Votorantim Cimentos

SHREE DIGVIJAY CEMENT CO. LTD.

18th May, 2018

To,

The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001

Subject: In principle approval under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the Scheme of Arrangement proposed to be filed under Section 230 to 232 of the Companies Act, 2013

Ref: Scrip Code: 502180

Dear Sir,

The Board of Directors of our Company at their meeting held on 27th March, 2018 has approved the Scheme of Arrangement between the Company and its shareholders under section 230-232 of the Companies Act, 2013.

As required under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, we are enclosing herewith two sets of the required documents for the in principle approval to the draft Scheme of Arrangement. Kindly forward one set of the same to SEBI.

We request you to kindly issue a 'No Objection Letter' to the Scheme of Arrangement between the Company and its shareholders.

Thanking you,

Yours sincerely,
For, SHREE DIGVIJAY CEMENT COMPANY LIMITED

SURESH MEHER
COMPANY SECRETARY

Encl: as above

Shree Digvijay Cement Co. Ltd. Ahmedabad

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SHREE DIGVIJAY CEMENT CO. LTD.
CIN L26940GJ1944PLC000749
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361 140 Jamnagar | Gujarat | INDIA

E-mail: info.sdccl@vcimentos.com
Web: www.digvijaycement.com

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Submission of documents under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for approval of the Scheme of Arrangement (including reduction in capital, arrangement with creditors, etc) proposed to be filed under sections 230 to 232 read with Section 66 of the Companies Act, 2013.

Sr. No.	Documents to be submitted along with application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Annexure	Page No.
1.	Certified true copy of the resolution passed by the Board of Directors of the company.	A	1 - 7
2.	Certified copy of the draft Scheme of Amalgamation / Arrangement, etc. proposed to be filed before the National Company Law Tribunal.	B	8 - 19
3.	Valuation report from Independent Chartered Accountant (Note: As there is no change in the shareholding pattern of the Company under the proposed scheme of Arrangement, there is no need to obtain valuation report)	C	20
4.	Report from the Audit Committee recommending the draft Scheme taking into consideration, inter alia, the valuation at sr. no. 3 above	D	21 - 22
5.	Fairness opinion by Merchant Banker (Note: As there is no change in the shareholding patternof the Company and as there is no need for valuation of assets and/or shares, the Company is not required to obtain Fairness Opinion)	E	23
6.	Shareholding pattern of the Companypre and post Arrangement.	F	24 - 26
7.	Audited financials of the Applicant Company for the last 3 financial years	G	27
8.	Quarterly compliance Report on Corporate Governance as per Regulation 27(2) (a) of the SEBI (LODR) Regulations, 2015.	H	28 - 31
9.	Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('SEBI Circular')	I	32
10.	Detailed Compliance report as per format specified in Annexure IV of the SEBI Circular duly certified by the Company Secretary, Chief Financial Officer and the Managing Director confirming compliance with various regulatory requirements specified for the scheme of arrangement and accounting standards.	J	33
11.	If as per the Company, approval from the shareholders through postal ballot and e-voting, as required under Para (I)(A)(9)(a) of SEBI Circular, is not applicable then as required under Para (I)(A)(9)(c) of said SEBI circular, submit the following:		
	a) An undertaking certified by the auditor clearly stating the reasons for non applicability of Sub Para 9(a)	K	34-35
	b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	L	36

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12.	If pursuant to the scheme the allotment of shares is proposed to be made to a selected group of shareholders or to the shareholders of unlisted companies, pricing certificate from the Statutory Auditor of the listed company as per proviso of Regulation 70 (1)(ii) of ICDR.	N.A.	–
13.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE.	M	37
14.	Brief details of the transferee/resulting and transferor/demerged companies as per format enclosed.	N	38-41
15.	Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and / or resulting company.	O	42
16.	Capital evolution details of the transferee/resulting and transferor/demerged companies as per format enclosed.	P	43-44
17.	Confirmation by the Managing Director/ Company Secretary as per format enclosed.	Q	45-46
18.	Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para (I)(A) (5)(a) of Annexure I of SEBI Circular, as per the format given in Annexure II of aforesaid SEBI circular.	R	47-48
19.	Annual Reports of all the listed transferee/resulting/demerged/etc. companies involved and audited financial of all the unlisted transferor/demerged/resulting/etc. companies for the last financial year.	S	49-124
20.	Processing fee (non-refundable) payable will be as below, favoring 'BSE Limited' Rs. 5,00,000/- Processing Fee + Rs. 90,000/- GST -------------------- Rs. 5,90,000/- - Rs. 50,000/- TDS -------------------- Rs. 5,40,000/- Amount payable	T	125
21.	Name & Designation of the Contact Person Mr. Suresh Meher, Company Secretary Telephone Nos. (landline) :0288-2344272-75 Mobile: 07574852119 Email ID : suresh.meher@vcimentos.com	N.A.	

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Annexxure A

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SHREE DIGVIJAY CEMENT CO. LTD.

