

ANNUAL REPORT 2021-2022



**PROGRESSIVELY
REDEFINING STRENGTH,
FOR YEARS TO COME!**

SHREE DIGVIJAY CEMENT COMPANY LIMITED

www.digvijaycement.com

Shree Digvijay Cement Co. Ltd stands to be a trusted building materials organization creating value for every stakeholder through excellence. Over the last 77 years, we have strived tirelessly, in a way that creates long term value and excellencett through:

- Customer Delight
- Empowering People
- Building Trusted Partnerships
- Sustainable Business Practices

Our values are best represented by our continuous efforts to UPRISE



UNITY

We are one company, one team, creating immense value for our stakeholders



RESPONSIBILITY

We are accountable for all our actions and are committed to transparency



SUSTAINABILITY

We believe in sustainable and socially responsible practices



PEOPLE

We value people by respecting all individuals and their contributions



INNOVATION

We value innovation in pursuit of excellence



ETHICS

We value integrity and good governance

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77th Annual Report 2021-2022

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FROM THE DESK OF CHAIRMAN

My Dear Shareholders,

"We live in interesting times", is a saying to denote that there is so much confusion and there are several uncontrollable events around you. I am reminded of this, as I sit down to share few of my thoughts. I had mentioned in last year's letter to you that the "Game Changer" will be vaccination for India. Our second wave was lethal, but third wave was relatively mild due to vaccination. Otherwise, with our health infrastructure crumbling down like pack of cards, we would have been in really very bad shape in third wave.

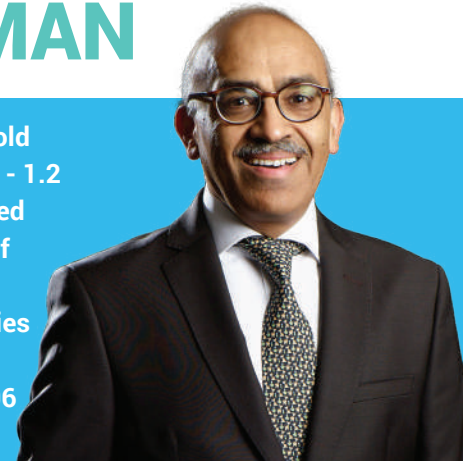
Post this, life was slowly returning to normalcy and then came the biggest bolt from blue - Russia-Ukrainian war. This has changed the economy and geo-political situation to the worst ever levels. Apart from loss of lives and threat to Global peace, the cost of this war is being borne by the entire world in terms of high cost - be it oil, gas, coal or wheat. World is now experiencing the hyper-inflation, it has not seen in many decades. The economies which were used to almost zero inflation are experiencing 8-10% inflation, throwing every economic situation out of bounds. Interest rates have been rising in the western world never seen before and this is threatening to rise even with faster pace.

This has already impacted cement and other large industries very badly. We import about 85% of oil needs, being the third biggest oil consuming and importing nation. Our petrol, diesel and gas prices have shot up twice over, causing ripples in our inflation indices.

Cement, as you are aware, is one of the most energy intensive industries. Rise in fuel prices specially coal has impacted our Company the most. Our cost of production has gone up by almost 20% due to this. We are, of course, very fortunate that we have our own port and we could import high quality of coal straight on our port saving on time and cost in these "strange times". It's my fervent hope and prayer that the Global peace is restored soon and we get on with life and see "new normal" times very soon.

Meanwhile, in this gloom and doom, your company continues to excel. Our teams really rose to the challenging times, bracing 2nd and 3rd wave and huge increase in cost of production due to rise in fuel costs. We have produced and sold "HIGHEST EVER" cement - 1.2 million tonnes. I am indeed very pleased and proud of our team efforts to overcome these adversities and have posted highest ever EBITDA of Rs 121.06 Crores. As mentioned in my previous letter, your board of directors believe in rewarding the Shareholders by

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Mr. Anil Singhvi - Executive Chairman

paying high dividends. I am very pleased to share a high payout of dividend, we have proposed 20% final dividend (in addition to 15% interim dividend) - total Rs. 3.50 per share which makes a payout ratio of over 90%, perhaps highest in cement industry. I am also very happy to share our best-in-class financial ratios:

ROE - 18%

ROCE - 27%

Dividend Payout Ratio - 91%

Dividend Yield (at current price of Rs. 65 per share) - 5.4%

I am also happy to share that we will soon be generating and consuming over 65% of our power needs through green energy. This will make us not only more reliant on our captive resources but at the same time save our climate from carbon emission.

