease) in Trade Payables	(219.05)	176.86
Increase/(Decrease) in Short Term Provisions	(91.62)	91.08
Increase/(Decrease) in Other current Liabilities	318.12	(529.41)
Increase/(Decrease) in Long Term Provision	(93.92)	1.58
(Increase)/Decrease in Trade Receivables	70.07	(24.30)
(Increase)/Decrease in Inventories	871.11	(2,452.14)
(Increase)/Decrease in Short Term Loans and Advances	(332.59)	23.21
(Increase)/Decrease in Other Current Assets	(0.01)	-
(Increase)/Decrease in Long Term Loans and Advances	(303.56)	(174.20)
Cash generated from/(used in) operations before exceptional items	(724.57)	1,748.04
Exceptional Items	(1,414.52)	1,215.10
Cash generated from/(used in) operationing activities	(2,139.09)	2,963.14
Tax Paid (Net of Refunds)	(15.46)	(894.41)
Net cash generated from/(used in) operations	(2,154.55)	2,068.73

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended December 31, 2013	Year ended December 31, 2012
(B) Cash flow from Investing Activities		
Sale of Tangible and Intangible assets	3.18	-
Purchase of Tangible and Intangible assets	(2,825.23)	(1,572.51)
Interest received	113.12	49.43
Dividend income received	286.91	299.23
Proceeds from sale of mutual funds (Net)	3,631.40	(499.23)
Movement in Term Deposit with Bank (Net)	(14.41)	(320.99)
Net cash generated from/(used in) investing activities	1,194.97	(2,044.07)
(C) Cash flow from Financing Activities		
Proceeds from borrowings	3,103.50	-
Interest paid on borrowings	(261.12)	(104.49)
Net cash generated from/(used in) financing activities	2,842.38	(104.49)
Net increase in cash and cash equivalents	1,882.80	(79.83)
Cash and cash equivalents at the beginning of the year	370.76	450.59
Cash and cash equivalents at the end of the year	2,253.56	370.76
Cash and cash equivalents comprises of:		
Cash on hand	0.77	2.81
Balance with banks	2,252.79	367.95
	2,253.56	370.76

This is the Cash Flow referred to in our report of even date

For Price Waterhouse
Firm Registration No. : 301112E
Chartered Accountants

A. K. Chhatwani
A. Kumaresan
Sven Erik Oppelstrup Madsen

} Directors

Partha Ghosh
Partner
Membership No.: 055913

S. N. Malpani
Interim CFO & Company Secretary

Chain Singh Jasol
Whole-time Director

Place : Kovalam
Date : 27th February, 2014

Place : Mumbai
Date : 27th February, 2014

NOTES TO THE FINANCIAL STATEMENTS

1 Background

Shree Digvijay Cement Company Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE). It is engaged in Manufacturing and selling of cement and cement clinker. The Company has one manufacturing facility at Sikka (via Jamnagar) with installed capacity of 10.75 lacs MT per annum. The Company caters mainly to the domestic market.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies Act, 1956 of India read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 of India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between 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 - non current classification of assets and liabilities.

2.2 Use of estimates

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

2.3 Tangible Assets and Depreciation

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

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

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

Depreciation is provided on a pro-rata basis using the straight-line method over the estimated useful lives of the assets or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher. Estimated useful life of assets are mentioned below:

Assets class	Useful life in years
Buildings	29 to 60
Railway Sidings	21
Plant and Equipment	8 to 22
Electric Installations	21
Rolling Stocks and Locomotives	19
Furniture and Fixtures	6 to 15
Office Equipments	14 to 22
Vehicles	5 to 12
Jetty and Wharf	21

All tangible assets costing less than ₹ 5,000 individually are fully depreciated in the year of purchase.

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

2.4 Intangible Assets and Amortisation

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

Assets class	Useful life in years
Computer Software and Licenses	3 to 5

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

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

2.5 Impairment

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

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the long term investments, such reduction being determined and made for each investment individually.

2.7 Inventory

Finished goods and work-in progress valued at the lower of the cost and the net realisable value. Costs include the cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales.

Raw material and packing material are valued at the lower of cost and net realisable value. Stores and spare parts and fuel are carried at cost. Necessary provision is made and charged to the Statement of Profit and Loss in the case of identified obsolete and non - moving items. In the case of raw materials, packing materials, stores and spare parts and fuels, cost is determined on the basis of the corresponding weighted average. Costs include the purchase price, non-refundable taxes and delivery and handling costs.

2.8 Revenue Recognition

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

Other income

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

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

2.9 Borrowing costs

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

2.10 Derivative instruments

The Company has entered cross currency interest rate swap contracts with a view to hedge the risks of foreign currency and interest rate fluctuations on foreign currency borrowings. The notional amounts of instruments outstanding with respect to principal as at the year-end, are restated at closing-date rates and unrealised translation differences are included in the Statement of Profit & Loss in accordance with Accounting Standard 11 'The Effects of Changes in Foreign Exchange Rates'. The interest component of the instrument is accounted in accordance with the Announcement of the Institute of Chartered Accountants of India dated March 29, 2008 on 'Accounting for Derivatives'.

2.11 Foreign Currency Transactions

Initial Recognition

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

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

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

2.12 Current and deferred tax

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

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are not recognised in case there is unabsorbed depreciation and carried forward of losses under tax laws, unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

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

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

2.13 Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are

measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

2.14 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand and demand deposits with banks.

