

**PUSHING BOUNDARIES...
LEAPING AHEAD**



SINCE 1944

73rd Annual Report
2017-18

SHREE DIGVIJAY CEMENT CO. LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Mr. A. K. Chhatwani
– Independent Director & Chairman
- Mr. A. Kumaresan
– Independent Director
- Mr. Sven Erik Oppelstrup Madsen
– Non-Executive / Non-Independent Director
(Till 24th January, 2018)
- Mr. Jorge Alejandro Wagner
– Non-Executive / Non-Independent Director
(From 24th January, 2018)
- Mr. Persio Morassutti
– Non-Executive / Non-Independent Director
- Ms. Meike Albrecht
– Non-Executive / Non-Independent Director
- Mr. K.K. Rajeev Nambiar
– CEO & Whole-time Director

AUDIT COMMITTEE

- Mr. A. K. Chhatwani – Chairman
- Mr. A. Kumaresan - Member
- Mr. Persio Morassutti - Member

NOMINATION AND REMUNERATION COMMITTEE

- Mr. A. Kumaresan – Chairman
- Mr. A. K. Chhatwani - Member
- Ms. Meike Albrecht - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

- Mr. A. Kumaresan – Chairman
- Mr. A. K. Chhatwani - Member
- Ms. Meike Albrecht - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. A. K. Chhatwani – Chairman
- Mr. A. Kumaresan - Member
- Mr. K.K. Rajeev Nambiar – Member

COMPANY SECRETARY & COMPLIANCE OFFICER

- Mr. Suresh Meher – A.V.P. (Legal) and Company Secretary

EXECUTIVES

- | | | |
|------------------------|---|---------------|
| Mr. Vikas Kumar | – | CFO |
| Mr. P.R.Singh | – | V. P (Mktg.) |
| Mr. T.L.Narendran | – | A.V.P (Tech.) |
| Mr. Satendra Chaudhary | – | A.V.P (H.R) |
| Dr. Girish Mehta | – | G.M (SCM) |

AUDITORS

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

INTERNAL AUDITORS

Deloitte Haskins & Sells LLP
19th floor, Shapath-V, Bds. Crowne Plaza,
S.G. Highway, Ahmedabad 380 015, Gujarat, India

COST AUDITORS

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

SECRETARIAL AUDITORS

M/s Manoj Hurkat & Associates
Practising Company Secretaries
306, Arth Complex, B/h L.G Showroom
Navrangpura, Ahmedabad - 380009

REGISTERED OFFICE AND WORKS

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

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Unit – Shree Digvijay Cement Co. Ltd.)
C-201,247 Park, LBS Marg, Vikhroli (West)
Mumbai – 400 083

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FORM OF PROXY / ATTENDANCE SLIP

SHREE DIGVIJAY CEMENT CO. LTD.

PUSHING BOUNDARIES... LEAPING AHEAD

The performance of “**SHREE DIGVIJAY CEMENT CO. LTD**” for the year 2017-18 ended on March 31, 2018 saw tremendous success resulting in strong financial performance despite of challenges with increased energy and fuel cost, solid support from manufacturing helped keep the manufacturing cost under control. This sheer performance was supported by momentum from strong sales volume growth, taking the capacity utilization up by 10%. We are clear on what we aim for – Creating values for our shareholders and all our future endeavors are directed towards this aim.” **said K. K Rajeev Nambiar - CEO and Whole Time Director.**



Performance : Net Income from Operations grew by 18% to 430 Crores compared to 363 Crores for the same financial year ended last year. The operating Profit saw strong growth up by 170% to 53.47 Crores as against 19.82 Crores during last financial year FY 2017-18. Strong sales volume momentum was seen with the sales up by 13% against the same year ended March 31, YOY basis reflecting a solid trust in customer perception.

