



**KAMAL
CEMENT**
SINCE 1944



78TH

**ANNUAL REPORT
2022-2023**



**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 78 years, we have strived tirelessly, in a way that creates long term value and excellence through:

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

Our values are best represented by our continuous efforts to UPRISE

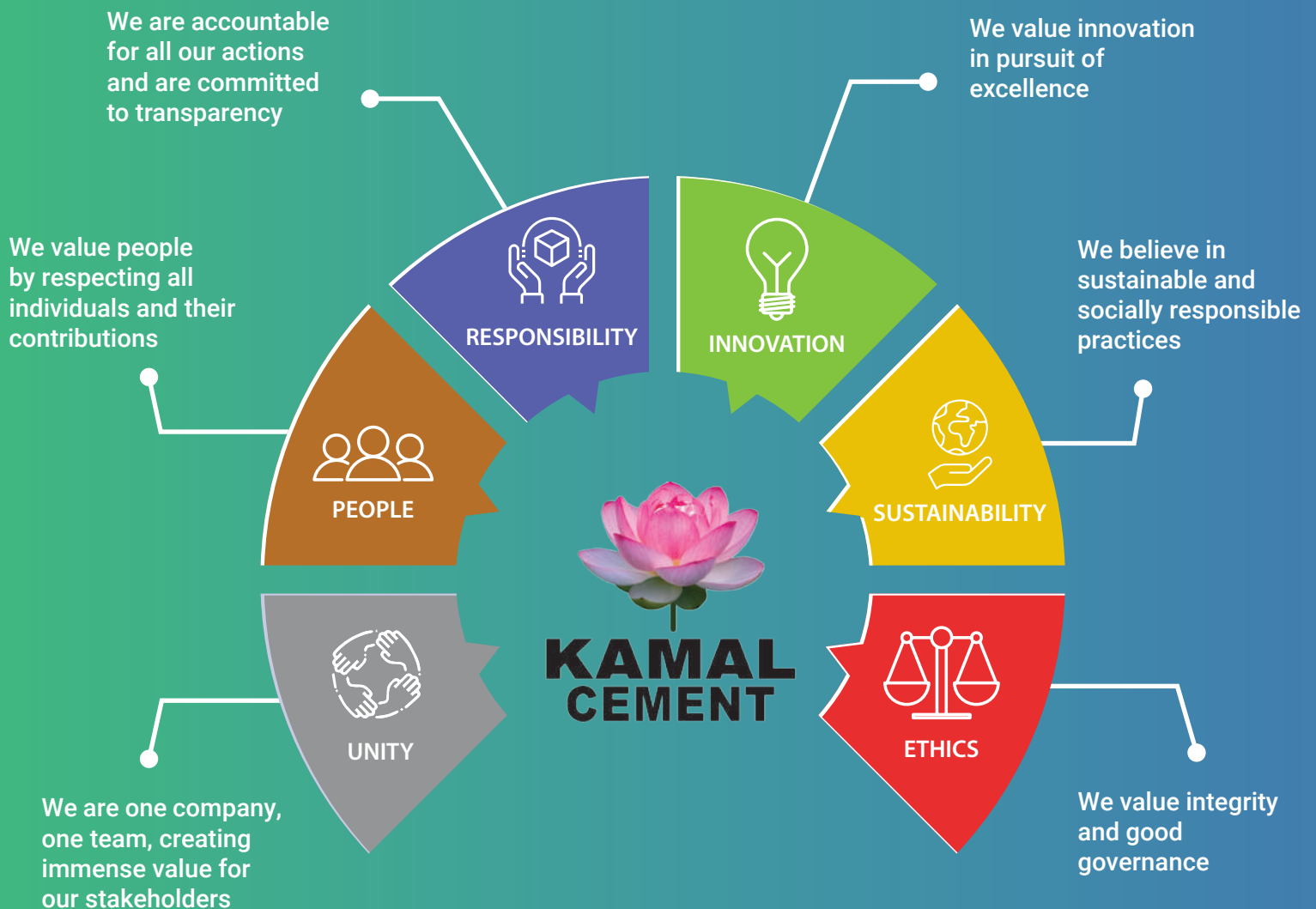


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BOARD OF DIRECTORS



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 41 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 about 4 decades of professional experience in the areas of Business Management and all dimensions of finance, M&As etc.. Mr. Gupta is the Group Advisor at Ashok Piramal Group and oversees all businesses of the Group which comprises of real estate, textiles, cutting tools and renewable energy. He had also been associated with Piramal Enterprises Ltd. for about 17 years. He has also worked with the RPG group as Group CFO and Management Board Member. Mr. Gupta has received a number of recognitions for his business acumen. He was awarded the CFO of the Year Award, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) in 2001 by IMA (formerly known as ELU), New Delhi. He is on the Board of several Public listed Companies.



Mr. Satish Kulkarni
Independent Director

Mr. Satish Kulkarni has rich experience of over 30 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 an Electronics Engineer from Walchand College of Engineering, Sangli and PGDBM from IIM, Ahmedabad.



Ms. Mini Menon
Independent Director
(Till 27th April, 2023)

Ms. Menon is the Co-Founder and Editor of Live History India, a first of its kind digital platform focussed 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 22 years. Her last assignment was as 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 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.



Ms. Mitu Samar
Independent Director
(From 27th April, 2023)

Ms. Mitu Samar is the Founder of Eminence Strategy Consulting, a company which works with organisations and individuals in building, establishing, and protecting their reputation through stakeholder engagement. She has over two decades of experience in brand positioning and reputation management. She also serves as a director on the boards of several other public companies. As a certified leadership coach, she actively coaches C-Suite leaders on making their presence impactful. She has authored several articles and regularly speaks at various industry forums. Ms. Mitu has pursued a Master's in Economics from Mumbai University and holds a Management degree in Business Administration from SP Jain Institute of Management & Research.