2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.16 Employee benefits

i) Defined-contribution plans

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

ii) Defined-benefit plans

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

iii) Other employee benefits

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

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

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

2.17 Leases

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

SHREE DIGVIJAY CEMENT CO. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

3	SHARE CAPITAL	As at December 31, 2013	As at December 31, 2012
	Authorised		
	150,000,000 (December 31, 2012: 150,000,000) equity shares of ₹ 10/- each	15,000.00	15,000.00
	10,000,000 (December 31, 2012: 10,000,000) preference shares of ₹ 100/- each	10,000.00	10,000.00
		25,000.00	25,000.00
	Issued		
	141,643,645 (December 31, 2012: 141,643,645) equity shares of ₹ 10/- each	14,164.36	14,164.36
	Subscribed & Paid-up		
	141,375,398 (December 31, 2012: 141,375,398) equity shares of ₹ 10/- each fully paid	14,137.54	14,137.54
	Less: 1,120 Equity Shares of ₹ 10/- each forfeited	(0.11)	(0.11)
	Add: Forfeited Shares (amount originally paid-up on Equity Shares)	0.07	0.07
	TOTAL	14,137.50	14,137.50

(a) Reconciliation of the number of shares : Equity Shares

Particulars	As at December 31, 2013		As at December 31, 2012	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the year	141,374,278	14,137.50	141,374,278	14,137.50
Balance at the end of the year	141,374,278	14,137.50	141,374,278	14,137.50

(b) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(c) Shares held by holding company and subsidiary of holding company

	As at December 31, 2013	As at December 31, 2012
Equity Shares:		
103,709,063 Shares (December 31, 2012: Nil) held by Votorantim Cimentos EAA Inversiones S.L., the holding company	10,370.91	-
Nil Shares (December 31, 2012: 104,091,537) held by Cimpor Inversiones S.A., holding company	-	10,409.15
2,321,645 Shares (December 31, 2012: Nil) held by Votorantim Cimentos S. A., the ultimate holding Company	232.16	-

Votorantim Cimentos EAA Inversiones S.L (VCEAA) (erstwhile known as Cimentos EAA Inversiones S.L), entered into a contribution agreement dated November 15, 2012 to acquire 104,091,537 shares of the Company from Cimpor Inversiones SA. Subsequently, by swaps of shares of VCEAA, the control of VCEAA was transferred to Votorantim Cimentos S.A. (Votorantim / the acquirer) on December 21, 2012. The shares of the Company were credited to the demat account of VCEAA on February 4, 2013 and Votorantim filed such intimation of transfer of shares with stock exchange vide its letter dated February 4, 2013.

- (d) Details of shareholder holding more than of 5% of the aggregate shares in the company.

Name of Shareholder	As at December 31, 2013		As at December 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Votorantim Cimentos EAA Inversiones S.L., the holding company	103,709,063	73.36%	-	0.00%
Cimpor Inversiones S.A., the holding company	-	0.00%	104,091,537	73.63%
TOTAL	103,709,063	73.36%	104,091,537	73.63%

- (e) There are no shares allotted either as fully paid up by way of bonus shares or under any contract without payment received in cash during 5 years immediately preceding December 31, 2013.
- (f) 265,212 equity shares (December 31, 2012 : 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

(All amounts in ₹ lacs, unless otherwise stated)

4	RESERVES AND SURPLUS	As at December 31, 2013	As at December 31, 2012
	Capital Reserve	8,786.87	8,786.87
	Capital Redemption Reserve	35.00	35.00
	Securities Premium Account	20.43	20.43
	Deficit in Statement of Profit and Loss		
	Balance as at the beginning of the year	(484.09)	(4,609.78)
	Add: Profit / (Loss) for the year	(3,552.10)	4,125.69
	Balance as at the end of the year	(4,036.19)	(484.09)
	TOTAL	4,806.11	8,358.21

(All amounts in ₹ lacs, unless otherwise stated)

5	LONG TERM BORROWINGS	As at December 31, 2013	As at December 31, 2012
	Unsecured		
	Term Loan - from bank	-	2,914.72
	TOTAL	-	2,914.72

The External Commercial Borrowings (ECB) Loan taken from Citi Bank in May and August 2011 is guaranteed by Votorantim Cimentos EAA Inversiones S.L., the holding company. The rate of interest is 10.50% alongwith corresponding Interest Rate Swaps. The ECB Loan is repayable in May and August 2014 after expiry of 3 years from the date of loan in each single instalment. There was no default in payment of interest during the year.

SHREE DIGVIJAY CEMENT CO. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

6	DEFERRED TAX LIABILITIES (NET)	As at December 31, 2013	As at December 31, 2012
	Deferred tax liabilities		
	Depreciation	2,602.97	2,123.29
	Deferred tax assets		
	Unabsorbed Depreciations	2,602.97	1,770.10
	Others	-	280.22
	TOTAL	-	72.97

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

(All amounts in ₹ lacs, unless otherwise stated)

7	LONG TERM PROVISION	As at December 31, 2013	As at December 31, 2012
	Provision for employee benefits (Refer note no. 29)		
	Provision for compensated absence	314.09	414.99
	Provision for Mines Reclamation (Refer note below)	47.49	40.51
	TOTAL	361.58	455.50
	Note:		
	Movement in Provision for Mines Reclamation		
	Opening Balance	40.51	33.16
	Addition during the year	6.98	7.35
	Closing Balance	47.49	40.51

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

(All amounts in ₹ lacs, unless otherwise stated)

8	SHORT TERM BORROWINGS	As at December 31, 2013	As at December 31, 2012
	Unsecured:		
	Buyer's Credit - From Bank	3,094.94	-
	TOTAL	3,094.94	-

The buyer's credit facility is guaranteed by Votorantim Cimentos EAA Inversiones S.L., the holding company.

