



25<sup>th</sup> May, 2022

**BSE Limited**

Corporate Relationship Department  
P.J. Towers  
Dalal Street  
Mumbai – 400 001

**Company Code: 502180**

**National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051

**Company Code: SHREDIGCEM**

Dear Sir / Madam,

**Sub: Submission of 77<sup>th</sup> Annual Report and Cut-off date for E- Voting & Remote E-Voting of Shree Digvijay Cement Company Ltd. (the "Company").**

**Ref : Our Letters dated 27<sup>th</sup> April, 2022 and 19<sup>th</sup> May, 2022**

Further to our Letters dated 27<sup>th</sup> April, 2022 and 19<sup>th</sup> May, 2022, we would like to inform that the Seventy- Seventh (77<sup>th</sup>) Annual General Meeting ("AGM") of the Company will be held as under:

**Day and Date:** Monday, 20<sup>th</sup> June, 2022 Time: 10:00 a.m. (IST)

**Mode:** Through Video Conference ("VC") / Other Audio-Visual Means ("OAVM")

**Venue:** The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at P.O. Digvijaygram – 361 140, Via Jamnagar, Gujarat, India.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find herewith the 77<sup>th</sup> Annual Report of the Company along with the Notice of the 77<sup>th</sup> AGM of the Company for the financial year 2021-2022 which is being sent through electronic mode to the Members.

The Annual Report containing the Notice of AGM is also uploaded on the Company's website, at weblink <http://www.digvijaycement.com/wp-content/uploads/2022/05/77th-Annual-Report-2021-22.pdf>

**Cut-off date for E. Voting & Remote E. Voting Period :-**

The Members, whose names appear in the Register of Members / Beneficial Owners as on the **record date (cut-off date) i.e. Monday, 13<sup>th</sup> June, 2022**, will be entitled to cast their vote electronically.

**The remote e-voting period begins on Thursday, 16<sup>th</sup> June, 2022 at 9:00 A.M. (IST) and ends on Sunday, 19<sup>th</sup> June, 2022 at 5:00 P.M. (IST).**

We request you to kindly take the above submission on Record.

Thanking you,

Yours faithfully,

**For Shree Digvijay Cement Company Limited**

  
Suresh Meher  
VP (Legal) & Company Secretary



**Encl.: As above**



# ANNUAL REPORT 2021-2022



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

**SHREE DIGVIJAY CEMENT COMPANY LIMITED**

[www.digvijaycement.com](http://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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# 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 2<sup>nd</sup> and 3<sup>rd</sup> 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

**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.**



**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 2<sup>nd</sup> 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

18<sup>th</sup> 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

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### Nomination & Remuneration Committee

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

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### Stakeholders' Relationship Committee

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

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### Corporate Social Responsibility Committee

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

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### Risk Management Committee

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

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### CHIEF FINANCIAL OFFICER

Mr. Vikas Kumar - CFO

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### 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)

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### AUDITORS

B S R & Associates LLP  
Chartered Accountants

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### COST AUDITORS

M/s. Kiran J Mehta & Co.

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### INTERNAL AUDITORS

M/s. RSM Astute Consulting Pvt. Ltd.

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### SECRETARIAL AUDITORS

M/s. Manoj Hurkat & Associates

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### REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

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### 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

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### CORPORATE IDENTIFICATION NUMBER

L26940GJ1944PLC000749

# 10 YEARS FINANCIAL HIGHLIGHTS

(All amounts are in Rs. Lakhs, Unless otherwise stated)

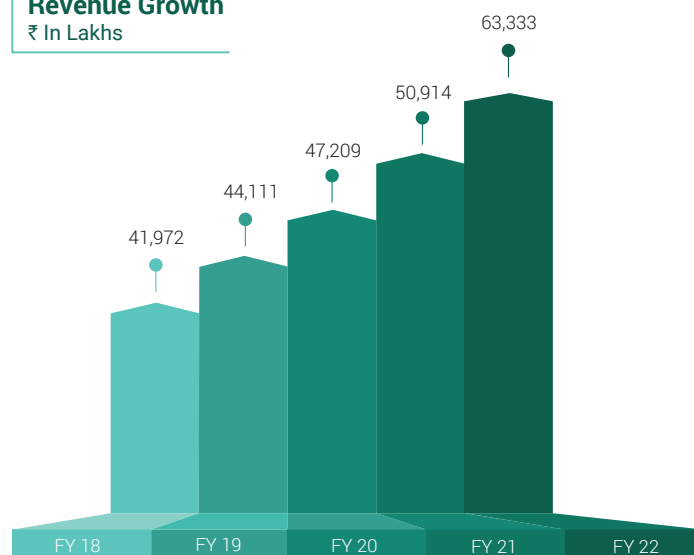
OPERATING RESULTS	IND AS					PREVIOUS GAP				
	Mar '22 12 mths	Mar '21 12 mths	Mar '20 12 mths	Mar '19 12 mths	Mar '18 12 mths	Mar '17 12 mths	Mar '16 15 mths	Dec '14 12 mths	Dec '13 12 mths	Dec '12 12 mths
<b>Total Revenue ( Net of Excise Duty/ Net of GST)</b>	<b>63,333</b>	50,914	47,209	44,111	41,972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