Mr. Pramod Kabra
Non-Executive Director

Mr. Kabra is associated with True North 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 29 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 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.



FROM THE DESK OF CHAIRMAN

My Dear Shareholders,

It was another year which posed huge challenge for cement industry due to high prices of energy specifically of petcoke and coal. This eroded the profit margins for cement industry considerably and putting huge pressure on other industries as well. The Ukrainian war has created supply chain disruption like never before raising inflation globally. Inflation in some countries are running at 40 years high.

On other side the industry saw a major shift in terms of change of ownership of 2 large cement companies from MNC to Indian Entrepreneur. As you all know Indian cement industry is the 2nd largest in the world after China and many global players have been interested in having their presence in India and they were successful in buying some Indian cement companies in past. But due to intense competition and low return on capital employed (specially in dollar terms) many have left Indian shores and exit of Holcim, the largest cement player in the world, and second largest in India leaves a big question mark about the low profitability of Indian cement industry.

Cement prices have remained subdued for a very long period of time and if adjusted for inflation they have been negative in past 4-5 years. One had expected cement prices to move up post 3rd wave of Covid as the construction industry and the other infrastructure projects started gathering momentum. But unfortunately cement prices have remained subdued, putting lot of pressure on margins of cement industry.

The ambitious plans of some of the players to enhance capacities in next couple of years bodes well for Capex cycle but will surely put pressure on margins for cement industry if the demand doesn't keep pace and prices remain weak.

I have seen in my 40 years of experience with industry that the returns generated by cement companies in terms of ROE and ROCE have been low and, in many cases, they are even below the cost of capital. (Average lower than 10%)

I am happy to share that in this situation your Company has done extremely well during 2022-23 and have posted an

I am also happy to share with you that with the tremendous efforts made by our management team we have been able to get our environmental clearance for expansion of capacity at Sikka from 1.2 million tons to 3 million tons. This is a major achievement enabling us to further improve on productivity and with minimum capex increase production on sustained basis.



