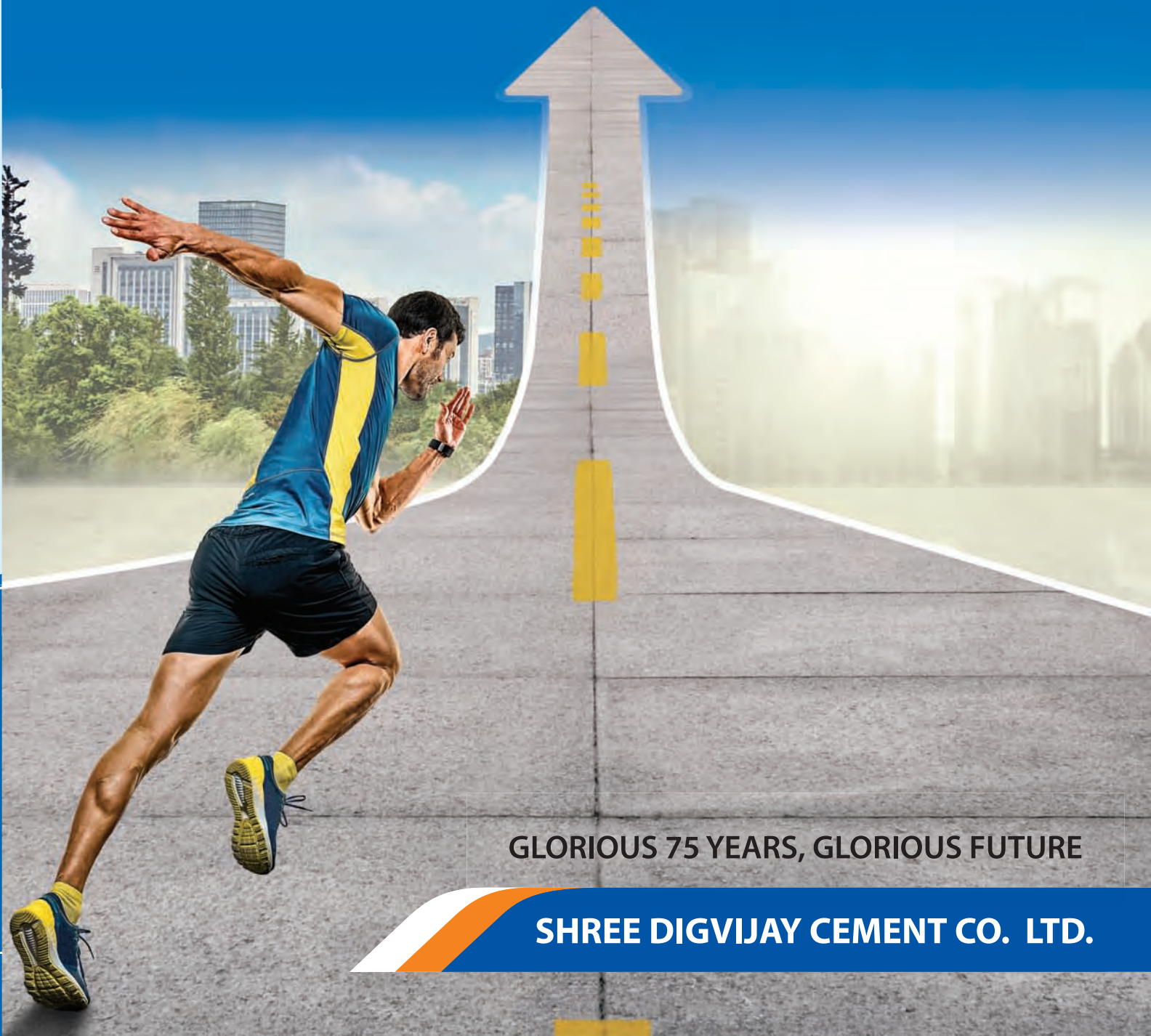




74TH
ANNUAL REPORT
2018-19



GLORIOUS 75 YEARS, GLORIOUS FUTURE

SHREE DIGVIJAY CEMENT CO. LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Mr. Anil Singhvi
- Executive Chairman
(from 30th April, 2019)
- Mr. A. K. Chhatwani
- Independent Director
- Mr. A. Kumaresan
- Independent Director
- Mr. Mahesh Gupta
- Independent Director
(from 30th April, 2019)
- Ms. Mini Menon
- Independent Director
(from 30th April, 2019)
- Mr. Pramod Kabra
- Non-Executive Non-Independent Director
(from 30th April, 2019)
- Mr. K.K. Rajeev Nambiar
- CEO & Managing Director
- Mr. Jorge Alejandro Wagner
- Non-Executive Non-Independent Director
(till 30th April, 2019)
- Mr. Persio Morassutti
- Non-Executive Non-Independent Director
(till 30th April, 2019)
- Ms. Meike Albrecht
- Non-Executive Non-Independent Director
(till 30th April, 2019)

AUDIT COMMITTEE

- Mr. A. K. Chhatwani - Chairman
Mr. Mahesh Gupta - Member
Ms. Mini Menon - Member
Mr. Anil Singhvi - Member
Mr. Pramod Kabra - Member

NOMINATION AND REMUNERATION COMMITTEE

- Mr. Mahesh Gupta - Chairman
Mr. Anil Singhvi - Member
Ms. Mini Menon - Member
Mr. Pramod Kabra - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

- Ms. Mini Menon - Chairman
Mr. Pramod Kabra - Member
Mr. Anil Singhvi - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. Anil Singhvi - Chairman
Mr. Pramod Kabra - Member
Mr. Rajeev Nambiar - Member

COMPANY SECRETARY & COMPLIANCE OFFICER

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

EXECUTIVES

- Mr. Vikas Kumar - CFO
Mr. P.R.Singh - V. P. (Marketing)
Mr. T.L. Narendran - V. P. (Project & Procurement)
Dr. Girish Mehta - V. P. (HR & Logistics)