CERTIFIED TRUE COPY OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF SHREE DIGVIJAY CEMENT COMPANY LIMITED AT ITS MEETING HELD ON 27TH MARCH, 2018

The Chairman apprised the Board that the Company has incurred losses in earlier years and the accumulated losses of the Company as per its Audited Balance Sheet as at 31st March 2017 amount to Rs. 468.00 mn (Rupees Four Hundred Sixty Eight Million Only) which has wiped off most of the Net worth of the Company. The Company is therefore unable to consider payment of dividend or buyback of shares or raise any finance either from the Capital Markets or from the Financial Institutions whether in the form of Equity or Debt, to undertake business activities on a larger scale. In view of the above accumulated losses, the Company is seeking to reconstruct / restructure its Capital and other reserves by way of writing off its accumulated losses, which is not represented by available assets of the Company by virtue of the scheme of arrangement for restructuring.

The Proposed Scheme would enable the Company:
--- to eliminate the accumulated losses;
--- reflect the actual financial position in its balance sheet;
--- to consider payment of dividends or carry out buy-back of shares from future profits and reserves;
--- to depict the representing asset value and to reflect proper corporate governance, which would be beneficial to the Company and its shareholders in the long term.

The Board was informed that as on 31st March, 2017, the Company has capital reserve to the extent of Rs. 87,86,86,782 (consisting of Rs. 87,00,00,000 created out of extinguishment of 87,00,000 6% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 100 each, and previous balance of capital reserve amounting to Rs. 86,86,782), Capital redemption reserve of Rs. 35,00,000/- and Securities Premium Account of Rs. 20,43,244.

The Board was apprised that the Company issued 87,00,000 6% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 100 each to its then promoters viz. Cimpor Inversiones S.A., on a preferential basis, which were due for conversion on 8th September, 2010. However, to prevent a reduction in the proportion of public shareholding below the minimum threshold specified under the provision of erstwhile

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Listing Agreement, the promoters allowed their conversion rights to lapse. Consequently, the sum of Rs. 87.00 Crores was transferred to Capital Reserve Account on extinguishment of 6% Non-Cumulative Compulsorily Convertible Preference Shares held by promoters of the Company in the financial year ended on 31st December, 2010. Thus, the capital reserve to the extent of Rs. 87.00 Crores was not arising out of revaluation of assets or any other notional profit.

The Board was also informed that through the proposed Scheme of Arrangement, the Company propose to utilize Capital Redemption Reserve of Rs. 35,00,000 and Securities Premium account of Rs. 20,43,244 and Capital Reserve of Rs. 46,24,62,738 in writing off the accumulated losses of Rs. 46,80,05,982 as on 31st March, 2017. The remaining amount of capital reserve (arising out of total capital profit recognized in cash amounting to Rs. 87.00 Crores after utilizing in writing off accumulated losses as aforesaid, to the extent of Rs. 40,75,37,262 is proposed to be transferred to Business Development Reserve to be created under the Scheme and to be utilized, as more particularly specified in the Scheme. This exercise would be subject to the approval of shareholders, Stock Exchange, SEBI, National Company Law Tribunal, and other Authorities.

The Board was also apprised that the above treatment will facilitate the Company to bring reality in its financial statements by wiping out the accumulated losses on one hand and restructuring the amount of various Reserves on the other hand. The Company will be able to use the amount of Business Development Reserve to provide further growth to the business/activities of the Company either by going for non routine expenses or by wiping off the lost assets/capital in the time to come. The Board was apprised that Company was in the process of obtaining certificate from Statutory Auditors of the Company as required under the provisions of the Company's Act, 2013, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and other applicable laws. Copy of such Auditors' Certificate once obtained will be placed before the Audit Committee and Board of Directors of the Company at their next meetings for taking the said certificate on record.

The Board was further informed that as per para 4 (b) of Annexure I of the SEBI Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017, Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed entity. Consequently Fairness Opinion may not be required to be taken by the Company as there is no need for valuation of assets/ shares in the proposed Scheme.

The Board considered the above proposal and noted that the Audit Committee at their meeting held on 27th March, 2018 recommended the Scheme of Arrangement envisaging aforesaid transfer and utililisation.

After due deliberations and discussions, along with the recommendations from Audit Committee, the Board of Directors has passed the following resolutions unanimously:

"**RESOLVED UNANIMOUSLY THAT** pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, applicable rules and regulations made thereunder (including any statutory modification(s)or re-enactment(s) thereof for the time being in force), relevant provisions of the Memorandum and Articles of Association of the Company, subject to requisite approval(s) of shareholders and creditors of the Company, if any, and such other approvals, sanctions and permissions of the Stock Exchange(s), Securities and Exchange Board of India ("SEBI"), National Company Law Tribunal ("NCLT"), Regional Director ("RD") and other regulatory or government bodies/tribunals or institutions as may be applicable, pursuant to the recommendation of the Audit Committee, the Board of Directors hereby approve the draft Scheme of Arrangement ("Scheme") between Shree Digvijay Cement Company Limited ("Company") and its shareholders, placed before the Board and initialed by the Company Secretary for the purpose of identification, which provides for:

i) utilization of Capital Redemption Reserve amounting to Rs. 35,00,000;
ii) Securities Premium account of Rs. 20,43,244; and
iii) Capital Reserve of Rs. 46,24,62,738;,
in writing off the accumulated losses of Rs. 46,80,05,982 as on 31st March, 2017; and
iv) balance remaining amount of capital reserve (arising out of total capital profit recognized in cash amounting to Rs. 87.00 Crores after utilizing in writing off accumulated losses), to the extent of Rs. 40,75,37,262/- is proposed to be transferred to Business Development Reserve to be utilized in manner provided in the Scheme.

RESOLVED FURTHER THAT the appointed date shall be 1st April, 2017.

Shree Digvijay Cement Co. Ltd. Ahmedabad

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RESOLVED FURTHER THAT the BSE Limited ("BSE") be authorized to act as the designated stock exchange for the purpose of coordinating with SEBI for the Scheme and matters connected therewith.

RESOLVED FURTHER THAT the Report of the Audit Committee dated 27th March, 2018, recommending the draft Scheme for favorable consideration and approval by the Board of Directors, be and is hereby approved for submission to the stock exchanges and SEBI in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("SEBI Circular").

RESOLVED FURTHER THAT Mr. Rajeev Nambiar, CEO & Whole-time Director, and Mr. Suresh Meher, A.V.P. (Legal) & Company Secretary be and are hereby severally authorized to approach Price Water House, Statutory Auditors, for their Certificate confirming that the accounting treatment outlined in the Scheme is in compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and other generally accepted accounting principles, and copy of such Auditors' Certificate will be placed before Audit Committee and Board of Directors of the Company at their next meetings for taking the certificate on record."

RESOLVED FURTHER THAT the undertaking with regard to the non-applicability of requirements prescribed in paragraph (I)(A)(9) of the SEBI Circular, be and is hereby accepted and approved, and Mr. KK Rajeev Nambiar, CEO & WTD and Mr. Suresh Meher, Company Secretary, be and are hereby severallay authorized to sign the said undertaking and forward the same to the Statutory Auditors for obtaining their certificate.

RESOLVED FURTHER THAT Mr. Rajeev Nambiar, CEO & Whole-time Director, Mr. Suresh Meher, A.V.P. (Legal) & Company Secretary be and are hereby severally authorized to convey on behalf of the Company (being a shareholder and/or creditor of the Company), the consent, support and no-objection to any application for seeking dispensation of meeting(s) of equity shareholders and/or creditors of the Company, for approving the Scheme, as may be filed by the Company in connection with the Scheme proposed to be filed before the NCLT and/or any person or other statutory / regulatory authority, as relevant.

Shree Digvijay Cement Co. Ltd. Ahmedabad

RESOLVED FURTHER THAT in the opinion of the Board, the draft Scheme will be of advantage and be beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

RESOLVED FURTHER THAT Mr. Rajeev Nambiar, CEO & Whole-time Director, Mr. Suresh Meher, A.V.P. (Legal) & Company Secretary, be and are hereby severally authorized to give effect to the Scheme and to do such acts, deeds, matters and things and also to execute such documents, writings etc. as may be necessary and to settle any questions: or difficulties which may arise and give any directions necessary for obtaining approval of and giving effect to the Scheme, as and when required including to take all necessary steps, but not limited to:

(a) to make such alterations and changes in the draft Scheme, as may be expedient or necessary or satisfying the conditions / requirements imposed by the NCLT, stock exchange(s), and/or any other statutory/regulatory authorities, as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said draft Scheme as approved in this meeting;

(b) to finalize and settle the draft Scheme, draft of the notices for convening / dispensing with the meetings of the shareholders and/or creditors of the Company and draft of the explanatory statements under Sections 230 to 232 of the Companies Act, 2013 read with rules made thereunder, in terms of directions of the NCLT and assent to such alterations, conditions and modifications, if any, in the notices and explanatory statement as may be prescribed or imposed by the NCLT or effect any other modifications or amendments as they may consider necessary or desirable to give effect to the Scheme;

(c) to file the Scheme and any other information/ details with the stock exchange(s) / SEBI / any other regulatory authorities concerned or any other agency to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;

(d) to sign, modify and file applications to NCLT, seeking directions as to convening / dispensing with the meeting of the shareholders / creditors of the Company, and where necessary to take steps to convene and hold such meetings as per the directions of NCLT and / or any other statutory/regulatory authorities;