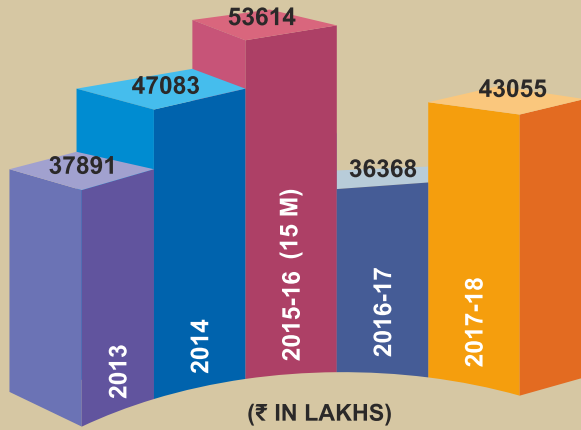
Solid controls on manufacturing helped to keep the manufacturing cost under control despite of rising Petcoke prices and Electricity prices. Robust controls on Fixed Costs, sustainable improvement in operational efficiencies & Optimized selling patterns helped us to deliver strong results.

Future Outlook : With the Government increasing the spending on infrastructure, especially on roads & housing projects, we expect to see increase in demand of cement in the FY 2018-19.

KEY PERFORMANCE INDICATORS

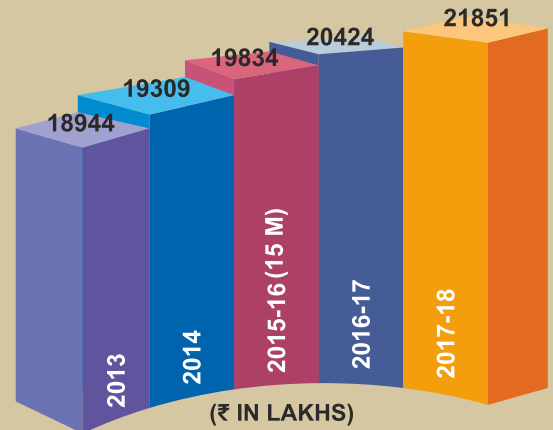
REVENUE GROWTH

18.4%



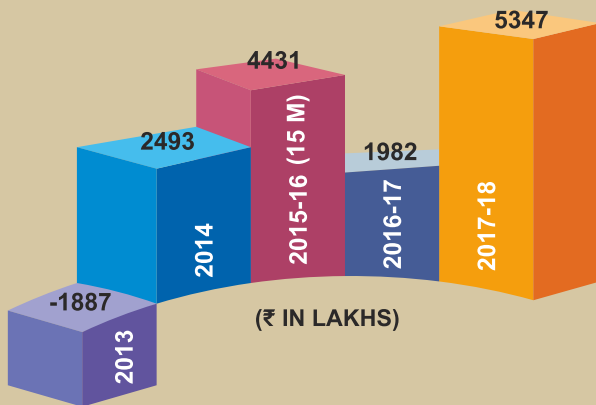
NET WORTH

7%



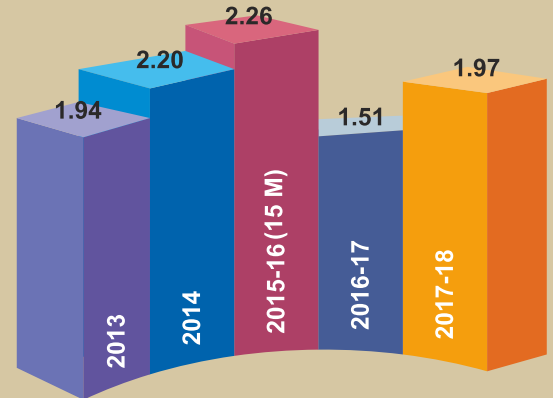
EBITDA

170%



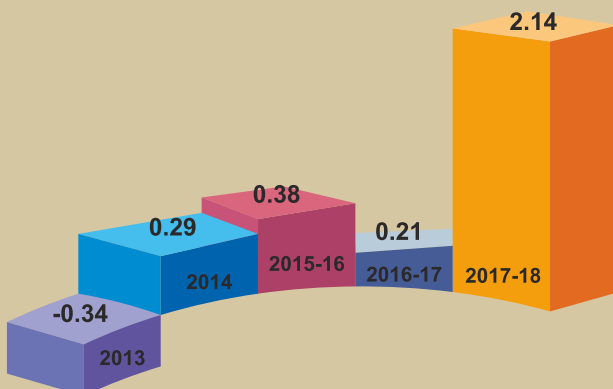
FIXED ASSET TURNOVER RATIO

30.5%



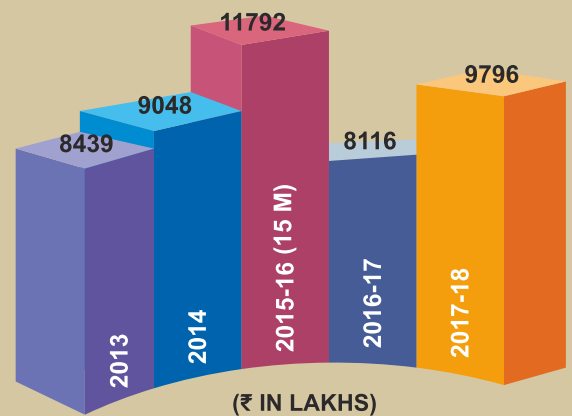
DEBT COVERAGE RATIO

10x



CONTRIBUTION TO EXCHEQUER

20.7%



BUILDING THE NATION SINCE 1944

OUR AREAS OF OPERATIONS

BUILDING



RESIDENTIAL &
NON- RESIDENTIAL
BUILDINGS



COMMERCIAL
SHOPPING
MALL



AFFORDABLE
HOUSING



PUBLIC
BUILDINGS

INFRASTRUCTURE



TRANSPORT



ROADS



DAMS



INDUSTRIES



OIL
&
GAS

NOTICE

NOTICE is hereby given that the **Seventy-Third** Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT COMPANY LIMITED** (CIN L26940G1944PLC000749) will be held at the Registered Office of the Company at **DIGVIJAYGRAM** 361 140 Via: Jamnagar, Gujarat on Friday, 7th September 2018 at 9:30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt

The Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Directors and the Auditors' thereon.

2. Re-appointment of retiring Director

To appoint a Director in place of Mr. Persio Morassutti, a Non-Executive & Non-Independent Director having Director Identification Number 07105548, who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Statutory Auditors and fixing their remuneration

