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## BOARD OF DIRECTORS

Mr. A. K. Chhatwani  
– *Independent Director & Chairman*

Mr. A. Kumaresan  
– *Independent Director*

Mr. Sven Erik Oppelstrup Madsen

Mr. Carlos Eduardo de Arruda Boggio  
(Till 26<sup>th</sup> March 2015)

Mr. Osvaldo Ayres Filho  
(Till 13<sup>th</sup> January 2015)

Mr. Persio Morassutti  
(From 25<sup>th</sup> February 2015)

Ms. Meike Albrecht  
(From 26<sup>th</sup> March 2015)

Mr. Chain Singh Jasol  
– *Whole-time Director*

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S. N. Malpani

## AUDIT COMMITTEE

Mr. A. K. Chhatwani – *Chairman*

Mr. A. Kumaresan

Mr. Persio Morassutti

## NOMINATION AND REMUNERATION COMMITTEE

Mr. A. Kumaresan – *Chairman*

Mr. A. K. Chhatwani

Ms. Meike Albrecht

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. A. Kumaresan – *Chairman*

Mr. A. K. Chhatwani

Ms. Meike Albrecht

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. A. K. Chhatwani – *Chairman*

Mr. A. Kumaresan

Mr. Chain Singh Jasol

## EXECUTIVES

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

Mr. Pravin Swamy – *Asst. V. P. (H.R.)*

Mr. P. R. Singh – *Asst. V. P. (Mktg.)*

Mr. Arun Kamra – *CFO*

## 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

## 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

## REGISTERED OFFICE AND WORKS

Shree Digvijay Cement Company Limited  
CIN : L26940GJ1944PLC000749  
Digvijaygram-361 140,  
Via: Jamnagar, Gujarat  
Tel No.: 0288-2344272 -75,  
Fax No.: 0288- 2344092  
E-mail: rkm@vceaa.com  
Website: www.digvijaycement.com

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## NOTICE

**NOTICE** is hereby given that the **Seventieth** Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT COMPANY LIMITED ("Company")** will be held at the Registered Office of the Company at **DIGVIJAYGRAM 361 140 Via: Jamnagar, Gujarat** on Wednesday, the 20<sup>th</sup> May 2015 at 09:00 A. M. to transact, with or without modifications, as may be permissible, the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> December 2014, including the Audited Statement of Profit and Loss for the year ended on the said date and the Audited Balance Sheet as at that date together with the Schedules annexed thereto and Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sven Erik Oppelstrup Madsen (holding DIN: 06379898) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Auditors

To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with rules issued thereunder including the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. Price Waterhouse, Chartered Accountants, Mumbai (Firm Registration No. 301112E), be and are hereby re-appointed as statutory auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 75<sup>th</sup> Annual General Meeting of the Company (subject to ratification of such appointment by the Members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors be and are hereby authorized to fix such remuneration (along with taxes and out of pocket expenses) as may be determined by the Audit Committee in consultation with the Auditors, and such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors of the Company."

### SPECIAL BUSINESS:

4. Appointment of Mr. A. K. Chhatwani as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 and other applicable provisions of the Companies Act, 2013 (including Schedule IV to the Companies Act, 2013) read with Rules issued thereunder including the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. A. K. Chhatwani (holding DIN 00016735), Director of the Company in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to the conclusion of the 75<sup>th</sup> Annual General Meeting of the Company."

5. Appointment of Mr. A. Kumaresan as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 and other applicable provisions of the Companies Act, 2013 (including Schedule IV to the Companies Act, 2013) read with Rules issued thereunder including the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) Mr. A. Kumaresan (holding DIN 00149567), Director of the Company in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to the conclusion of the 75<sup>th</sup> Annual General Meeting of the Company."

6. Appointment of Mr. Persio Morassutti as a Director of the Company, liable to retire by rotation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Article 149 of the Articles of Association of the Company and proviso of Section 161(4) of the Companies Act, 2013, Mr. Persio Morassutti (holding DIN 07105548), who was appointed by the Board of Directors to fill the casual vacancy on the Board caused by the resignation of Mr. Osvaldo Ayres Filho, and is eligible for reappointment as a Director, and in respect of whom notice under Section 160 of the Companies Act, 2013 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.”

7. Appointment of Ms. Meike Albrecht as a Director of the Company, liable to retire by rotation:

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Article 149 of the Articles of Association of the Company, proviso to Section 149(1) and 161(4) of the Companies Act, 2013, Ms. Meike Albrecht (holding DIN 07123752), who was appointed by the Board of Directors to fill the casual vacancy on the Board caused by the resignation of Mr. Carlos Eduardo de Arruda Boggio, and is eligible for reappointment as a Director, and in respect of whom notice under Section 160 of the Companies Act, 2013 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.”

8. Ratification of Remuneration to the Cost Auditor for the Financial Year 2015

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 read with Rules issued thereunder including Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and approval by the Board of Directors at their meeting held on 25<sup>th</sup> February, 2015, the consent of the Company be and is hereby accorded for ratification of the remuneration of ₹ 1,25,000/- [Rupees One lac twenty five thousand only] plus service tax and out of pocket expenses payable to M/s. Kiran J. Mehta & Co, Cost Accountants for conducting the audit of the Cost records maintained by the Company for the financial year ending on 31<sup>st</sup> December, 2015.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or the Company Secretary be and are hereby severally authorized to do all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

9. Related Party Transactions:

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with Rules issued thereunder, including the Companies (Meetings of Board and its powers) Rules, 2014 including any statutory modification(s) or re-enactments thereof for the time being in force, and Clause 49 of the Listing Agreement read with circular no. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 as modified by circular no. CIR/CFD/POLICY CELL/7/2014 dated 15<sup>th</sup> September, 2014, issued by the Securities and Exchange Board of India, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for the contracts / arrangements / transactions with the related parties for the financial years from 2015-16 to 2017-18 for the (a) sale, purchase or supply of any goods or materials directly or through appointment of agent and (b) availing or rendering of any services whether technical and/or financial and/or both, more particularly described in the Explanatory Statement, for an aggregate maximum amount per financial year of ₹ 150 crores (Rupees One Hundred Fifty Crores).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to decide upon the nature and value of the products, goods, materials or services to be transacted/ availed with/from the related parties within the aforesaid limit and to take such steps as may be necessary to obtain approvals, sanctions, consents and permissions and perform and execute all such act, deeds, matters and things (including delegation of such authority), as may be deemed necessary, proper or expedient and generally to do all acts, deeds, matters and things necessary for the purpose of giving effect to this resolution.”

By Order of the Board

Place : Mumbai  
Date : 26<sup>th</sup> March, 2015

S. N. Malpani  
Company Secretary



# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy, in order to be effective should be duly completed, stamped, signed and must be sent to the Company so as to reach at the registered office of the Company not later than 48 hours before the commencement of the meeting.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total paid-up Share Capital of the Company. Members holding more than ten percent of the total paid up share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders, only such joint holder, who is higher in the order of names, will be entitled to attend and vote at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 12<sup>th</sup> May, 2015 to 20<sup>th</sup> May, 2015 (both days inclusive).
5. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
6. Members holding shares in physical form are requested to forward all applications for transfers and all other share related correspondence (including intimation for change of address) to the Share Transfer Agents of the Company.
7. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/Share Transfer Agents for registration of such transfer of shares. SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
9. A statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms a part of this Notice.
10. In compliance with Clause 35B of the Listing Agreement with the Stock Exchange and the provisions of Section 108 of the Companies Act, 2013, and the Rules framed thereunder, the Company is providing facility to exercise votes on all the items of business given in this Notice through electronic voting system or through Ballot Form, to members holding shares as on 10<sup>th</sup> April, 2015 being the cut-off date (i.e. record date for the purpose of Rule 20(3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the voting process. Members may cast their votes electronically, through the e-voting services platform as provided by Central Depository Services (India) Limited, on all the Resolutions set forth in this Notice or through Ballot Form or voting at the meeting. The Company has appointed Mr. Dinesh Kumar Deora, Practicing Company Secretary or failing him Mr. Mahesh Kumar Jain, Practicing Chartered Accountant to act as scrutinizer, for conducting the scrutiny of the votes cast. Details of voting options, instructions for e-voting and other details for voting are as under:

## I) VOTING THROUGH ELECTRONIC MEANS:

A. The Company has entered into an arrangement with Central Depository Services (India) Limited ("CDSL") for facilitating e-voting for the Annual General Meeting. ***Details of user id & password for e-voting, forming part of the Notice, is provided at the bottom of the Ballot Form, which is enclosed with this Annual Report.*** The instructions for e-voting are as under:

- a) In case of Members receiving Notice of Annual General Meeting through e-mail
  - (i) The voting period begins on 14<sup>th</sup> May, 2015 at 09.00 a.m. and ends on 16<sup>th</sup> May, 2015 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10<sup>th</sup> April, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on "Shareholders".
  - (iv) Then enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If Members are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If Members are first time users follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PAN</b>                                                 | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> </ul> |

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | <ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>                                                                                                          |
| <b>DOB</b>                   | Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.                                                                                                                                                                                                                                                                                    |
| <b>Dividend Bank Details</b> | Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul> |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Shree Digvijay Cement Co. Ltd.> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the "User ID" and the "Image Verification code" and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- b) In case of Members receiving physical copy of the Notice of Annual General Meeting and Attendance Slip:
  - (i) Initial Password is provided at the bottom of the Ballot Form enclosed separately with the Annual Report.
  - (ii) Please follow all steps from Sr. No. (ii) To Sr. No. (xviii) above, to cast vote.
- B. If you are already registered with CDSL for e-voting then you can use your existing User ID and Password for casting vote.

## II) VOTING THROUGH BALLOT:

The Company is providing the facility of ballot form interms of Clause 35B of the Listing Agreement, to those shareholder, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. ***The Ballot Form along with the postage prepaid envelope and the instructions is enclosed alongwith the Annual Report.*** The last date for receiving the ballot form will be 16<sup>th</sup> May, 2015 at 5.00 p.m. Ballot forms received after this date shall not be considered.

## III) VOTING AT AGM:

The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM.

## IV) GENERAL INSTRUCTIONS FOR VOTING:

- a. Members holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
- b. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date as above.
- c. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts votes by all the three modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.
- d. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same forthwith to the Chairman of the Company.
- e. The Results shall be declared at or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.digvijaycement.com](http://www.digvijaycement.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two (2) days of passing of the resolutions at the AGM of the Company and the same shall also be communicated to BSE Limited where the shares of the Company are listed.
- f. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.



- g. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
11. 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.
12. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing companies to send documents to their shareholders in electronic mode. The Annual Report comprising of Notice, Audited Financial Statements, Directors' Report, and Auditors' Report etc. is being sent in the electronic form to all the Members who have furnished their e-mail ids to the Company/to their respective Depository Participants. The Members may kindly note that as Members of the Company, they are entitled to be furnished,

free of cost a printed copy of the Annual Report of the Company upon receipt of requisition at any time. To support this green initiative and to receive communications from the Company in electronic mode, members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the Share Transfer Agents of the Company and register their email-id. Members holding shares in dematerialized form are requested to contact their Depository Participant. Members may please note that notices, annual reports, etc. will be available on the Company's website [www.digvijaycement.com](http://www.digvijaycement.com) and the same shall also be available for inspection, during office hours, at the Registered Office of the Company. Members will also be entitled to receive the said documents in physical form free of cost at any time upon request.

By Order of the Board

Place : Mumbai  
Date : 26<sup>th</sup> March, 2015

S. N. Malpani  
Company Secretary

#### **EXPLANATORY STATEMENT:**

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

##### **Item nos. 4 & 5**

The Company had earlier appointed Mr. A. K. Chhatwani and Mr. A. Kumaresan as Independent Directors pursuant to the requirements of the Clause 49 of the Listing Agreement with the Stock Exchange, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. As per the provisions of Section 149 and 152 of the Act, all listed Companies are required to have atleast one third of the total number of Directors as Independent Directors whose period of office shall not be liable to determination by retirement of directors by rotation. In terms of provisions of Section 149(10) of the Act, an Independent Director shall hold office for a term upto five consecutive years and as per Schedule IV of the Act, the appointment of Independent Directors shall be approved at the meeting of the shareholders. It is accordingly proposed to appoint the existing Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years from Conclusion of the 70<sup>th</sup> Annual General Meeting in the calendar year 2015 till the conclusion of 75<sup>th</sup> Annual General meeting in the calendar year 2020. Separate Notices under Section 160(1) of the Act have been received from Members of the Company along with the deposits of requisite amount, proposing the candidature of each of Mr. A. K. Chhatwani and Mr. A. Kumaresan as candidates for office of the Directors of the

Company. Mr. A. K. Chhatwani, Mr. A. Kumaresan are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Mr. A. K. Chhatwani and Mr. A. Kumaresan that they meet with the criteria of independence as prescribed both under sub-section(6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In opinion of the Board, Mr. A. K. Chhatwani and Mr. A. Kumaresan fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and they are independent of the management.

Brief resume of Mr. A. K. Chhatwani and Mr. A. Kumaresan, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship and memberships/ chairmanships of the Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are provided as annex to the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. A. K. Chhatwani and Mr. A. Kumaresan as Independent Directors setting out the terms and conditions are available for inspection by the members at the Registered Office of the Company.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

This statement may also be regarded as disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Save and except Mr. A. K. Chhatwani and Mr. A. Kumaresan, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way concerned or interested, financially or otherwise in the resolution set out respectively at Item nos. 4 and 5 of the Notice with regard to their respective appointments.

The Board commends the Ordinary Resolutions set out at Item nos. 4 and 5 of the Notice for approval by the Shareholders.

## **Item no. 6**

Mr. Persio Morassutti was appointed as a Director by the Board of the Company to fill the casual vacancy caused by the resignation of Mr. Osvaldo Ayres Filho. Pursuant to Section 161 (4) of the Companies Act, 2013 and Article 149 of the Articles of Association of the Company, Mr. Persio Morassutti will cease to hold his office of Director at the ensuing Annual General Meeting. A notice under Section 160(1) of the Act has been received from a Member of the Company along with the deposit of the requisite amount, proposing the candidature of Mr. Persio Morassutti as a candidate for office of the Directors of the Company.

In view of the wide experience in the Corporate Finance, Management and I.T., and it is considered desirable to avail the benefits of his association with the Company. Brief resume of Mr. Persio Morassutti, nature of his expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are provided as annex to the Corporate Governance Report forming part of the Annual Report.

Save and except Mr. Persio Morassutti, none of the other Directors/Key managerial Personnel of the Company/their relatives is, in any way concerned or interested, financially or otherwise in the resolution set out at Item no. 6 of the Notice with regard to his appointment.

The Board recommends the Ordinary Resolution set out at Item no. 6 of the Notice for approval by the Shareholders.

## **Item no. 7**

Mr. Carlos Eduardo de Arruda Boggio was due to retire by rotation at the ensuing Annual General Meeting. Being eligible, he had offered himself for re-appointment vide his letter dated 23<sup>rd</sup> February, 2015.

As per the provisions of Section 149(1) of the Companies Act, 2013 and amended clause 49 of the Listing Agreement, the Company should have at least

one woman director. Keeping in view the said legal requirement, Mr. Carlos Boggio has resigned from the directorship and expressed that he would not like to be re-appointed as a Director of the Company vide letter dated 26<sup>th</sup> March, 2015. The vacancy so caused by his resignation was filled up by appointing Ms. Meike Albrecht in his place.