2022

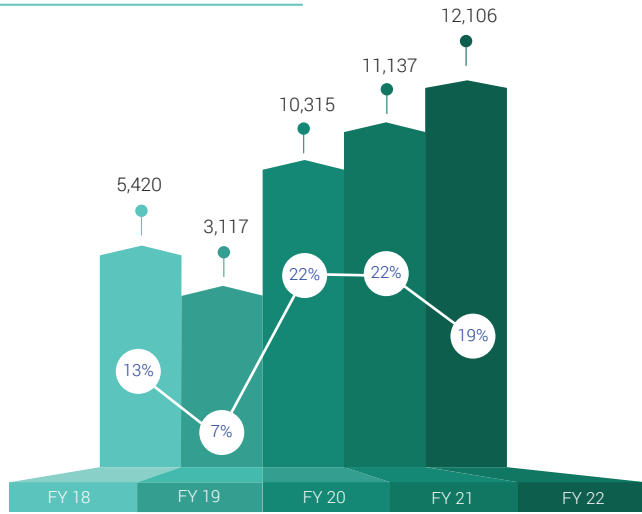
2021

### Revenue Growth ₹ In Lakhs

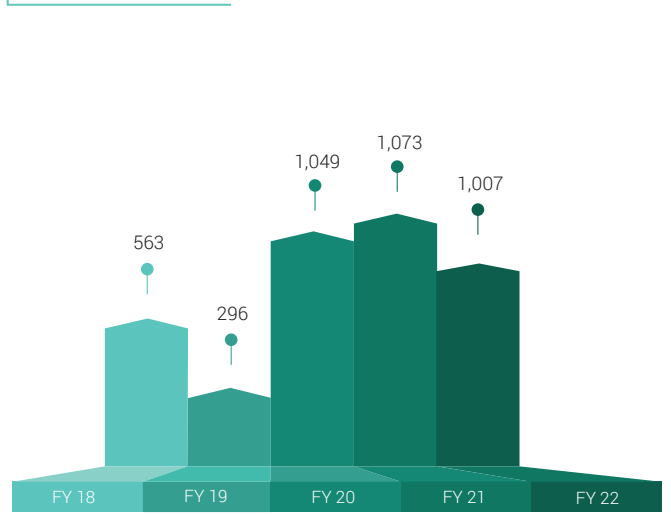




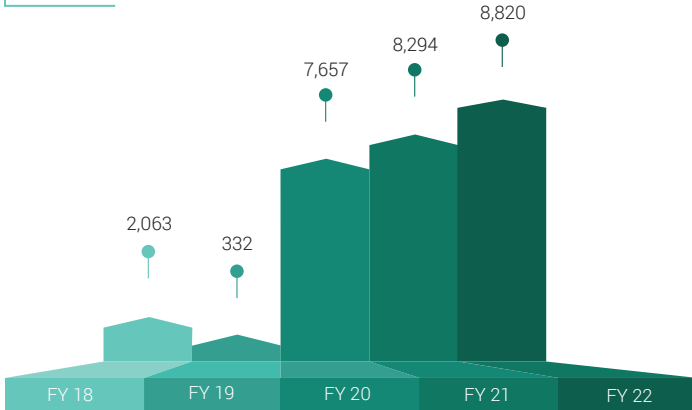
**EBITDA / EBITDA MARGIN**  
₹ In Lakhs



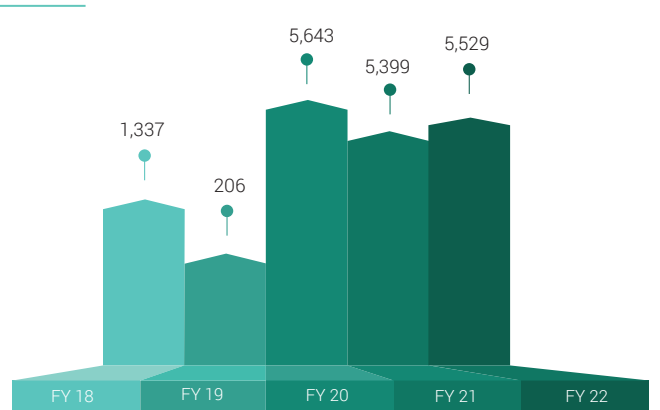
**EBITDA PER TON**  
₹ Per Ton



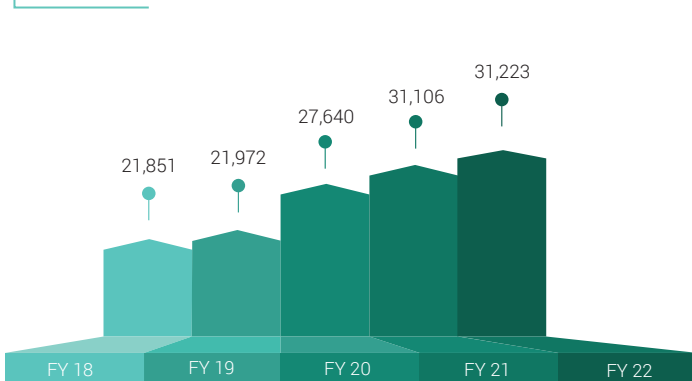
**PBT**  
₹ In Lakhs



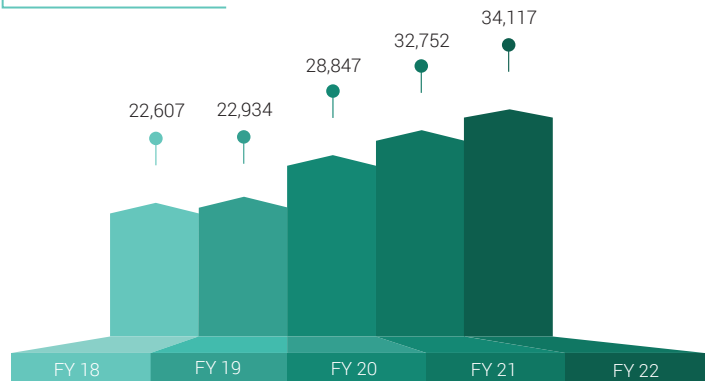
**PAT**  
₹ In Lakhs



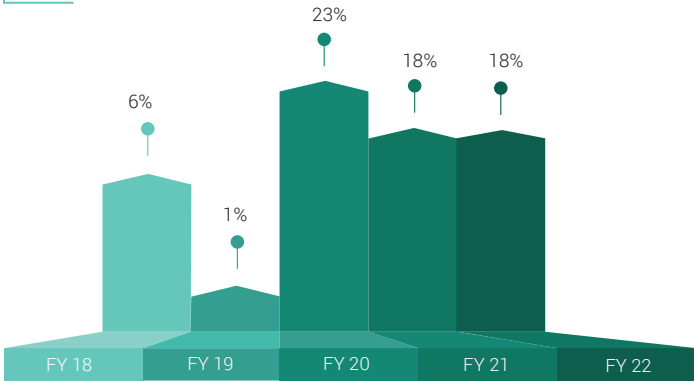
**Net Worth**  
₹ In Lakhs



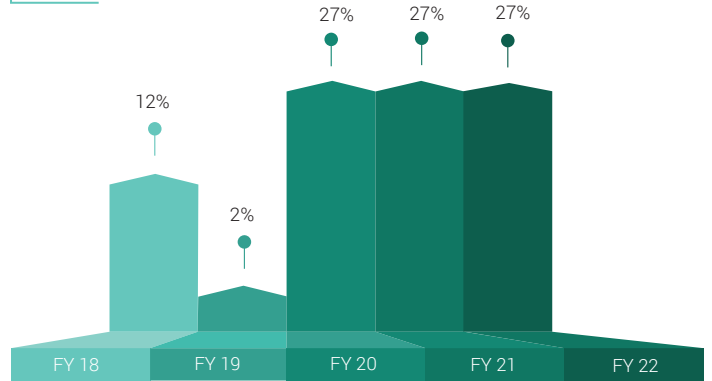
**Capital Employed**  
₹ In Lakhs



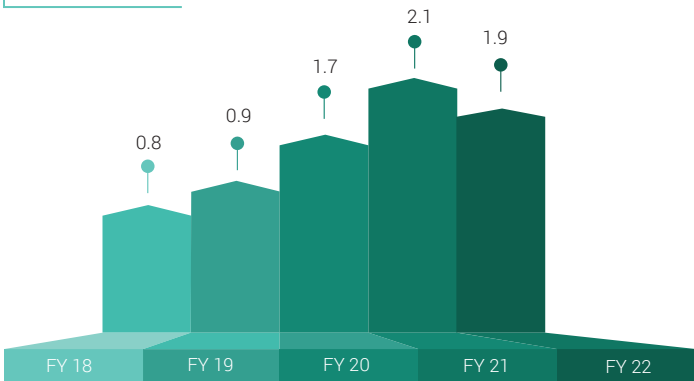
ROE %



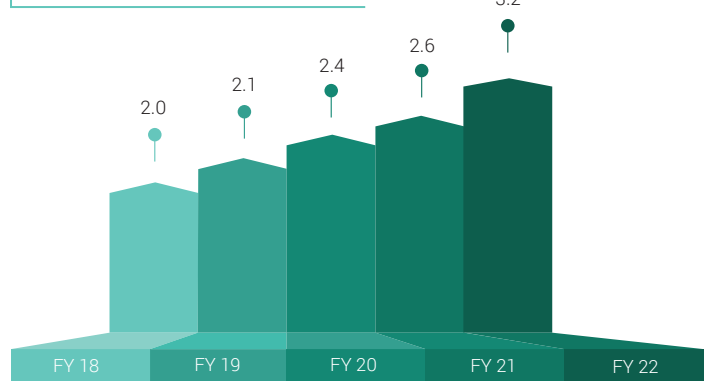
ROCE %



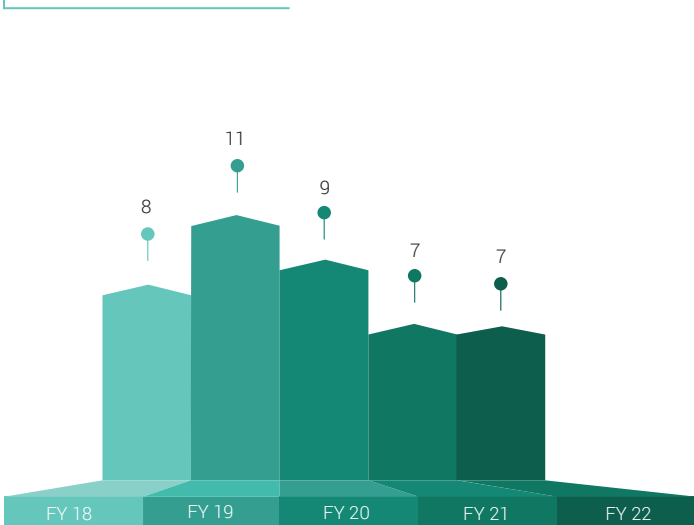
Current Ratio TIMES



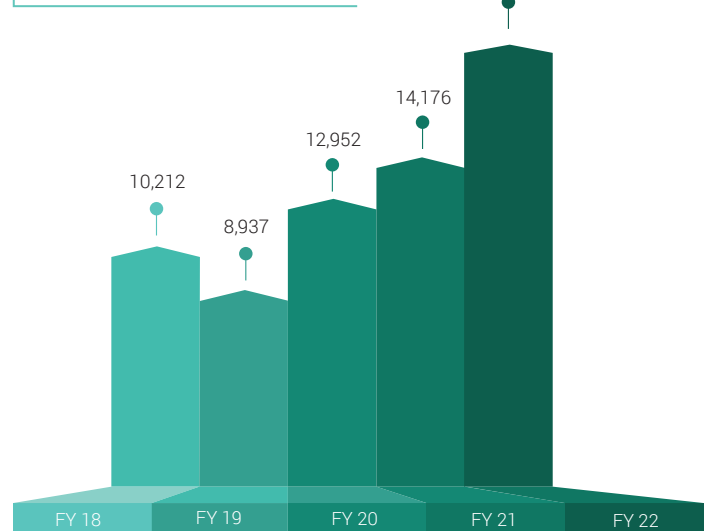
Fixed Assets Turnover Ratio TIMES



Receivable No. of days



Contribution to Exchequer ₹ In Lakhs



# Awards and Accolades





## NOTICE

**NOTICE** is hereby given that THE 77<sup>TH</sup> ANNUAL GENERAL MEETING OF **SHREE DIGVIJAY CEMENT COMPANY LIMITED** (CIN L26940GJ1944PLC000749) (the “**Company**”) will be held on Monday, 20<sup>th</sup> June, 2022 at 10:00 a.m. (IST) through Video Conference (“**VC**”)/ Other Audio-Visual Means (“**OAVM**”) facility to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 together with the Reports of the Auditors thereon.
2. To confirm payment of Interim Dividend already paid for the Financial Year ended 31<sup>st</sup> March, 2022 and to declare a Final Dividend for the said financial year.
 