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(e) to sign, modify and file petitions, pleadings, affidavits, applications, statements, memos and to engage/remove Counsels, Advocates, Chartered Accountants, Practicing Company Secretaries and other professionals/legal experts/intermediaries and to do all acts, deeds, matters and things as may be necessary or required under or pursuant to the applicable provisions of the Companies Act, 2013 including any statutory modifications, amendments, re-enactments thereof for the time being in force, for and in connection with the sanction of the NCLT to the Scheme;
(f) to sign and issue public advertisements and to issue notices to the members or any other class of persons as per directions of the NCLT and/or any other statutory/regulatory authorities;
(g) to make or assent to any alterations or modifications to the Scheme or to any conditions or limitation which the NLCT, may deem fit to approve or impose and may give such directions, as they may consider necessary, and to settle any doubt, question or difficulty arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things for putting the Scheme into effect;
(h) obtaining approval from such other authorities and parties including the shareholders, creditors, lenders as may be considered necessary to the said Scheme;
(i) to communicate and correspond with the stock exchange(s), SEBI, Registrar of Companies, banks, institutions, investors, government authorities, local authorities, income tax authorities and/or any other statutory/regulatory authorities, where required about the Scheme, and to do all such acts, deeds, matters and things as may be at their discretion deem necessary or desirable for such purpose and with power of the Company to settle any queries, difficulties or doubts that may arise in this regard as they may in their absolute discretion, deem fit and proper for the purpose of giving effect to above resolutions;
(j) to obtain order of the NCLT approving the Scheme and file the same with the Registrar of Companies, so as to make the sanctioned Scheme effective;
(k) to affix the Common Seal of the Company, in accordance with the Articles of Association of the Company, on such documents and papers as may be necessary in this regard;
(l) to do all further acts, deeds, matters and things as may be necessary, proper, expedient to give effect to the Scheme and for matters connected herewith or incidental thereto;

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(m) to settle any questions or difficulties that may arise with regard to the implementation of the above Scheme and to give effect to the above resolutions;

(n) to file a copy of the resolutions duly certified and forward to the concerned authorities including NCLT for record; and

(o) to authorize the officer(s) of the Company and/or any other person to discuss, negotiate, finalize, execute, sign, submit and fill all required documents, deeds of assignment/conveyance and other deeds, other documents, schemes, arrangements, forms, returns, letters, etc. including any modifications thereto, whether or not under the common seal of the Company as may be deemed necessary and expedient at their absolute discretion in the above matters."

Certified True Copy
For **Shree Digvijay Cement Co. Ltd.**

Shree Digvijay Cement Co. Ltd. Ahmedabad

(Suresh Meher)
A.V.P. (Legal) & Company Secretary

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Annexure B

SCHEME OF ARRANGEMENT

BETWEEN

SHREE DIGVIJAY CEMENT COMPANY LIMITED

AND

ITS EQUITY SHAREHOLDERS

UNDER
SECTIONS 230 TO 232READ WITH SECTION 66 AND
OTHER APPLICABLE PROVISIONS OFTHE COMPANIES ACT, 2013

Certified copy

Shree Digvijay Cement Co. Ltd.
Ahmedabad

GENERAL

A. DESCRIPTION OF COMPANY:

SHREE DIGVIJAY CEMENT COMPANY LIMITED, (CIN: L26940GJ1944PLC000749) ("SDCCL") is a listed public company incorporated on 6th November, 1944 under the Indian Companies Act, 1913 having its registered office at P.O. Digvijaygram – 361140 via Jamnagar (Gujarat) hereinafter referred to as the **"Company"**. The Company is engaged in manufacturing and selling of Cement. The Company has one manufacturing facility at Sikka with installed capacity of 10.75 lacs MT per annum. The Company caters mainly in the domestic market within India. The Equity shares of the Company are listed on BSE Limited.

As on 31st March, 2017, the paid up share capital of the Company is Rs. 141,37,46,805 (including amount in respect of forfeited shares) divided into 141,374,278 equity shares of the Rs. 10/- each and Reserve & Surplus of Rs. 41,62,24,044 comprising of Capital Reserve of Rs. 87,86,86,782, Capital redemption reserve of Rs. 35,00,000, Securities Premium Account of Rs. 20,43,244 and accumulated losses of Rs. 46,80,05,982.

B. RATIONALE OF THE SCHEME OF ARRANGEMENT:

i. As on 31st March, 2017, on one hand, the Company has accumulated carry forward losses to the extent of Rs. 46,80,05,982 and on the other hand, the Company has Capital reserve to the extent of Rs. 87,86,86,782, Capital redemption reserve of Rs. 35,00,000/- and Securities Premium Account of Rs. 20,43,244.

ii. The Company issued 87,00,000 6% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 100 each to its then promoters viz. Cimpor Inversiones S.A., on a preferential basis, which were due for conversion on 8th September, 2010. However, to prevent a reduction in the proportion of public shareholding below the minimum threshold specified under the provision of erstwhile Listing Agreement, the promoters allowed their conversion rights to lapse. Consequently, the sum of Rs. 87.00 Crores was transferred to Capital Reserve Account on extinguishment of 6% Non-Cumulative Compulsorily Convertible Preference Shares held by promoters of the Company in the financial year ended on 31st December, 2010. Thus, the Capital reserve to the extent of Rs. 87.00 Crores was not arising out of revaluation of assets or any other notional profit.