(All amounts in ₹ lacs, unless otherwise stated)

9	TRADE PAYABLES	As at December 31, 2013	As at December 31, 2012
	Trade Payables (Refer note no. 40)	2,353.88	2,572.01
	TOTAL	2,353.88	2,572.01

(All amounts in ₹ lacs, unless otherwise stated)

10	OTHER CURRENT LIABILITIES	As at December 31, 2013	As at December 31, 2012
	Current maturities of long-term debt (Refer note no. 5)	3,280.64	-
	Interest accrued but not due on borrowing	20.31	18.49
	Security deposits from customers	557.77	515.94
	Advances from customers	548.72	396.18
	Payable to creditors related to fixed assets	305.50	722.59
	Employee benefits payable	472.40	358.31
	Statutory dues (including provident fund and tax deducted at source)	950.84	1,097.66
	Others	889.87	816.21
	TOTAL	7,026.05	3,925.38

(All amounts in ₹ lacs, unless otherwise stated)

11	SHORT TERM PROVISIONS	As at December 31, 2013	As at December 31, 2012
	Provision for employee benefits (Refer note no. 29) :		
	Provision for gratuity	-	16.67
	Provision for compensated absence	74.72	74.41
	Other provision		
	Provision for litigations and disputes (Refer note below)	360.97	436.24
	TOTAL	435.69	527.32
	Note:		
	Movement in Provision for litigations and disputes		
	Opening Balance	436.24	385.13
	Addition during the year	39.48	51.11
	Utilisation during the year	114.75	-
	Closing Balance	360.97	436.24

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

SHREE DIGVIJAY CEMENT CO. LTD.

12 TANGIBLE ASSETS

(All amounts in ₹ lacs, unless otherwise stated)

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		Opening as at January 1, 2013	Additions	Disposals	Closing as at December 31, 2013	Opening as at January 1, 2013	For the year	Disposals	Closing as at December 31, 2013	As at December 31, 2013	As at December 31, 2012
	Own Assets										
1	Freehold Land (Refer note 1)	34.33	-	-	34.33	-	-	-	-	34.33	34.33
2	Building	851.36	-	-	851.36	421.66	18.42	-	440.08	411.28	429.70
3	Railway Sidings	167.07	-	0.15	166.92	158.17	0.23	0.15	158.25	8.67	8.90
4	Plant and Equipment	21,578.69	7,072.43	18.59	28,632.53	12,584.29	1,165.59	16.91	13,732.97	14,899.56	8,994.40
5	Electric Installations	754.13	8.93	-	763.06	514.03	20.35	-	534.38	228.68	240.10
6	Rolling Stocks and Locomotives	74.63	-	-	74.63	70.95	-	-	70.95	3.68	3.68
7	Furniture, Fixtures and Office Equipments	419.01	6.30	4.22	421.09	313.75	23.54	4.02	333.27	87.82	105.26
8	Vehicles	41.98	40.30	11.74	70.54	30.85	5.81	10.40	26.26	44.27	11.13
9	Jetty and Wharf (Refer note 2)	547.44	-	-	547.44	322.86	26.06	-	348.92	198.52	224.58
	Total	24,468.66	7,127.96	34.70	31,561.89	14,416.56	1,260.00	31.48	15,645.08	15,916.81	10,052.08
	December 31, 2012	24,258.37	281.41	71.14	24,468.66	13,555.92	924.13	63.50	14,416.56	10,052.08	-

Notes:

- 1 Leasehold Land (in respect of which the Company pays Ground Rent) is not included above.
- 2 The Gujarat Maritime Board holds the titles to the jetty / wharf in respect of which capital cost was paid by the Company.

13 INTANGIBLE ASSETS

(All amounts in ₹ lacs, unless otherwise stated)

Sr. No.	Particulars	Gross Block				Amortisation				Net Block	
		Opening as at January 1, 2013	Additions	Disposals	Closing as at December 31, 2013	Opening as at January 1, 2013	For the year	Disposals	Closing as at December 31, 2013	As at December 31, 2013	As at December 31, 2012
	Own Assets										
1	Computer Software and Licenses	345.94	-	-	345.94	201.13	59.36	-	260.49	85.45	144.81
	Total	345.94	-	-	345.94	201.13	59.36	-	260.49	85.45	144.81
	December 31, 2012	345.94	-	-	345.94	137.93	63.20	-	201.13	144.81	-

(All amounts in ₹ lacs, unless otherwise stated)

14	LONG TERM LOANS AND ADVANCES	As at December 31, 2013	As at December 31, 2012
	(Unsecured, considered good unless otherwise stated)		
	Capital Advance	1,531.44	329.75
	Security deposits with government authorities and others	1,264.37	960.82
	Advance Income Tax (Net of provision of ₹ 1,049.97, December 31, 2012 : ₹ 894.04)	115.30	255.77
	TOTAL	2,911.11	1,546.34

(All amounts in ₹ lacs, unless otherwise stated)

15	OTHER NON CURRENT ASSETS	As at December 31, 2013	As at December 31, 2012
	Long term deposit with bank with maturity period more than 12 months	52.72	46.22
	Interest receivable on fixed deposit	1.93	6.18
	Unrealised exchange gain on valuation of term loan	-	533.96
	TOTAL	54.65	586.36

Term deposit amounting to ₹ 52.72 lacs (December 31, 2012: ₹ 46.22 lacs) are lien marked against Bank Guarantees.