As I close this letter, there is a big development in cement industry. Adani group in India has just announced takeover of 2 of the largest cement companies Ambuja and ACC Ltd from Holcim. Ambuja/ACC form part of 2nd largest cement producer in India and once this takeover is completed, we would see the exit of the largest cement producer in the world and emergence of Adani group in cement space. I expect this to change the market dynamics of cement for all the time to come.

I remain optimistic as ever, hopeful that the war will end soon and we will have good growth in cement demand and your company doing well in the coming years - as always.

Best Regards,

Anil Singhvi

18th May, 2022



Mr. Anil Singhvi
Executive Chairman

Mr. Singhvi has vast experience in managing and running large corporates, including, long experience in cement and other industries in India. He is a Chartered Accountant and having outstanding professional career. Out of over 40 years of experience, he spent 23 years in building up of Ambuja Cement, where the last position held by him was of the CEO and Managing Director.

Mr. Singhvi was awarded Entrepreneur Finalist Award by EY in 2006, and best CFO award by ET.



Mr. Mahesh Gupta
Independent Director

Mr. Gupta has more than 4 decades of professional experience in the areas of Business Management and all dimensions of finance, M&As, Company Law, taxation etc. In his career, he has played a critical role as a key strategist in turning around companies and guiding them to achieve new heights through his insights. Currently he is the Group Advisor to Ashok Piramal Group and has been associated with this group for about 16 years. Earlier, Mr. Gupta was Group CFO and Management Board Member of RPG Group and Piramal Enterprises. He is also on the Board of several other public listed companies. Mr. Gupta has received a number of recognitions including CFO of the Year Award (for special commendation for Financial Excellence in M&A Category). He holds Honours Degree in B.Com; L.L.B (Gen), a Chartered Accountant and a Company Secretary



Ms. Mini Menon
Independent Director

Ms. Menon is the Co-Founder and Editor of Live History India, a first of its kind digital platform focused on creating and putting out globally benchmarked, multi-media content on Indian history and cultural legacy. An award-winning journalist and author, she has reported on the changing face of politics and business in India for the last 21 years. Her last assignment was as an Executive Editor of Bloomberg TV India. Prior to that, Ms. Menon has worked in key roles, setting up and running channels like Times Now & UTVi. She was also a part of the core team at CNBC – TV18. A History student from St Stephen's College, Delhi University, Ms. Menon has done her Masters in Communication Studies from the University of Poona and was also a Chevening Scholar.



Mr. Satish Kulkarni
Independent Director

Mr. Kulkarni has rich experience of over 29 years in B2B business, consumer services, channel sales, brand management and marketing. He was Chairman on the Board of SCIB PAINTS, responsible to steer the Board of Egyptian subsidiary of Asian Paints Group. Mr. Satish Kulkarni had joined Asian Paints Ltd. in 1993 and held various positions at Asian Paints, prior to joining the Company's Board in June, 2020. Presently, he works as a Board Member or Board Advisory for a set of companies from diverse industry sectors. He is a B.E. (Electronics) from Walchand College of Engineering, Sangli; and PGDBM from IIM, Ahmedabad.



Mr. Pramod Kabra
Non-Executive Director

Mr. Kabra joined True North in 2007 and is based in Mumbai. He is closely involved in supporting and building True North companies across different sectors including Consumer, Logistics and Financial services. Mr. Kabra is a Bachelor of Commerce and a qualified Chartered Accountant. He had earlier worked with Unilever for 23 years, gathering a wide ranging experience in strategy, finance, M & A, supply chain and innovations. He held various leadership positions including that of head of treasury for Asia and Africa region and Board member of the Global Home Care Category Team.