Pursuant to Section 161 (4) of the Companies Act, 2013 and Article 149 of the Articles of Association of the Company, Ms. Meike Albrecht will cease to hold her office of Director at the ensuing Annual General Meeting. A notice under Section 160(1) of the Act has been received from a Member of the Company along with the deposit of the requisite amount, proposing the candidature of Ms. Meike Albrecht as a candidate for office of the Directors of the Company.

In view of the wide experience in the Corporate HR and Management, it is considered desirable to avail the benefits of her association with the Company. Brief resume of Ms. Meike Albrecht, nature of her expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are provided as annex to the Corporate Governance Report forming part of the Annual Report.

Save and except Ms. Meike Albrecht, none of the other Directors/Key managerial Personnel of the Company/their relatives is, in any way concerned or interested, financially or otherwise in the resolution set out at Item no. 7 of the Notice with regard to her appointment.

The Board recommends the Ordinary Resolution set out at Item no. 7 of the Notice for approval by the Shareholders.

## **Item no. 8**

The Board of Directors at their meeting held on 25<sup>th</sup> February, 2015, on the recommendation of the Audit Committee has approved the appointment of M/s. Kiran J Mehta & Co, Cost Accountants, Ahmedabad as the Cost Accountant to conduct the audit of Cost records of the Company for the financial year ending on 31<sup>st</sup> December, 2015 on a remuneration of Rupees 1,25,000/- (Rupees One Lac Twenty Five Thousand only) plus Service tax and out of pocket expenses.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration

payable to the Cost Auditor for the financial year ending on 31<sup>st</sup> December, 2015.

None of the Directors/Key managerial Personnel of the Company/their relatives are, in any way concerned or interested, financially or otherwise in the resolution set out at Item no. 8 of the Notice.

The Board commends the Ordinary Resolutions set out at Item no. 8 of the Notice for approval by the Shareholders.

#### Item no. 9

The Company has entered into or may enter into contracts / arrangements / transactions (RPT) with the following entities, who are related parties within the meaning of Section 2(76) of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 (the "Act") and Clause 49 of the Listing Agreement:

| Sr. No. | Name of the Related Parties                                         | Nature of Relation                                                              | Material terms of the contract etc.*                                                                        | Monetary Value (in ₹ crores) per financial year from 2015-16 to 2017-18 |
|---------|---------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 1.      | Votorantim Cimentos EAA Inversiones S. L. (VCEAAISL)                | VCEAAISL is Company's holding Company                                           | Availing or rendering of any services whether technical and/or financial and/ or both on arm's length basis | 15.00                                                                   |
| 2.      | Votorantim Cement Trading S. L. or other Votorantim Group Companies | Votorantim Cement Trading S. L. is a Group company of Company's holding Company | Sale, purchase or supply of any goods or materials on arm's length basis                                    | 135.00                                                                  |
|         | Total                                                               |                                                                                 |                                                                                                             | 150.00                                                                  |

\* i) Name of Director or Key Managerial Personnel who is related: None

ii) Any other information relevant or important for the members to make a decision on proposed transaction: None

Section 188 of the Act provides that if transactions with the related parties are not in the ordinary course of business or on arm's length basis, such transactions are required to be approved by the Board of Directors or Shareholders, depending upon the materiality of the transactions. In other words, approval of Board or shareholders, as the case may be, is not required under the Act, if a particular transaction is in the ordinary course of business and on arm's length basis.

Revised Clause 49(VII)(E) of Listing Agreement provides that all material RPTs i.e. transaction(s) entered into during a financial year exceeding 10% of the annual consolidated turnover of the Company as per latest audited financial statements require prior approval of shareholders through special resolution.

In the opinion of the Board, the transactions / contracts / arrangements by the Company with the above parties are in the ordinary course of business and at arm's length basis. However, considering the fact that the value of contracts / arrangements / transactions with the aforesaid related parties during a financial year may be material as defined

under clause 49 of the Listing Agreement, it was proposed to seek the approval of Shareholders for the aforesaid arrangements / contracts / transactions for three financial years commencing from financial year 2015-16.

Accordingly, the Board of Directors have recommended the same to be get approved by the shareholders of the Company.

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at Item No. 1 shall be entitled to vote on this special resolution.

None of the Directors and any key personnel (or their relatives) of the Company may be deemed to be in any way concerned or interested in the resolution.

Your Directors recommend the resolution for your approval.

By Order of the Board

Place : Mumbai  
Date : 26<sup>th</sup> March, 2015

S. N. Malpani  
Company Secretary

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## DIRECTORS' REPORT

Dear Shareholders

Your Directors present the 70<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> December, 2014.

### FINANCIAL HIGHLIGHTS

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

(₹ In lacs)

|                                                                                              | Current Year<br>Ended<br>31.12.2014 | Previous Year<br>Ended<br>31.12.2013 |
|----------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| <b>Gross Turnover</b>                                                                        | <b>46045</b>                        | 37263                                |
| <b>Profit/(Loss) before Interest Depreciation, Exceptional Items &amp; Tax [PBIDT]</b>       | <b>2492</b>                         | (472)                                |
| Less: Interest                                                                               | <b>717</b>                          | 263                                  |
| Less: Depreciation                                                                           | <b>1410</b>                         | 1319                                 |
| <b>Profit/(Loss) after Interest &amp; Depreciation but before Exceptional Item &amp; Tax</b> | <b>365</b>                          | (2054)                               |
| Add/(Less): Exceptional Item                                                                 | <b>0</b>                            | (1415)                               |
| <b>Profit from ordinary activities before Tax</b>                                            | <b>365</b>                          | (3469)                               |
| Less: Provision for Current Tax(MAT)                                                         | <b>0</b>                            | (83)                                 |
| <b>Net Profit/(Loss) for the year</b>                                                        | <b>365</b>                          | (3552)                               |
| Balance brought forward from previous year                                                   | <b>(4036)</b>                       | (484)                                |
| <b>(Loss) Carried Over</b>                                                                   | <b>(3671)</b>                       | (4036)                               |

(Previous figures have been regrouped wherever necessary)

### FINANCIAL PERFORMANCE

The Gross turnover of the Company during the year under report at ₹ 46,045 lacs was higher by about 24% against the turnover of ₹ 37,263 lacs in previous year. Increased volume supported with the increase in unit realization has contributed significantly.

The PBIDT has turned in to positive as compared with the previous year. It would have been much better but for the reasons explained under Management Discussions and Analysis, forming part of the Report.

## PRODUCTION AND SALES

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

(In lacs MT)

|                   | Current Year<br>Ended 31.12.2014 | Previous Year<br>Ended 31.12.2013 |
|-------------------|----------------------------------|-----------------------------------|
| <b>Production</b> |                                  |                                   |
| • Clinker         | <b>6.99</b>                      | 7.30                              |
| • Cement          | <b>10.04</b>                     | 8.94                              |
| <b>Sales</b>      |                                  |                                   |
| • Cement          | <b>10.01</b>                     | 8.95                              |

Output of the Clinker and Cement during the year 2014 was 6.99 lacs MT and 10.04 lacs MT respectively as against 7.30 lac MT and 8.94 lac MT in 2013.

Clinker production during the year under report was much lower than budgeted due to frequent stoppage of process during the period April 2014 till August, 2014. It had adversely affected the productivity. The Company had taken major steps for stability and improvement in Clinker production. The positive impact from the initiatives taken by your Company is expected to be felt from the year 2015 onwards.

Your Company had produced ever highest Cement production at 10.04 lacs MT during the year.

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

### DIVIDEND

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

### NUMBER OF THE MEETINGS OF THE BOARD

The details of the Board meetings held during the year 2014 are as under:

a. Meetings of the Board of Directors:

| Date of the meeting             | Place of the Meeting |
|---------------------------------|----------------------|
| 27 <sup>th</sup> February, 2014 | Mumbai               |
| 23 <sup>rd</sup> April, 2014    | Digvijaygram         |
| 12 <sup>th</sup> August, 2014   | Mumbai               |
| 12 <sup>th</sup> November, 2014 | Mumbai               |

b. Meetings of the Audit Committee of Directors:

| Date of the meeting             | Place of the Meeting |
|---------------------------------|----------------------|
| 27 <sup>th</sup> February, 2014 | Mumbai               |
| 23 <sup>rd</sup> April, 2014    | Digvijaygram         |
| 12 <sup>th</sup> August, 2014   | Mumbai               |
| 12 <sup>th</sup> November, 2014 | Mumbai               |

- c. Meetings of the Nomination and Remuneration Committee of Directors:

| Date of the meeting             | Place of the Meeting |
|---------------------------------|----------------------|
| 27 <sup>th</sup> February, 2014 | Mumbai               |
| 23 <sup>rd</sup> April, 2014    | Digvijaygram         |

- d. Meeting of the Corporate Social Responsibility Committee of Directors:

| Date of the meeting            | Place of the Meeting |
|--------------------------------|----------------------|
| 14 <sup>th</sup> October, 2014 | Digvijaygram         |

- e. Meeting of the Stakeholders Relationship Committee of Directors:

| Date of the meeting             | Place of the Meeting |
|---------------------------------|----------------------|
| 27 <sup>th</sup> February, 2014 | Mumbai               |
| 12 <sup>th</sup> November, 2014 | Mumbai               |

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- in preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial 2014 [as on 31<sup>st</sup> December 2014] and the profit and loss of the Company for that year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts of the Company on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operational effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

Declaration given by Independent Directors meeting the criteria of independence as provided in sub-

section (6) of Section 149 of the Companies Act, 2013 is received and taken on record.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company has a "Nomination and Remuneration Committee of Directors" in place. The Committee reviews and recommend to the Board for remuneration for Directors and key Managerial personnel and other employee up to one level below of Whole Time Director.

The Company does not pay any remuneration to the Directors of the Company other than sitting fee for attending the meetings of the Board and Committees of the Board. Non-executive Director do not take any sitting fee for attending such meetings. Remuneration to the Whole-time Director is governed under the relevant provisions of the Act and approvals.

#### **AUDITORS' REPORT**

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

#### **LOANS, GUARANTEES OR INVESTMENTS**

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

#### **DEPOSITS**

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

#### **CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES**

Details of Contracts/arrangement with the Related Parties are appearing under note no. 33b and form part of this report. All related party transactions that were entered into during the year under report were on arm's length basis and were in the ordinary course of business. The related party transactions made by the Company with Promoter Company, have no potential conflict with the interest of the Company at large.

Related party Transactions are placed before the Audit Committee as also to the Board for approval. The Policy on Related party Transactions as approved by the Board is uploaded on the Company's website. The Company management ensures total adherence to the approved Policy on Related Party Transactions to establish Arm's Length Basis without any compromise.

#### **MATERIAL CHANGES AND COMMITMENTS**

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on 31<sup>st</sup> December, 2014 and the date of this report i. e. 25<sup>th</sup> February, 2015.



# SHREE DIGVIJAY CEMENT COMPANY LIMITED

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

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

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In term of Section 136 of the Act, the Report is being sent to all shareholders and others entitled thereto, excluding the aforesaid information and the said particulars are available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. The members interested in obtaining such particulars may write to the Company Secretary.

## RISK MANAGEMENT POLICY

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

## CORPORATE SOCIAL RESPONSIBILITY [CSR]

Your Company aims to remain essential to the society with its social responsibility, strongly connected with the principle of sustainability, an organization based not only on financial factors, but also on social and environmental consequences. It is responsibility of your Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interest of Stakeholders. Your Company had contributed and still contributing towards development of public facilities like opening of Education Centers, Health Centers, improvement in living standard and upliftment of communities comprising weakest section of Rural section with no access to basic amenities.

As required under Section 135 of the Companies Act, 2013 and to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Policy to conduct the task under CSR with

following composition:

### A. Members of the Committee:

1. Mr. A. K. Chhatwani – Independent Director
2. Mr. A. Kumaresan – Independent Director
3. Mr. Chai Singh Jasol – Whole-Time Director
4. Mr. S. N. Malpani – Secretary to the Committee

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

### B. Activities undertaken by the Committee:

As stipulated under Schedule VII of the Companies Act, 2013, the Company has undertaken following activities under CSR compliance:

1. Promotion of education and education facilities up-gradation.
2. Promoting gender equality and empowering women.
3. Combating human immune – deficiency virus acquired immune deficiency syndrome, malaria and other disease.
4. Ensuring environmental sustainability.

During the year under report, the Company has spent a sum of ₹ 17.30 lacs towards CSR activities in line with the compliance with Section 135 of the Companies Act 2013.

## DIRECTORS/KEY MANAGERIAL PERSONNEL

Mr. Osvaldo Ayres Filho, a Director of the Company has resigned from the office of Director. The casual vacancy caused by his resignation is filled up by the Board of Directors by co-opting Mr. Persio Morassutti in his place. Your Board takes this opportunity to acknowledge the efforts and the contributions of Mr. Osvaldo to the Company during his tenure on the Board.

Mr. Carlos Eduardo de Arruda Boggio, a Director is retiring by rotation, and being eligible, offer himself for reappointment.

Mr. A. K. Chhatwani and Mr. A. Kumaresan the Independent directors of the Company were appointed by the Company at the Sixty-ninth Annual General Meeting held on 23<sup>rd</sup> April, 2014. Their appointment was liable to retire by rotation. As per the provisions of Section 149 and 152 of the Companies Act, 2013 ("the Act"), effective from 1<sup>st</sup> April, 2014 Independent Directors shall not be liable to retirement by rotation. Accordingly appointment of the existing Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term is recommended for consideration and approval by the members.

A brief resume of the above mentioned Directors being appointed are attached to the Corporate Governance Report.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee. During the year under report, the Independent Directors met on 14<sup>th</sup> October, 2014 *inter alia*, to discuss:

- Performance evaluation of Non Independent Directors and Board of Directors as a whole;
- Performance evaluation of the Chairman of the Company;
- Evaluation of the quality of flow of information between the Management and Board for effective performance by the Board.

## 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.

Auditor's appointment is proposed for a period of five consecutive years from the conclusion of the 70<sup>th</sup> Annual General meeting, in line with the provisions of Section 139 of the Companies Act, 2013 and relevant Rules thereunder.

## COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, your Directors, on the recommendation of the Audit Committee of Directors, have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the Cost Audit for the year ended 31<sup>st</sup> December, 2015. The Board recommends for ratification of remuneration payable to the Cost Auditors.

## 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.

## 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      Chain Singh Jasol  
Director      Whole-Time Director

Place : Digvijaygram

Date : 25<sup>th</sup> February, 2015

## Subsequent events:

Following events have taken place after 25<sup>th</sup> February, 2015:

1. Mr. Carlos Boggio, a Director of the Company, who was retiring under rotation and had offered himself for re-appointment, has resigned from the Directorship of the Company effective from 26<sup>th</sup> March, 2015 and has not sought for re-appointment. Your Board takes this opportunity to acknowledge the efforts and the contributions of Mr. Carlos to the Company during his tenure on the Board.
2. Ms. Meike Albrecht has been appointed to fill the casual vacancy caused by the resignation of Mr. Carlos Boggio and also in compliance with Section 149 of the Companies Act, 2013.
3. Mr. Sven Erik Oppelstrup Madsen a Director is retiring under rotation and being eligible has offered himself for re-appointment.