*[The Board of Directors of the Company, at their meeting held on 27<sup>th</sup> October, 2021, declared Interim Dividend of Rs. 1.50 (i.e. @15%) per equity share which was already paid during the financial year. In addition, Board of Directors of the Company, at their meeting held on 27<sup>th</sup> April, 2022, recommended Final Dividend of Rs. 2.00 (i.e. @20%) per equity share of fully paid-up face value of Rs. 10.00 each for the said financial year.]*
3. To appoint a Director in place of Mr. Anil Singhvi (DIN:00239589), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

4. **Remuneration to Executive Chairman:**

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 Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “**Act**”) and the Rules framed thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals as may be required, the consent of the Members be and is hereby accorded for the payment of the remuneration to Mr. Anil Singhvi (DIN: 00239589), Executive Chairman, w.e.f. from 1<sup>st</sup> April, 2022 to

29<sup>th</sup> April, 2024, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (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) be and is hereby authorized to determine, vary, alter or revise the amount of salary or remuneration or any component(s) thereof, types of perquisites or allowances, benefits as part of remuneration of Mr. Anil Singhvi as Executive Chairman, in such manner as may be agreed between the Company and Executive Chairman, within the overall limits approved by Members under the Act and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee or Officer of the Company to give effect to the aforesaid Resolution.”