(All amounts in ₹ lacs, unless otherwise stated)

16	CURRENT INVESTMENTS	As at December 31, 2013	As at December 31, 2012
	Mutual Fund (Unquoted) :		
	HDFC Cash Management Fund Saving Plan - Daily Dividend Reinvestment (3,760,671 units, December 31, 2012: 37,901,969)	400.00	4,031.41
	TOTAL	400.00	4,031.41
	Aggregate amount of unquoted investments	400.00	4,031.41

(All amounts in ₹ lacs, unless otherwise stated)

17	INVENTORIES	As at December 31, 2013	As at December 31, 2012
	Raw materials	381.27	374.16
	Work in progress	1,150.80	2,122.52
	Finished Goods	150.59	209.14
	Stores and spare parts	1,461.41	950.74
	Packing materials	99.64	82.59
	Fuels	3,141.32	3,516.99
	TOTAL	6,385.03	7,256.14

SHREE DIGVIJAY CEMENT CO. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

18	TRADE RECEIVABLES	As at December 31, 2013	As at December 31, 2012
	Secured, considered good		
	Outstanding for a period exceeding six months from the date they are due for payment	-	-
	Others	308.84	94.49
	Unsecured, considered good		
	Outstanding for a period exceeding six months from the date they are due for payment	-	45.17
	Others	137.45	421.44
	Unsecured, considered doubtful		
	Outstanding for a period exceeding six months from the date they are due for payment	293.74	250.76
	Others	-	-
	Less: Provision for doubtful debts	(293.74)	(250.76)
	TOTAL	446.29	561.10

(All amounts in ₹ lacs, unless otherwise stated)

19	CASH AND BANK BALANCES	As at December 31, 2013	As at December 31, 2012
	Cash and Cash equivalents		
	Cash on hand	0.77	2.81
	Banks Balance :		
	In Current accounts	862.79	367.95
	Demand deposits (less than 3 months maturity)	1,390.00	-
		2,253.56	370.76
	Other bank balance		
	Term deposit with maturity less than 12 months	543.46	535.54
	TOTAL	2,797.02	906.30

Term Deposit amounting to ₹ 543.47 lacs (December 31, 2012: ₹ 535.54 lacs) are lien marked against Bank Guarantees.

(All amounts in ₹ lacs, unless otherwise stated)

20	SHORT TERM LOANS AND ADVANCES	As at December 31, 2013	As at December 31, 2012
	(Unsecured, considered good unless otherwise stated)		
	Other loans and advances		
	Cenvat and Service tax receivable (net of liability)	167.81	135.84
	Advance royalty	63.45	95.72
	Advance to employees	21.43	13.49
	Pre-paid expense	121.68	103.06
	Advances to suppliers		
	Considered good	441.33	224.34
	Considered doubtful	23.48	23.48
	Less: Provision for doubtful advances	(23.48)	(23.48)
	Others	114.05	24.71
	TOTAL	929.75	597.16

(All amounts in ₹ lacs, unless otherwise stated)

21	OTHER CURRENT ASSETS	As at December 31, 2013	As at December 31, 2012
	Interest accrued on term deposits and others	62.78	39.99
	Unrealised exchange loss on valuation of term loan	899.88	-
	TOTAL	962.66	39.99

(All amounts in ₹ lacs, unless otherwise stated)

22	CONTINGENT LIABILITIES	As at December 31, 2013	As at December 31, 2012
	Claim against the Company not acknowledged as debts		
	(a) Demand contested by the Company		
	- Sales tax	31.69	25.81
	- Excise duty	3,673.58	3,497.53
	- Service tax	220.80	150.86
	- Custom duty	351.55	351.55
	- Labour cases	163.34	268.30
	- Other Cases	199.47	202.71
	(b) Rent on water pipe lines levied by Panchayat and Irrigation Department, Government of Gujarat	-	905.56
	(c) A sum of ₹ 309.84 lacs (December 31, 2012: ₹ 309.84 lacs) on account of arrears, rent, service charges, way leave fees of certain leasehold property, consequent to the Order of the Estate Officer of Mumbai Port Trust (MPT) dated February 28, 2007, has not been provided for as the said property was assigned in an earlier year to M/s Dinbandhu Estate Pvt. Ltd. (the Assignee). The assignment was subject to the approval of MPT which was to be arranged by the Assignee. The Company is contesting the said Order before the High Court.		
	It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		
	The Company does not expect any reimbursements in respect of the above contingent liabilities.		

23 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account is ₹ 1,529.46 lacs (December 31, 2012: ₹ 835.16 lacs), against which advances paid aggregate ₹ 1,531.44 lacs (December 31, 2012: ₹ 329.75 lacs).

24 Amounts aggregating ₹ Nil (December 31, 2012 : ₹ 211.96 lacs) being Interest on Term Loan capitalised during the year.

(All amounts in ₹ lacs, unless otherwise stated)

25	REVENUE FROM OPERATION	As at December 31, 2013	As at December 31, 2012
	Sales of Product		
	Cement Sales (Refer Note 35)	37,263.11	42,917.69
	Other Operating Income		
	Scrap Sales	24.33	19.83
	TOTAL	37,287.44	42,937.52

SHREE DIGVIJAY CEMENT CO. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

26	OTHER INCOME	Year ended December 31, 2013	Year ended December 31, 2012
	Dividend income	286.92	299.23
	Interest Income	131.65	72.43
	Liability written back to the extent no longer required	82.82	30.49
	Claims received from Insurance company	9.77	12.84
	Net gain on foreign currency transactions and translations	-	236.12
	Miscellaneous Income	92.06	205.67
	TOTAL	603.22	856.78

(All amounts in ₹ lacs, unless otherwise stated)

27	COST OF MATERIAL CONSUMED	Year ended December 31, 2013	Year ended December 31, 2012
	Raw material consumed		
	Opening inventory	374.16	395.84
	Add: Purchases and incidental expenses (excludes cost of lime stone raised)	4,270.40	3,473.51
	Less: Closing inventory	381.27	374.16
	Cost of raw material consumed during the year	4,263.29	3,495.19
	Packing material consumed		
	Opening inventory	82.59	109.83
	Add: Purchases and incidental expenses	1,335.94	1,193.36
	Less: Closing inventory	99.64	82.59
	Cost of packing material consumed during the year	1,318.89	1,220.60
	TOTAL	5,582.18	4,715.79