EBIDTA margin of over Rs 800 which is perhaps one of the best in the industry. And as always, our ROE and ROCE and dividend yield remain best in the class.

I am also happy to share with you that with the tremendous efforts made by our management team we have been able to get our environmental clearance for expansion of capacity at Sikka from 1.2 million tons to 3 million tons. This is a major achievement enabling us to further improve on productivity and with minimum capex increase production on sustained basis. Our company is also evaluating various options to enhance our cement capacity to 3 million tons. We will soon complete our evaluation and approach you for your approvals for enhancing the capacity.

Cement being basic building block and we are poised for a sustained growth of over 6%, India will be one of the few countries where economic growth will be one of the best. As you know cement is a proxy for the growth, we remain very optimistic about future growth of cement and of your company.

Sincerely,
Anil Singhvi

17th May, 2023

CORPORATE INFORMATION

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Mahesh Gupta (Chairman)
 Ms. Mini Menon (Till 27th April, 2023)
 Mr. Satish Kulkarni (From 27th April, 2023)
 Mr. Pramod Kabra

NOMINATION AND REMUNERATION COMMITTEE

Mr. Mahesh Gupta (Chairman)
 Ms. Mini Menon (Till 27th April, 2023)
 Mr. Satish Kulkarni (From 27th April, 2023)
 Mr. Pramod Kabra

STAKEHOLDERS RELATIONSHIP COMMITTEE

Ms. Mini Menon (Chairperson - till 27th April, 2023)
 Ms. Mitu Samarnath Jha (Chairperson - from 27th April, 2023)
 Mr. Pramod Kabra
 Mr. Anil Singhvi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Anil Singhvi (Chairman - till 27th April, 2023)
 Mr. Satish Kulkarni (Chairman - from 27th April, 2023)
 Ms. Mini Menon (Till 27th April, 2023)
 Mr. Pramod Kabra
 Mr. KK Rajeev Nambiar

RISK MANAGEMENT COMMITTEE

Mr. Mahesh Gupta (Chairman)
 Ms. Mini Menon (Till 27th April, 2023)
 Mr. Satish Kulkarni (From 27th April, 2023)
 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. V. P. (Marketing)
 Mr. R. Krishnakumar - Sr. V. P. (Manufacturing)
 Dr. Girish Mehta - V. P. (MRM & Logistics)

AUDITORS

BSR and Co.
 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)
 Tel. (0288) 2344 272 – 2344 275
 Fax No. (0288) 2344 092
 Website: www.digvijaycement.com

CORPORATE IDENTIFICATION NUMBER

L26940GJ1944PLC000749



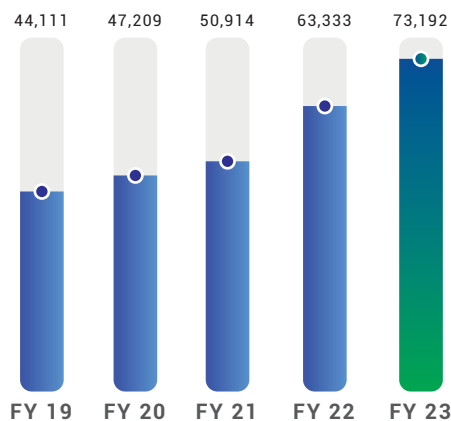
10 YEARS FINANCIAL HIGHLIGHTS

(All Amounts are in Rs. Lakhs, unless otherwise stated)