Mr. KK Rajeev Nambiar
CEO & Managing Director

Mr. Nambiar has a rich experience of over 28 years in the cement industry. Prior to joining the company, he was Director Plant of ACC Limited at its Jamul unit and was associated with ACC for about 20 years. At ACC, he was also responsible for different roles in Operations, Technical area, Engineering, HR, Commercial and Logistics. Some of his outstanding achievements in that organization included the commissioning of the largest kiln at ACC Wadi. He is B.E. (Mechanical Engineering) from the National Institute of Technology, Suratkal. He has also done executive leadership and transformational leadership programmes from IIMA and IMD Luzane Switzerland.

CORPORATE INFORMATION

BOARD COMMITTEES

Audit Committee

Mr. Mahesh Gupta (Chairman)
Ms. Mini Menon
Mr. Pramod Kabra

Nomination & Remuneration Committee

Mr. Mahesh Gupta (Chairman)
Ms. Mini Menon
Mr. Pramod Kabra

Stakeholders' Relationship Committee

Ms. Mini Menon (Chairperson)
Mr. Pramod Kabra
Mr. Anil Singhvi

Corporate Social Responsibility Committee

Mr. Anil Singhvi (Chairman)
Ms. Mini Menon
Mr. Pramod Kabra
Mr. KK Rajeev Nambiar

Risk Management Committee

Mr. Mahesh Gupta (Chairman)
Ms. Mini Menon
Mr. Pramod Kabra

CHIEF FINANCIAL OFFICER

Mr. Vikas Kumar - CFO

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Suresh Kumar Meher
V. P. (Legal) & Company Secretary

OTHER SENIOR MANAGEMENT TEAM

Mr. P.R. Singh - Sr. VP (Marketing)
Mr. R. Krishnakumar - Sr. VP (Manufacturing)
Dr. Girish Mehta - VP (MRM & Logistics)

AUDITORS

B S R & Associates LLP
Chartered Accountants

COST AUDITORS

M/s. Kiran J Mehta & Co.

INTERNAL AUDITORS

M/s. RSM Astute Consulting Pvt. Ltd.

SECRETARIAL AUDITORS

M/s. Manoj Hurkat & Associates

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

REGISTERED OFFICE AND WORKS

P.O. Digvijaygram - 361 140,
Via. Jamnagar (Gujarat)
Telephone : (0288) 2344 272 - 2344 275
Fax No. : (0288) 2344 092
Website : www.digvijaycement.com

CORPORATE IDENTIFICATION NUMBER

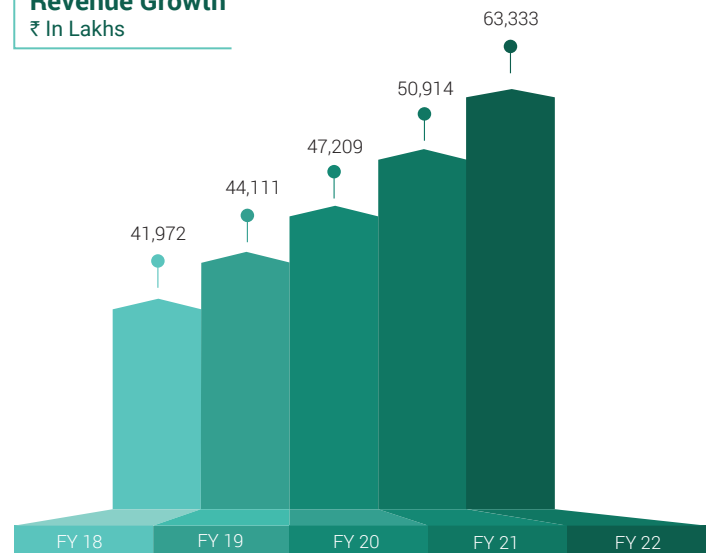
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10 YEARS FINANCIAL HIGHLIGHTS