(All amounts in ₹ lacs, unless otherwise stated)

28	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	Year ended December 31, 2013	Year ended December 31, 2012
	Increase / (Decrease) in stocks		
	Stock at the end of the year		
	Work in progress	1,150.80	2,122.52
	Finished Goods	150.59	209.14
		1,301.39	2,331.66
	Less : Excise Duty on Finished Goods	17.07	34.62
	TOTAL A	1,284.32	2,297.04
	Less: Stock at the beginning of the year		
	Work in progress	2,122.52	2,129.12
	Finished Goods	209.14	326.57
		2,331.66	2,455.69
	Less : Excise Duty on Finished Goods	34.62	44.23
	TOTAL B	2,297.04	2,411.46
	Increase / (Decrease) in Stocks (A-B)	(1,012.72)	(114.42)

(All amounts in ₹ lacs, unless otherwise stated)

29	EMPLOYEE BENEFITS EXPENSES	Year ended December 31 2013	Year ended December 31 2012
	Salaries, Wages and Bonus	1,900.06	2,023.13
	Contribution to Provident and Other funds		
	Provident fund [Refer note no. 29(a)(i)]	94.73	99.01
	Pension fund [Refer note no. 29(a)(i)]	23.28	27.15
	Superannuation fund [Refer note no. 29(a)(i)]	34.49	37.18
	Gratuity [Refer note no. 29(a)(ii)]	-	55.63
	Staff welfare expenses	139.98	111.01
	TOTAL	2,192.54	2,353.11

29. (a) EMPLOYEE BENEFIT OBLIGATIONS

(i) Defined-Contribution Plans

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

(All amounts in ₹ lacs, unless otherwise stated)

Amount recognised in Statement of Profit and Loss	Year ended December 31, 2013	Year ended December 31, 2012
Provident Fund	94.73	99.01
Pension Fund	23.28	27.15
Superannuation Fund	34.49	37.18

(ii) Defined-Benefits Plans

The company offers the gratuity under employee benefits scheme to its employees. The following status set out the fund states of the defined benefit schemes and amount recognised in the financials.

Present value of defined benefit obligation:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Gratuity (Funded Plan)	
	As at December 31, 2013	As at December 31, 2012
Balance at the beginning of the year	1,082.09	993.48
Current Service Cost	33.74	47.05
Interest Cost	86.61	63.33
Paid benefits	(394.35)	(56.43)
Actuarial (gain) / loss	(152.80)	34.66
Actuarial (gain) / loss due to curtailment	15.87	-
Balance at the close of the year	671.15	1,082.09

Fair value of plan assets:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31, 2013	As at December 31, 2012
Balance at the beginning of the year	1,065.42	1,032.45
Expected return on plan assets	74.95	70.12
Contributions by employer	55.00	-
Benefits paid	(394.35)	(56.43)
Actuarial gain / (loss)	(57.28)	19.29
Balance at the close of the year	743.74	1,065.42

SHREE DIGVIJAY CEMENT CO. LTD.

Assets and Liabilities recognised in the Balance Sheet:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Gratuity (Funded Plan)	
	As at December 31, 2013	As at December 31, 2012
Present Value of Obligations	671.15	1,082.09
Fair Value of Plan Assets	(743.74)	(1,065.42)
Amount not recognised as an assets	2.34	-
Net liability in the balance sheet	Refer note below	16.67

The Company contributes to an irrevocable trust due to which contributions once made cannot be refunded to the Company inspite of excess of fair value of plan asset over present value of defined benefit obligation. Hence no gratuity asset is recognised in the books.

Expenses recognised in the Statement of Profit and Loss:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Gratuity (Funded Plan)	
	As at December 31, 2013	As at December 31, 2012
Current service costs	33.74	47.05
Past service cost	-	-
Interest expenses	86.61	63.33
Expected return on investment	(74.95)	(70.12)
Net actuarial (gain) / loss	(95.52)	15.37
Actuarial (gain) / loss due to curtailment	15.87	-
Effects of the limit in para 59(b) of AS 15	2.34	-
Total Expenses	Refer note below	55.63

The Company contributes to an irrevocable trust due to which contributions once made cannot be refunded to the Company. Hence no gratuity income is recognised in the books.

The actuarial calculations used to estimate defined benefit obligations and expenses are based on the following assumptions which if changed, would affect the defined benefit obligations size, funding requirements and gratuity expense.

Return on plan assets:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31, 2013	As at December 31, 2012
Expected return on plan assets	74.95	70.12
Actuarial gain / (loss)	(57.28)	19.29
Actual return on plan assets	17.67	89.41

Investment Details:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31, 2013	As at December 31, 2012
Government of India Securities	32.00	24.00
Corporate Bonds	57.00	43.00
Other (including balances with bank and Life Insurance Corporation of India)	11.00	33.00
	100.00	100.00

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

Actuarial Assumptions:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31 2013	As at December 31 2012
Discount Rate	9.20%	8.25%
Salary Growth Rate	7.00%	7.00%
Expected Return on Plan Assets	7.50%	9.28%
Attrition Rate	1.00 % to 2.00 %	1.00%

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.

