



SHREE DIGVIJAY CEMENT COMPANY LIMITED

(CIN: L26940GJ1944PLC000749)

Registered Office: DIGVIJAYGRAM – 361 140

Phone: 0288-2344272-75 Fax: 0288-2344092

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



Postal Ballot Notice Pursuant to Section 110 of the Companies Act, 2013

Dear Shareholder(s),

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof ("the Act") and other applicable provisions, if any, that the resolution given below is proposed to be passed by Postal Ballot for appointment of Mr. KK Rajeev Nambiar as Whole-time Director and payment of remuneration to him.

The Company is, therefore, seeking your consent for the said proposal by Special Resolution in compliance with the provisions of the Companies Act, 2013 read with rules made thereunder and other applicable provisions, if any, of the Act or any other statutory enactments. Explanatory Statement pursuant to applicable provisions of the Act pertaining to the said resolution setting out the material facts and reasons thereof is annexed to the Notice. Said Resolution and Explanatory Statement thereto alongwith the Postal Ballot Form is being sent herewith for your consideration.

Electronic Voting (e-voting) : In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management & Administration) Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force) as amended from time to time ("the Act") and Clause 35B of the Listing Agreement, the Company is pleased to offer the option of e-voting facility to all the shareholders of the Company to enable them to cast their votes electronically. For this purpose, the Company has obtained the services of Central Depository Services (India) Limited ("CDSL"). E-voting is optional for shareholders. The detailed procedure for e-voting is annexed to this notice. The shareholders who wish to vote by Postal Ballot Form (instead of e-voting), can download Postal Ballot Form from <https://www.cdslindia.com/evoting/EvotingInstanceAndResults.aspx> or https://digvijaycement.com/Postal-Ballot_Notice-Form.

The Company has appointed Mr. Dinesh Deora, Practicing Company Secretary as a Scrutinizer, and Mr. Moh. Akram, Practising Company Secretary, as an Alternate Scrutinizer to Mr. Dinesh Deora for conducting the Postal Ballot in a fair and transparent manner.

You are requested to peruse the proposed Resolutions along with its Explanatory Statements and thereafter mark your assent or dissent by filling the necessary details and putting your signature at the marked place in the Postal Ballot Form and return the same **in the enclosed postage pre-paid Business Reply Envelope, so as to reach the Scrutinizer on or before 5.00 p.m. on Saturday, 26th December, 2015.** In respect of shareholders opting for e-voting mode as above, they should cast their vote online from 9.00 a.m. on 27th November, 2015 till 5.00 p.m. on 26th December, 2015 as per instructions provided hereunder. Your assent/dissent received after 26th December, 2015 would be strictly treated as if a reply from you has not been received. Upon completion of scrutiny of the Postal Ballot, the Scrutinizer shall submit his report to the Chairman of the Company. **The result of the Postal Ballot shall be announced on Monday, 28th December, 2015 at 11.00 a.m. at the registered office of the Company and shall also be displayed on the Company's website www.digvijaycement.com** besides communicating to the stock exchanges on which the shares of the Company are listed.

PROPOSED RESOLUTION:

Item No. 1

APPOINTMENT OF MR. KK RAJEEV NAMBIAR AS WHOLE-TIME DIRECTOR AND PAYMENT OF REMUNERATION TO HIM IN HIS CAPACITY AS SUCH WHOLE-TIME DIRECTOR

To consider and give assent/dissent to following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subject to approval of the Central Government, if required, the consent of the members of the Company be and is hereby accorded to the appointment of Mr. KK Rajeev Nambiar (DIN: 07313541), Chief Executive Officer, as Whole time Director of the Company designated as "CEO & Whole-time Director" for a period of three years with effect from 1st November, 2015 to 31st October, 2018, on the terms and conditions (including remuneration payable in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out below, with liberty to the Board of Directors (hereinafter referred to as the "Board", which term shall deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to determine, alter, revise or vary the terms and conditions of the said appointment and / or remuneration:

- 1. Period of Appointment:** Three years with effect from 1st November, 2015, which may be extended by mutual agreement.
- 2. Nature of Duties:** He will be in charge of the Company's operations and of matters related to Votorantim India operations with full responsibility and accountability for its management and smooth operations. He shall devote full time and attention to the work of the Company and carry out the instructions of the superiors of the Board and Group and abide by all policies, general rules and regulations of the Company, and shall not undertake any direct/indirect business of work, honorary or remunerative, except with the permission of the Group CEO.
- 3. Remuneration:**

- a) Emoluments:** Rs. 15,000,000/- (Rupees one crore fifty lacs) per annum, consisting of Annual Base Salary (ABS) of Rs. 10,714,286 (Rupees one crore seven lacs fourteen thousand two hundred eighty six) and variable pay @40% of ABS, with such increase in Annual Base Salary upto Rs. 13,500,000/-(Rupees one crore thirty five lacs) during his tenure as "CEO & Whole-time Director", as the Board/Committee of Directors may decide from time to time inter alia covering the following specified payments and statutory allowances and the remaining balance amount to be bifurcated under various heads in mutual consent with the appointee in line with the Company's governing Rules:

- **Basic Salary:** Rs. 5,000,000/- (Rupees fifty lacs) per annum, with such increase from time to time as the Board/Committee of Directors may decide.
 - **Special Allowance (including HRA, if any) :** Rs. 3,929,162/- (Rupees thirty nine lacs twenty nine thousand one hundred sixty two only) per annum, with such increase from time to time as the Board/Committee of Directors may decide.
 - **Contribution towards Provident fund:** @ 12% of the basic salary [subject to revision in line with the notification(s) as may be promulgated by the Government during the tenure of appointment].
 - **Personal Allowance – @ 15% of the basic salary.**
 - **Gratuity - @ 5% of the basic salary.**
 - Following Allowances annually with such increase proportionate to Basic Salary, as the Board/Committee of Directors may decide from time to time :
 - Leave Travel Allowance – Rs. 51,504/- annually;
 - Medical expenses reimbursement – Up to Rs.15,000/- annually;
 - Conveyance Reimbursement– Rs. 100,020/- annually;
 - Uniform Allowances – Up to Rs. 16,200/- annually;
 - Education allowances – Rs. 2,400/- annually.
 - **Variable Pay System of the Company:** based on the achievement of pre-established goals, he will be entitled with a compensation of 40% of his Annual Base Salary. Overachievement is allowed up to a 150% of objectives achievement which could represent a maximum of 60% of the Annual Base Salary with consequent increase in gross Emoluments.
- 4. Other benefits & Terms:**
- Fully furnished residential accommodation at Company's Colony;
 - One Company car with chauffeur and fuel for official use. He will be reimbursed fuel cost for personal use of Company owned car up to 300 km per month aggregating 3600 km per annum and the same shall be valued as per Income Tax Rules.

- Laptop and Mobile Phone
- Free medical and hospitalization insurance for self, wife and direct relatives (limited to two children and dependent parents). No limits within the Health Group Insurance Network. Reimbursement out of network upto Rs. 500,000/-.
- Accident and Life Insurance: as per Company's policy.
- Leave and Gratuity: as per Company's policy.
- Re-imbursement of other cost and expenses as per Company's policy.
- Other Terms: As per Company's policies.

"RESOLVED FURTHER THAT even in the absence of or inadequacy of profits in any Financial Year, subject to the provisions of Schedule V of the Act and such other approvals as may be required, Mr. KK Rajeev Nambiar be paid the same remuneration as mentioned above as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and / or Central Government, if required."

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

By Order of the Board

For SHREE DIGVIJAY CEMENT COMPANY LIMITED

SURESH MEHER

GM (Legal) & Company Secretary

Digvijaygram,
28th October, 2015

Notes :

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. The Postal Ballot Notice is being sent to all the Shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on the cut-off date i.e. 23rd October, 2015. Voting rights of Members shall be in proportion to their shareholding on the paid up value of shares registered in the name of shareholders as on this cut-off date.

EXPLANATORY STATEMENT

{Pursuant to Section 102 of Companies Act, 2013}

Item No. 1

As a part of viable succession plan, the Board of Directors on recommendation of Nomination and Remuneration Committee has appointed Mr. KK Rajeev Nambiar as Chief Executive Officer (CEO) of the Company effective from 2nd June, 2015 on certain terms & conditions, including the remuneration. Since the tenure of Mr. Chain Singh Jasol, existing Whole-time Director will expire on 31st October, 2015, the Board has, subject to approval of the Shareholders of the Company, at its meeting held on 28th October, 2015 appointed Mr. Nambiar as Additional Director and as Whole-time Director to be designated as "CEO & Whole-time Director" for a period of three years from 1st November, 2015.

Mr. Nambiar is one of the key managerial personnel and leading the Votorantim Cimentos India's operation. He has an

extensive knowledge in cement industries. He is mechanical engineer from the National Institute of Technology, Karnataka (India) and having outstanding professional career. Considering the vast experience and expertise of Mr. Nambiar, the Board considered him suitable for the position of Whole-time Director of the Company.

The terms and conditions of his appointment as CEO & Whole-time Director, including remuneration will remain same as agreed during his appointment as CEO and as set out in the resolution at Item No. 1 of the Notice and will be subject to approval of Shareholders. However, as the Net profits of the Company for last financial year ended 31st December, 2014 calculated in terms of provisions of section 198 of the Companies Act, 2013 ("Act") was inadequate and total remuneration approved to him as CEO exceeds the limits as specified in Schedule V of the Act, and as he is proposed to be appointed as a Whole-time Director, approval of shareholders through Special Resolution as well as approval of Central Government will be required as per provision of the Act.

The information required under sub-paragraph (B) of paragraph (1) of Section II of Part - II of Schedule V of the Companies Act, 2013 is given below:

I. General Information:

1. Nature of Industry: Cement
2. Date or expected date of commencement of commercial production: 1949
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial Performance based on given indicator: The details of the Financial Performance for the last three years are as follows. (Rs. in Mn.)