OPERATING RESULTS	(All amounts are in Rs. Lakhs, Unless otherwise stated)									
	IND AS					PREVIOUS GAP				
	Mar '22 12 mths	Mar '21 12 mths	Mar '20 12 mths	Mar '19 12 mths	Mar '18 12 mths	Mar '17 12 mths	Mar '16 15 mths	Dec '14 12 mths	Dec '13 12 mths	Dec '12 12 mths
Total Revenue (Net of Excise Duty/ Net of GST)	63,333	50,914	47,209	44,111	41,972	32,704	48,122	42,118	33,784	39,199
Material Cost	11,170	9,639	8,152	9,901	10,268	6,923	10,555	11,777	8,367	7,914
Employee Benefit Expenses	3,767	3,662	3,439	2,899	2,694	2,627	3,469	2,332	2,193	2,353
Power & Fuel Cost	20,870	13,470	13,909	15,456	11,973	10,180	15,130	13,294	12,979	14,757
Other Expenses	15,420	13,007	11,394	12,738	11,617	10,992	14,543	12,223	10,718	9,206
Depreciation and Amortisation	3,140	2,683	2,480	2,399	2,288	2,219	2,580	1,410	1,319	987
Finance Cost	146	159	178	386	1,069	1,147	1,320	717	263	104
Profit Before Tax and Exceptional Items	8,820	8,294	7,657	332	2,063	-1,384	525	365	-2,055	3,878
Exceptional Items	-	-	-	-	-	-	-	-	1,414	-1,215
Tax Expense	3,291	2,895	2,014	126	726	-479	-	-	83	967
Profit After Tax and Exceptional Items	5,529	5,399	5,643	206	1,337	-905	525	365	-3,552	4,126
Other Comprehensive Income	1	-38	-41	-85	90	-21	-	-	-	-
Total Comprehensive Income for the year/period	5,530	5,361	5,602	121	1,427	-926	525	365	-3,552	4,126
Earning Per Share - Basic (in Rs.)	3.86	3.79	3.99	0.15	0.95	-0.64	0.37	0.26	-2.51	2.92
Earning Per Share - Diluted (in Rs.)	3.78	3.66	3.96	0.15	0.95	-0.64	0.37	0.26	-2.51	2.92
Dividend Per Share - (in Rs.)	3.50	2.50	1.50	-	-	-	-	-	-	-
ASSETS EMPLOYED										
Fixed Assets (Net)	20,218	19,494	19,734	20,409	20,824	21,713	21,659	21,014	17,329	17,439
Other Assets (Net)	26,024	23,676	18,245	15,585	14,228	16,088	19,720	15,076	14,716	15,525
Total Assets	46,242	43,170	37,979	35,994	35,052	37,801	41,379	36,090	32,045	32,964
FINANCED BY										
Share Capital	14,403	14,229	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138
Other Equity	16,821	16,877	13,502	7,834	7,713	6,286	5,696	5,171	4,806	8,358
Total Equity	31,224	31,106	27,640	21,972	21,851	20,424	19,834	19,309	18,944	22,496
NUMBER OF EQUITY SHARES	1,440.28	1,422.93	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74	1,413.74