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

Amounts recognised in current year and previous four years:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010	Year ended December 31, 2009
Defined Benefit Obligation	671.15	1082.09	993.48	956.46	886.39
Plan Asset	743.74	1065.42	1032.45	922.99	753.65
Surplus / (Deficit)	72.59	(16.67)	38.96	(33.47)	(132.74)
Experience adjustment in plan liabilities	(113.17)	-	127.93	0.81	41.09
Experience adjustment in plan assets	(57.28)	19.29	1032.46	(2.15)	39.81

Expected Contribution to the Fund in the next year:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Year ended December 31, 2013	Year ended December 31, 2012
Gratuity	-	125.02

- (iii) Liability for Compensated Absences (non-funded) is ₹ 388.81 lacs (December 31, 2012: ₹ 489.40) recognised as under:

(All amounts in ₹ lacs, unless otherwise stated)

Particular	As at December 31, 2013	As at December 31, 2012
Long Term Provisions (Refer Note 7)	314.09	414.99
Short Term Provisions (Refer Note 11)	74.72	74.41
TOTAL	388.81	489.40

(All amounts in ₹ lacs, unless otherwise stated)

30	FINANCE COSTS	Year ended December 31, 2013	Year ended December 31, 2012
	Interest on long term borrowings (Refer note no.24)	258.49	39.04
	Interest on short term borrowings	2.35	-
	Interest on short fall of advance tax	2.11	-
	Other Finance cost	-	65.45
	TOTAL	262.95	104.49

(All amounts in ₹ lacs, unless otherwise stated)

31	DEPRECIATION AND AMORTISATION EXPENSES	Year ended December 31, 2013	Year ended December 31, 2012
	Depreciation on tangible assets (Refer note no.12)	1,260.00	924.13
	Amortisation on intangible assets (Refer note no.13)	59.36	63.20
	TOTAL	1,319.36	987.33

SHREE DIGVIJAY CEMENT CO. LTD.

(All amounts in ₹ lacs, unless otherwise stated)

32	OTHER EXPENSES	Year ended	Year ended
		December 31, 2013	December 31, 2012
	Consumption of stores and spare parts	1,376.15	1,223.78
	Lime Stone mine cost	1,771.73	3,084.06
	Power and Fuel	12,859.85	14,757.47
	Repairs to Building	96.96	72.94
	Repairs to Machinery	642.59	629.14
	Repairs others	28.36	7.18
	Sales Commission	445.73	326.27
	Cash Discount	25.31	-
	Freight, handling and other expenses	5,261.13	5,048.29
	Sales Expenses (Including advertisement and publicity)	65.89	45.51
	Insurance	136.37	121.95
	Rent (including lease rent)	98.92	99.50
	Rates and Taxes	286.28	94.74
	Printing, Stationery and Communications expenses	40.52	70.80
	Travelling Expenses	199.19	162.39
	Legal and Professional fees	1,080.80	1,100.56
	Provision for doubtful debts and advances	44.75	5.34
	Loss on sale/retirement of fixed assets	0.04	7.64
	Directors fees	3.45	5.55
	Donation	5.09	10.30
	Net loss on foreign currency transactions and translations	793.07	-
	Payment to Auditors		
	As auditor:		
	Audit fees	54.00	15.54
	Tax audit fees	4.50	1.25
	Other services	-	8.90
	Reimbursement of expenses	1.09	0.18
	Miscellaneous expenses	153.32	150.88
	TOTAL	25,475.09	27,050.16

33 SEGMENT INFORMATION

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

34a RELATED PARTY DISCLOSURES

Names of the related parties and nature of relationship:

i) Where control exists

Holding Company

Cimpor Inversiones S.A. (upto December 20, 2012)

Votorantim Cimentos EAA Inversiones S.L. (w.e.f. December 21, 2012)

Ultimate Holding Company

Cimpor Cimentos Cosmos S.A. (upto December 20, 2012)

Votorantim Cimentos S.A. (w.e.f. December 21, 2012)

ii) Other Related Parties with whom transactions have taken place during the year / previous year

Fellow Subsidiaries

Cimpor Trading, S.A. (upto December 20, 2012)

Cimpor-Servicos De Apoio A Gestao De Empresas S.A. (upto December 20, 2012)

Cimpor Tec-Engenharia E Servicos Tecnicos De Apoio AO Grupo S.A. (upto December 20, 2012)

Votorantim GMBH (w.e.f. December 21, 2012)

Votorantim Cimento Sanve TIC A.S.M (w.e.f. December 21, 2012)

iii) Key Management Personnel

Mr. Suman Mukherjee (Managing Director upto October 31, 2013)

Mr. Chain Singh Jasol (Whole Time Director w.e.f. November 1, 2013)

iv) Relative of Key Management Personnel

Ms. Sanchita Mukherjee (Wife for Mr. Suman Mukherjee upto October 31, 2013)

34b DETAILS OF TRANSACTIONS / BALANCES (All amount in ₹ lacs, unless otherwise stated)

Nature of Transactions	Holding Company		Ultimate Holding Company	Other Related Entities					Key Management Personnel			Relative of Key Management Personnel	Total
	Cimpor Inversiones S.A.	Votorantim Cimentos EAA Inversiones S.L.	Cimpor Cementos Cosmos, S.A.	Cimpor Trading, S.A.	Votorantim GMBH	Cimpor- Servicios De Apolo A Gestao De Empresas S.A.	Cimpor- Engenharia E Servicos Apolo AO Grupo S.A.	Votorantim Cimento Sanve TIC A.S.M	Mr. Chain Singh Jasol	Mr. Suman Mukherjee	Mrs. Sanchita Mukherjee		
Purchase of store spares	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fuel	-	-	(1.45)	-	6,139.80	-	-	-	-	-	-	-	(1.45)
Receiving of information services	-	-	-	(9,935.49)	-	-	-	-	-	-	-	-	6,139.80
Receiving of technical and other managerial services	(659.28)	663.12 (107.17)	-	-	-	(51.82)	-	-	-	-	-	-	(9,935.49)
Reimbursement of expenses paid	-	-	-	-	-	-	(0.19)	5.54	-	-	-	-	5.54
Guarantee commission paid	(54.49)	-	-	-	-	-	-	-	-	-	-	-	(0.19)
Remuneration Paid	174.88	-	-	-	-	-	-	-	17.33 (4.74)	102.56 (38.57)	5.01 (3.50)	-	(54.49)
Payables as at the year end	-	121.04 (1,185.20)	-	-	-	(21.70)	-	-	1.16	-	-	-	124.90
Guarantee provided on behalf of the Company	(6,731.31)	-	-	-	-	-	-	-	-	(1.74)	(0.35)	-	128.07
													122.20
													(1,088.59)
													10,684.22
													(6,731.31)

Figures in brackets relate to the previous year.