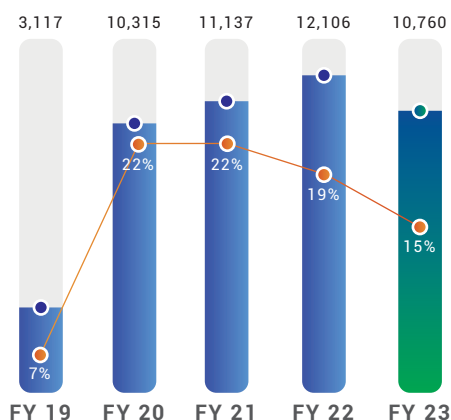
OPERATING RESULTS	IND AS							PREVIOUS GAAP		
	Mar '23 12 mths	Mar '22 12 mths	Mar '21 12 mths	Mar '20 12 mths	Mar '19 12 mths	Mar '18 12 mths	Mar '17 12 mths	Mar '16 15 mths	Dec '14 12 mths	Dec '13 12 mths
Total Revenue (Net of Excise Duty/ Net of GST)	73,192	63,333	50,914	47,209	44,111	41,972	32,704	48,122	42,118	33,784
Material Cost	12,462	11,170	9,639	8,152	9,901	10,268	6,923	10,555	11,777	8,367
Employee Benefit Expenses	3,895	3,767	3,662	3,439	2,899	2,694	2,627	3,469	2,332	2,193
Power & Fuel Cost	27,810	20,870	13,470	13,909	15,456	11,973	10,180	15,130	13,294	12,979
Other Expenses	18,265	15,420	13,007	11,394	12,738	11,617	10,992	14,543	12,223	10,718
Depreciation and Amortisation	3,526	3,140	2,683	2,480	2,399	2,288	2,219	2,580	1,410	1,319
Finance Cost	134	146	159	178	386	1,069	1,147	1,320	717	263
Profit Before Tax and Exceptional Items	7,100	8,820	8,294	7,657	332	2,063	-1,384	525	365	-2,055
Exceptional Items	-	-	-	-	-	-	-	-	-	1,414
Tax Expense	1,329	3,291	2,895	2,014	126	726	-479	-	-	83
Profit After Tax and Exceptional Items	5,771	5,529	5,399	5,643	206	1,337	-905	525	365	-3,552
Other Comprehensive Income	40	1	-38	-41	-85	90	-21	-	-	-
Total Comprehensive Income for the year/period	5,811	5,530	5,361	5,602	121	1,427	-926	525	365	-3,552
Earning Per Share - Basic (in Rs.)	4.00	3.86	3.79	3.99	0.15	0.95	-0.64	0.37	0.26	-2.51
Earning Per Share - Diluted (in Rs.)	3.95	3.78	3.66	3.96	0.15	0.95	-0.64	0.37	0.26	-2.51
Dividend Per Share (in Rs.)	4.00	3.50	2.50	1.50	-	-	-	-	-	-
ASSETS EMPLOYED										
Fixed Assets (Net)	18,872	20,218	19,494	19,734	20,409	20,824	21,713	21,659	21,014	17,329
Other Assets (Net)	27,929	26,024	23,676	18,245	15,585	14,228	16,088	19,720	15,076	14,716
Total Assets	46,801	46,242	43,170	37,979	35,994	35,052	37,801	41,379	36,090	32,045
FINANCED BY										
Share Capital	14,520	14,403	14,229	14,138	14,138	14,138	14,138	14,138	14,138	14,138
Other Equity	17,949	16,821	16,877	13,502	7,834	7,713	6,286	5,696	5,171	4,806
Total Equity	32,469	31,224	31,106	27,640	21,972	21,851	20,424	19,834	19,309	18,944
NUMBER OF EQUITY SHARES	1,452.03	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