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iii. The Company proposes to utilize Capital redemption reserve of Rs. 35,00,000 and Securities Premium account of Rs. 20,43,244 and Capital Reserve of Rs. 46,24,62,738 in writing off the accumulated losses of Rs. 46,80,05,982 as on 31st March, 2017. This reduction of accumulated losses/various reserves/capital is proposed as an integral part of the Scheme of Arrangement.

iv. The remaining amount of capital reserve (arising out of total capital profit recognized in cash amounting to Rs. 87.00 Crores as per clause ii supra after utilizing for writing off accumulated losses as per clause iii supra) to the extent of Rs. 40,75,37,262/- is proposed to be transferred to Business Development Reserve Account.

v. This treatment will facilitate the Company to bring reality in its financial statements by wiping out the accumulated losses on one hand and restructuring the amount of various Reserves on the other hand. The Company will be able to use the amount of Business Development Reserve to provide further growth to the business/activities of the Company.

C. PURPOSE OF THE SCHEME :

The purpose of the Scheme is to internally restructure the Company by rationalizing its Reserve and Surplus as on 1st April, 2017 by setting off accumulated losses to the extent of Rs. 46,80,05,982 as on 31st March, 2017 and creating Business Development Reserve to the extent of Rs. 40,75,37,262.The amount of Capital Reserve to the extent of Rs. 86,86,782 (not arising out of Capital Profit recognized in cash) shall remain the same in the books of accounts of the Company. Thus, this scheme of Arrangement is between SHREE DIGVIJAY CEMENT COMPANY LIMITED and its Equity Shareholders for internal restructuring of the Company.

D. OBJECTS/ BENEFITS ARISING OUT OF THE SCHEME:

a. Under this Scheme, if approved, the Company will represent true financial position which would benefit the shareholders as their holding will yield better results and value and also enable the Company to explore opportunities for the benefits of the shareholders of the Company including dividend payments.

b. The set off of various Reserves against the accumulated losses would not have any impact on the shareholding pattern and the equity share capital structure of the Company.

c. The Scheme does not involve any financial outlay/ outgo and therefore would not affect the ability or liquidity of the Company to meet its obligations in the normal course of business. Further this Scheme would also not in any way adversely affect the ordinary operations of the Company.

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d. The Scheme, if approved, may enable the Company to foresee other business initiatives that it is not able to take advantage because of existing accumulated losses.

e. The proposed scheme will enable the Company to use the amount which is lying unutilized in the Capital Reserve to the extent of Rs. 87.00 Crores being the capital profit recognized in cash in an effective manner in the interest of the Company.

E. PARTS OF THE SCHEME:

The Scheme is divided into three parts:

a. Part I deals with Definitions

b. Part II deals with restructuring the Reserves and Surplus of the Company

c. Part III deals with the general terms and conditions applicable with the Scheme.

PART I
DEFINITIONS

1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

1.1 "Act" means the Companies Act, 2013 with any statutory modification thereof.

1.2. "Appointed Date" means the date from which this scheme shall become operative. For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means 1st April, 2017 or such other date as the Tribunal may direct;

1.3. "Board of Directors" or **"Board"** means the Board of Directors of SDCCL and shall include a duly constituted committee thereof;

1.4."Capital Reserves" means and includes Capital Reserves as reflected in the accounts of the Company.

1.5."Capital Redemption Reserves" means and includes Capital Redemption Reserves as reflected in the accounts of the Company.

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1.6. "Effective Date" means the date on which the certified copy of the Order of the Tribunal sanctioning this scheme is filled with concerned Register of Companies by the Company.

1.7. "**Member**" or "**Shareholder**" means every person holding equity shares of the Company at the relevant time and the term "Members" shall be construed accordingly;

1.8. "Securities Premium Account" means and includes Securities Premium account as reflected in the accounts of the Company.

1.9. "The Company" means **SHREE DIGVIJAY CEMENT COMPANY LIMITED (or "SDCCL" in brief)**, a company incorporated under the Indian Companies Act, 1913having its registered office at P.O. Digvijaygram -361140 Via Jamnagar, Gujarat;

1.10. "Scheme" mean this Scheme of Arrangement, as amended or modified in accordance with the provisions hereof;

1.11."Stock Exchanges" means the BSE Limited (BSE);

1.12. "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.13. "SEBI" circular" means, together, the Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and as amended by the Circular No. CFD/DIL3/CIRI2017/26 dated 23rd March, 2017 and Circular No. CFD/DIL3/CIRI/2018/2 dated 3rd January, 2018, issued by the SEBI, and all applicable circulars and regulations issued by the SEBI in this respect.