SHREE DIGVIJAY CEMENT CO. LTD.

35. INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

a) Sales:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31, 2013		As at December 31, 2012	
	Quantity in MT	Amount	Quantity in MT	Amount
Cement *	894,823	37,263.11	930,037	42,917.69
Clinker	-	-	-	-
TOTAL	894,823	37,263.11	930,037	42,917.69

*Excludes Cement Samples, Transit loss, damages/shortages Nil MT (December 31, 2012 : 0.85 MT) and Clinker Nil MT (December 31, 2012: Nil MT).

*Excludes self consumption for internal consumption 231.04 MT (December 31, 2012 : 147.50 MT).

b) Stock:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Opening Stock				Closing Stock			
	As at January 1, 2013		As at January 1, 2012		As at December 31, 2013		As at December 31, 2012	
	Quantity in MT	Amount	Quantity in MT	Amount	Quantity in MT	Amount	Quantity in MT	Amount
Cement	5,725	209.14	10,131	326.57	4,779	150.59	5,725	209.14
	*	*	*	*	*	*	*	*
		209.14		326.57		150.59		209.14

* held as stock in trade for captive consumption.

c) Raw materials consumed

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31, 2013		As at December 31, 2012	
	Quantity in MT	Amount	Quantity in MT	Amount
Lime Stone (Outside purchase)	573,431	2,413.76	106,995	346.81
Sand stone	23,479	99.79	29,283	120.19
Iron Ore	8,028	296.77	7,240	251.62
Gypsum	51,852	585.38	56,054	584.22
Pozollona material	38,099	324.20	37,633	289.75
Purchased Clinker	19,974	486.15	60,065	1,875.56
Marl	*	57.23	*	27.04
TOTAL		4,263.28		3,495.19

*Comprise dissimilar items which cannot be practicably aggregated.

Own Mines / Crushed Lime stone consumption is 494,722 MT (December 31, 2012 : 990,386 MT)

d) Value of imported and indigenous raw materials, spare parts and components consumed:

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31, 2013				As at December 31, 2012			
	Raw Material (Outside Parties)		Stores, Spare Parts & Components.		Raw Material (Outside Parties)		Stores, Spare Parts & Components.*	
	Amount	% of total Consumption	Amount	% of total Consumption	Amount	% of total Consumption	Amount	% of total Consumption
Imported	-	-	230.98	16.78	1,636.63	46.83	194.54	15.90
Indigenous	4,263.28	100.00	1,145.18	83.22	1,858.56	53.17	1,029.24	84.10
TOTAL	4,263.28	100.00	1,376.16	100.00	3,495.19	100.00	1,223.78	100.00

Note: Disclosure relating to imported raw material, spare parts and components consumed are restricted to items directly imported by the Company.

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

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31, 2013	As at December 31, 2012
Coal	6,139.80	9,864.32
Stores, Spare Parts & Components	256.08	192.22
Clinker Imported	-	1,364.34
Capital Goods	52.19	-

Note: Disclosure relating to imported raw material, spare parts and components consumed are restricted to items directly imported by the Company.

(All amounts in ₹ lacs, unless otherwise stated)

f) Expenditure in foreign currencies (in rupee equivalent)

Particulars	As at December 31, 2013	As at December 31, 2012
Travelling Expenses	5.54	1.75
Information Services	35.77	86.70
Technical & Professional Services	699.31	876.43
Financial Charges	-	54.49
Interest	79.13	81.10
Others	-	0.98

g) Earnings in foreign currency

F.O.B. value of Exports Nil lacs (December 31, 2012 : ₹ 2.45 lacs)

36. EARNINGS / (LOSS) PER SHARE

Particulars	As at December 31, 2013	As at December 31, 2012
Profit / (Loss) after tax	(3,552.10)	4,125.69
Weighted average number of shares outstanding for Basic / Diluted EPS	141,639,490	141,639,490
Nominal value per share (in ₹)	10.00	10.00
Basic / Diluted Earning / (Loss) per Share (in ₹)	(2.51)	2.91

37. LEASES

As a lessee: Operating lease

The Company has operating leases for premises. These lease arrangements range for a period between 11 months and 20 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

With respect to all operating leases:	Year ended December 31, 2013	Year ended December 31, 2012
Lease payments recognised in the Statement of Profit and Loss during the year	98.17	99.50

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

	As at December 31, 2013	As at December 31, 2012
Not later than one year	31.08	31.08
Later than one year and not later than five years	156.66	142.98
Later than 5 years	444.02	488.78

38. EXCEPTIONAL ITEMS

	As at December 31, 2013	As at December 31, 2012
Compensation for Voluntary Retirement Scheme (Refer note 1 below)	(1,414.52)	-
Claim received (Refer note 2 below)	-	1,215.10
TOTAL	(1,414.52)	1,215.10

Note:

- During current year the Company introduced Voluntary Retirement Scheme, 2013 ("VRS Scheme") w.e.f July 1, 2013 and was in force up to December 31, 2013. The VRS Scheme was applicable to all employees except directors subject to fulfillment of certain conditions. Consequent to above VRS Scheme, 135 employees accepted the offer made under the VRS Scheme. The aggregate compensation to employees who opted for the VRS Scheme is ₹ 1,414.52 lacs. This is disclosed under the head 'Exceptional Item' in the current year.
- The Company in earlier year had received a claim for a sum of ₹ 1,253 lacs towards dues on account of interest on electricity duty and penalty thereon for the period commencing on October 1, 2000 and ending on January 12, 2011. The cost relating to earlier period was charged to the Statement of Profit and Loss of the earlier years as an "exceptional item". A sum of ₹ 1,215 lacs was received during such earlier years by the Company from Grasim Industries Ltd. ("Grasim" - the erstwhile holding