KEY FINANCIAL INDICATORS

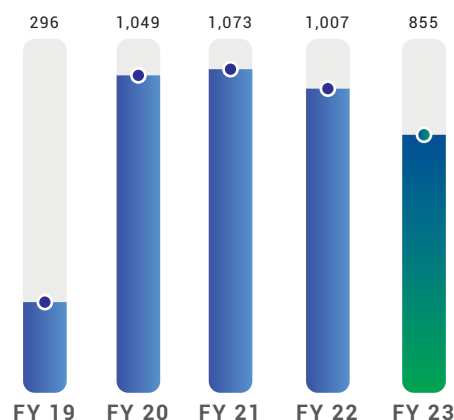
REVENUE GROWTH ₹ In Lakhs



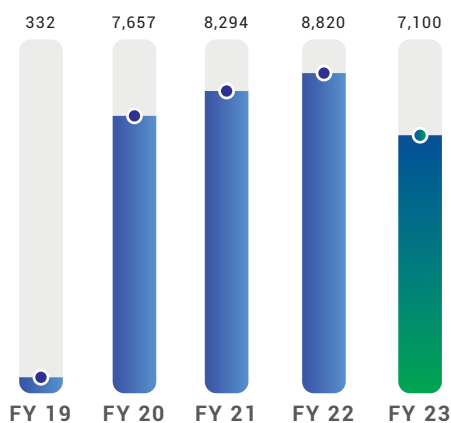
EBITDA / EBITDA MARGIN ₹ In Lakhs



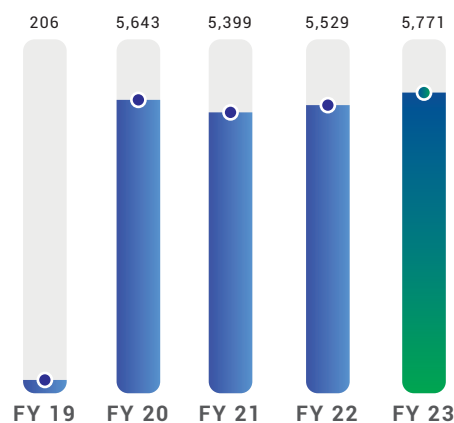
EBITDA PER TON ₹ Per Ton



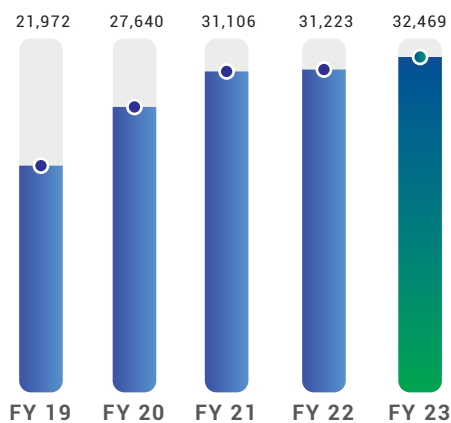
PBT ₹ In Lakhs



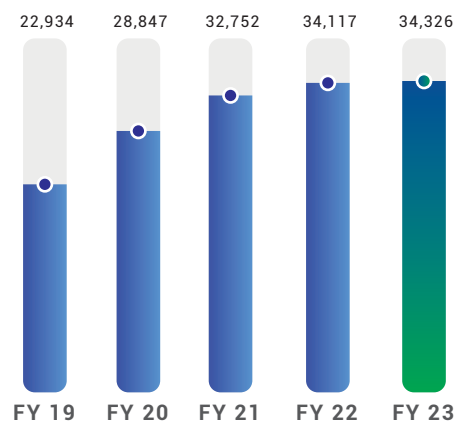
PAT ₹ In Lakhs



NET WORTH ₹ In Lakhs

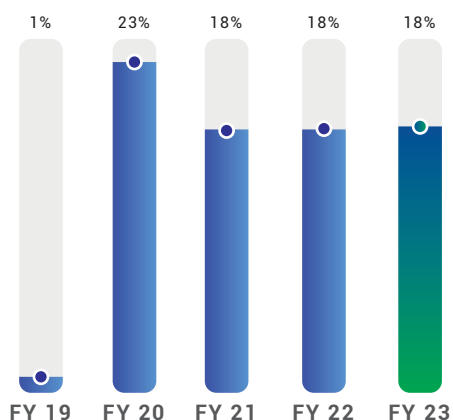