1.14. "Tribunal" means the Hon'ble National Company Law Tribunal or such other Court / Tribunal empowered to sanction the scheme and having jurisdiction over the Company, as per the provisions of the Act;

1.15. All terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

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1.16. The words importing the singular shall include the plural and words importing any gender shall include every gender

All terms and words not defined in the Scheme, shall unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed in the Companies Act, 2013,Securities Contract Regulations Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Regulations, 2015 and other applicable laws, rules, regulations, bye laws as the case may be or any statutory modifications thereof from time to time.

2. MAIN OBJECT AND PRESENT SHARE CAPITAL OF THE COMPANY:

Main Objects of the Company:

The Object of the Company are laid down in Clause III of the Memorandum of Association of the Company.

At present, the Company has been engaged in the activities of manufacturing and selling of cement.

3. Authorized and Paid up Share Capital of the Company:

The Authorized, subscribed and paid-up share capital of the Company as on 31st March, 2017 is as under:

Particulars	**Rs.**
Authorised Share Capital	
150,000,000 Equity Shares of Rs. 10/- each	15,00,000,000
Issued Share Capital	
141,643,645 Equity Shares of Rs. 10/- each	14,16,436,000
Subscribed and Paid up Share Capital	
141,375,398 Equity Shares of Rs. 10/- each Less: 1120 Equity shares of Rs 10/- each forfeited Add: Amount paid on forfeited shares Rs. 7,025/-	14,13,749,805

Subsequent to balance sheet date, there is no change in capital structure of the Company.

Reserves & Surplus of the Company as on 31st March, 2017 is as under:

Particulars	Amount (Rs.)
Capital Reserve	87,86,86,782
Capital Redemption Reserve	35,00,000
Securities Premium Account	20,43,244
Deficit in Statement of Profit & Loss Account	(46,80,05,982)
Total	**41,62,24,044**

4. DATE OF TAKING EFFECT AND OPERATIVE DATE:

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by the Hon'ble National Company Law Tribunal shall be operative from the Appointed Date but shall be effective from the Effective Date.

PART II

RESTRUCTURING OF RESERVES AND SURPLUS OF THE COMPANY

5. WRITING OFF OF ACCUMULATED LOSSES AND RECLASSIFICATION AND UTILISATION OF THE CAPITAL RESERVE

5.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the amount of Rs. 20,43,244 standing to the credit of Securities Premium Account and the amount of Rs. 35,00,000 standing to the credit of Capital Redemption Reserve Account shall be set off against part of the Accumulated losses of the Company as on the Appointed date.

5.2 Upon this Scheme becoming effective and with effect from the Appointed Date, the amount of Rs. 46,24,62,738 standing to the credit of Capital Reserve [or such higher or lower amount as may be necessary upon computation/re-computation of accumulated losses as on the Appointed date as per the Companies (Indian Accounting Standards) Rules, 2015] shall be set off against the remaining Accumulated losses of the Company as on Appointed Date thereby completely squaring off the debit balance of the Profit and Loss Account as on Appointed date.

Shree Digvijay Cement Co. Ltd. Ahmedabad

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5.3 Upon this Scheme becoming effective and with effect from the Appointed Date, out of remaining amount of Capital reserve to the extent of Rs. 40,75,37,262 (or such higher or lower amount in view of clause 5.2 supra) shall be utilized in creating and transferring to "Business Development Reserve Account" in the books of accounts of the Company in the manner provided in the Act and/or other applicable laws for creation and transferring to General Reserve Account or any other Reserve Account with such other nomenclature as may be decided by the Board of the Company.

5.4 For the preparation of financial statements of the Company, the Business Development Reserve Account, created hereinabove shall be available for use in accordance with the provisions of the Act, Rules made thereunder including the applicable Accounting Standards.

5.5 After the implementation of the Scheme, as on the Appointed date, the balances reflected in the Reserves and surplus in the books of accounts of the Company shall be as under:

Particulars	**Amount (Rs.)**
Capital Reserve	86,86,782
Business Development Reserve	40,75,37,262*
Total	**41,62,24,044**

* Subject to Clause 5.3

PART III

GENERAL TERMS AND CONDITIONS APPLICABLE WITH THE SCHEME

6. Upon this Scheme becoming effective, if required or necessary, the Financial Statements of the Company prepared/to be prepared after the appointed date, shall be revised/re-opened, to give effect to the terms of the Scheme in accordance with the applicable provisions of the Act and Rules made thereunder.

7. DIVIDENDS

Nothing contained herein shall be construed as restricting the Company from being entitled to declare and pay dividends, whether interim or final, to its shareholders whether during the pendency of the Scheme or otherwise and the holders of the shares of the Company shall, save as expressly provided otherwise

Shree Digvijay Cement Co. Ltd. Ahmedabad

in this Scheme, continue to enjoy their existing rights under the Articles of Association, including the right to receive dividends, if any.

It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors and subject to the approval, if required, of the Members.