SHREE DIGVIJAY CEMENT CO. LTD.

company) in accordance with directions of Cimpor Inversiones SA ("Cimpor" - the then holding company) based on a claim made on Grasim by Cimpor, under the Share Purchase Agreement between Grasim and Cimpor. Supported by legal advice, the sum of ₹ 1,215 lacs was recorded as a liability of the Company and the Company has sought the approval from the Reserve Bank of India for repatriation of said sum received from Grasim to Cimpor. Now consequent upon restructuring of business of holding company between Cimpor and Votorantim Cimentos EAA Inversion S.L., Cimpor has waived its right of claim over the said amount, hence the same has been considered as income and disclosed under the head 'Exceptional Item' during the financial year ended December 31, 2012.

39 a) PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at December 31, 2013			As at December 31, 2012		
	Amount	Foreign currency	Foreign Currency Amount in lacs	Amount	Foreign currency	Foreign Currency Amount in lacs
Trade Payable	15.13	EURO	0.18	1,213.23	EURO	17.55
	36.07	USD	0.57	-	-	-
Loans and Advances	11.10	EURO	0.13	-	-	-
	5.40	JPY	8.70	-	-	-
Buyers Credit	3,094.94	USD	50.00	-	-	-

b) DERIVATIVE OUTSTANDING

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Purpose	As at December 31, 2013			As at December 31, 2012		
		No. of Contracts	Amount in USD lacs	Amount	No. of Contracts	Amount in USD lacs	Amount
Forward contract to buy USD	Hedge of External commercial borrowings	2	53.00	3,280.64	2	53	2,914.72

40 According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the Interest paid / payable as required under the said Act have not been given.

41 The tax year for the Company being the year ending March 31, the provision for taxation for the year is the aggregate of the provision made for the three months ended March 31, 2013 and the provision based on the figures for the remaining nine months upto December 31, 2013, the ultimate tax liability of which will be determined on the basis of the figures for the period April 1, 2013 to March 31, 2014.

42 Previous year figures have been reclassified to conform to this year's classification.

The notes are an integral part of these financial statements.

For Price Waterhouse
Firm Registration No. : 301112E
Chartered Accountants

A. K. Chhatwani
A. Kumaresan
Sven Erik Oppelstrup Madsen

} Directors

Partha Ghosh
Partner
Membership No.: 055913

S. N. Malpani
Interim CFO & Company Secretary

Chain Singh Jasol
Whole-time Director

Place : Kovalam
Date : 27th February, 2014

Place : Mumbai
Date : 27th February, 2014



SHREE DIGVIJAY CEMENT CO. LTD.

Registered Office: Digvijaygram 361 140
Via: Jamnagar (Gujarat)

ATTENDANCE SLIP

[To be handed over at the entrance of the Meeting Hall]

Name of the Attending Member

Name of the Proxy

[To be filled in, if the Proxy attends the meeting instead of the member]

I/We hereby record my/our presence at the 69th Annual General Meeting of the Company to be held on Wednesday, the 23rd April 2014 at 02.15 PM at Digvijaygram, Via: Jamnagar (Gujarat)

Member's Folio No. / Client ID No. /DP ID No.....

Number of Shares held

(Member's / Proxy's Signature)

Note: Members are requested to bring their copy of the Annual Report at the meeting.



SHREE DIGVIJAY CEMENT CO. LTD.

Registered Office: Digvijaygram 361 140
Via: Jamnagar (Gujarat)

FORM OF PROXY

I / We of being a member / members of Shree Digvijay Cement Co. Ltd., hereby appointof or failing him of as my / our proxy to vote for me / us on my / our behalf at the 69th Annual General Meeting of the Company to be held on Wednesday, the 23rd April 2014 at 02.15 PM or on any adjournment thereof.

Signed this day of 2014

Proxy No.

Member's Folio No. / Client ID No. /DP ID No.....

Number of Shares held

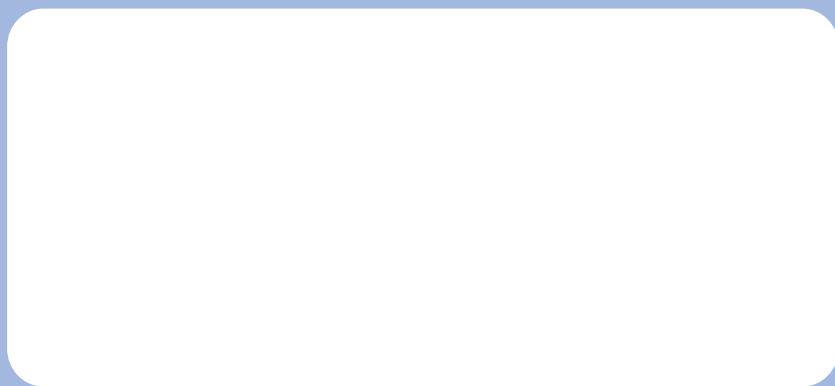
Signature

(Affix Re.
1 Revenue
Stamp)

Note: The Proxy duly completed must be returned so as to reach at the Registered Office of the Company not less than 48 hours before the time of holding of the aforesaid meeting. The Proxy need not be a member of the Company.



BOOK - POST



If undelivered, please return to :

SHREE DIGVIJAY CEMENT CO. LTD.

Digvijaygram - 361 140

Via : Jamnagar (Gujarat)