**RESOLVED FURTHER THAT** the terms of remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of any loss, absence or inadequacy of the profits of the Company in any financial year or years during the period from 1<sup>st</sup> April, 2022 to 29<sup>th</sup> April, 2024, the remuneration mentioned in the Explanatory Statement comprising salary, perquisites and benefits approved herein shall be paid as minimum remuneration to the Executive Chairman, subject to such other approvals as may be necessary.

**RESOLVED FURTHER THAT** save and except as aforesaid, the Special Resolution approved and passed by the Members on 5<sup>th</sup> August, 2019 with respect to the appointment of Mr. Anil Singhvi as Executive Chairman shall continue to remain in full force and effect.”

### 5. 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 Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand) 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 have been appointed by the Board of Directors on recommendation of the Audit Committee, as Cost Auditors of the Company, to conduct

the audit of cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending 31<sup>st</sup> March, 2023.”

**By Order of the Board**

Suresh Kumar Meher  
Vice President (Legal)  
& Company Secretary  
ACS No.:16938

Place : Digvijaygram  
Date : 13<sup>th</sup> May, 2022

**Registered Office:**

**DIGVIJAYGRAM 361 140**

Via: Jamnagar, Gujarat, India

CIN: L26940GJ1944PLC000749

Website: [www.digvijaycement.com](http://www.digvijaycement.com)

Email: [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com)

**NOTES:**

1. In view of the persisting COVID-19 pandemic situation, social distancing norms and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 02/2021, 19/2021, 21/2021 and 02/2022 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 5<sup>th</sup> May 2020, 13<sup>th</sup> January 2021, 8<sup>th</sup> December 2021, 14<sup>th</sup> December 2021 and 5<sup>th</sup> May, 2022, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars'), and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 12<sup>th</sup> May, 2020, 15<sup>th</sup> January, 2021 and 13<sup>th</sup> May, 2022 respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM"), without the physical presence of the Members, is permitted. In compliance with MCA Circulars, SEBI Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in accordance with the requirements laid down in Para 3 & 4 of General Circular Nos. 20/2020 dated 5<sup>th</sup> May, 2020, the 77<sup>th</sup> AGM of the Company is being organised through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 77<sup>th</sup> AGM shall be the Registered Office of the Company.
2. The relative Explanatory Statement, pursuant to Section 102 of the Act, in respect of the Special Business set out under Items No. 4 & 5 of the accompanying Notice are annexed hereto.
3. A statement providing additional details of the Director(s) seeking appointment / re-appointment as set out at Item No.3 of the Notice dated 13<sup>th</sup> May, 2022 is annexed herewith as required under Regulation 36(3) of the Listing

Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI'). Further, the information required under Clause (iv) of the second proviso to Section II of Part – II of Schedule V of the Companies Act, 2013 providing additional details of the Director(s) remuneration as set out at Item No. 4 of the Notice dated 13<sup>th</sup> May, 2022 is annexed herewith.

4. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) ("Body Corporates") are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said Resolution/Authorisation is required to be sent to the Scrutiniser by e-mail through its registered e-mail address at [manojhurkat@hotmail.com](mailto:manojhurkat@hotmail.com) with a copy marked at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
6. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Monday, 13<sup>th</sup> June, 2022.
7. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice.
8. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM alongwith the explanatory statement and Annual Report 2021-22 are also available on the website of the Company at [www.digvijaycement.com](http://www.digvijaycement.com) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and on the website of National Securities Depository Limited (NSDL) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (the Authorized agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in Financial Express (English Language - All India edition) and Financial Express (Gujarati Language).

In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2021-22 and Notice of the 77<sup>th</sup> AGM of the Company, may send request



to the Company's email address at [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com) mentioning Folio No./ DP ID and Client ID.

9. The Members can join the AGM through VC / OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through electronic mode will be made available for 1,000 members on first come first served basis. It may be noted that the large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors are allowed to attend the AGM without restriction on account of first come first served basis.
10. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com) from Monday, 13<sup>th</sup> June, 2022 (9:00 a.m. IST) to Thursday, 16<sup>th</sup> June, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session. Hence, Members are encouraged to send their questions/queries in advance to the Company at [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com) on or before Thursday, 16<sup>th</sup> June, 2022, which would be replied by the Chairman at the time of the meeting. For this purpose, it would not be necessary to register as speaker.
12. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, 13<sup>th</sup> June, 2022 through e-mail at [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com). The same will be replied by the Company suitably during 77<sup>th</sup> AGM.
13. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 14<sup>th</sup> June, 2022 to Monday, 20<sup>th</sup> June, 2022 (both days inclusive).
14. Final Dividend on Company's Equity shares for the year ended 31<sup>st</sup> March, 2022, as recommended by the Board

of Directors, if approved at the AGM, will be payable (subject to deduction of tax at source) as under:

- i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Monday, 13<sup>th</sup> June, 2022.
- ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Monday, 13<sup>th</sup> June, 2022.

The Final Dividend, if approved, will be payable by 27<sup>th</sup> June, 2022.

15. As per the provisions of the Act, dividends that are unclaimed/unpaid for a period of seven (7) years from the date of their transfer to the unclaimed/unpaid dividend account are required to be transferred to the Investor Education and Protection Fund ('IEPF') administered by the Central Government.

Further, pursuant to the provisions of Section 124 of the Act read with the relevant Rules made thereunder, shares on which dividend has remained unpaid or unclaimed for seven (7) consecutive years shall be transferred to the IEPF as notified by the Ministry of Corporate Affairs.

The Company currently has no unclaimed dividends that need to be transferred to the Investor Education & Protection Fund (IEPF), since dividend was declared by the Company for the year 2019-20 after a gap of almost 33 years.

The due dates for transfer of unclaimed and unpaid dividends are as under:

Financial year ended	Date of declaration of dividend	Due date for transfer to IEPF
2019-20	30 <sup>th</sup> June, 2020	6 <sup>th</sup> August, 2027
2020-21	18 <sup>th</sup> June, 2021	24 <sup>th</sup> July, 2028
2021-22 (Interim Dividend)	27 <sup>th</sup> October, 2021	3 <sup>rd</sup> December, 2028

Members who have not encashed their dividend warrants/demand drafts so far in respect of the aforesaid periods, are requested to make their claims to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company having its address at C-201, 247 Park, LBS Marg, Vikhroli (West) Mumbai – 400 083, ('RTA'/ 'Link Intime')



or to Company, well in advance of the above due dates. Pursuant to the provisions of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31<sup>st</sup> March, 2022 on the website of the Company at [www.digvijaycement.com](http://www.digvijaycement.com) and also on the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

16. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ IMPS/ NEFT etc.