Mr. R.Krishnakumar - V. P. (Manufacturing)

AUDITORS

BSR & Associates LLP,
Chartered Accountants,
(Firm Registration No.116231W/W-100024)
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M.Joshi Marg,
Mahalaxmi,
Mumbai- 400 011

COST AUDITORS

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

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.



GLORIOUS 75 YEARS... GLORIOUS FUTURE

SHREE DIGVIJAY CEMENT CO. LTD is extremely proud to be marking its 75th anniversary – a significant milestone that very few companies achieve. It is particularly gratifying to be celebrating this anniversary as the future for cement business looks so bright with demand being more sustainable. Your company is poised to grow and deliver long years of consistent performance in the further years to come.

With a deep understanding of market insights, your company continues to drive innovation across operations and adapted the go-to-market strategies, taking into account the diversity and the evolving channels of distribution. To strengthen our presence in the evolving markets, we have created new customer loyalty programmes and focus on promoting of blended cements. Simultaneously, we recognized the need for responsible growth and focused on creating greener and more efficient manufacturing with utilization of waste fuels, more efficient energy consumption and lesser generation of waste.

One of the major strengths of your company continues to be relentless focus on operations and cost efficiencies with close to 100% capacity utilization. I would also like to thank you, all our shareholders, for your continued support in our journey to deliver value to all our stakeholders.