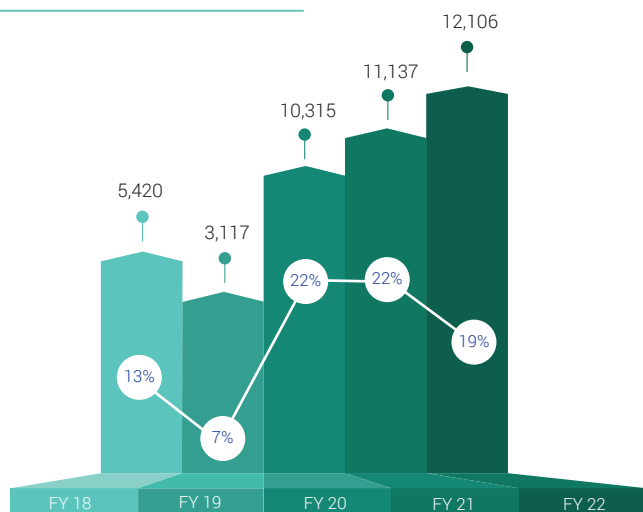
KEY FINANCIAL INDICATORS

Revenue Growth ₹ In Lakhs



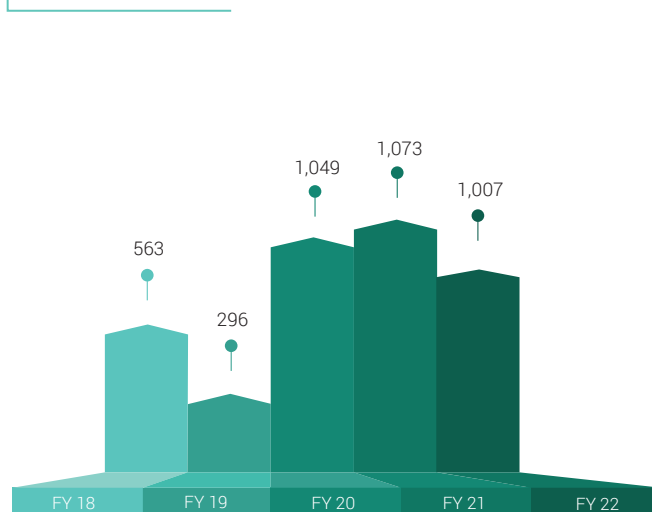
EBITDA / EBITDA MARGIN

₹ In Lakhs



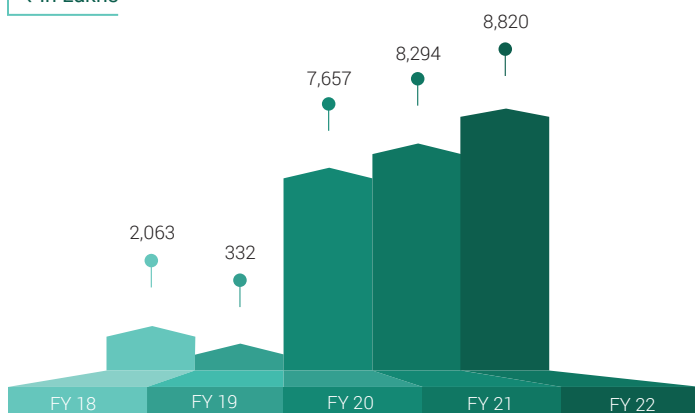
EBITDA PER TON

₹ Per Ton



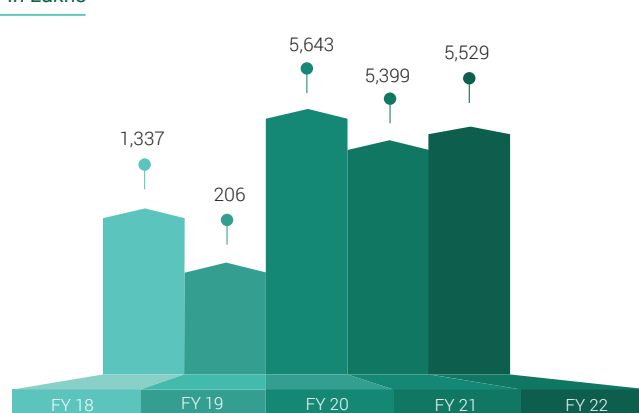
PBT