For and on behalf of the Board

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

Place : Madrid

Date : 26<sup>th</sup> March, 2015

Mumbai

26<sup>th</sup> March, 2015

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## MANAGEMENT DISCUSSION & ANALYSIS

### OPERATIONAL PERFORMANCE REVIEW

#### CAPACITY UTILIZATION

|                                         | Current Year<br>Ended<br>31.12.2014 | Previous Year<br>Ended<br>31.12.2013 |
|-----------------------------------------|-------------------------------------|--------------------------------------|
| <b>Installed Capacity (Lac. TPA)</b>    | <b>10.75</b>                        | 10.75                                |
| <b>Production (Lac TPA)</b>             |                                     |                                      |
| Clinker                                 | 6.99                                | 7.30                                 |
| Cement                                  | 10.04                               | 8.94                                 |
| Effective Capacity utilization@         | 93.42%                              | 83.17%                               |
| <b>Sales Volume (Lac Ton)</b>           |                                     |                                      |
| Domestic – Cement                       | 10.01                               | 8.95                                 |
| Net Cement Sales Realization<br>(₹/ MT) | 4105                                | 3705                                 |

@ Effective capacity utilization = Cement Production + Clinker sold / Installed capacity. The positive attitude of Cement market has helped in increase towards capacity utilization by 10.25% during the year under report.

#### FINANCIAL PERFORMANCE REVIEW

(₹ In lacs)

|                                                                                      | Current Year<br>Ended<br>31.12.2014 | Previous Year<br>Ended<br>31.12.2013 |
|--------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| Net Sales / Income from Operations                                                   | 41079                               | 33156                                |
| Add: Other operating Income                                                          | 290                                 | 24                                   |
| Less: Total Expenditure                                                              | 39625                               | 34255                                |
| <b>Profit before other income, interest, Depreciation &amp; Exceptional items</b>    | <b>1744</b>                         | -1075                                |
| Add: Other Income                                                                    | 748                                 | 603                                  |
| <b>Profit from operation (before interest, Depreciation &amp; Exceptional items)</b> | <b>2492</b>                         | -472                                 |
| Less: Interest                                                                       | 717                                 | 263                                  |
| Less: Depreciation                                                                   | 1410                                | 1319                                 |
| <b>Profit after interest, Depreciation but before Exceptional items</b>              | <b>365</b>                          | -2054                                |
| Add : Exceptional items                                                              | 0                                   | -1415                                |
| <b>Profit from ordinary activities before Tax</b>                                    | <b>365</b>                          | -3469                                |
| Less: Tax Expenses                                                                   | 0                                   | -83                                  |
| <b>Net Profit for the year after tax</b>                                             | <b>365</b>                          | -3552                                |

Previous year figures have been regrouped wherever necessary.

### NET SALES/INCOME FROM OPERATIONS

The net sales/income from operation has registered an increase by about 24% over previous year mainly because of higher volume of Cement sales coupled with improved unit realization in comparison with the previous year.

#### PROFIT FROM OPERATIONS

Profit from operation has turned positive at ₹ 2492 lacs as against loss of ₹ 472 lacs in the previous year. The composite impact on this front by ₹ 2964 lacs during the year under report has resulted in positive working result. Following are the broad reasons for variations in the working results:

Positive Impacts:

- Higher volume of Cement sales by 11.82% over previous year coupled with improved unit realization.
- Saving in Electricity rate by 4.17 % and in consumption by 2.87% in comparison with previous year.
- Increase in other operating income of Scrap Sale, exchange gain etc.

Negative Impact:

- Increase in Raw material cost by about 20% over previous year,
- Increase in Fuel cost by 8%.
- The Company has incurred higher amount of ₹ 1875 lacs in comparison with the previous year on repairs and maintenance cost of the Plant. This has resulted in achieving consistency in Plant operation.

#### EXCEPTIONAL ITEMS - 2013

The Company had introduced Voluntary Retirement Scheme -2013 ("VRS Scheme"). 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.

#### CASH FLOW ANALYSIS

(₹ In lacs)

|                                                    | Current Year<br>Ended<br>31.12.2014 | Previous Year<br>Ended<br>31.12.2013 |
|----------------------------------------------------|-------------------------------------|--------------------------------------|
| <b>Source of Cash</b>                              |                                     |                                      |
| Cash from Operation before working capital changes | 1967                                | (943)                                |
| Non-operating Cash flow                            | 219                                 | 400                                  |
| Proceeds from borrowings                           | 8600                                | 3104                                 |

|                                                   | <b>Current Year<br/>Ended<br/>31.12.2014</b> | Previous Year<br>Ended<br>31.12.2013 |
|---------------------------------------------------|----------------------------------------------|--------------------------------------|
| Investment (Net) (Including income on Investment) | <b>736</b>                                   | 3617                                 |
| Decrease/(Increase) in Working Capital            | <b>576</b>                                   | 218                                  |
| <b>Total</b>                                      | <b>12098</b>                                 | 6396                                 |
| <b>Use of Cash</b>                                |                                              |                                      |
| Capital Expenditure (net)                         | <b>3497</b>                                  | 2822                                 |
| Taxes Paid                                        | <b>85</b>                                    | 15                                   |
| Repayment of borrowings                           | <b>5393</b>                                  | 0                                    |
| Interest paid on borrowings                       | <b>660</b>                                   | 261                                  |
| Increase/(Decrease) in Cash equivalents           | <b>2463</b>                                  | 1883                                 |
| Exceptional Items                                 | <b>0</b>                                     | 1415                                 |
| <b>Total</b>                                      | <b>12098</b>                                 | 6396                                 |

(Previous year figures have been regrouped wherever necessary)

## FINANCE

Your Company has availed short term working capital loan for ₹ 8600 lacs from CITI Bank NA. This has increased higher interest out go in comparison with the previous year. During the year under report, a sum of ₹ 5393 lacs has been utilized in paying off ECB and Buyers Credit borrowings.

## CAPITAL EXPENDITURE

As reported in the previous year, the Pet Coke Mill is commissioned and put in operation during the year under Report. The Company has also spent a significant amount of ₹ 3479 lacs for up gradation of Plant and, to install various balancing equipment to achieve sustainable plant performance.

## SEGMENT REVIEW AND ANALYSIS

It is a single product Company

## OUTLOOK, RISK AND CONCERN

Looking at the prevailing scenario, anticipated good monsoon and ongoing developmental activities in Infrastructural segment, the demand for Cement in the year 2015 is likely register a moderate growth in the State of Gujarat – the home market for your Company. However, capacity consolidation and new entrants with increased capacities in the State/ adjoining States will have an adverse effect on overall market share as also on price sentiments.

## 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 31<sup>st</sup> December, 2014 was 317. (Previous year as on 31<sup>st</sup> December, 2013 was 309).

## 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 : Digvijaygram

Date : 25<sup>th</sup> February, 2015

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

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

## (A) CONSERVATION OF ENERGY

|       |                                                           |                                                                                                                                                                                                                                                                                                                                                   |
|-------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)   | The steps taken or impact on conservation of energy       | <ul style="list-style-type: none"> <li>Worn out down comer hot air ducts replaced for reducing False air in to the system.</li> <li>Damaged Pre Heater Cyclones body repaired.</li> <li>Installation of Capacitors to improve power factor.</li> <li>Pre Grinder Bag House SPRS replaced with VFD to reduce power consumption by 40 KW</li> </ul> |
| (ii)  | The steps taken for utilizing alternate sources of energy | <ul style="list-style-type: none"> <li>New Mill for Petcoke grinding Installed and commissioned. Aprx. 40% Pet Coke started in Main Firing as thermal Energy</li> </ul>                                                                                                                                                                           |
| (iii) | The capital investment on energy conservation equipment   | <ul style="list-style-type: none"> <li>Pre Grinder Bag House SPRS replaced with VFD</li> <li>Installation of Ball Mill for Pet Coke Grinding</li> </ul>                                                                                                                                                                                           |

## POWER AND FUEL CONSUMPTION

|                                            |                                                        |                   | Current Year<br>2014 | Previous Year<br>2013 |
|--------------------------------------------|--------------------------------------------------------|-------------------|----------------------|-----------------------|
| <b>POWER &amp; FUEL CONSUMPTION:</b>       |                                                        |                   |                      |                       |
| <b>1)</b>                                  | <b>Electricity:</b>                                    |                   |                      |                       |
|                                            | <b>(a) Purchased</b>                                   |                   |                      |                       |
|                                            | Unit KWH                                               | Lacs              | <b>815</b>           | 561                   |
|                                            | Amount                                                 | ₹ Lacs            | <b>5337</b>          | 2999                  |
|                                            | Rate per Unit                                          | ₹                 | <b>6.55</b>          | <b>5.34</b>           |
|                                            | <b>(b) Own Generation: DG set</b>                      |                   |                      |                       |
|                                            | Through Diesel / Furnance Oil Genset                   |                   |                      |                       |
|                                            | Units KWH (Gross)                                      | Lacs              | <b>28</b>            | 277                   |
|                                            | Units per Ltrs of Furnance Oil                         | Kwh               | <b>3.59</b>          | 4.14                  |
|                                            | Cost per Unit (Net basis)<br>(Excluded Salary / wages) | ₹                 | <b>12.72</b>         | <b>11.04</b>          |
|                                            | <b>(c) Own Generation: Waste Heat Recovery (WHR)</b>   |                   |                      |                       |
|                                            | Units KWH (Gross)                                      | Lacs              | <b>2</b>             | 26                    |
|                                            | Cost per Unit (Net) (excl.salary/wages)                | ₹                 | <b>14.27</b>         | 3.15                  |
| <b>2)</b>                                  | <b>Coal for Kiln (Various grades)</b>                  |                   |                      |                       |
|                                            | Quantity                                               | In Thousand Tonne | <b>110</b>           | 111                   |
|                                            | Total Cost                                             | ₹ In lacs         | <b>7245</b>          | 6951                  |
|                                            | Average Rate                                           | ₹ Per tonne       | <b>6580</b>          | 6273                  |
| <b>3)</b>                                  | <b>Furnance Oil (for power generation)</b>             |                   |                      |                       |
|                                            | Quantity                                               | K Ltrs            | <b>766</b>           | 6707                  |
|                                            | Total FO Cost                                          | ₹ In lacs         | <b>316</b>           | 2627                  |
|                                            | Average Rate                                           | ₹/ Ltr            | <b>41.28</b>         | 39.17                 |
| <b>CONSUMPTION PER UNIT OF PRODUCTION:</b> |                                                        |                   |                      |                       |
|                                            |                                                        | Standard (if any) |                      |                       |
| <b>a)</b>                                  | <b>Electricity / kwh / Tonne of Cement</b>             | 120               | <b>95.32</b>         | 98.13                 |
| <b>b)</b>                                  | <b>Coal</b>                                            |                   |                      |                       |
|                                            | Clinker (K.Cal/kg Clinker)                             | 800               | <b>869</b>           | 839                   |



**(B) TECHNOLOGY ABSORPTION**
**Research & Development (R & D)**

|       |                                                                                                                                                                                                                                                                                                                                                           |                                                                                |                                                         |               |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------|---------------|
| (i)   | The efforts made towards technology absorption.                                                                                                                                                                                                                                                                                                           | • New High impulse burner (Five Pillard Burner) Installed for Pet Coke firing. |                                                         |               |
|       |                                                                                                                                                                                                                                                                                                                                                           | • High accuracy Coriolis Feeder installed in Coal Firing circuit.              |                                                         |               |
|       |                                                                                                                                                                                                                                                                                                                                                           | • Cooler and Kiln Girth Gear lubrication system Up graded.                     |                                                         |               |
|       |                                                                                                                                                                                                                                                                                                                                                           | • New PLC and SCADA system installed in Lime stone Crushing section.           |                                                         |               |
|       |                                                                                                                                                                                                                                                                                                                                                           | • Hydraulic thrust device installed in place of Mechanical thruster.           |                                                         |               |
| (ii)  | The benefits derived like product improvement, cost reduction, product development or import substitution.                                                                                                                                                                                                                                                | • Consistency in plant performance.                                            |                                                         |               |
| (iii) | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –<br>(a) The details of technology imported;<br>(b) The year of import;<br>(c) Whether the technology been fully absorbed;<br>(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | N.A.                                                                           |                                                         |               |
| (iv)  | The expenditure incurred on Research and Development                                                                                                                                                                                                                                                                                                      | 1.                                                                             | Capital Expenditures –                                  | NIL           |
|       |                                                                                                                                                                                                                                                                                                                                                           | 2.                                                                             | Recurring Expenditures – (₹ In Lacs)                    | 2014 2013     |
|       |                                                                                                                                                                                                                                                                                                                                                           | a.                                                                             | Technical Royalty                                       | 821.59 663.12 |
|       |                                                                                                                                                                                                                                                                                                                                                           | b.                                                                             | R & D Cess                                              | 41.08 33.16   |
|       |                                                                                                                                                                                                                                                                                                                                                           | c.                                                                             | Contribution to Cement Cess                             | 7.53 6.71     |
|       |                                                                                                                                                                                                                                                                                                                                                           | 3.                                                                             | Total R&D Expenditure as a percentage of total turnover | 1.89% 1.89%   |

**(C) FOREIGN EXCHANGE EARNINGS & OUTGO**

₹ in Lacs

|                         | 2014    | 2013   |
|-------------------------|---------|--------|
| Foreign Exchange earned | NIL     | NIL    |
| Foreign Exchange used   | 1249.20 | 819.75 |

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## 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 at least one woman director and 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. Effective from 26<sup>th</sup> March, 2015, Ms. Meike Albrecht was appointed as a Woman Non-Executive Director on the Board of the Company. 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/<br>Non-<br>Executive/<br>Independent | No. of Outside<br>Directorship(s)<br>Held |         | No. of Outside<br>Committee Positions<br>Held |          | No. of Board Meetings<br>(During tenure of<br>respective Directors) |          | Attended<br>Last AGM<br>\$ |
|--------------------------------------|-------------------------------------------------|-------------------------------------------|---------|-----------------------------------------------|----------|---------------------------------------------------------------------|----------|----------------------------|
|                                      |                                                 | Public                                    | Private | Member                                        | Chairman | held                                                                | attended |                            |
| Mr. A.K. Chhatwani                   | Independent                                     | -                                         | -       | -                                             | -        | 4                                                                   | 4*       | Yes                        |
| Mr. A . Kumaresan                    | Independent                                     | -                                         | 2       | -                                             | -        | 4                                                                   | 4        | Yes                        |
| Mr. Sven Erik Oppelstrup Madsen      | Non-Executive                                   | 5@                                        | -       | -                                             | -        | 4                                                                   | 3*       | Yes                        |
| Mr. Carlos Eduardo de Arruda Boggio# | Non-Executive                                   | -                                         | -       | -                                             | -        | 4                                                                   | 3*       | No                         |
| Mr. Osvaldo Ayres Filho ^            | Non-Executive                                   | -                                         | -       | -                                             | -        | 4                                                                   | 3*       | No                         |
| Mr. Persio Morassutti ^              | Non-Executive                                   | -                                         | -       | -                                             | -        | -                                                                   | -        | NA                         |
| Ms. Meike Albrecht #                 | Non-Executive                                   | -                                         | -       | -                                             | -        | -                                                                   | -        | NA                         |
| Mr. Chain Singh Jasol                | Executive                                       | -                                         | -       | -                                             | 3        | 4                                                                   | 4        | Yes                        |

(\$) Last AGM was held on 23<sup>rd</sup> April 2014 / (@) Directorship(s) held in foreign Companies / (\*) Includes meeting(s) attended through Video Conference / (#) Ms. Meike Albrecht was appointed as a Director effective from 26<sup>th</sup> March, 2015 in place of Mr. Carlos Eduardo de Arruda Boggio who ceased to be a Director of the Company due to his resignation from said date / (^) Mr. Persio Morassutti was appointed as Director of the Company effective from 25<sup>th</sup> February, 2015 on casual vacancy caused by resignation of Mr. Osvaldo Ayres Filho, which was effective from 13<sup>th</sup> January, 2015.