In order to receive the dividend without any delay, the Members holding shares in physical form are requested to submit particulars of their bank accounts in 'Form ISR – 1' along with the original cancelled cheque bearing the name of the Member to Link Intime / Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs before Monday, 13<sup>th</sup> June, 2022.

17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime having address at Link Intime India Private Limited, C-201, 247 Park, LBS Marg, Vikhroli (West) Mumbai – 400 083, in case the shares are held by them in physical form.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
19. As per the provisions of Section 72 of the Act, facility for making nomination is available to Individuals holding shares in the Company. Members holding shares in physical form who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members may download

the Nomination Form from the Company's website at <https://digvijaycement.com/investors>. Members holding shares in demat mode should file their nomination with their DPs for availing this facility.

20. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

21. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, e-mail address etc. to the RTA at the following address:

Link Intime India Private Limited  
(Unit: Shree Digvijay Cement Company Limited)  
C-201, 247 Park, LBS Marg,  
Vikhroli (West)  
Mumbai – 400 083

If the shares are held in electronic form, then change of address and change in the bank accounts etc. should be furnished to their respective DPs.

22. Pursuant to the Income Tax Act, 1961 as amended, dividend income is taxable in the hands of the shareholders and the Company is required to deduct tax at source on dividend paid to the Members at the prescribed rates. The Members of the Company are requested to kindly go through the important communication of the Company with respect to deduction of tax at source on dividend which is available on the Company's website at <https://digvijaycement.com>.

23. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Shareholders can upload the aforesaid documents, as applicable, on the following link <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> **on or before 16<sup>th</sup> June, 2022** to enable the Company to determine the appropriate TDS rates. To avail the benefit of non-deduction of tax at source, Shareholders may also write to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) by 11:59 p.m. IST on Monday, 13<sup>th</sup> June, 2022. No communication on the tax determination/deduction received post 16<sup>th</sup> June, 2022 shall be considered for payment of the Dividend. It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No

Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or to [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com). The aforesaid declarations and documents need to be submitted by the Shareholders by 11:59 p.m. IST on Monday, 13<sup>th</sup> June, 2022.

24. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, SS-2 issued by the ICSI and Regulation 44 of the Listing Regulations read with the MCA Circulars, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice.
25. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the AGM and holds shares as on the cut-off date, i.e. Monday, 13<sup>th</sup> June, 2022, may obtain the User ID and password by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
26. The Company's Statutory Auditors, M/s BSR & Associates LLP, were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years at the 73<sup>rd</sup> AGM held on 7<sup>th</sup> September, 2018, on the remuneration to be determined by the Board of Directors. Pursuant to the Companies (Amendment) Act, 2017, effective from 7<sup>th</sup> May, 2018, it is no longer necessary to seek the ratification of the Shareholders for continuance of the above appointment. Hence, the Company is not seeking the ratification of the Shareholders for the appointment of the Statutory Auditors.
27. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing Companies to send documents to their Members in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, Members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the RTA of the Company and register

their e-mail address. Members holding shares in demat form are requested to contact their DPs. Members may please note that notices, annual reports, etc. will be available on the Company's website at [www.digvijaycement.com](http://www.digvijaycement.com). Members will be entitled to receive the said documents in physical form free of cost at any time upon request.

28. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/ HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The aforesaid communication is available on the website of the Company. Attention of the Members holding shares of the Company in physical form is invited to go through the said important communication under the weblink at <https://www.digvijaycement.com/investors-centre/>.
29. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Exchange of share certificate;

Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the website at <https://digvijaycement.com>.

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

**30. Instructions for e-voting and attending the AGM through VC/OAVM are annexed to this Notice.**

By Order of the Board

Suresh Kumar Meher  
Vice President (Legal)  
& Company Secretary  
ACS No.: 16938

Place : Digvijaygram  
Date : 13<sup>th</sup> May, 2022

**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. 4 & 5 of the accompanying Notice dated 13<sup>th</sup> May, 2022.

**Item no.4**

**Remuneration to Executive Chairman:**

The Members of the Company on 5<sup>th</sup> August, 2019, had appointed Mr. Anil Singhvi as the Executive Chairman of the Company for a tenure of five years effective from 1<sup>st</sup> April, 2019 to 29<sup>th</sup> April, 2024. Pursuant to Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration payable to Mr. Anil Singhvi was approved for a period of three years w.e.f. 30<sup>th</sup> April, 2019. The Board of Directors of the Company has at their meeting held on 27<sup>th</sup> January, 2022, on recommendation of Nomination and Remuneration Committee, recommended fixation of revised remuneration amounting to Rs. 30,048,000/- (Rupees Three Crores Fourty Eight Thousand) per annum effective from 1<sup>st</sup> April, 2022. The approval of the Members pursuant to Section 197(1) of the Companies Act, 2013 as amended from time to time is now sought for the revised remuneration payable to Mr. Anil Singhvi as the Executive Chairman of the Company for the period from 1<sup>st</sup> April, 2022 till remaining period of his current tenure as per details as follows:

- a) Emoluments:** Effective from 1<sup>st</sup> April, 2022 for remaining period of Mr. Singhvi's tenure i.e. upto 29<sup>th</sup> April, 2024, Rs. 30,048,000/- (Rupees Three Crores Fourty Eight Thousand) per annum, on the following terms and conditions:
- **Basic Salary:** Rs. 14,400,000/- (Rupees One Crore Fourty Four Lakhs) per annum, with such variation / increase from time to time as the Board/Committee of Directors may decide.
  - **Special Allowance:** Rs. 13,200,000/- (Rupees One Crore Thirty-two Lakhs) per annum, with such variation / increase from time to time as the Board/Committee of Directors may decide.
  - **Contribution towards Provident fund:** @ 12% of the basic salary [subject to revision in line with the notification(s) as may be promulgated by the Government during the tenure of appointment].
  - **Gratuity -** @ 5% of the basic salary.

All other terms and conditions of appointment of Mr. Anil Singhvi as Executive Chairman of the Company and other benefits as mentioned in Shareholders Resolution and Explanatory Statement dated 5<sup>th</sup> August, 2019 will remain unchanged.