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 140 and other applicable provisions, if any, of the Companies Act, 2013 and 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 and the Board of Directors of the Company, M/s. B S R & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No. 116231W/W-100024), be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. Price Waterhouse, Chartered Accountants of Mumbai due to casual vacancy arising from their resignation as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 78th Annual General Meeting of the Company to be held in the calendar year 2023 and the Board of Directors of the Company 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. Jorge Alejandro Wagner as Non-Executive & Non-Independent Director:

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jorge Alejandro Wagner (DIN:0007935739), who was appointed by the Board of Directors as an Additional Director with effect from 24th January, 2018 pursuant to Section 161 of the Act and the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of a Non-Executive & Non Independent Director, liable to retire by rotation."

5. Re-appointment of Mr. KK Rajeev Nambiar designated as a CEO & Whole-time / Managing Director and fixation of remuneration:

To re-appoint Mr. KK Rajeev Nambiar as a Whole-time Director designated as CEO & Whole-time / Managing Director and in this regard, pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to the approval of the Central Government, if required, consent of the Members be and is hereby accorded to re-appoint Mr. KK Rajeev Nambiar (DIN: 07313541) as a Whole-time Director of the Company for a further period of 3 (three) years effective from 1st August, 2018, designated as "Chief Executive Officer (CEO) & Whole-time Director" till the date of this Annual General Meeting and as "CEO & Managing Director" effective from this Annual General Meeting till 31st July, 2021, on the terms and conditions including remuneration as set out in the Explanatory

SHREE DIGVIJAY CEMENT COMPANY LIMITED

Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee or any committee of the Board constituted to exercise its power including the powers conferred by this resolution) to determine, alter, revise or vary the terms and conditions of the said re-appointment and / or remuneration, as it may deem fit."