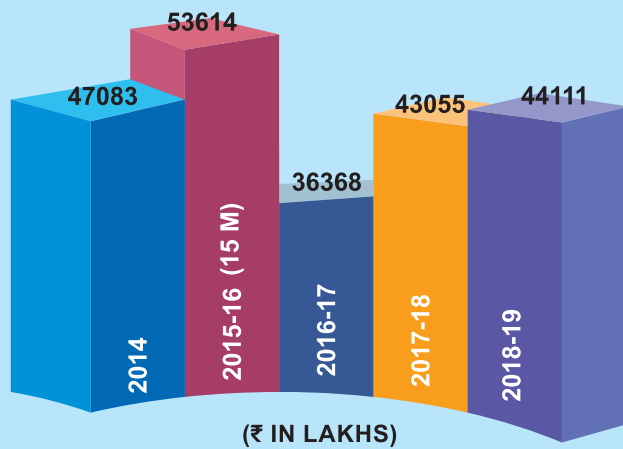
Best Regards,

K.K Rajeev Nambiar

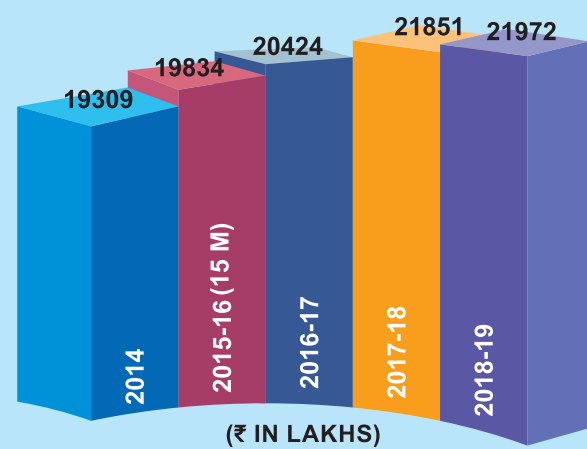
CEO & Managing Director

KEY PERFORMANCE INDICATORS

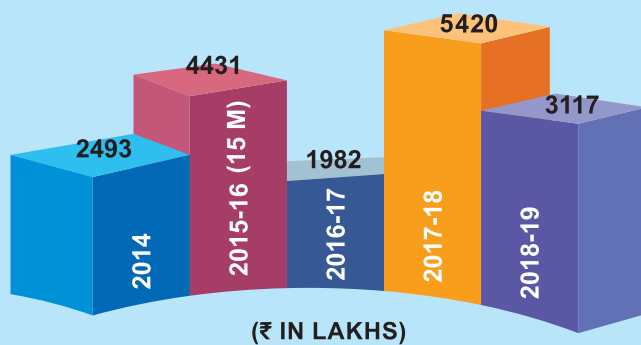
REVENUE GROWTH



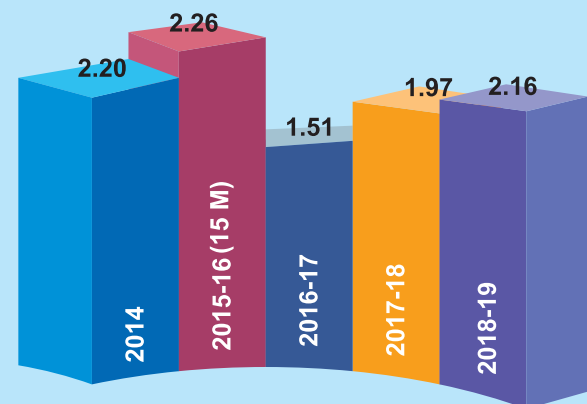
NET WORTH



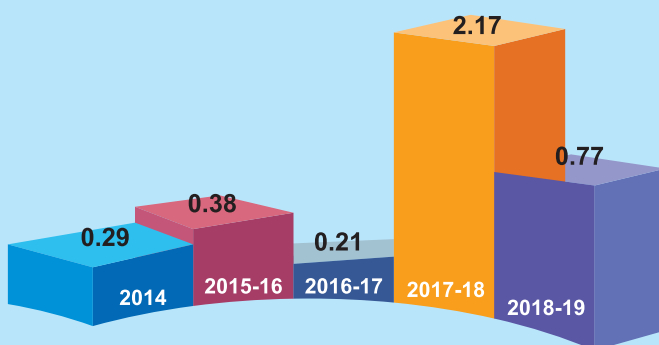
EBITDA



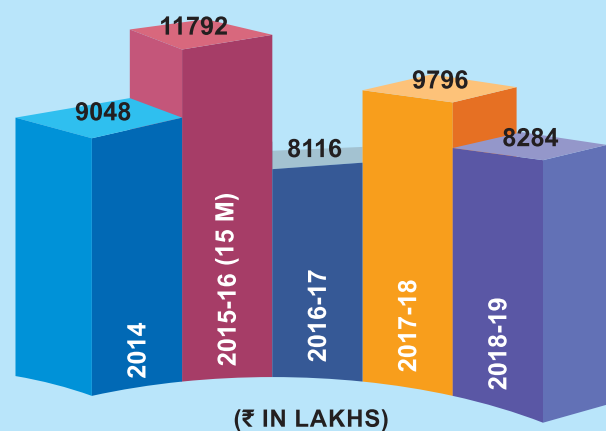
FIXED ASSET TURNOVER RATIO



DEBT COVERAGE RATIO



CONTRIBUTION TO EXCHEQUER



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-Fourth 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 Monday, 5th August, 2019 at 3:00 p.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, 2019, together with the Reports of the Board of Directors and the Auditors' thereon.

SPECIAL BUSINESS:

2. De-classification of Votorantim Cimentos EAA Inversiones S.L and Votorantim Cimentos S.A. as the 'Promoters' of the Company

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

"RESOLVED THAT pursuant to the provision of Regulation 31A and other relevant provisions, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, if any of the Companies Act, 2013, and subject to all requisite approvals including that of BSE Limited and consequent to the completion of the sale of 10,60,30,708 (Ten Crores Sixty Lakhs Thirty Thousand Seven Hundred and Eight) equity shares of the Company by Votorantim Cimentos EAA Inversiones S.L ("Seller 1") and Votorantim Cimentos S.A. ("Seller 2") (Seller 1 and Seller 2 collectively referred to as the "Sellers") on 16th April, 2019 in accordance with the Share Purchase Agreement dated 12th November 2018, executed by and amongst True North Fund VI LLP and the Sellers, as amended, the approval of the Members be and is hereby accorded to de-classify the Sellers as promoters of the Company with effect from 16th April, 2019.

RESOLVED FURTHER THAT after such de-classification, the Sellers shall cease to be the Promoters of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company ("Board") be and is hereby authorized to undertake all such acts, deeds, matters and things and to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, including without limitation, effecting any modifications or changes to the

foregoing, for the purpose of giving effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors or to any Director or Officer(s) or Authorized Representative(s) of the Company in order to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respect."