Mr. Anil Singhvi is interested in this resolution since it relates to his remuneration.

Except above, none of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested, financially or otherwise, in the Resolution except to the extent of their respective shareholding in the Company.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of payment of remuneration as mentioned above as per Section 190 of the Companies Act, 2013. Statement containing Information required to be under Clause (iv) of the Second Proviso to Section II of Part II of Schedule V of the Companies Act, 2013 is also attached herewith which also forms part of this Explanatory Statement. The Company proposes to pay the remuneration disclosed in the Resolution and Explanatory Statement as minimum remuneration to Mr. Singhvi in case of absence or inadequacy of profit in any of the financial years during the tenure of his position. It is also disclosed that at the time of obtaining this approval of the members of the Company, the Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors.

The Board of Directors (or any committee thereof) has also been conferred power to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary, the type and amount of perquisites, allowances and other benefits payable to Mr. Anil Singhvi.

A copy of the document setting out revised terms and conditions of remuneration of Mr. Singhvi will be available for inspection without any fee by the members at the Registered Office of the Company at Digvijaygram, Dist. Jamnagar-Gujarat 361 140, India, during office hours on all working days between 10.00 A.M. and 12.00 Noon upto Monday, 20<sup>th</sup> June, 2022 (i.e. the date of AGM) excluding Saturdays and shall also be uploaded on the website of the Company at <https://www.digvijaycement.com/>.

The Board commends the Special Resolution at Item No.4 of the accompanying Notice for approval by the Members of the Company.

**Item no. 5**

**Ratification of Remuneration to Cost Auditor**

The Board of Directors at their meeting held on 27<sup>th</sup> April, 2022, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. Kiran J Mehta & Co, Cost Accountants, Ahmedabad as the Cost Auditors to conduct the audit of Cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2023 on a remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand) plus out of pocket expenses actually incurred for the purpose of such audit.



In accordance with the provisions of Section 148(3) of the Companies Act, 2013 ("Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company.

Kiran J Mehta & Co. has furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous years under the provisions of the Act.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for remuneration to the Cost Auditor for the financial year ending on 31<sup>st</sup> March, 2023.

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

The Board recommends adoption of resolution set out at Item No. 5 of the accompanying Notice of Annual General Meeting as an ordinary resolution.

By Order of the Board

Suresh Kumar Meher  
Vice President (Legal)  
& Company Secretary  
ACS No.: 16938

Place : Digvijaygram  
Date : 13<sup>th</sup> May, 2022

### **A STATEMENT GIVING ADDITIONAL DETAILS OF THE DIRECTORS SEEKING APPOINTMENT AND REAPPOINTMENT AS SET OUT AT ITEMS NO. 3 & 4 OF THE NOTICE:**

Details of Director(s) seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

<b>Name of Directors:</b>	<b>Mr. Anil Singhvi</b>
Director Identification Number (DIN)	00239589
Date of Birth	30 <sup>th</sup> June, 1959
Nationality	Indian
Date of Appointment	30 <sup>th</sup> April, 2019
Qualification	FCA
Expertise in specific functional area	Finance, Corporate Strategy, Project & General Management.
List of the directorships held in other companies*	IDFC Limited, Subex Ltd., Institutional Investor Advisory Services India Ltd., Kitterpore Holdings Ltd., Asset Care & Reconstruction Enterprise Ltd.
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	IDFC Ltd. : Chairman – Audit Committee Chairman – Stakeholders Relationship Committee Subex Ltd.: Member – Audit Committee Member – Stakeholders Relationship Committee
Number of Board Meetings attended during the year 2021-22	4 (four)
Relationships between Directors Inter-Se	None
No. of Shares held in the Company	11,69,492
Remuneration details (Including Sitting Fees & Commission) during the financial year	As per details described in Notice and Explanatory Statement

\*Directorship includes Directorship of Public Companies & Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).

Details of core skills and expertise of the Board of Directors have been given in Corporate Governance Report included in this Annual Report, which forms part of Directors' Report.

**THE INFORMATION REQUIRED UNDER CLAUSE (iv) OF THE SECOND PROVISOR TO SECTION II OF PART - II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IS GIVEN BELOW:**

**I. General Information:**

1. Nature of Industry: Cement
2. Date or expected date of commencement of commercial production: 1949
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. **Financial performance:**

(In Rs. Lakhs)

Particulars	2021-22	2020-21	2019-20
Total Income	63,333	50,914	47,209
Profit Before Interest, Depreciation & Tax (EBITDA)	12,106	11,137	10,316
Profit Before Tax	8,820	8,294	7,657
Profit After Tax	5,529	5,399	5,643
Dividend percentage	35% (including 15% Interim Dividend)	25%	15%

5. **Foreign investments or collaborations, if any:** NA  
The holdings of Foreign Institutional Investors (FII) & NRI's as on 31<sup>st</sup> March, 2022 are 2.34% of the equity share capital.

**II. Information about the appointee:**

**1. Background details:**

Mr. Anil Singhvi, Chartered Accountant, has several decades of experience in managing and running large corporates, including, long experience in cement industry in India. He is well experienced in finance, corporate strategy, project management and general management aspects in India and abroad.

**2. Past Remuneration:**

Mr. Anil Singhvi has been associated with the Company since 30<sup>th</sup> April, 2019 and remuneration with his past employer is not comparable. During the financial year ended 31<sup>st</sup> March, 2022, he was paid total remuneration Rs.2,48,28,000/- by the Company.

**3. Recognition or award:**

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

**4. Job Profile and his suitability:**

Mr. Anil Singhvi has vast experience in managing and running large corporates, including, long experience in cement industry in India. He is a Chartered Accountant and having outstanding professional career. Considering his vast experience and expertise, the Board considers him suitable for the position of Executive Chairman, subject to Shareholders' approval, of the Company.

**5. Remuneration Proposed:**

As stated in the Explanatory Statement of the Notice of the 77<sup>th</sup> Annual General Meeting.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration offered to Mr. Anil Singhvi is at par with the industry norms considering the nature of industry, profile and position of person.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Except for the remuneration drawn, Mr. Anil Singhvi does not have any pecuniary relation directly or indirectly with the Company.

Mr. Singhvi is not related to any other Director or key managerial personnel of the Company. He is an independent qualified professional.

**III. Other Information:**

**1. Reasons of loss or inadequate profits: Not Applicable.**

Currently, Company's profits are adequate to pay managerial remuneration. Inadequacy of profits in past years is mainly attributable to slowdown of Indian economy, pressure on cement prices, competition, and increased cost of raw materials, increased costs of power and fuels.