#### • 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 an important 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 stakeholders.

The details of Board meetings held during the financial year ended on 31<sup>st</sup> December, 2014 (January to December) are as follows:

| Date of Board Meeting           | City         | No. of Directors attended/ participated through Video Conference |
|---------------------------------|--------------|------------------------------------------------------------------|
| 27 <sup>th</sup> February, 2014 | Mumbai       | 6                                                                |
| 23 <sup>rd</sup> April, 2014    | Digvijaygram | 4                                                                |
| 12 <sup>th</sup> August, 2014   | Mumbai       | 5                                                                |
| 12 <sup>th</sup> November, 2014 | Mumbai       | 6                                                                |

As required under the Companies Act, 2013, one meeting of the Independent Directors of the Company was held on 14<sup>th</sup> October, 2014.

• **Code of Conduct**

*In compliance with the provisions of Clause 49 of the Listing Agreement, 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. All Board members and Senior Management Personnel affirm compliance with the Code on annual basis. A declaration from Whole-time Director/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](http://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 31<sup>st</sup> December, 2014.*

Place: Digvijaygram Chain Singh Jasol  
Date: 25<sup>th</sup> February, 2015 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 Members, of these two are Independent Directors and one is Non-Executive Director. All the Members of the Audit Committee are financially literate. Mr. A. K. Chhatwani is the Chairman of the Committee and was present at last Annual General Meeting of the Company. During the Period, the Audit Committee met four times to deliberate on various matters. The meetings were held on 27<sup>th</sup> February, 2014, 23<sup>rd</sup> April, 2014, 12<sup>th</sup> August, 2014 and 12<sup>th</sup> November, 2014. 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. A. K.Chhatwani             | 4               | 4                                                                |
| Mr. A. Kumaresan               | 4               | 4                                                                |
| Mr. Osvaldo Ayres Filho        | 4               | 3                                                                |
| Mr. Persio Morassutti *        | NA              | NA                                                               |

\*Appointed as Director effective from 25<sup>th</sup> February, 2015

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*

### III. Corporate Social Responsibility Committee (CSR):

In terms of the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors at their meeting held on 23<sup>rd</sup> April, 2014 has constituted a Corporate Social Responsibility (CSR) Committee of the Board.

The CSR Committee comprises Mr. A.K. Chhatwani as the Chairman and Mr. A. Kumaresan and Mr. Chain Singh Jasol as the Members of the Committee. The Committee has met once on 15<sup>th</sup> October 2014 and all the Members were present at the said meeting.

### IV. Appointment & Remuneration of Directors

#### • Nomination and Remuneration Committee :

In compliance with Section 178 of the Companies Act 2013, the Board of Directors at their meeting held on 25<sup>th</sup> February, 2015 has renamed the existing "Remuneration Committee of Directors" as the "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee at present comprises Mr. A. Kumaresan as the Chairman, and Mr. A. K. Chhatwani and Ms. Meike Albrecht (Mr. Carlos Boggio till 26<sup>th</sup> March, 2015) as the Members of the Committee.

The Committee has met twice during the year i.e. on 27<sup>th</sup> February, 2014 and 23<sup>rd</sup> April, 2014. Other than Mr. Carlos Boggio, all other members of the Committee were present in the said meetings.

#### • Appointment & Remuneration of Executive / Whole-time Director

The appointment and remuneration of Whole-time Director(s) including any revisions in their term are made by the Board of Directors for a fixed term on recommendation of Nomination and Remuneration Committee, which are subject to approval of shareholders.

#### • Non-Executive Directors' Remuneration

All fees/compensation (except sitting fees) paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors on recommendation of the Nomination and Remuneration Committee of the Board and shall require shareholders' approval.

During the year, Independent Directors were paid sitting fee of Rs. 75,000 (w.e.f. 23<sup>rd</sup> April 2014) and Rs. 15,000 before that date for attending each meeting of the Board or other Committees viz, Audit Committee of Directors and Nomination and Remuneration Committee of Directors. For all other committees, Rs. 15,000 each were paid to Independent Directors.

Details of remuneration of Directors for the year ended 31<sup>st</sup> December, 2014 are as follows:

(in ₹)

| Name of Director*                   | Salary, Allowances & Perquisites | Sitting fees paid | Total   |
|-------------------------------------|----------------------------------|-------------------|---------|
| Mr. A.K. Chhatwani                  | -                                | 600000            | 600000  |
| Mr. A. Kumaresan                    | -                                | 630000            | 630000  |
| Mr. Sven Erik Oppelstrup Madsen     | -                                | -                 | -       |
| Mr. Carlos Eduardo de Arruda Boggio | -                                | -                 | -       |
| Mr. Osvaldo Ayres Filho             | -                                | -                 | -       |
| Mr. C.S. Jasol                      | 6558304                          | -                 | 6558304 |

\* Terms of appointment of Whole-time Director are governed by the resolutions of the shareholders and applicable rules of the Company. None of the Directors are entitled to a severance fees.

Apart from sitting fees for attending Board/Committee Meetings, no other fees/compensation is paid to the Directors nor have any significant material transactions been made with the non-executive Directors vis-à-vis the Company. Your Company does not have any stock option scheme for its Directors and employees.

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

#### • Directors' shareholding

Details of Director Shareholding in the Company are as follows:

| Name of Director*                   | No. of shares |
|-------------------------------------|---------------|
| Mr. Osvaldo Ayres Filho             | 500           |
| Mr. Carlos Eduardo de Arruda Boggio | 500           |
| Mr. Sven Erik Oppelstrup Madsen     | 500           |
| Mr. Chain Singh Jasol               | 1511          |

\* Other Directors are not holding any shares in the Company.

## V. 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 33b. However, all these transactions are on normal commercial arm's length basis.*

As required under the Listing Agreement, the Board of Directors has at their meeting held on 17<sup>th</sup> January, 2015 has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions.

### (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) 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.*

## (F) 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](http://www.digvijaycement.com)*

- Stakeholders Relationship Committee**

Stakeholders Relationship 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 "Stakeholders Relationship 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 twice on 27<sup>th</sup> February 2014 and 12<sup>th</sup> November 2014 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 (India) 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.*

## (G) Whistle Blower Policy:

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviours in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has adopted a whistle blower policy through which the employees, Directors and other stakeholders are free to report to Senior Management any unethical behaviour, improper practices and

wrongful conduct taking place in the Company for taking appropriate action. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

**(H) Mandatory & Non-Mandatory Clauses:**

The Company has complied with all mandatory requirements laid down by clause 49. The non-mandatory requirements complied with has been disclosed at the relevant places.

**VI. 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.*

**VII. 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                               |
|----------------|---------------------------------|-------------------------------------------|
| 2011           | Registered Office, Digvijaygram | 15 <sup>th</sup> May, 2012 – 04:00 P. M.  |
| 2012           | Registered Office, Digvijaygram | 19 <sup>th</sup> June, 2013 – 09:30 A. M. |
| 2013           | Registered Office, Digvijaygram | 23 <sup>rd</sup> April, 2014 – 02.15 P.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.

**VIII. 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](http://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

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## SHARE HOLDER INFORMATION

### 1. Annual General Meeting

Date & Time : **20<sup>th</sup> May, 2015 at 9.00 A.M.**

Venue : Digvijaygram-361 140,  
.Via. Jamnagar (Gujarat)

### 2. Financial Calender

Financial reporting and Limited Review for the quarter ending 31<sup>st</sup> March, 2015 - upto 15<sup>th</sup> May, 2015.

Financial reporting and Limited Review for the quarter ending 30<sup>th</sup> June, 2015 - upto 14<sup>th</sup> August, 2015.

Financial reporting and Limited Review for the quarter ending 30<sup>th</sup> September, 2015 - upto 15<sup>th</sup> November, 2015.

Financial reporting for the Year ending 31<sup>st</sup> December, 2015 - by end of February 2016.

Annual General Meeting for the year ending 31<sup>st</sup> December, 2015 - by end of June 2016.

### 3. Dates of Book Closure

12<sup>th</sup> May, 2015 to 20<sup>th</sup> May, 2015 (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-2014   | 11.35    | 8.80    |
| February-2014  | 9.84     | 8.61    |
| March-2014     | 13.66    | 9.00    |
| April-2014     | 14.00    | 11.89   |
| May-2014       | 18.39    | 12.50   |
| June-2014      | 20.30    | 15.10   |
| July-2014      | 20.25    | 17.05   |
| August-2014    | 24.85    | 17.40   |
| September-2014 | 25.10    | 21.05   |
| October-2014   | 23.60    | 19.95   |
| November-2014  | 23.95    | 18.65   |
| December-2014  | 21.95    | 16.75   |

### 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 Demat 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 31<sup>st</sup> December, 2014

| Holding       | Shareholders |               | No. of Shares    | % of Shareholdings |
|---------------|--------------|---------------|------------------|--------------------|
|               | Nos.         | % age         |                  |                    |
| 1 - 500       | 16730        | 68.15         | 3458827          | 2.45               |
| 501 - 1000    | 3431         | 13.97         | 3012525          | 2.13               |
| 1001 - 5000   | 3402         | 13.86         | 8097400          | 5.73               |
| 5001 - 10000  | 548          | 2.23          | 4160095          | 2.94               |
| 10001 & above | 439          | 1.79          | 122645431        | 86.75              |
| <b>TOTAL</b>  | <b>24550</b> | <b>100.00</b> | <b>141374278</b> | <b>100.00</b>      |

#### 11. Dematerialisation of Shares & Liquidity

The shares of the Company are in compulsory demat segment, 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 31<sup>st</sup> December, 2014, 140431579 Equity Shares of the Company representing 99.33% are in dematerialised form.

#### 12. Registered Office & Works

Shree Digvijay Cement Co.Ltd.  
CIN: L26940GJ1944PLC000749;  
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 31<sup>st</sup> December, 2014.

| Category              | No. of shares held | % of share-holding |
|-----------------------|--------------------|--------------------|
| Promoters             | 106030708          | 75.00              |
| NR & NRIs             | 1367327            | 0.97               |
| Fin.Inst.& Banks etc. | 6207               | 0.00               |
| Corporates            | 2621922            | 1.85               |
| Public                | 31348114           | 22.17              |
| <b>TOTAL</b>          | <b>141374278</b>   | <b>100</b>         |

#### 14. Nomination facility

Shareholders 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 information may write to the Company Secretary for a copy of the prescribed Nomination Form.

## CERTIFICATE ON CORPORATE GOVERNANCE

#### To the Members of

#### SHREE DIGVIJAY CEMENT COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by **Shree Digvijay Cement Company Limited (“the Company”)** for the year ended on December 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned 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 : 26<sup>th</sup> March, 2015

Membership No. FCS 5683  
CP No. 4119

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## Details of Directors seeking appointment /re-appointment in Annual General Meeting fixed for 20<sup>th</sup> May 2015

|                                                                                                                |                                                      |                                                                             |                                   |                                              |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------|----------------------------------------------|
| <b>Name of Director</b>                                                                                        | Mr. A. K. Chhatwani                                  | Mr. A. Kumaresan                                                            | Mr. Persio Morassutti             | Ms. Meike Albrecht                           |
| <b>Director Identification Number( DIN)</b>                                                                    | 00016735                                             | 000149567                                                                   | 07105548                          | 07123752                                     |
| <b>Date of Birth</b>                                                                                           | February 16, 1946                                    | December 20, 1951                                                           | August 23, 1970                   | September 5, 1961                            |
| <b>Nationality</b>                                                                                             | Indian                                               | Indian                                                                      | Brazilian                         | German                                       |
| <b>Date of Appointment</b>                                                                                     | April 24, 2013                                       | June 5, 2013                                                                | February 25, 2015                 | March 26, 2015                               |
| <b>Qualification</b>                                                                                           | B.E (Mechanical)                                     | B.Sc., LLB, FFII, FCS, PG Diploma in Journalism                             | Master of Business Administration | Degree in Business Administration            |
| <b>Experience in specific functional area</b>                                                                  | Management                                           | Management                                                                  | Finance & IT                      | Human Resource                               |
| <b>List of outside Company Directorship held</b>                                                               | NIL                                                  | 1. NatOne Energy Solutions Pvt. Ltd.<br>2. AEC Promog Consultancy Pvt. Ltd. | NIL                               | NIL                                          |
| <b>Chairman/Member of the Committee of the Board of Directors of the Company</b>                               | Audit Committee – Chairman                           | Audit Committee – Member                                                    | Audit Committee – Member          |                                              |
|                                                                                                                | Nomination & Remuneration Committee -Member          | Nomination & Remuneration Committee -Chairman                               |                                   | Nomination & Remuneration Committee -Member  |
|                                                                                                                | Stakeholders Relationship Committee - Member         | Stakeholders Relationship Committee - Chairman                              |                                   | Stakeholders Relationship Committee - Member |
|                                                                                                                | Corporate Social Responsibility Committee - Chairman | Corporate Social Responsibility Committee - Member                          |                                   |                                              |
| <b>Chairman/Member of the Committee of the Board of Directors of other Companies in which he is a Director</b> | NIL                                                  | 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 Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2014, 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 (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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit 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.