Particulars	2014	2013	2012
Total Income	4211.76	3378.37	3919.90
Profit Before exceptional items Interest, Depreciation & Tax	249.3	-47.23	494.22
Profit Before Tax	36.51	-346.91	509.27
Profit After Tax	36.51	-355.21	412.57
Dividend percentage	0%	0%	0%

5. Foreign investments or collaborations, if any : NA

The holdings of Foreign Institutional Investors (FII) & NRI's as on December 31, 2014 is 0.97 % of the Equity Share Capital.

II. Information about the appointee:

1. Background details:

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

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

He is currently responsible for leading Votorantim Cimentos India's operation. Mr. Nambiar has always been the person with strong technical & business acumen and leadership, impeccable industry foresight, and has contributed in implementing several path breaking business processes in his current and past roles.

2. **Past Remuneration:** As CEO, he was drawing the same current remuneration as described in resolution.
3. **Recognition or award:** During his earlier tenure, he could steer his team in getting National Energy Conservation award and first Green Cement Company award by CII.
4. **Job Profile and his suitability:** Mr. KK Rajeev Nambiar is CEO of the Company and is currently responsible for leading Votorantim Cimentos India's operation. He has an extensive knowledge in cement industries and was heading ACC units in manufacturing operations all over India. He is mechanical engineer from the National Institute of Technology, Karnataka (India) and having outstanding professional career. Considering his vast experience and

expertise, the Board considers him suitable for the position of Whole-time Director of the Company.

5. **Remuneration Proposed:** As stated in the resolution.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The remuneration offered to Mr. Nambiar is at par with the industry norms considering the nature of industry, profile and position of person.
7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Except for the remuneration drawn, Mr. KK Rajeev Nambiar does not have any pecuniary relation directly or indirectly with the Company. Mr. Nambiar is not related to any other Director or key managerial personnel of the Company. He is independent qualified professional.

III. Other Information:

1. **Reasons of loss or inadequate profits:** Inadequacy of profits for last three years is mainly attributable to slowdown of Indian economy, pressure on cement prices, competition, and increased cost of raw materials. Further increased costs of power and fuels have adversely affected the profitability of the Company.
2. **Steps taken or proposed to be taken for improvement:** To mitigate the adverse impact, the Company took various measures such as making alternate arrangements of purchasing raw materials at cheaper cost, executing contracts for power and fuels at cheaper cost, exploring new markets for sale of cement where better margins are available than in present markets.
3. **Expected increase in productivity and profits in measurable terms:** The Company has made substantial investment during shut down thereby stabilizing the plant capacity and exploring new markets. With the ramp up of operations at increased capacity, substantial contribution in revenue and profitability is expected in the coming years. As per the growth trend the company projects a growth of 20% YoY.

IV. Disclosures:

- (1) Details of remuneration being offered are given in the above resolution.
- (2) The Company has not implemented any Stock Option plan.
- (3) The overall remuneration (inclusive of performance linked incentives) is upto maximum as specified in aforesaid resolution, or as may be altered/ revised from time to time within the limits approved by the Shareholders.
- (4) Except as otherwise contained in employment contract, Mr. KK Rajeev Nambiar is not entitled to any severance fees or compensation for loss of office as Whole-time Director and notice period is 3 months.

It is declared that Mr. KK Rajeev Nambiar is not having any interest in the capital of the Company or its holding company, directly or indirectly or through any other structures and does not have any direct or indirect interest or related to the directors or promoters of the Company or its holding company at any time during the last two years before or on the date of appointment and is having required qualification with expert and specialized knowledge in the field of his profession.

The special resolution contained in item no. 1 of the accompanying Notice, accordingly, seek shareholders' approval by Postal ballot through special resolution for appointing Mr. KK Rajeev Nambiar as CEO & Whole-time Director and payment of remuneration to him and authorizing the Board of Directors (including any Committee thereof authorised for the purpose) of the Company to complete all the formalities in connection with the above.

Except Mr. KK Rajeev Nambiar, none of other Directors or Key Managerial Personnel of the Company or their relatives, financially or otherwise, is in any way concerned or interested in the aforesaid Special Resolution.

The Board recommends the resolution at item no.1 to be passed as Special Resolution by way of Postal Ballot.

This notice along with the explanatory statement should also be considered as an abstract of the terms of the appointment of Mr. KK Rajeev Nambiar as CEO & Whole-time Director of the Company and a memorandum as to nature of concern or interest of the Directors in the said appointment.

By Order of the Board

For SHREE DIGVIJAY CEMENT COMPANY LIMITED

SURESH MEHER

GM (Legal) & Company Secretary

Digvijaygram

28th October, 2015

INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27th November 2015 (9.00 a.m.) and ends on 26th December 2015 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23rd October 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.
- (iii) Click on Shareholders.
- (iv) Now 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.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both 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 (v).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) 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 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the Electronic Voting Sequence Number (EVSN) of Shree Digvijay Cement Co. Ltd.

(xi) 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.

(xii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non – Individual Shareholders and Custodians

(xviii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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.

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 linked in the login should be mailed to 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.

(xix) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

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