3. Appointment of Mr. Pramod Kabra as Non-Executive Non-Independent Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 160, 161 and any other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Pramod Kabra (DIN-02252403), who was appointed as an Additional Director with effect from 30th April, 2019 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of ensuing Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

4. Appointment of Mr. Anil Singhvi as 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 sections 160, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time

SHREE DIGVIJAY CEMENT COMPANY LIMITED

being in force) Mr. Anil Singhvi (DIN-00239589), who was appointed as an Additional Director with effect from 30th April, 2019 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of ensuing Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

5. Appointment of Mr. Anil Singhvi as Executive Chairman of the Company:

To consider and if thought fit to pass with or without modification(s), the following Resolutions as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 2(54), 196, 197, 198, 203 read with Schedule V and rules made thereunder including all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force), and provisions of the Articles of Association of the Company, and subject to approval of the Central Government, if applicable, and such other consent and permissions, as may be necessary, and subject to such modifications and variations as may be approved and acceptable to the appointee, the consent of the shareholders be and are hereby accorded for the appointment of Mr. Anil Singhvi (DIN-00239589), Director, as Executive Chairman of the Company for a period of 5 (five) years from 30th April, 2019 to 29th April, 2024 and upon such terms and conditions as are set out in the resolution and/or agreement and with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment including the remuneration which shall as specified in the explanatory statement attached to the Notice of this Annual General Meeting.

RESOLVED FURTHER THAT the Powers, Duties & Functions of Mr. Anil Singhvi shall have general control and substantial powers of the management and shall exercise and perform all other powers and duties, which in the ordinary course of business may be considered necessary, proper and in the interest of the Company, subject to directions or restrictions as given or imposed by Board of Directors from time to time and by law for time being in force.