**2. Steps taken or proposed to be taken for improvement:**

To mitigate the adverse impact and reduce cost and increase realizations, the Company consistently adopt and implement various measures, which has contributed to Company performance and growth to a great extent.

**3. Expected increase in productivity and profits in measurable terms:**

The Company has made substantial investment in plant for stabilizing the operations & plant capacity and exploring new markets. With the ramp up of operations at increased capacity, substantial contribution in revenue and profitability is expected in the coming years.

**IV. Disclosures:**

1. Details of remuneration being offered are given in the above resolution, which will be provided at appropriate places in the Corporate Governance Report and will be annexed to the Director's Report of the ensuing Annual General Meeting of the Company, to be held for the financial year 2022-23. The disclosures in respect of remuneration package and other details of all the Directors for financial year 2021-22 were provided at appropriate places in the Corporate Governance Report annexed to the Directors' Report of financial year 2021-22.
2. The Company has implemented SDCCL Employee Stock Option Plan 2019 ("ESOP Plan") in 2019. However, no stock options are granted to Mr. Anil Singhvi under the ESOP Plan.
3. The ceiling for the overall remuneration (inclusive of performance linked incentives, if any) shall be as specified in the aforesaid resolution and may be altered/ revised from time to time within such overall limits approved by the Shareholders.
4. It is declared that Mr. Anil Singhvi, directly /indirectly holds following equity shares of the Company as on 27<sup>th</sup> April, 2022. But Mr. Singhvi does not have any direct or indirect interest or related to the directors or promoters of the Company or its holding company at any time during the last three years before or on the date of appointment and is having required qualification with expert and specialized knowledge in the field of his profession:

Sr. No.	Name	No. of equity shares of Company held	% of the shares held in the Company	Relation
i.	Anagha Advisors LLP	7,024,048	4.88	Designated Partner
ii.	Ican Investments Advisors Private Limited	3,229,530	2.24	Director
iii.	Mrs. Nishi Anil Singhvi	500,000	0.35	Wife
iv.	Mr. Anil Singhvi	1,169,492	0.81	Self
	<b>Total</b>	<b>11,923,070</b>	<b>8.28</b>	

This Notice along with explanatory statement is and should be considered as an abstract of the terms of the remuneration and remuneration of Mr. Anil Singhvi as Executive Chairman of the Company, for a further period effective from 1<sup>st</sup> April, 2022 till the remainder tenure of his term, subject to approval of shareholders of the Company and memorandum as to nature of concern or interest of the Directors in the said remuneration.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

The remote e-voting period begins on Thursday, 16<sup>th</sup> June, 2022 at 9:00 A.M. (IST) and ends on Sunday, 19<sup>th</sup> June, 2022 at 5:00 P.M. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, 13<sup>th</sup> June, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date being 13<sup>th</sup> June, 2022.

**How do I vote electronically using NSDL e-Voting system?**




The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company, which is 119901 for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [manojhurkat@hotmail.com](mailto:manojhurkat@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to your respective depository participants. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com). The same will be replied by the company suitably.



## DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors has immense pleasure in presenting 77<sup>th</sup> Annual Report on business and operation of Shree Digvijay Cement Company Limited ("Company") along with audited standalone & consolidated financial statements for the year ended 31<sup>st</sup> March, 2022.

### FINANCIAL HIGHLIGHTS:

The financial highlights for the year under report are as under:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Current Year Ended 31.03.2022	Previous Year Ended 31.03.2021	Current Year Ended 31.03.2022	Previous Year Ended 31.03.2021
<b>Revenue from Operations (Gross) including Other Income</b>	<b>63,332.95</b>	<b>50,914.43</b>	<b>63,332.95</b>	<b>50,914.43</b>
Operating Expense	51,226.59	39,777.86	51,228.05	39,781.04
<b>Operating Profit (EBITDA)</b>	<b>12,106.36</b>	<b>11,136.57</b>	<b>12,104.90</b>	<b>11,133.39</b>
Depreciation / Amortization	3,140.28	2,683.29	3,140.28	2,683.29
Interest	145.62	159.39	145.62	159.39
<b>Profit Before Tax</b>	<b>8,820.46</b>	<b>8,293.89</b>	<b>8,819.00</b>	<b>8,290.71</b>
Tax Expenses	3,291.37	2,894.72	3,291.37	2,894.72
<b>Profit for the year</b>	<b>5,529.09</b>	<b>5,399.17</b>	<b>5,527.63</b>	<b>5,395.99</b>
Other Comprehensive Income/(Expense) (OCI)	0.43	(37.85)	0.43	(37.85)
<b>Total Comprehensive Income/(Expense) for the year</b>	<b>5,529.52</b>	<b>5,361.32</b>	<b>5,528.06</b>	<b>5,358.14</b>
Balance brought forward from previous year	6,829.25	4,588.54	6,826.07	4,588.54
Transfer to General Reserve	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)
Dividends (including tax)	(5,723.56)	(2,120.61)	(5,723.56)	(2,120.61)
<b>Total Profit Carried Over to Balance Sheet</b>	<b>5,635.21</b>	<b>6,829.25</b>	<b>5,630.57</b>	<b>6,826.07</b>

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

Company's total income for the year stood at record Rs. 63,332.95 lakhs, 24.39% higher over the previous year driven by comparative higher sales volume.

Profit before tax for the year was Rs.8,820.46 lakhs as compared to Rs.8,293.89 lakhs in previous year. Profit after tax for the year was Rs.5,529.09 lakhs as compared to Rs. 5,399.17 lakhs in the previous year.

The growth was recorded mainly due to higher market realization, raw material cost optimization, and sustainable plant operations.

### PRODUCTION AND SALES:

(In lakhs MT)

Particulars	Current Year Ended 31.03.2022	Previous Year Ended 31.03.2021
<b>Production:</b>		
- Cement	11.99	10.28
- Clinker	9.58	8.72
<b>Sales:</b>		
- Cement	12.02	10.38
- Clinker	0.39	0.69

During the year under review, Cement production was close to 12 lakhs MT as against 10.28 lakhs MT in previous year. Clinker production was 9.58 lakhs MT as against 8.72 lakhs MT in previous year. Company achieved ever high Cement sale of 12.02 lakhs MT as against 10.38 lakhs MT in previous year.

There has not been any change in the nature of the business of the Company.