## Report on Other Legal and Regulatory Requirements

7. 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.
8. 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 Companies Act, 1956 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2014, 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: Mumbai  
Date: February 25, 2015

Membership Number: 055913

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 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, 2014.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the 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 said 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 said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- 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 regular in depositing the undisputed statutory dues, including provident fund, income tax, sales tax, wealth tax, 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 and wealth tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, customs duty and excise duty as at December 31, 2014 which have not been deposited on account of a dispute, are as follows :

| Name of the statute      | Nature of dues | Amount<br>(₹in lacs) | Period to which the<br>amount relates          | Forum where the<br>dispute is pending |
|--------------------------|----------------|----------------------|------------------------------------------------|---------------------------------------|
| Central Excise Act, 1944 | Excise Duty    | 2,720.11             | Financial years 2002-03, 2007-08 to 2013-14    | CESTAT (Tribunal)                     |
|                          |                | 1,151.54             | Financial years 2007-08 to 2013-14             | Commissioner Appeal                   |
| The Finance Act, 1994    | Service Tax    | 48.99                | Financial years 2004-05 to 2007-08             | CESTAT (Tribunal)                     |
|                          |                | 31.91                | Financial years 2005-06 to 2010-11 , 2013-2014 | Commissioner Appeal                   |
| The Customs Act, 1962    | Customs Duty   | 100.00               | Financial years 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, 2014 and it has not incurred cash losses in the financial year ended on that date and 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 ₹ 4,780.94 Lacs on a short term basis, which has been used for long term loans and advances.
- 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

Partha Ghosh  
Partner

Place: Mumbai  
Date: February 25, 2015

Membership Number: 055913

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## BALANCE SHEET AS AT 31ST DECEMBER, 2014

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                                                         | Note | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|---------------------------------------------------------------------|------|----------------------------|----------------------------|
| <b>EQUITY AND LIABILITIES</b>                                       |      |                            |                            |
| <b>Shareholder's funds</b>                                          |      |                            |                            |
| Share capital                                                       | 3    | 14,137.50                  | 14,137.50                  |
| Reserves and surplus                                                | 4    | 5,171.24                   | 4,806.11                   |
|                                                                     |      | <b>19,308.74</b>           | 18,943.61                  |
| <b>Non current liabilities</b>                                      |      |                            |                            |
| Other long term liabilities                                         | 6    | 67.50                      | 67.50                      |
| Long-term provisions                                                | 7    | 396.39                     | 361.58                     |
|                                                                     |      | <b>463.89</b>              | 429.08                     |
| <b>Current liabilities</b>                                          |      |                            |                            |
| Short-term borrowings                                               | 8    | 8,600.00                   | 3,094.94                   |
| Trade payables                                                      | 9    | 3,453.94                   | 2,353.88                   |
| Other current liabilities                                           | 10   | 3,720.06                   | 6,787.57                   |
| Short-term provisions                                               | 11   | 543.28                     | 435.69                     |
|                                                                     |      | <b>16,317.28</b>           | 12,672.08                  |
| <b>TOTAL</b>                                                        |      | <b>36,089.91</b>           | 32,044.77                  |
| <b>ASSETS</b>                                                       |      |                            |                            |
| <b>Non current assets</b>                                           |      |                            |                            |
| <b>Fixed assets</b>                                                 |      |                            |                            |
| Tangible assets                                                     | 12   | 20,611.43                  | 15,916.81                  |
| Intangible assets                                                   | 13   | 29.80                      | 85.45                      |
| Capital work-in-progress                                            |      | 373.14                     | 1,326.98                   |
|                                                                     |      | <b>21,014.37</b>           | 17,329.24                  |
| Long term loans and advances                                        | 14   | 1,884.95                   | 2,911.11                   |
| Other non current assets                                            | 15   | 195.78                     | 54.65                      |
|                                                                     |      | <b>23,095.10</b>           | 20,295.00                  |
| <b>Current assets</b>                                               |      |                            |                            |
| Current investments                                                 | 16   | -                          | 400.00                     |
| Inventories                                                         | 17   | 6,077.94                   | 6,385.03                   |
| Trade receivables                                                   | 18   | 1,314.56                   | 459.17                     |
| Cash and bank balances                                              | 19   | 4,786.22                   | 2,797.02                   |
| Short-term loans and advances                                       | 20   | 745.25                     | 745.89                     |
| Other current assets                                                | 21   | 70.84                      | 962.66                     |
|                                                                     |      | <b>12,994.81</b>           | 11,749.77                  |
| <b>TOTAL</b>                                                        |      | <b>36,089.91</b>           | 32,044.77                  |
| <b>The notes are an integral part of these financial statements</b> |      |                            |                            |

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

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

A. K. Chhatwani  
A. Kumaresan  
Carlos Eduardo de Arruda Boggio  
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 : Mumbai  
Date : 25th February, 2015

Place : Digvijaygram  
Date : 25th February, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST DECEMBER, 2014

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                                                               | Note | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|---------------------------------------------------------------------------|------|---------------------------------|---------------------------------|
| <b>Revenue from operations (Gross)</b>                                    | 24   | 46,334.91                       | 37,287.44                       |
| Less : Excise duty                                                        |      | 4,965.46                        | 4,106.99                        |
| Revenue from operations (Net)                                             |      | 41,369.45                       | 33,180.45                       |
| <b>Other income</b>                                                       | 25   | 748.11                          | 603.22                          |
| <b>Total revenue</b>                                                      |      | <b>42,117.56</b>                | <b>33,783.67</b>                |
| <b>Expenses</b>                                                           |      |                                 |                                 |
| Cost of materials consumed                                                | 26   | 9,732.88                        | 5,582.18                        |
| Changes in inventories of finished goods and work in progress             | 27   | (268.12)                        | 1,012.72                        |
| Employees benefit expenses                                                | 28   | 2,331.79                        | 2,192.54                        |
| Financial costs                                                           | 29   | 717.16                          | 262.95                          |
| Depreciation and amortization expenses                                    | 30   | 1,410.29                        | 1,319.36                        |
| Other expenses                                                            | 31   | 27,837.34                       | 25,475.09                       |
|                                                                           |      | <b>41,761.34</b>                | <b>35,844.84</b>                |
| Less: Internal Consumption of Cement                                      |      | 8.91                            | 6.55                            |
| <b>Total expenses</b>                                                     |      | <b>41,752.43</b>                | <b>35,838.29</b>                |
| <b>Profit/(Loss) before exceptional items and tax</b>                     |      | <b>365.13</b>                   | <b>(2,054.62)</b>               |
| Exceptional items                                                         | 37   | -                               | (1,414.52)                      |
| <b>Profit / (Loss) before tax</b>                                         |      | <b>365.13</b>                   | <b>(3,469.14)</b>               |
| Tax Expenses                                                              |      |                                 |                                 |
| Current tax                                                               |      | -                               | 155.93                          |
| Deferred tax                                                              |      | -                               | (72.97)                         |
| <b>Total Tax Expenses</b>                                                 |      | <b>-</b>                        | <b>82.96</b>                    |
| <b>Profit / (Loss) for the year</b>                                       |      | <b>365.13</b>                   | <b>(3,552.10)</b>               |
| Earnings/(Loss) per equity share (in ₹)<br>(Nominal value per share ₹ 10) | 35   |                                 |                                 |
| Basic earning per share (In ₹)                                            |      | 0.26                            | (2.51)                          |
| Diluted earning per share (In ₹)                                          |      | 0.26                            | (2.51)                          |
| <b>The notes are an integral part of these financial statements</b>       |      |                                 |                                 |

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

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

A. K. Chhatwani  
A. Kumaresan  
Carlos Eduardo de Arruda Boggio  
Sven Erik Oppelstrup Madsen

} Directors

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Chain Singh Jasol  
Whole-time Director

Place : Mumbai  
Date : 25th February, 2015

Place : Digvijaygram  
Date : 25th February, 2015



# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2014

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                                                       | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|-------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                     |                                 |                                 |
| <b>Profit / (Loss) before tax and exceptional items</b>           | 365.13                          | (2,054.62)                      |
| Adjustments for:                                                  |                                 |                                 |
| Depreciation                                                      | 1,354.64                        | 1,260.00                        |
| Amortisation                                                      | 55.65                           | 59.36                           |
| Loss on sale of tangible assets (net)                             | 39.16                           | 0.04                            |
| Provision for doubtful debts and advances                         | 1.57                            | 44.75                           |
| Interest Income                                                   | (230.69)                        | (131.65)                        |
| Dividend Income                                                   | (0.58)                          | (286.92)                        |
| Foreign Exchange (Gain)/Loss on financing activities              | (82.38)                         | (8.56)                          |
| Interest and Finance Charges                                      | 717.16                          | 262.95                          |
| Liability written back to the extent no longer required           | (226.75)                        | (82.82)                         |
| Unrealized foreign exchange (gain) / loss on operating activities | (17.38)                         | 0.93                            |
| Internal Consumption of Cement                                    | (8.91)                          | (6.55)                          |
| <b>Operating profit / (loss) before working capital changes</b>   | <b>1,966.62</b>                 | <b>(943.10)</b>                 |
| Adjustments for:                                                  |                                 |                                 |
| Increase / (Decrease) in trade payables                           | 1,117.45                        | (219.05)                        |
| Increase / (Decrease) in short term provision                     | 107.59                          | (91.62)                         |
| Increase / (Decrease) in other current liabilities                | 120.09                          | 147.14                          |
| Increase / (Decrease) in long term provision                      | 34.82                           | (93.92)                         |
| (Increase) / Decrease in trade receivables                        | (856.96)                        | 57.19                           |
| (Increase) / Decrease in inventories                              | 307.09                          | 871.11                          |
| (Increase) / Decrease in short term loans and advances            | 0.64                            | (148.75)                        |
| (Increase) / Decrease in other current assets                     | (0.01)                          | (0.01)                          |
| (Increase) / Decrease in long term loans and advances             | (254.95)                        | (303.56)                        |
| <b>Cash from operating activities before exceptional items</b>    | <b>2,542.38</b>                 | <b>(724.57)</b>                 |
| Exceptional items                                                 | -                               | (1,414.52)                      |
| <b>Cash generated from / (used in) operations</b>                 | <b>2,542.38</b>                 | <b>(2,139.09)</b>               |
| Taxes paid (net of refunds)                                       | (85.18)                         | (15.46)                         |
| <b>Net cash generated from / (used in) operating activities</b>   | <b>2,457.20</b>                 | <b>(2,154.55)</b>               |

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                                              | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|----------------------------------------------------------|---------------------------------|---------------------------------|
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>            |                                 |                                 |
| Purchase of tangible/intangible assets                   | (3,497.69)                      | (2,825.23)                      |
| Sale of tangible/intangible assets                       | 0.62                            | 3.18                            |
| Interest received                                        | 218.90                          | 113.12                          |
| Dividend received                                        | 0.58                            | 286.91                          |
| Proceeds from sale of mutual funds (Net)                 | 400.00                          | 3,631.40                        |
| Movement in Term Deposit with bank (Net)                 | 336.48                          | (14.41)                         |
| <b>Net cash from / (used in) investing activities</b>    | <b>(2,541.11)</b>               | <b>1,194.97</b>                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>            |                                 |                                 |
| Repayment of Borrowings                                  | (5,393.32)                      | -                               |
| Proceed from Borrowing                                   | 8,600.00                        | 3,103.50                        |
| Interest paid                                            | (659.68)                        | (261.12)                        |
| <b>Net cash from financing activities</b>                | <b>2,547.00</b>                 | <b>2,842.38</b>                 |
| <b>Net Increase in cash and cash equivalents (A+B+C)</b> | <b>2,463.09</b>                 | <b>1,882.80</b>                 |
| Cash and cash equivalents at the beginning of the year   | 2,253.56                        | 370.76                          |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>4,716.65</b>                 | <b>2,253.56</b>                 |
| <b>Cash and cash equivalents comprise:</b>               |                                 |                                 |
| Cash on hand                                             | 1.56                            | 0.77                            |
| Balances with Banks                                      | 612.82                          | 862.79                          |
| Demand deposits (less than 3 months maturity)            | 4,102.27                        | 1,390.00                        |
| <b>Total</b>                                             | <b>4,716.65</b>                 | <b>2,253.56</b>                 |

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

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

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Place : Mumbai  
Date : 25th February, 2015

Place : Digvijaygram  
Date : 25th February, 2015

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Background

Shree Digvijay Cement Company Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE). It is engaged in Manufacturing and selling of cement 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 generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these Financial Statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

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:

| <u>Assets class</u>            | <u>Useful life in years</u> |
|--------------------------------|-----------------------------|
| 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:

| Asset 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 Inventories

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 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 and where the cost exceeds net realisable value. 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 in year 2011, with a view to hedge the risks of foreign currency and interest rate fluctuations on foreign currency borrowings. Based on confirmation received in 2013 from the Authorised Dealer, 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 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 Life Insurance Corporation of India. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

##### **ii) Defined-benefit plans**

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

##### **iii) Other employee benefits**

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

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

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

#### **2.17 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 COMPANY LIMITED

(All amounts in ₹ lacs, unless otherwise stated)

| 3 | SHARE CAPITAL                                                                        | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|---|--------------------------------------------------------------------------------------|----------------------------|----------------------------|
|   | <b>Authorised</b>                                                                    |                            |                            |
|   | 150,000,000 (December 31, 2013: 150,000,000) equity shares of ₹ 10/- each            | 15,000.00                  | 15,000.00                  |
|   | 10,000,000 (December 31, 2013: 10,000,000) preference shares of ₹ 100/- each         | 10,000.00                  | 10,000.00                  |
|   |                                                                                      | <b>25,000.00</b>           | <b>25,000.00</b>           |
|   | <b>Issued</b>                                                                        |                            |                            |
|   | 141,643,645 (December 31, 2013: 141,643,645) equity shares of ₹ 10/- each            | 14,164.36                  | 14,164.36                  |
|   | <b>Subscribed and paid-up</b>                                                        |                            |                            |
|   | 141,375,398 (December 31, 2013: 141,375,398) equity shares of ₹ 10/- each fully paid | 14,137.54                  | 14,137.54                  |
|   | Less: 1,120 Equity Shares of ₹ 10/- each forfeited                                   | (0.11)                     | (0.11)                     |
|   | Add: Forfeited Shares (amount originally paid-up on Equity Shares)                   | 0.07                       | 0.07                       |
|   | <b>TOTAL</b>                                                                         | <b>14,137.50</b>           | <b>14,137.50</b>           |

a) Reconciliation of the number of shares : Equity Shares

| Particulars                          | As at<br>December 31, 2014 |           | As at<br>December 31, 2013 |           |
|--------------------------------------|----------------------------|-----------|----------------------------|-----------|
|                                      | Number of<br>Shares        | Amount    | Number of<br>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 ultimate holding company

| Particulars                                                                                                               | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Equity Shares:</b>                                                                                                     | 10,370.91                  | 10,370.91                  |
| 103,709,063 Shares (December 31, 2013: 103,709,063) held by Votorantim Cimentos EAA Inversiones S.L., the holding company |                            |                            |
| 2,321,645 Shares (December 31, 2013: 2,321,645) held by Votorantim Cimentos S. A., the ultimate holding Company           | 232.16                     | 232.16                     |

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

| Name of Shareholder                                           | As at<br>December 31, 2014 |                 | As at<br>December 31, 2013 |              |
|---------------------------------------------------------------|----------------------------|-----------------|----------------------------|--------------|
|                                                               | No. of<br>Shares held      | % of<br>Holding | No. of<br>Shares held      | % of Holding |
| Votorantim Cementos EAA Inversiones S.L., the holding company | 103,709,063                | 73.36%          | 103,709,063                | 73.36%       |
| <b>TOTAL</b>                                                  | <b>103,709,063</b>         | <b>73.36%</b>   | 103,709,063                | 73.36%       |

- 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, 2014.
- f) 265,212 equity shares (December 31, 2013 : 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

(All amounts in ₹ lacs, unless otherwise stated)

| <b>4</b> | <b>RESERVES AND SURPLUS</b>             | <b>As at<br/>December 31, 2014</b> | <b>As at<br/>December 31, 2013</b> |
|----------|-----------------------------------------|------------------------------------|------------------------------------|
|          | 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 | (4,036.19)                         | (484.09)                           |
|          | Add: Profit / (Loss) for the year       | 365.13                             | (3,552.10)                         |
|          | Balance as at the end of the year       | <u>(3,671.06)</u>                  | <u>(4,036.19)</u>                  |
|          | <b>TOTAL</b>                            | <b><u>5,171.24</u></b>             | <b><u>4,806.11</u></b>             |

(All amounts in ₹ lacs, unless otherwise stated)

| <b>5</b> | <b>DEFERRED TAX LIABILITIES (NET)</b> | <b>As at<br/>December 31, 2014</b> | <b>As at<br/>December 31, 2013</b> |
|----------|---------------------------------------|------------------------------------|------------------------------------|
|          | <b>Deferred tax liabilities</b>       |                                    |                                    |
|          | Depreciation                          | 2,751.90                           | 2,602.97                           |
|          | <b>Deferred tax assets</b>            |                                    |                                    |
|          | Unabsorbed Depreciation               | <u>2,751.90</u>                    | <u>2,602.97</u>                    |
|          | <b>TOTAL</b>                          | <b><u>-</u></b>                    | <b><u>-</u></b>                    |

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)

| <b>6</b> | <b>OTHER LONG TERM LIABILITIES</b> | <b>As at<br/>December 31, 2014</b> | <b>As at<br/>December 31, 2013</b> |
|----------|------------------------------------|------------------------------------|------------------------------------|
|          | Trade Payables                     | 25.20                              | 25.20                              |
|          | Others                             | 42.30                              | 42.30                              |
|          | <b>TOTAL</b>                       | <b><u>67.50</u></b>                | <b><u>67.50</u></b>                |

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

(All amounts in ₹ lacs, unless otherwise stated)

| 7 | LONG-TERM PROVISIONS                                 | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|---|------------------------------------------------------|----------------------------|----------------------------|
|   | Provision for employee benefits (Refer note no. 28): |                            |                            |
|   | Provision for compensated absences                   | 346.63                     | 314.09                     |
|   | Provision for Mines Reclamation (Refer note below)   | 49.76                      | 47.49                      |
|   | <b>TOTAL</b>                                         | <b>396.39</b>              | <b>361.58</b>              |
|   | Note:                                                |                            |                            |
|   | Movement in Provision for Mines Reclamation          |                            |                            |
|   | Opening Balance                                      | 47.49                      | 40.51                      |
|   | Addition during the year                             | 2.27                       | 6.98                       |
|   | <b>Closing Balance</b>                               | <b>49.76</b>               | <b>47.49</b>               |

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<br>December 31, 2014 | As at<br>December 31, 2013 |
|---|--------------------------------|----------------------------|----------------------------|
|   | Unsecured:                     |                            |                            |
|   | From banks                     |                            |                            |
|   | Working Capital loan from Bank | 8,600.00                   | -                          |
|   | Buyer's Credit loan from Bank  | -                          | 3,094.94                   |
|   | <b>TOTAL</b>                   | <b>8,600.00</b>            | <b>3,094.94</b>            |

The above unsecured loan facilities are guaranteed by Votorantim Cimentos EAA Inversiones S.L., the holding company.