RESOLVED FURTHER THAT the approval of the members of the Company be and is hereby specifically given for payment of remuneration excess of 2.5% of the Net Profit (computed in a manner laid down in Section 198 of the Companies Act, 2013) to its Executive Chairman and also payment of remuneration in excess of 5% of the Net Profit to all its Executive Directors for each of the financial years from 2019-20 and onwards, provided the remuneration payable to each of the Executive Directors including the Executive Chairman shall not exceed the individual permissible limits under the applicable provisions of the Companies Act, 2013 and as approved by the members of the Company in General meeting at the time of approving their current tenure of appointment and remuneration.

RESOLVED FURTHER THAT the certified true copy of the aforesaid resolution be forwarded to whomsoever concerned under the signature of any one of Director or Chief Executive Officer or the Company Secretary of the Company

RESOLVED FURTHER THAT any Director or the Chief Executive Officer or the Company Secretary be and are hereby jointly and severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

6. Appointment of Ms. Mini Menon as an Independent Women Director:

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 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Mini Menon (holding DIN 07500434), who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director (in category of Independent woman Director) of the Company to hold office for a period of 5 years i.e. w.e.f. 30th April, 2019 and upto the date of Annual General Meeting in the year 2024 and that she shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

7. Appointment of Mr. Mahesh Gupta as an Independent Director:

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 149, 152 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mahesh Gupta (holding DIN 00046810), who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years i.e. w.e.f. 30th April, 2019 and upto the date of Annual General Meeting in the year 2024 and that he shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

8. Alternation in Authorised Share Capital of the Company by way of reclassification of Preference Shares into Equity Shares:

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

"RESOLVED THAT in accordance with the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company from Rs.2,50,00,00,000 (Rupees Two Hundred Fifty Crores only) comprising 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10 (Rupees Ten) each and 1,00,00,000 (One Crore) Preference Shares of Rs. 100 (Rupees One Hundred) each to Rs. 2,50,00,00,000 (Rupees Two Hundred Fifty Crores only) comprising entirely 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.10 (Rupees Ten) each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new Clause V:

V. The Authorised Share Capital of the Company is Rs. 2,50,00,00,000 (Rupees Two Hundred and Fifty Crore Only) comprising 25,00,00,000 (TwentyFive Crore) Equity Shares of Rs. 10 (Rupees Ten) each with the power to the Board to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.'

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee constituted for the purpose, be and is hereby authorised to take all such steps as it may deem necessary, proper or expedient to give effect to this resolution."

9. Approval of 'SDCCL Employee Stock Option Plan 2019' to create, offer, issue and allot Options under Employee Stock Option Plan:

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder and also the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the relevant provisions of the Memorandum and Articles of Association of the Company and further subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members' of the Company, be and are hereby accorded to the introduction and implementation of 'SDCCL Employee Stock Option Plan 2019' ("ESOP 2019"/ "Plan") authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the

SHREE DIGVIJAY CEMENT COMPANY LIMITED

Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations to create, and to grant from time to time, in one or more tranches, not exceeding 70,68,000 (Seventy Lakhs Sixty Eight Thousand) employee stock options to or for the benefit of such person(s), who are in permanent employment of the Company within the meaning of ESOP 2019, including any director, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under ESOP 2019, exercisable into not more than 70,68,000 (Seventy Lakhs Sixty Eight Thousand) equity shares of face value of Rs.10/- (Rupees Ten) each fully paid-up, where one employee stock option would convert in to one equity share upon exercise, on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2019.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2019 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to take requisite steps for listing of the equity shares allotted under ESOP 2019 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from

time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2019.

RESOLVED FURTHER THAT the Board, be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2019 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to decide the number of options to be granted to each of eligible employees / Directors, determining the exercise price as per applicable laws, and to take all steps to implement the above resolutions, and to take all actions and to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESOP 2019 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Director or Officer(s) or Authorized Representative(s) of the Company in order to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respect."