CAPITAL EMPLOYED ₹ In Lakhs

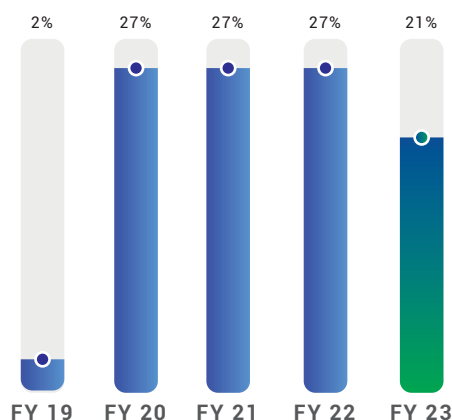




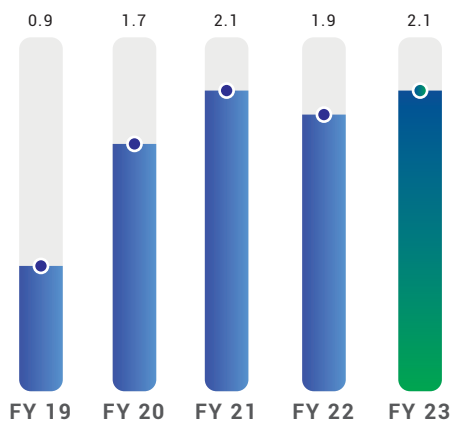
ROE %



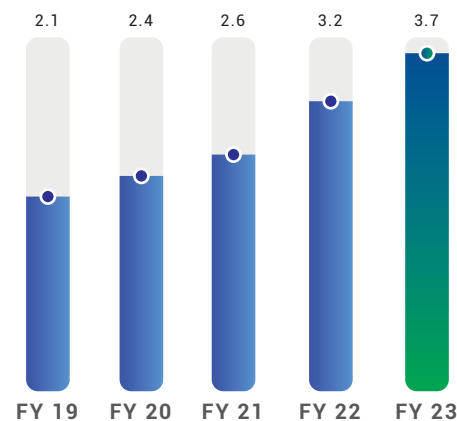
ROCE %



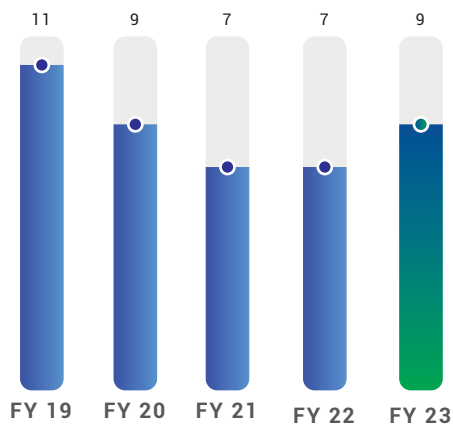
CURRENT RATIO TIMES



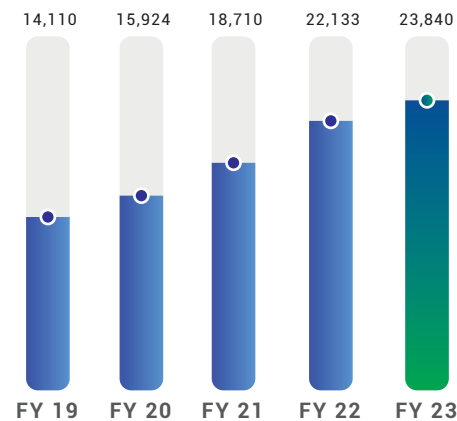
FIXED ASSETS TURNOVER RATIO TIMES



ACCOUNTS RECEIVABLE DAYS Days



CONTRIBUTION TO EXCHEQUER ₹ In Lakhs



Awards and Accolades