(All amounts in ₹ lacs, unless otherwise stated)

| 9 | TRADE PAYABLES                     | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|---|------------------------------------|----------------------------|----------------------------|
|   | Trade Payables (Refer note no. 39) | 3,453.94                   | 2,353.88                   |
|   | <b>TOTAL</b>                       | <b>3,453.94</b>            | <b>2,353.88</b>            |

(All amounts in ₹ lacs, unless otherwise stated)

| 10 | OTHER CURRENT LIABILITIES                                            | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|----|----------------------------------------------------------------------|----------------------------|----------------------------|
|    | Current maturities of long-term debt                                 | -                          | 3,280.64                   |
|    | Interest accrued but not due on borrowing                            | 77.79                      | 20.31                      |
|    | Security deposits from customers                                     | 585.02                     | 557.77                     |
|    | Advances from customers                                              | 519.29                     | 561.61                     |
|    | Payable to creditors related to fixed assets                         | 567.82                     | 305.50                     |
|    | Employee benefits payable                                            | 305.32                     | 472.40                     |
|    | Statutory dues (including provident fund and tax deducted at source) | 813.67                     | 766.97                     |
|    | Others                                                               | 851.15                     | 822.37                     |
|    | <b>TOTAL</b>                                                         | <b>3,720.06</b>            | <b>6,787.57</b>            |

(All amounts in ₹ lacs, unless otherwise stated)

| 11 | SHORT-TERM PROVISIONS                                     | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|----|-----------------------------------------------------------|----------------------------|----------------------------|
|    | Provision for employee benefits (Refer note no. 28) :     |                            |                            |
|    | Provision for gratuity                                    | 28.33                      | -                          |
|    | Provision for compensated absences                        | 124.51                     | 74.72                      |
|    | Other provision                                           |                            |                            |
|    | Provision for litigations and disputes (Refer note below) | 390.44                     | 360.97                     |
|    | <b>TOTAL</b>                                              | <b>543.28</b>              | <b>435.69</b>              |
|    | Note:                                                     |                            |                            |
|    | Movement in Provision for litigations and disputes        |                            |                            |
|    | Opening Balance                                           | 360.97                     | 436.24                     |
|    | Addition during the year                                  | 42.07                      | 39.48                      |
|    | Utilisation during the year                               | 12.60                      | 114.75                     |
|    | <b>Closing Balance</b>                                    | <b>390.44</b>              | <b>360.97</b>              |

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

## 12 TANGIBLE ASSETS

(All amounts in ₹ lacs, unless otherwise stated)

| Sr.<br>No. | Particulars                                        | Gross Block                             |                 |               |                                          | Depreciation                            |                 |              |                                          | Net Block                     |                               |
|------------|----------------------------------------------------|-----------------------------------------|-----------------|---------------|------------------------------------------|-----------------------------------------|-----------------|--------------|------------------------------------------|-------------------------------|-------------------------------|
|            |                                                    | Opening<br>as at<br>January<br>01, 2014 | Additions       | Disposals     | Closing<br>as at<br>December<br>31, 2014 | Opening<br>as at<br>January<br>01, 2014 | For the<br>year | Disposals    | Closing<br>as at<br>December<br>31, 2014 | As at<br>December<br>31, 2014 | As at<br>December<br>31, 2013 |
|            | <b>Own Assets</b>                                  |                                         |                 |               |                                          |                                         |                 |              |                                          |                               |                               |
| 1          | Freehold Land<br>(Refer note 1)                    | 34.33                                   | 0.35            | -             | 34.68                                    | -                                       | -               | -            | -                                        | 34.68                         | 34.33                         |
| 2          | Building                                           | 851.36                                  | 74.08           | 5.86          | 919.58                                   | 440.08                                  | 18.24           | 3.54         | 454.78                                   | 464.80                        | 411.28                        |
| 3          | Railway Sidings                                    | 166.92                                  | -               | -             | 166.92                                   | 158.25                                  | 0.23            | -            | 158.48                                   | 8.44                          | 8.67                          |
| 4          | Plant and<br>Equipment                             | 28,632.53                               | 5,724.43        | 281.00        | 34,075.96                                | 13,732.97                               | 1,243.28        | 28.69        | 14,947.56                                | 19,128.40                     | 14,899.56                     |
| 5          | Electric<br>Installations                          | 763.06                                  | 247.77          | 17.43         | 993.40                                   | 534.38                                  | 32.24           | 17.42        | 549.20                                   | 444.20                        | 228.68                        |
| 6          | Rolling<br>Stocks and<br>Locomotives               | 74.63                                   | -               | -             | 74.63                                    | 70.95                                   | -               | -            | 70.95                                    | 3.68                          | 3.68                          |
| 7          | Furniture,<br>Fixtures<br>and Office<br>Equipments | 421.09                                  | 255.02          | 31.19         | 644.91                                   | 333.27                                  | 27.00           | 26.20        | 334.07                                   | 310.85                        | 87.82                         |
| 8          | Vehicles                                           | 70.54                                   | 7.29            | 0.96          | 76.87                                    | 26.26                                   | 7.59            | 0.91         | 32.94                                    | 43.93                         | 44.27                         |
| 9          | Jetty and Wharf<br>(Refer note 2)                  | 547.44                                  | -               | -             | 547.44                                   | 348.92                                  | 26.06           | -            | 374.98                                   | 172.46                        | 198.52                        |
|            | <b>Total</b>                                       | <b>31,561.89</b>                        | <b>6,308.94</b> | <b>336.44</b> | <b>37,534.39</b>                         | <b>15,645.08</b>                        | <b>1,354.64</b> | <b>76.76</b> | <b>16,922.96</b>                         | <b>20,611.43</b>              | <b>15,916.81</b>              |
|            | December 31,<br>2013                               | 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                     |

### Notes:

- Leasehold Land (in respect of which the Company pays Ground Rent) is not included above.
- The Gujarat Maritime Board holds the titles to the jetty / wharf in respect of which capital cost was paid by the Company.
- There are no qualifying assets and accordingly no borrowing cost is capitalised during the year.



# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## 13 INTANGIBLE ASSETS

(All amounts in ₹ lacs, unless otherwise stated)

| Sr. No. | Particulars                    | Gross Block                    |           |           |                                 | Amortisation                   |              |           |                                 | Net Block               |                         |
|---------|--------------------------------|--------------------------------|-----------|-----------|---------------------------------|--------------------------------|--------------|-----------|---------------------------------|-------------------------|-------------------------|
|         |                                | Opening as at January 01, 2014 | Additions | Disposals | Closing as at December 31, 2014 | Opening as at January 01, 2014 | For the year | Disposals | Closing as at December 31, 2014 | As at December 31, 2014 | As at December 31, 2013 |
| 1       | <b>Own Assets</b>              |                                |           |           |                                 |                                |              |           |                                 |                         |                         |
|         | Computer Software and Licenses | 345.94                         | -         | -         | 345.94                          | 260.49                         | 55.65        | -         | 316.14                          | 29.80                   | 85.45                   |
|         | <b>Total</b>                   | <b>345.94</b>                  | <b>-</b>  | <b>-</b>  | <b>345.94</b>                   | <b>260.49</b>                  | <b>55.65</b> | <b>-</b>  | <b>316.14</b>                   | <b>29.80</b>            | <b>85.45</b>            |
|         | December 31, 2013              | 345.94                         | -         | -         | 345.94                          | 201.13                         | 59.36        | -         | 260.49                          | 85.45                   | 144.81                  |

(All amounts in ₹ lacs, unless otherwise stated)

| 14 | LONG TERM LOANS AND ADVANCES                                                                  | As at December 31, 2014 | As at December 31, 2013 |
|----|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|    | (Unsecured, considered good unless otherwise stated)                                          |                         |                         |
|    | Capital Advances                                                                              | 165.16                  | 1,531.44                |
|    | Security deposits with government authorities and others                                      | 1,519.31                | 1,264.37                |
|    | Advance Income Tax (Net of provision of ₹ 1,049.97 lacs, December 31, 2013 : ₹ 1,049.97 lacs) | 200.48                  | 115.30                  |
|    | <b>TOTAL</b>                                                                                  | <b>1,884.95</b>         | <b>2,911.11</b>         |

(All amounts in ₹ lacs, unless otherwise stated)

| 15 | OTHER NON CURRENT ASSETS                                             | As at December 31, 2014 | As at December 31, 2013 |
|----|----------------------------------------------------------------------|-------------------------|-------------------------|
|    | Long term deposit with bank with maturity period more than 12 months | 190.13                  | 52.72                   |
|    | Interest receivable on fixed deposit                                 | 5.65                    | 1.93                    |
|    | <b>TOTAL</b>                                                         | <b>195.78</b>           | <b>54.65</b>            |

Term deposit amounting to ₹ 190.13 lacs (December 31, 2013: ₹ 52.72 lacs) are lien marked against Bank Guarantees.

(All amounts in ₹ lacs, unless otherwise stated)

| 16 | CURRENT INVESTMENTS                                                                                                 | As at December 31, 2014 | As at December 31, 2013 |
|----|---------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|    | Mutual Fund (Unquoted) :                                                                                            |                         |                         |
|    | HDFC Cash Management Fund Saving Plan - Daily Dividend Reinvestment (Nil Units, December 31, 2013: 3,760,671 Units) | -                       | 400.00                  |
|    | <b>TOTAL</b>                                                                                                        | <b>-</b>                | <b>400.00</b>           |
|    | Aggregate amount of unquoted investments                                                                            | -                       | 400.00                  |

(All amounts in ₹ lacs, unless otherwise stated)

| <b>17</b> | <b>INVENTORIES</b>     | <b>As at<br/>December 31, 2014</b> | <b>As at<br/>December 31, 2013</b> |
|-----------|------------------------|------------------------------------|------------------------------------|
|           | Raw materials          | 288.69                             | 381.27                             |
|           | Work in progress       | 1,293.25                           | 1,150.80                           |
|           | Finished Goods         | 292.03                             | 150.59                             |
|           | Stores and spare parts | 1,547.99                           | 1,450.08                           |
|           | Packing materials      | 127.01                             | 99.64                              |
|           | Fuels                  | 2,528.97                           | 3,152.65                           |
|           | <b>TOTAL</b>           | <b>6,077.94</b>                    | <b>6,385.03</b>                    |

(All amounts in ₹ lacs, unless otherwise stated)

| <b>18</b> | <b>TRADE RECEIVABLES</b>                                                             | <b>As at<br/>December 31, 2014</b> | <b>As at<br/>December 31, 2013</b> |
|-----------|--------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
|           | Secured, considered good                                                             |                                    |                                    |
|           | Outstanding for a period exceeding six months from the date they are due for payment | -                                  | -                                  |
|           | Others                                                                               | 350.30                             | 308.84                             |
|           | Unsecured, considered good                                                           |                                    |                                    |
|           | Outstanding for a period exceeding six months from the date they are due for payment | -                                  | -                                  |
|           | Others                                                                               | 964.26                             | 150.33                             |
|           | Unsecured, considered doubtful                                                       |                                    |                                    |
|           | Outstanding for a period exceeding six months from the date they are due for payment | 156.91                             | 293.74                             |
|           | Others                                                                               | -                                  | -                                  |
|           | Less: Provision for doubtful debts                                                   | (156.91)                           | (293.74)                           |
|           | <b>TOTAL</b>                                                                         | <b>1,314.56</b>                    | <b>459.17</b>                      |

(All amounts in ₹ lacs, unless otherwise stated)

| <b>19</b> | <b>CASH AND BANK BALANCES</b>                  | <b>As at<br/>December 31, 2014</b> | <b>As at<br/>December 31, 2013</b> |
|-----------|------------------------------------------------|------------------------------------|------------------------------------|
|           | Cash and Cash equivalents                      |                                    |                                    |
|           | Cash on hand                                   | 1.56                               | 0.77                               |
|           | Banks Balance :                                |                                    |                                    |
|           | In Current accounts                            | 612.82                             | 862.79                             |
|           | Demand deposits (less than 3 months maturity)  | 4,102.27                           | 1,390.00                           |
|           |                                                | 4716.65                            | 2253.56                            |
|           | Other bank balance                             |                                    |                                    |
|           | Term deposit with maturity less than 12 months | 69.57                              | 543.46                             |
|           | <b>TOTAL</b>                                   | <b>4,786.22</b>                    | <b>2,797.02</b>                    |

Term Deposit amounting to ₹ 71.84 lacs (December 31, 2013: ₹ 543.46 lacs) are lien marked against Bank Guarantees.