8. ACCOUNTING TREATMENT

Upon this Scheme becoming effective and with effect from the Appointed Date:

8.1 The amount of Rs. 20,43,244 standing to the credit of Securities Premium Account and the amount of Rs. 35,00,000 standing to the credit of Capital Redemption Reserve Account shall be set off against the Accumulated losses of the Company as on Appointed date.

8.2 The amount of Rs. 46,24,62,738 standing to the credit of the Capital Reserve (or such higher of lower amount as per Clause 5.3 of this Scheme) of the Company shall be set off against the remaining amount of Accumulated losses of the Company as on appointed date.

8.3 The amount of capital reserve to the extent of Rs. 40,75,37,262 (or such higher or lower amount as per Clause 5.3 of this Scheme) shall be transferred to Business Development Reserve Account.

8.4 At the time of utilizing or closure of the Business Development Reserve Account, the Board of Directors of the Company shall authorize requisite accounting entries to be passed in the books of accounts of the Company.

8.5 While giving aforesaid accounting treatments, the Company shall comply with all applicable accounting principles and accounting standards.

9. FILING OF APPLICATIONS

The Company shall make necessary applications before the National Company Law Tribunal, Ahmedabad Bench or any other Bench having jurisdiction, in connection with seeking appropriate directions and for the sanction of this Scheme under Sections 230 to 232 read with 66 and any other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder.

Shree Digvijay Cement Co. Ltd. Ahmedabad

10. MODIFICATION OF SCHEME

The Company (acting through its Board) may, in its full and absolute discretion:

a. assent to any alteration(s) or modification(s) to this Scheme which the NCLT and/or any other Governmental Authority may deem fit to approve or impose and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;

b. give such directions as it may consider necessary to settle any question or difficulty arising under the Scheme or in regard to, and of the meaning or interpretation of the Scheme, or implementation thereof, or in any matter whatsoever connected therewith (including any question or difficulty arising as a result of inadequacy of information provided by a Member or in connection with any deceased or insolvent Member of the Company), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law), or, that otherwise as may be considered to be in the best interest of the Company and its Members and do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme;

c. modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time;

Provided that any modification, to the Scheme, by the Company, after the receipt of sanction by the NCLT, shall be made, only with the prior approval of the NCLT.

11. IMPACT OF THE SCHEME ON EMPLOYEES/ WORKERS:

The Scheme shall not have any adverse impact on the employees and workers of the Company and they would in fact generally be benefited from the Scheme.

12. IMPACT OF SCHEME ON CREDITORS/ BANKS/ FINANCIAL INSTITUTIONS

The Scheme shall not affect any of the creditors/ Banks/ Financial Institutions. The Scheme does not provide any compromise or arrangement with any of the Creditors of the Company. However, as a prudent practice, the Company may obtain the approval of the creditor/Banks/Financial Institutions to this scheme.

Shree Digvijay Cement Co. Ltd. Ahmedabad

13. SCHEME CONDITIONAL UPON SANCTIONS, ETC:

This Scheme is conditional upon and subject to:

a. the Scheme being approved by the requisite majority of the Members of the Company as required under the Act, unless such meeting is otherwise dispensed with by the NCLT, Ahmedabad;

b. the approval/comments of SEBI in terms of the SEBI Circular being obtained upon this Scheme being sanctioned by the NCLT;

c. The requisite consents, approvals or permissions if any of the Government Authority or any other Statutory Agencies, Stock Exchanges, which by law may be necessary for the implementation of this Scheme.

d. The authenticated/certified copies of the orders of the National Company Law Tribunal sanctioning this Scheme being filed with the Registrar of Companies, Gujarat at Ahmedabad or any other Registrar of Companies having jurisdiction.

e. In the event of this Scheme failing to take effect finally by 31st March, 2019, or by such later date as may be agreed by the Board of Directors of the Company or their respective Delegates, this Scheme shall become null and void and be of no effect and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed inter- se by the parties or their shareholders or creditors or employees or any other person. In such case, each company shall bear its own costs, charges and expenses or as may be mutually agreed.

14. COSTS, CHARGES, EXPENSES AND STAMP DUTY:

All past, present and future costs, charges and expenses (including any taxes and duties) in relation to or in connection with or incidental to the or the implementation thereof shall be paid by the Company and all above costs (including Stamp duty, if any) shall be treated as costs relating to the Scheme.

15. SEVERABILITY

The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the Board of Directors of the Company.

Shree Digvijay Cement Co. Ltd. Ahmedabad

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

16. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Company and all concerned parties without any further act, deed, matter or thing

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Shree Digvijay Cement Co. Ltd.
Ahmedabad

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Annexure C

Votorantim Cimentos

SHREE DIGVIJAY CEMENT CO. LTD.

26th April, 2018

To,

The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001

Subject: Non Applicability of Para 4 (a) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017

Ref: Scrip Code: 502180

Dear Sir,

This is to inform you that as there is no change in the shareholding pattern of the Company under the proposed scheme of Arrangement, there is no need to obtain valuation report in this matter as per Clause (4)(a) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017.Therefore the Company has not submitted Valuation Report with this application.