₹ In Lakhs



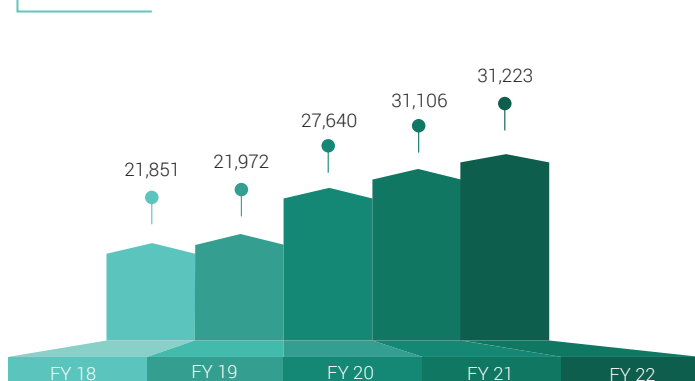
PAT

₹ In Lakhs



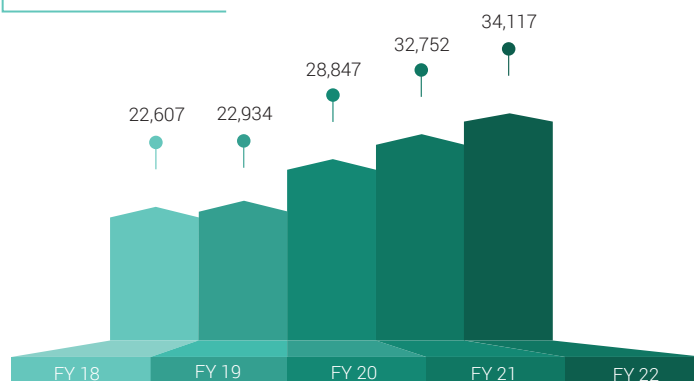
Net Worth

₹ In Lakhs

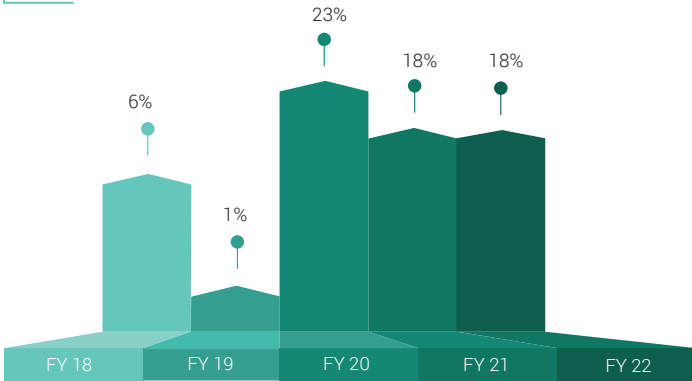


Capital Employed

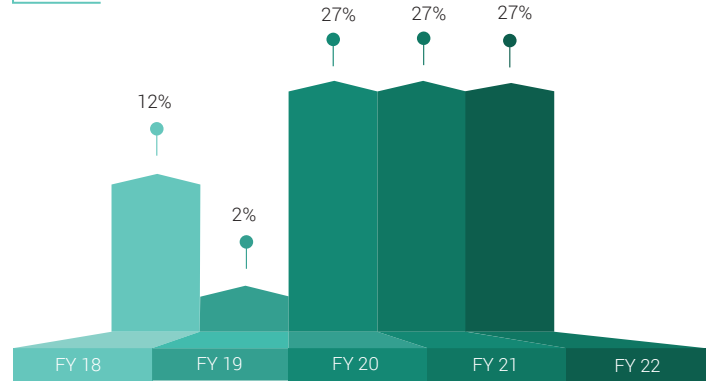
₹ In Lakhs



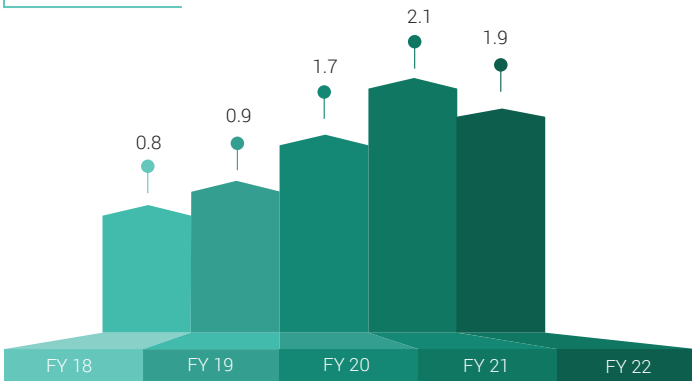