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

(All amounts in ₹ lacs, unless otherwise stated)

| 20 | SHORT TERM LOANS AND ADVANCES                        | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|----|------------------------------------------------------|----------------------------|----------------------------|
|    | (Unsecured, considered good unless otherwise stated) |                            |                            |
|    | Other loans and advances                             |                            |                            |
|    | Cenvat and Service tax receivable (net of liability) | 124.15                     | 84.19                      |
|    | Advance royalty                                      | 72.38                      | 63.45                      |
|    | Advance to employees                                 | 33.78                      | 21.44                      |
|    | Pre-paid expense                                     | 137.01                     | 121.68                     |
|    | Advances to suppliers                                |                            |                            |
|    | Considered good                                      | 362.29                     | 441.33                     |
|    | Considered doubtful                                  | 18.14                      | 23.48                      |
|    | Less: Provision for doubtful advances                | (18.14)                    | (23.48)                    |
|    | Others                                               | 15.64                      | 13.80                      |
|    | <b>TOTAL</b>                                         | <b>745.25</b>              | <b>745.89</b>              |

(All amounts in ₹ lacs, unless otherwise stated)

| 21 | OTHER CURRENT ASSETS                               | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|----|----------------------------------------------------|----------------------------|----------------------------|
|    | Interest accrued on term deposits and others       | 70.84                      | 62.78                      |
|    | Unrealised exchange loss on valuation of term loan | -                          | 899.88                     |
|    | <b>TOTAL</b>                                       | <b>70.84</b>               | <b>962.66</b>              |

(All amounts in ₹ lacs, unless otherwise stated)

| 22 | CONTINGENT LIABILITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
|    | Claim against the Company not acknowledged as debts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                            |                            |
|    | a) Demand contested by the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |                            |
|    | - Sales tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 107.07                     | 31.69                      |
|    | - Excise duty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 3,886.16                   | 3,673.58                   |
|    | - Service tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 85.78                      | 220.80                     |
|    | - Custom duty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 451.55                     | 351.55                     |
|    | - Labour cases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 154.87                     | 163.34                     |
|    | - Other Cases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 199.43                     | 199.47                     |
|    | b) A sum of ₹ 309.84 lacs (December 31, 2013: ₹ 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 ₹ 1,018.61 lacs (December 31, 2013: ₹ 1,529.46 lacs), against which advances paid aggregate ₹ 165.16 lacs (December 31, 2013: ₹ 1,531.44 lacs).

(All amounts in ₹ lacs, unless otherwise stated)

| 24 | REVENUE FROM OPERATIONS      | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|----|------------------------------|---------------------------------|---------------------------------|
|    | Sales of Product             |                                 |                                 |
|    | Cement Sales (Refer Note 34) | 46,044.85                       | 37,263.11                       |
|    | Other Operating Revenues     |                                 |                                 |
|    | Scrap Sales                  | 290.06                          | 24.33                           |
|    |                              | 46,334.91                       | 37,287.44                       |
|    | Less: Excise Duty            | 4,965.46                        | 4,106.99                        |
|    | <b>TOTAL</b>                 | <b>41,369.45</b>                | <b>33,180.45</b>                |

(All amounts in ₹ lacs, unless otherwise stated)

| 25 | OTHER INCOME                                               | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|----|------------------------------------------------------------|---------------------------------|---------------------------------|
|    | Dividend income                                            | 0.58                            | 286.92                          |
|    | Interest Income                                            | 230.69                          | 131.65                          |
|    | Liability written back to the extent no longer required    | 226.75                          | 82.82                           |
|    | Claims received from Insurance company                     | 17.33                           | 9.77                            |
|    | Net gain on foreign currency transactions and translations | 182.23                          | -                               |
|    | Miscellaneous Income                                       | 90.53                           | 92.06                           |
|    | <b>TOTAL</b>                                               | <b>748.11</b>                   | <b>603.22</b>                   |

(All amounts in ₹ lacs, unless otherwise stated)

| 26 | COST OF MATERIAL CONSUMED                                                   | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|----|-----------------------------------------------------------------------------|---------------------------------|---------------------------------|
|    | Raw material consumed                                                       |                                 |                                 |
|    | Opening inventory                                                           | 381.27                          | 374.16                          |
|    | Add: Purchases and incidental expenses (excludes cost of lime stone raised) | 8,286.37                        | 4,270.40                        |
|    | Less: Closing inventory                                                     | 288.69                          | 381.27                          |
|    | <b>Cost of raw material consumed during the year</b>                        | <b>8,378.95</b>                 | <b>4,263.29</b>                 |
|    | Packing material consumed                                                   |                                 |                                 |
|    | Opening inventory                                                           | 99.64                           | 82.59                           |
|    | Add: Purchases and incidental expenses                                      | 1,381.30                        | 1,335.94                        |
|    | Less: Closing inventory                                                     | 127.01                          | 99.64                           |
|    | <b>Cost of packing material consumed during the year</b>                    | <b>1,353.93</b>                 | <b>1,318.89</b>                 |
|    | <b>TOTAL</b>                                                                | <b>9,732.88</b>                 | <b>5,582.18</b>                 |

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

(All amounts in ₹ lacs, unless otherwise stated)

| 27 | CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|----|---------------------------------------------------------------|---------------------------------|---------------------------------|
|    | Increase / (Decrease) in stocks                               |                                 |                                 |
|    | Stock at the end of the year                                  |                                 |                                 |
|    | Work in progress                                              | 1,293.25                        | 1,150.80                        |
|    | Finished Goods                                                | 292.03                          | 150.59                          |
|    |                                                               | 1,585.28                        | 1,301.39                        |
|    | Less : Excise duty on Finished Goods                          | 32.84                           | 17.07                           |
|    | <b>TOTAL A</b>                                                | <b>1,552.44</b>                 | <b>1,284.32</b>                 |
|    | Less: Stock at the beginning 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                           |
|    | <b>TOTAL B</b>                                                | <b>1,284.32</b>                 | <b>2,297.04</b>                 |
|    | Increase / (Decrease) in stocks (A-B)                         | <b>268.12</b>                   | <b>(1,012.72)</b>               |

(All amounts in ₹ lacs, unless otherwise stated)

| 28 | EMPLOYEE BENEFITS EXPENSES                 | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|----|--------------------------------------------|---------------------------------|---------------------------------|
|    | Salaries, Wages and Bonus                  | 2,029.38                        | 1,900.06                        |
|    | Contribution to Provident and Other funds  |                                 |                                 |
|    | Provident fund [Refer note no. 28(i)]      | 87.88                           | 94.73                           |
|    | Pension fund [Refer note no. 28(i)]        | 26.14                           | 23.28                           |
|    | Superannuation fund [Refer note no. 28(i)] | 37.59                           | 34.49                           |
|    | Gratuity [Refer note no. 28(ii)]           | 28.33                           | -                               |
|    | Staff welfare expenses                     | 122.47                          | 139.98                          |
|    | <b>TOTAL</b>                               | <b>2,331.79</b>                 | <b>2,192.54</b>                 |

## 28 (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<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|---------------------------------------------------|---------------------------------|---------------------------------|
| Provident Fund                                    | 87.88                           | 94.73                           |
| Pension Fund                                      | 26.14                           | 23.28                           |
| Superannuation Fund                               | 37.59                           | 34.49                           |

(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<br>December 31, 2014 | As at<br>December 31, 2013 |
| Balance at the beginning of the year       | 671.15                     | 1,082.09                   |
| Current Service Cost                       | 36.51                      | 33.74                      |
| Interest Cost                              | 59.52                      | 86.61                      |
| Paid benefits                              | (25.24)                    | (394.35)                   |
| Actuarial (gain) / loss                    | 67.44                      | (152.80)                   |
| Actuarial (gain) / loss due to curtailment | -                          | 15.87                      |
| <b>Balance at the close of the year</b>    | <b>809.38</b>              | <b>671.15</b>              |

Fair value of plan assets:

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                             | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|-----------------------------------------|----------------------------|----------------------------|
|                                         |                            |                            |
| Balance at the beginning of the year    | 743.74                     | 1,065.42                   |
| Expected return on plan assets          | 51.23                      | 74.95                      |
| Contributions by employer               | -                          | 55.00                      |
| Benefits paid                           | (25.24)                    | (394.35)                   |
| Actuarial gain / (loss)                 | 11.32                      | (57.28)                    |
| <b>Balance at the close of the year</b> | <b>781.05</b>              | <b>743.74</b>              |

Assets and Liabilities recognised in the Balance Sheet:

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                               | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|-------------------------------------------|----------------------------|----------------------------|
|                                           |                            |                            |
| Present Value of Obligations              | 809.38                     | 671.15                     |
| Fair Value of Plan Assets                 | (781.05)                   | (743.74)                   |
| Amount not recognised as an asset         | -                          | 2.34                       |
| <b>Net liability in the balance sheet</b> | <b>28.33</b>               | <b>Refer note below</b>    |
| Recognised under                          | -                          | -                          |
| Short term provisions (Refer note 11)     | 28.33                      | -                          |

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 in the previous year.



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Expenses recognised in the Statement of Profit and Loss:

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                                                                                                                     | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Current service costs                                                                                                           | 36.51                      | 33.74                      |
| Interest expenses                                                                                                               | 59.52                      | 86.61                      |
| Expected return on investment                                                                                                   | (51.23)                    | (74.95)                    |
| Net actuarial (gain) / loss                                                                                                     | 56.12                      | (95.52)                    |
| Actuarial (gain) / loss due to curtailment                                                                                      | -                          | 15.87                      |
| Effects of the limit in para 59(b) of AS 15                                                                                     | -                          | 2.34                       |
| Excess of fair value of plan assets over present value of defined benefit obligations not recognised in books in previous year. | (72.59)                    | -                          |
| <b>Total Expenses</b>                                                                                                           | <b>28.33</b>               | Refer note below           |

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 in the previous year.

Return on plan assets:

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                         | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|-------------------------------------|----------------------------|----------------------------|
| Expected return on plan assets      | 51.23                      | 74.95                      |
| Actuarial gain / (loss)             | 11.32                      | (57.28)                    |
| <b>Actual return on plan assets</b> | <b>62.55</b>               | <b>17.67</b>               |

Investment Details:

% Invested

| Particulars                                                                  | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|------------------------------------------------------------------------------|----------------------------|----------------------------|
| Government of India Securities                                               | 32.00                      | 32.00                      |
| Corporate Bonds                                                              | 54.00                      | 57.00                      |
| Other (including balances with bank and Life Insurance Corporation of India) | 14.00                      | 11.00                      |
|                                                                              | <b>100.00</b>              | <b>100.00</b>              |

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

Actuarial Assumptions:

| Particulars                    | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|--------------------------------|----------------------------|----------------------------|
| Discount Rate                  | 8.25%                      | 9.20%                      |
| Salary Growth Rate             | 7.00%                      | 7.00%                      |
| Expected Return on Plan Assets | 7.50%                      | 7.50%                      |
| Attrition Rate                 | 1.00 to 2.00 %             | 1.00 to 2.00 %             |

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                               | December 31, 2014 | December 31, 2013 | December 31, 2012 | December 31, 2011 | December 31, 2010 |
|-------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Defined Benefit Obligation                | 809.38            | 671.15            | 1082.09           | 993.48            | 956.46            |
| Plan Asset                                | 781.05            | 743.74            | 1065.42           | 1032.45           | 922.99            |
| Surplus / (Deficit)                       | (28.33)           | 72.59             | (16.67)           | 38.96             | (33.47)           |
| Experience adjustment in plan liabilities | 25.70             | (113.17)          | -                 | 127.93            | 0.81              |
| Experience adjustment in plan assets      | 11.32             | (57.28)           | 19.29             | 1032.46           | (2.15)            |

Expected Contribution to the Fund in the next year:

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | December 31, 2014 | December 31, 2013 |
|-------------|-------------------|-------------------|
| Gratuity    | 30.00             | -                 |

- iii) Liability for Compensated Absences (non funded) is ₹ 471.14 lacs (December 31, 2013: ₹ 388.81) recognised as under:

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                           | December 31, 2014 | December 31, 2013 |
|---------------------------------------|-------------------|-------------------|
| Long Term Provisions (Refer Note 7)   | 346.63            | 314.09            |
| Short Term Provisions (Refer Note 11) | 124.51            | 74.72             |
| <b>TOTAL</b>                          | <b>471.14</b>     | <b>388.81</b>     |

(All amounts in ₹ lacs, unless otherwise stated)

| 29 | FINANCE COSTS                         | Year ended December 31, 2014 | Year ended December 31, 2013 |
|----|---------------------------------------|------------------------------|------------------------------|
|    | Interest on long term borrowings      | 122.00                       | 258.49                       |
|    | Interest on short term borrowings     | 490.13                       | 2.35                         |
|    | Interest on short fall of advance tax | 0.83                         | 2.11                         |
|    | Other Finance cost                    | 104.20                       | -                            |
|    | <b>TOTAL</b>                          | <b>717.16</b>                | <b>262.95</b>                |

(All amounts in ₹ lacs, unless otherwise stated)

| 30 | DEPRECIATION AND AMORTISATION EXPENSES               | Year ended December 31, 2014 | Year ended December 31, 2013 |
|----|------------------------------------------------------|------------------------------|------------------------------|
|    | Depreciation on tangible assets (Refer note no.12)   | 1,354.64                     | 1,260.00                     |
|    | Amortisation on intangible assets (Refer note no.13) | 55.65                        | 59.36                        |
|    | <b>TOTAL</b>                                         | <b>1,410.29</b>              | <b>1,319.36</b>              |

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

(All amounts in ₹ lacs, unless otherwise stated)

| 31 | OTHER EXPENSES                                             | Year ended<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|----|------------------------------------------------------------|---------------------------------|---------------------------------|
|    | Consumption of stores and spare parts                      | 2,009.72                        | 1,256.73                        |
|    | Lime Stone mine cost                                       | 2,312.46                        | 1,771.73                        |
|    | Power and Fuel                                             | 13,293.84                       | 12,979.28                       |
|    | Repairs to Building                                        | 93.98                           | 75.80                           |
|    | Repairs to Machinery                                       | 1,535.18                        | 440.35                          |
|    | Repairs others                                             | 37.54                           | 28.36                           |
|    | Sales Commission                                           | 407.32                          | 445.73                          |
|    | Cash Discount                                              | 228.72                          | 25.31                           |
|    | Freight, handling and other expenses                       | 5,417.22                        | 5,352.15                        |
|    | Sales Expenses (Including advertisement and publicity)     | 113.69                          | 65.38                           |
|    | Insurance                                                  | 146.70                          | 136.37                          |
|    | Rent (including lease rent)                                | 105.24                          | 98.92                           |
|    | Rates and Taxes                                            | 60.17                           | 286.28                          |
|    | Printing, Stationery and Communications expenses           | 86.27                           | 40.23                           |
|    | Travelling Expenses                                        | 270.93                          | 199.19                          |
|    | Legal and Professional fees                                | 1,197.73                        | 1,109.51                        |
|    | Equipment Hire Charges                                     | 209.01                          | 111.22                          |
|    | Provision for doubtful debts and advances (net)            | 1.57                            | 44.75                           |
|    | Loss on sale/retirement of fixed assets (net)              | 39.16                           | 0.04                            |
|    | Directors fees                                             | 12.30                           | 3.45                            |
|    | Donation                                                   | 9.34                            | 5.09                            |
|    | Net loss on foreign currency transactions and translations | -                               | 793.07                          |
|    | Payment to Auditors                                        |                                 |                                 |
|    | As auditor:                                                |                                 |                                 |
|    | Audit fees                                                 | 41.00                           | 54.00                           |
|    | Tax audit fees                                             | 6.00                            | 4.50                            |
|    | Certification                                              | 0.40                            | -                               |
|    | Reimbursement of expenses                                  | 1.68                            | 1.09                            |
|    | Miscellaneous expenses                                     | 200.17                          | 146.56                          |
|    | <b>TOTAL</b>                                               | <b>27,837.34</b>                | <b>25,475.09</b>                |

## 32 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.

## 33a RELATED PARTY DISCLOSURES:

Names of the related parties and nature of relationship:

- Where control exists
  - Holding Company
    - Votorantim Cimentos EAA Inversiones S.L.
    - Ultimate Holding Company
      - Votorantim Cimentos S.A.
- Other Related Parties with whom transactions have taken place during the year / previous year
  - Fellow Subsidiaries
    - Votorantim GMBH
    - Votorantim Cimento Sanve TIC A.S.M
- 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)
- Relative of Key Management Personnel
  - Ms. Sanchita Mukherjee (Wife for Mr. Suman Mukherjee upto October 31, 2013)