Thanking you,

Yours faithfully,
For, SHREE DIGVIJAY CEMENT COMPANY LIMITED

SURESH MEHER
AVP (Legal) and Company Secretary

Shree Digvijay Cement Co. Ltd. Ahmedabad

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Web: www.digvijaycement.com

KAMAL CEMENT

ISO 9001 ISO 18001 ISO 14001 DNV

ANNEXURE D

REPORT OF THE AUDIT COMMITTEE OF

"SHREE DIGVIJAY CEMENT LIMITED"

PRESENT MEMBERS:

1. Mr. A.K.Chhatwani	Chairperson
2. Mr. Arcot Kumaresan	Member
3. Mr. Persio Morassutti	Member

INATTENDANCE:

4. Mr. Suresh Meher	Company Secretary

1. Background:

The Company Secretary placed before the Audit Committee a draft Scheme of Arrangement ('The Scheme') between Shree Digvijay Cement Company Limited ("the Company") and its shareholders for recommendation of the Scheme by the Audit Committee to the Board of Director of the Company in accordance with the requirement of the Securities and Exchange Board of India ("SEBI") circular No. CFD/DIL3/CIR/2012/21 dated March 10, 2017 ('CIRCULAR').

This report of the Audit Committee is made in order to comply with the requirements of the Circular after considering the following necessary documents:

1. Proposed Scheme of Arrangements:

The Audit Committee has observed that the Scheme is in the interest of shareholders, creditors and employees on account of the following reasons:-

- This Scheme of Arrangements (hereinafter called 'Scheme') has been propounded under Sections 230-232 and other applicable provisions, if any of the Act (as defined hereinafter) for arrangements between Shree Digvijay Cement Company Limited and its shareholders.

- The purpose of the Scheme is to internally restructure the reserves of the Company by rationalizing its Reserve and Surplus as on 1st April, 2017 by setting off accumulated losses to the extent of Rs. 46,80,05,982 as on 31stMarch, 2017 and creating Business Development Reserve to the extent of Rs. 40,75,37,262 from the Capital Reserve of Rs. 87,00,00,000, Securities Premium Account of Rs. 20,43,244 and Capital Redemption Reserve of Rs. 35,00,000 as on 31st March, 2017. The amount of Capital Reserve to the

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Digvijay Cement Co. Ltd. Ahmedabad

extent of Rs. 86,86,782 (not arising out of Capital Profit recognized in cash) shall remain the same in the books of accounts of the Company. Thus, this scheme of Arrangement is between SHREE DIGVIJAY CEMENT COMPANY LIMITED and its Shareholders for restructuring of the Company.

- Under this Scheme, if approved, the Company will represent true financial position which would benefit the shareholders as their holding will yield better results and value and also enable the Company to explore opportunities for the benefits of the shareholders of the Company including dividend payments.
- The set off of various Reserves against the accumulated losses would not have any impact on the shareholding pattern and the equity share capital structure of the Company.
- The Scheme does not involve any financial outlay/ outgo and therefore would not affect the ability or liquidity of the Company to meet its obligations in the normal course of business. Further this Scheme would also not in any way adversely affect the ordinary operations of the Company.
- The Scheme, if approved, may enable the Company to foresee other business initiatives that it is not able to take advantage because of existing accumulated losses.
- The proposed scheme will enable the Company to use the amount which is lying unutilized in the Capital Reserve to the extent of Rs. 87.00 Crores being the capital profit recognized in cash in an effective manner in the interest of the Company.

3. Recommendation of the Audit Committee:

The Audit Committee recommends Scheme of Arrangement of the Shree Digvijay Cement Company Limited and its shareholders with the view to represent the true financial position that will enable the shareholders to yield better share value and it will also help the Company to explore many other opportunities for the benefits of the shareholders of the Company.

For and on behalf of Audit Committee of
SHREE DIGVIJAY CEMENTS COMPANY LIMITED

MR. A.K.CHHATWANI
CHAIRPERSON OF AUDIT COMMITTEE

Shree Digvijay Cement Co. Ltd. Ahmedabad

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Annexure E

SHREE DIGVIJAY CEMENT CO. LTD.

26th April, 2018

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400001

Subject: Non Applicability of Para 2 (d) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017

Ref: Scrip Code: 502180

Dear Sir,

This is to inform you that as there is no change in the shareholding pattern of the Company under the Scheme. Moreover, there is no need for valuation of assets and/or shares of the Company under the Scheme. In view of this, the Company is not required to obtain Fairness Opinion as per Clause (2)(d) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017.

Hence, the Company has not submitted Fairness Opinion with this application.

Thanking you,

Yours faithfully,
For, SHREE DIGVIJAY CEMENT COMPANY LIMITED

SURESH MEHER
AVP (Legal) and Company Secretary

Shree Digvijay Cement Co. Ltd. Ahmedabad

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KAMAL CEMENT

ISO 9001 ISO 18001 ISO 14001 DNV