"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."

6. Ratification of Remuneration to Cost Auditor

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof), the Company hereby ratifies the remuneration of ₹ 1,25,000/- (Rupees One lakh twenty five thousand only) plus applicable tax and out of pocket expenses actually incurred and payable to M/s. Kiran J. Mehta & Co, Cost Accountants (Firm Registration No. 000025), who are appointed by the Board of Directors on the recommendation of the Audit Committee as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2018-19.

By Order of the Board

Suresh Meher
Asst. Vice President (Legal)
& Company Secretary

Place: Mumbai

Date: 3rd August, 2018

NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Items No. 2, 4 & 5 of the accompanying Notice is annexed hereto.

2. A statement giving additional details of the Directors seeking appointment /re-appointment as set out at Item No.3 to 5 are annexed herewith as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard on General Meeting (SS-2) notified under the Companies Act, 2013.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the Registered Office of the Company not later than forty eight hours before the commencement of the meeting.

4. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total paid-up Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total paid up share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other Member.

5. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act 2013, are requested to send the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.

6. Members, proxies and Authorized representative are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.

7. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.

8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.

9. The Register of Members and Share Transfer Books of the Company shall remain closed from 31st August, 2018 to 7th September, 2018 (both days inclusive).

10. E-VOTING: In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI Regulations, as amended from time to time, the Company is pleased to provide members remote e-voting facility to exercise their right to vote by electronic means. Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 31st August, 2018, may cast their votes by electronic means or in the AGM on all the items of the business. Details of user id and password for e-voting alongwith other information with respect to Voting process and instructions, forming part of this Notice, is enclosed with this Annual Report.

Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date shall be entitled to vote. 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 i.e. 31st August, 2018.

11. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for the financial year 2017-18 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company/ Depository Participants for communication purposes, unless any members has requested for physical copy of the same. For Members who have not registered their E-mail IDs with the Company/Depository Participants, a physical copy of the Annual Report for the year 2017-18 is being sent by the permitted mode.

The Notice of AGM and the Annual Report of the Company for the year ended 31st March, 2018 is uploaded on the Company's website <http://www.votorantimcimentos.co.in/SitePages/Agm-Notices.aspx> and may be accessed by the Members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

12. Pursuant to Section 107 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, voting through polling paper shall also be made available to those Members who attend the Annual General Meeting and have not already cast their vote by remote e-voting.

The Members who have casted their votes by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

13. The Board of Directors in their Meeting held on 19th July, 2018 appointed Mr. Manoj Hurkat, Practicing Company Secretary, Ahmedabad of M/s Manoj

Hurkat & Associates (Membership No.4287 & CP No. 2574) or failing him any other Practicing Company Secretary, as may be appointed by authorised officials, as a Scrutinizer for overseeing the voting and remote e-voting process in a fair and transparent manner.

14. The Scrutinizer shall submit his report to the Chairman. Results declared alongwith report of the Scrutinizer shall be placed on the website of the Company <http://www.votorantimcimentos.co.in/SitePages/Agm-Notices.aspx> and on the website of CDSL www.evotingindia.com immediately after declaration of result by the Chairman or any person authorized by him in this behalf.

The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of requisite votes.

15. Trading in the shares of the Company to be done compulsorily 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. It also substantially reduce the risk of fraud. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialized form are, accordingly, requested to submit their PAN to the Depository Participants (DP) with whom they maintain their demat accounts. Members holding shares in physical form submit their PAN to the Link Intime India Pvt. Ltd.(RTA) or to the Company.
17. 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.
18. 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 RTA. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.