**33b DETAILS OF TRANSACTIONS / BALANCES :**

(All amounts in ₹ lacs, unless otherwise stated)

| Nature of Transactions                               | Holding Company | Other Related Entities |                                    | Key Management Personnel |                     | Relative of Key Management Personnel | Total     |
|------------------------------------------------------|-----------------|------------------------|------------------------------------|--------------------------|---------------------|--------------------------------------|-----------|
|                                                      |                 | Votorantim GMBH        | Votorantim Cimento Sanve TIC A.S.M | Mr. Chain Singh Jasol    | Mr. Suman Mukherjee | Mrs. Sanchita Mukherjee              |           |
| Purchase of fuel                                     | -               | 5,440.70               | -                                  | -                        | -                   | -                                    | 5,440.70  |
|                                                      | -               | 6,139.80               | -                                  | -                        | -                   | -                                    | 6,139.80  |
| Receiving of technical and other managerial services | 821.59          | -                      | -                                  | -                        | -                   | -                                    | 821.59    |
|                                                      | 663.12          | -                      | -                                  | -                        | -                   | -                                    | 663.12    |
| Reimbursement of expenses paid                       | -               | -                      | -                                  | -                        | -                   | -                                    | -         |
|                                                      | -               | -                      | 5.54                               | -                        | -                   | -                                    | 5.54      |
| Guarantee commission paid                            | 104.20          | -                      | -                                  | -                        | -                   | -                                    | 104.20    |
|                                                      | -               | -                      | -                                  | -                        | -                   | -                                    | -         |
| Remuneration Paid                                    | -               | -                      | -                                  | 65.58                    | -                   | -                                    | 65.58     |
|                                                      | -               | -                      | -                                  | 17.33                    | 102.56              | 5.01                                 | 124.90    |
| Payables as at the year end                          | 183.64          | 1,457.57               | -                                  | -                        | -                   | -                                    | 1,641.21  |
|                                                      | 121.04          | -                      | -                                  | 1.16                     | -                   | -                                    | 122.20    |
| Guarantee provided on behalf of the Company          | 9,569.08        | -                      | -                                  | -                        | -                   | -                                    | 9,569.08  |
|                                                      | 10,684.22       | -                      | -                                  | -                        | -                   | -                                    | 10,684.22 |

Figures in italics relate to the previous year.

**34 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, 2014 |                  | As at December 31, 2013 |                  |
|--------------|-------------------------|------------------|-------------------------|------------------|
|              | Quantity in MT          | Amount           | Quantity in MT          | Amount           |
| Cement *     | 1,000,610               | 46,044.85        | 894,823                 | 37,263.11        |
| Clinker      | -                       | -                | -                       | -                |
| <b>TOTAL</b> | <b>1,000,610</b>        | <b>46,044.85</b> | <b>894,823</b>          | <b>37,263.11</b> |

\* Excludes Cement Samples, Transit loss, damages/shortages 71.50 MT (December 31, 2013 : Nil MT) and Clinker Nil MT (December 31, 2013: Nil MT).

\* Excludes self consumption for internal consumption 269.45 MT (December 31, 2013 : 231.04 MT).

**b) Stock:**

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Opening Stock         |               |                       |               | Closing Stock           |               |                         |               |
|-------------|-----------------------|---------------|-----------------------|---------------|-------------------------|---------------|-------------------------|---------------|
|             | As at January 1, 2014 |               | As at January 1, 2013 |               | As at December 31, 2014 |               | As at December 31, 2013 |               |
|             | Quantity in MT        | Amount        | Quantity in MT        | Amount        | Quantity in MT          | Amount        | Quantity in MT          | Amount        |
| Cement      | 4,779                 | 150.59        | 5,725                 | 209.14        | 8,127                   | 292.03        | 4,779                   | 150.59        |
|             |                       | <u>150.59</u> |                       | <u>209.14</u> |                         | <u>292.03</u> |                         | <u>150.59</u> |

# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## c) Raw materials consumed

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                   | As at December 31, 2014 |                 | As at December 31, 2013 |                 |
|-------------------------------|-------------------------|-----------------|-------------------------|-----------------|
|                               | Quantity in MT          | Amount          | Quantity in MT          | Amount          |
| Lime Stone (Outside purchase) | 504,448                 | 2,087.08        | 573,431                 | 2,413.76        |
| Sand stone                    | 35,579                  | 162.99          | 23,479                  | 99.79           |
| Iron Ore                      | 6,329                   | 253.50          | 8,028                   | 296.77          |
| Gypsum                        | 59,311                  | 702.77          | 51,852                  | 585.38          |
| Fly Ash / Pozollona material  | 56,587                  | 539.31          | 38,099                  | 324.20          |
| Purchased Clinker             | 158,687                 | 4,622.92        | 19,974                  | 486.15          |
| Marl                          | *                       | 10.37           | *                       | 57.23           |
| <b>TOTAL</b>                  |                         | <b>8,378.94</b> |                         | <b>4,263.28</b> |

\*Comprise dissimilar items which cannot be practicably aggregated.

Own Mines / crushed Lime stone consumption is 528,356 MT (December 31, 2013 : 494,722 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, 2014        |                        |                                   |                        | As at December 31, 2013        |                        |                                    |                        |
|--------------|--------------------------------|------------------------|-----------------------------------|------------------------|--------------------------------|------------------------|------------------------------------|------------------------|
|              | 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     | -                              | -                      | 298.54                            | 14.85                  | -                              | -                      | 230.98                             | 18.38                  |
| Indigenous   | 8,378.95                       | 100.00                 | 1,711.18                          | 85.15                  | 4,263.29                       | 100.00                 | 1,025.75                           | 81.62                  |
| <b>TOTAL</b> | <b>8,378.95</b>                | <b>100.00</b>          | <b>2,009.72</b>                   | <b>100.00</b>          | <b>4,263.29</b>                | <b>100.00</b>          | <b>1,256.73</b>                    | <b>100.00</b>          |

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, 2014 | As at December 31, 2013 |
|----------------------------------|-------------------------|-------------------------|
| Coal                             | 5,440.70                | 6,139.80                |
| Stores, Spare Parts & Components | 167.48                  | 256.08                  |
| Capital Goods                    | 797.63                  | 52.19                   |

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

## f) Expenditure in foreign currencies (in rupee equivalent):

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                       | As at December 31, 2014 | As at December 31, 2013 |
|-----------------------------------|-------------------------|-------------------------|
| Travelling Expenses               | 5.88                    | 5.54                    |
| Information Services              | 34.98                   | 35.77                   |
| Technical & Professional Services | 1,038.56                | 699.31                  |
| Financial Charges                 | 104.20                  | -                       |
| Interest                          | 65.58                   | 79.13                   |

## g) Earnings in foreign currency:

F.O.B. value of Exports Nil lacs (December 31, 2013 : ₹ Nil lacs)

## 35 EARNINGS / (LOSS) PER SHARE

| Particulars                                                           | As at December 31, 2014 | As at December 31, 2013 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Profit / (Loss) after tax                                             | 365.13                  | (3,552.10)              |
| Weighted average number of shares outstanding for Basic / Diluted EPS | 141,643,645             | 141,643,645             |
| Nominal value per share (in ₹)                                        | 10.00                   | 10.00                   |
| Basic/Diluted Earning/(Loss) per Share (in ₹)                         | 0.26                    | (2.51)                  |

### 36 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<br>December 31, 2014 | Year ended<br>December 31, 2013 |
|-------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Lease payments recognised in the Statement of Profit and Loss during the year | 100.34                          | 98.17                           |

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

|                                                   | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|---------------------------------------------------|----------------------------|----------------------------|
| Not later than one year                           | 37.30                      | 31.08                      |
| Later than one year and not later than five years | 164.12                     | 156.66                     |
| Later than 5 years                                | 399.26                     | 444.02                     |

### 37 EXCEPTIONAL ITEMS

|                                                                 | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|-----------------------------------------------------------------|----------------------------|----------------------------|
| Compensation for Voluntary Retirement Scheme (Refer note below) | -                          | 1,414.52                   |
| <b>TOTAL</b>                                                    | <b>-</b>                   | <b>1,414.52</b>            |

During the year 2013 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.

### 38 a) PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars        | As at<br>December 31, 2014 |                  |                                 | As at<br>December 31, 2013 |                  |                                 |
|--------------------|----------------------------|------------------|---------------------------------|----------------------------|------------------|---------------------------------|
|                    | Amount                     | Foreign currency | Foreign Currency Amount in lacs | Amount                     | Foreign currency | Foreign Currency Amount in lacs |
| Trade Payable      | 217.39                     | EURO             | 2.83                            | 15.13                      | EURO             | 0.18                            |
|                    | 1,631.57                   | USD              | 25.82                           | 36.07                      | USD              | 0.57                            |
|                    | 25.17                      | JPY              | 47.94                           | -                          | -                | -                               |
| Loans and Advances | -                          | -                | -                               | 11.10                      | EURO             | 0.13                            |
|                    | 3.70                       | USD              | 0.06                            | -                          | -                | -                               |
|                    | 100.56                     | JPY              | 175.95                          | 5.40                       | JPY              | 8.70                            |
| Buyers Credit      | -                          | -                | -                               | 3,094.94                   | USD              | 50.00                           |



# SHREE DIGVIJAY CEMENT COMPANY LIMITED

## b) DERIVATIVE OUTSTANDING

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars                             | Purpose                                       | As at<br>December 31, 2014 |                       |        | As at<br>December 31, 2013 |                      |          |
|-----------------------------------------|-----------------------------------------------|----------------------------|-----------------------|--------|----------------------------|----------------------|----------|
|                                         |                                               | No. of<br>Contracts        | Amount in<br>USD lacs | Amount | No. of<br>Contracts        | December<br>31, 2013 | Amount   |
| Cross Currency<br>Interest Rate<br>Swap | Hedge of External<br>commercial<br>borrowings | -                          | -                     | -      | 2                          | 53.00                | 3,280.64 |

## 39 DUES TO MICRO AND SMALL ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(All amounts in ₹ lacs, unless otherwise stated)

| PARTICULARS                                                                                                                                    | As at<br>December 31, 2014 | As at<br>December 31, 2013 |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end                                           | 23.44                      | 12.18                      |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end                                                   | -                          | -                          |
| Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                    | -                          | -                          |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | -                          | -                          |
| Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year             | -                          | -                          |
| Interest due and payable towards suppliers registered under MSMED Act, for payment already made.                                               | -                          | -                          |
| Further interest remaining due and payable for earlier years                                                                                   | -                          | -                          |

40 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, 2014 and the provision based on the figures for the remaining nine months upto December 31, 2014, the ultimate tax liability of which will be determined on the basis of the figures for the period April 1, 2014 to March 31, 2015.

41 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  
Carlos Eduardo de Arruda Boggio  
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 : Mumbai  
Date : 25th February, 2015

Place : Digvijaygram  
Date : 25th February, 2015

# Shree Digvijay Cement Company Limited

CIN : L26940GJ1944PLC000749

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

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

E-mail: rkm@vceaa.com Website: www.digvijaycement.com

## PROXY FORM

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

I/We being the members(s) of \_\_\_\_\_ equity shares of ₹10 each of Shree Digvijay Cement Company Limited, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ Or falling him/her

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ Or falling him/her

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 70<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 20<sup>th</sup> May 2015, at 9.00 am at the Registered Office at Digvijaygram 361 140 Via: Jamnagar, Gujarat and at any adjournment thereof, in respect of such resolutions, as are indicated below:

| Item | Ordinary Resolutions                                                                                      |
|------|-----------------------------------------------------------------------------------------------------------|
| 1    | Adoption of audited financial statement of the Company for the year ended 31 <sup>st</sup> December 2014. |
| 2    | Re-appointment of Mr. Sven Erik Oppelstrup Madsen as a Director of the Company                            |
| 3    | Appointment of M/s. Price Waterhouse, Statutory Auditors of the Company                                   |
| 4    | Appointment of Mr. A. K. Chhatwani as an Independent Director of the Company                              |
| 5    | Appointment of Mr. A. Kumaresan as an Independent Director of the Company                                 |
| 6    | Appointment of Mr. Persio Morassutti as a Director of the Company- Liable to retire by rotation           |
| 7    | Appointment of Ms. Meike Albrecht as a Director of the Company- Liable to retire by rotation              |
| 8    | Ratification of remuneration to M/s Kiran J. Mehta & Co., Cost Auditors                                   |
|      | <b>Special Resolution</b>                                                                                 |
| 9    | Related Party Transactions                                                                                |

P. T. O.

# Shree Digvijay Cement Company Limited

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

## ATTENDANCE SLIP

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

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

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

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

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

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

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

I /We hereby record my/our presence at the 70<sup>th</sup> ANNUAL GENERAL MEETING of the Company being held at Digvijaygram, Via: Jamnagar(Gujarat) 361 140 on Wednesday, 20<sup>th</sup> day of May 2015 at 9.00 am.

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

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

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

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

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

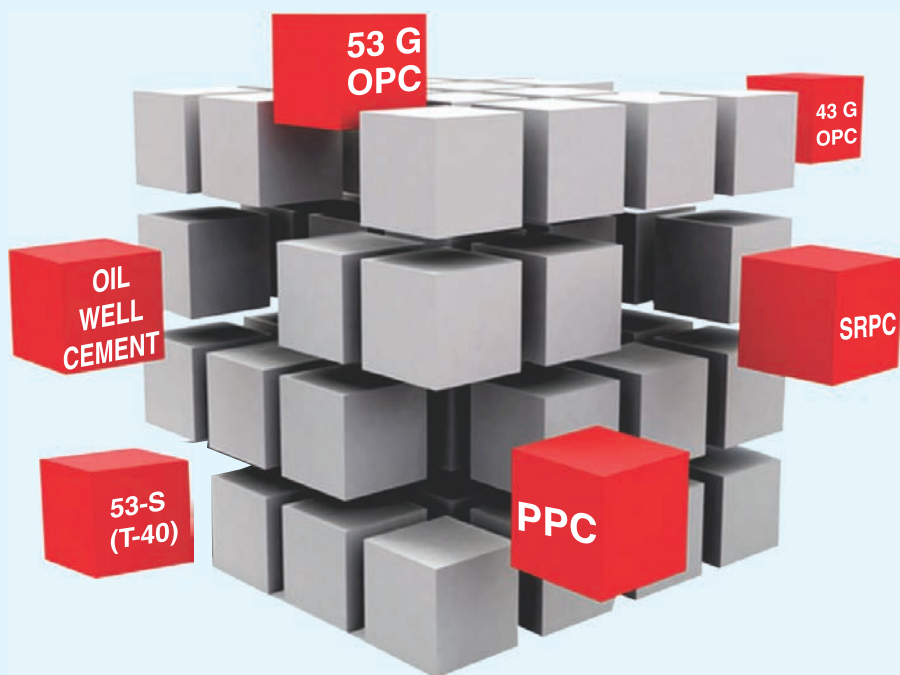
Affix  
Revenue  
Stamp

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

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 70<sup>th</sup> Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.





## **SHREE DIGVIJAY CEMENT COMPANY LIMITED**

CIN : L26940GJ1944PLC000749

Digvijaygram - 361 140,  
Via: Jamnagar (Gujarat)

Website: [www.digvijaycement.com](http://www.digvijaycement.com)