ROE %



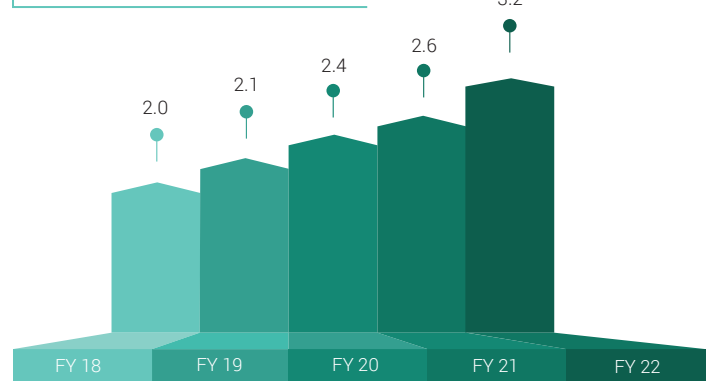
ROCE %



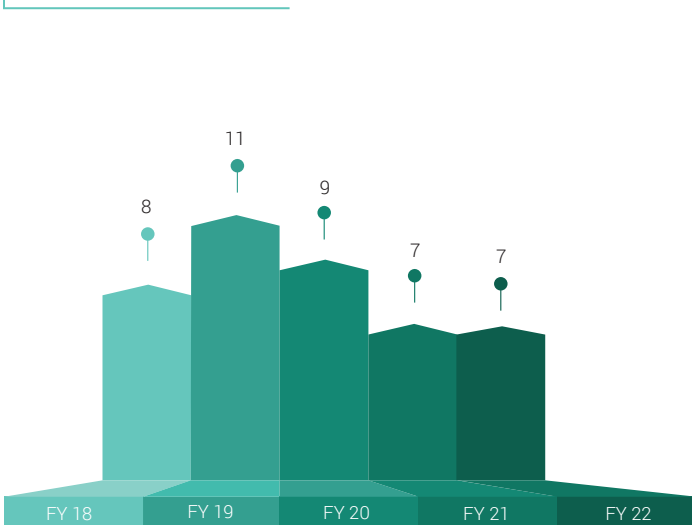
Current Ratio TIMES



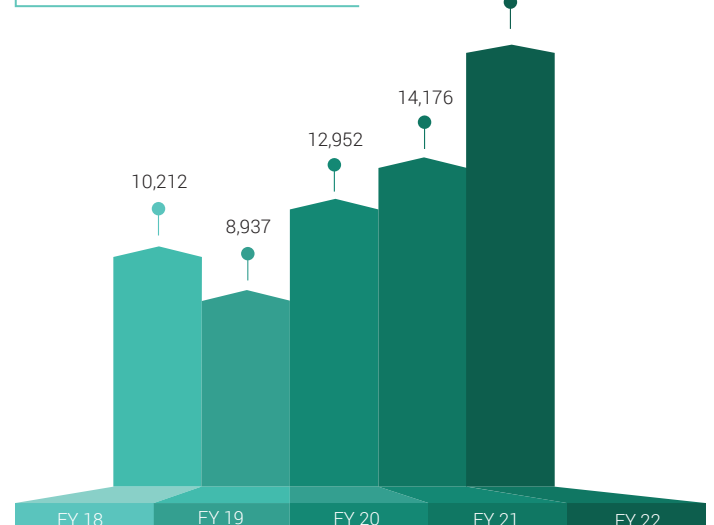
Fixed Assets Turnover Ratio TIMES



Receivable No. of days Days



Contribution to Exchequer ₹ In Lakhs



Awards and Accolades