By Order of the Board

Suresh Meher
Asst. Vice President (Legal)
& Company Secretary

Place: Mumbai
Date: 3rd August, 2018

SHREE DIGVIJAY CEMENT COMPANY LIMITED

EXPLANATORY STATEMENT:

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

As required by Section 102 of the Act, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice dated 3rd August, 2018

Item No.3:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

As the members are aware, M/s Price Waterhouse (PWC), Chartered Accountant, Mumbai were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 8th May, 2013 and for a further period of five years under the Companies Act, 2013 at the Annual General Meeting held on 20th May, 2015. At the Annual General Meeting held on 20th June, 2017, Members of the Company ratified the appointment of PWC as Statutory Auditors of the Company to hold office till the conclusion of this Annual General Meeting.

Subsequent to discussions of Company's Management and Chairman of the Audit Committee on regulatory and other issues, PWC tendered their resignation as Statutory Auditors of the Company vide their letter dated 2nd August, 2018. However, PWC have confirmed their participation in this Annual General Meeting to respond any queries relating to their audit report on the audited financial statements for the year ended 31st March, 2018.

Based on recommendations of the Audit Committee of the Board, at their meeting held on 3rd August, 2018, the Board of Directors took note of the above and proposed to fill this casual vacancy and appoint M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) as the Statutory Auditors of the Company for a period of five years from the financial year 2018-19 to 2022-23.

B S R & Associates LLP is a member entity of B S R & Associates, a network registered with the Institute of Chartered Accountants of India and part of KPMG network. B S R & Associates LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Ahmedabad, Vadodara, and Kochi. M/s. B S R & Associates LLP, Chartered Accountants, Mumbai has given a certificate of their eligibility and willingness to act as the Company's Statutory Auditors, if appointed by the members at the Annual General Meeting.

The Company has also received a Special Notice from a member requesting the Company to move the resolution as laid down in the accompanying Notice.

It is therefore proposed to appoint M/s. B S R & Associates LLP, Chartered Accountants as Statutory Auditors in place of PWC as stated in the resolution under the above item of the Notice.

This statement shall be considered as circulation of Special Notice as received by the Company from a member for appointment of Statutory Auditors of the Company in place of existing Auditors.

Documents relating to this Agenda item are open for inspection at the Registered Office of the Company by members during normal business hours on all working days till the conclusion of Annual General Meeting.

None of the Directors, Managers, Key Managerial Personnel of the Company and their respective relatives is in any way interested in the resolution except to the extent of their shareholding in the Company.

The Board of Directors commends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

Item no.4

The Board of Directors on the recommendation of the Nomination & Remuneration Committee appointed Mr. Jorge Alejandro Wagner as an Additional Director of the Company with effect from 24th January, 2018 in the category of a Non-Executive and Non Independent Director. In accordance with Section 161(1) of the Companies Act, 2013, Mr. Jorge holds office up to the date of the Annual General Meeting and is eligible for appointment as a Director of the Company and is liable to retire by rotation. The Company has received a notice under Section 160 of the Companies Act, 2013 from a Member signifying its intention to propose the candidature of Mr. Jorge as a Director of the Company. The above Notice is available for inspection by the Members of the Company at the Registered Office during office hours on all working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

Mr. Jorge, currently CEO-Votorantim Cimentos EAA is a Deutsch National and has joined Votorantim Cimentos in 2002 as Director of Excellence Systems in Brazil. In 2005, he took responsibility for the ready-mix business (Engemix). In 2008, Mr. Jorge became president of one of the businesses at VCNA (Prestige) and, in 2012, he took the position of CEO in Spain. Mr. Jorge is a MBA from Purdue University, Indiana (USA) and a Mechanical Engineer from Universidad Nacional de Mar del Plata, Argentina.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Jorge, are in any way concerned or interested financially or otherwise in the Resolution.

The Board of Directors commends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.