**DIVIDEND:**

**Interim Dividend**

In view of encouraging performance and on account of healthy retained earnings and cash position and the confidence of sustaining its performance going forward, during the year the Board declared an Interim Dividend of Rs.1.50 (i.e. @15%) per equity share on 14,37,59,778 equity shares of Rs. 10/- each, aggregating to Rs. 2,156.40 lakhs.

**Final Dividend**

The Board of Directors is now pleased to recommend a Final Dividend of Rs.2.00 (i.e. @20%) per equity share on 14,40,27,778 equity shares of Rs. 10/- each for the year ended 31<sup>st</sup> March, 2022, aggregating to Rs. 2,880.56 lakhs, payable to those Shareholders whose names appear in the Register of Members as on Record Date.

Thus, the aggregate dividend for the year 2021-22 is Rs.3.50 (i.e. @35%) per equity share of Rs. 10/- each with a total pay-out of Rs.5,036.96 lakhs and pay-out ratio of 91%.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), the Company has formulated a Dividend Distribution Policy ("Policy"). The Dividend recommendation is in accordance with the Policy of the Company. The Policy is available on the Company's website and can be accessed at <https://www.digvijaycement.com/wp-content/uploads/2021/12/Dividend-Distribution-Policy.pdf>

**TRANSFER TO RESERVES:**

During the year under review the Company has transferred Rs. 1,000 lakhs to the General Reserves.

**SHARE CAPITAL:**

During the year, the paid-up Equity Share Capital of the Company increased from Rs.1,42,29,22,760/- (14,22,92,276 Equity Shares of Rs. 10/- each) to Rs. 1,44,02,77,780/- (14,40,27,778 Equity Shares of Rs 10/- each). Increase in share capital was on account of issue and allotment of fresh 17,35,502 equity shares of face value of Rs. 10/ each, arising out exercise of equivalent no. of stock options by eligible employees of the Company under "SDCCL Employee Stock Option Plan 2019" ("ESOP Plan").

The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares to the Employees or Directors of the Company, other than under ESOP Plan.

No disclosures is required under Section 67(3)(C) of the Companies Act, 2013 ("Act") in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

As of 31<sup>st</sup> March, 2022, the Company has a Wholly Owned Subsidiary ("Subsidiary") company viz. SDCCL Logistics Limited (CIN No. U63000GJ2020PLC115066). The Subsidiary company has not started its operation during the year.

However, above Subsidiary is not a material subsidiary company as per the thresholds of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

The Policy for determining Material Subsidiaries adopted by the Board pursuant to Regulation 16 of the Listing Regulations, can be accessed on the Company's website at <https://www.digvijaycement.com/policies/>.

During the year the Company has invested Rs. 5,00,000/- by subscribing to Rights Issue of Subsidiary. Other than this there is no significant transaction or arrangements entered into by the Company with Subsidiary.

**CONSOLIDATED FINANCIAL STATEMENTS:**

The consolidated financial statements of the Company and its Subsidiary for the Financial Year 2021-22 are prepared in compliance with the Section 129(3) read with Schedule III of the Act and Rules made thereunder, including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report.

Pursuant to Section 129(3) of the Act read with the rules made there under, a statement containing salient features of the Financial Statements of the Subsidiary is disclosed in Form AOC - 1 in this Annual Report.

The Financial Statements of the Subsidiary company is available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act. The Company shall provide free of cost, a copy of the Financial Statements of its Subsidiary company to the Members upon their request. The statements are also available on the website of the Company and can be accessed at [www.digvijaycement.com](http://www.digvijaycement.com) under the 'Investors' section.

## FINANCIAL LIQUIDITY:

Cash and cash equivalent as on 31<sup>st</sup> March, 2022 was Rs. 1,285.29 lakhs (excluding Fixed Deposits of Rs. 7,992.15 lakhs for a term exceeding 3 months) vis-à-vis Rs. 5,141.13 lakhs in the previous year (excluding fixed deposits of Rs.7,239.71 lakhs).

Total cash and bank balance as on 31<sup>st</sup> March, 2022 was Rs. 9,277.44 lakhs vis-à-vis Rs. 12,380.84 lakhs in the previous year.

The Company's working capital management is robust and involves a well-organized process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

## DEPOSITS :

Your Company has neither accepted any deposits during the year under report nor did any deposits remain unpaid or unclaimed at the end of the year.

## LOANS, GUARANTEES AND INVESTMENTS :

Your Company has neither given any loan or guarantee nor has made any investment, except investment in its Subsidiary as appearing under Note no. 5 of this report, during the year under report attracting the provisions of Section 186 of the Act.

Apart from the above, the Company has executed a Share Purchase & Shareholders' Agreement with Trinethra Renewable Energy Private Limited (name being changed to CGE Shree Digvijay Cement Green Energy Pvt. Ltd.) ("**Power Producer**") and Continuum Green Energy (India) Private Limited ("**Promoter**") for agreeing to make an investment of about Rs. 800 Lakhs, constituting 27% of paid-up share capital of Power Producer, for a contracted capacity of 8.10 MW hybrid wind and solar power.

## NUMBER OF MEETINGS :

Meetings of Board and its Committees are held as per statutory requirements and as per business needs. A calendar of meetings is circulated in advance to the Directors to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board and Committees have also been approving several proposals by circulation from time to time.

### Board Meeting

During the year, four Board Meetings were convened and held on 28<sup>th</sup> April, 2021, 29<sup>th</sup> July, 2021, 27<sup>th</sup> October, 2021 and 27<sup>th</sup> January, 2022, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act, Secretarial Standards – 1 (SS-1) issued by the Institute of Company Secretaries of India and Listing Regulations.

The Company has the following six (6) Board-level Committees, which have been established in compliance with the relevant provisions of applicable laws and as per business requirements:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Stakeholders' Relationship Committee
5. Corporate Social Responsibility (CSR) Committee
6. Committee of Directors for routine matters

### Audit Committee

The Audit Committee comprises of three members, with majority of Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met four times during the year.

### Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee comprising of three members, all members of which are Non-Executive Directors and two-third members are Independent Directors. The Committee met twice during the year.

### Risk Management Committee

The Risk Management Committee comprises of three members, with majority of Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met twice during the year.

### Stakeholders' Relationship Committee

Stakeholders' Relationship Committee of Directors comprises of three members, with majority of Non-Executive Directors. The Chairman of the Committee is an Independent Director. The Committee met once during the year.

### Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises of four members, of which one is Independent Director. The Committee met once during the reporting period.

More details about all the Committees of the Board, including details of the role and responsibilities of Committees, the particulars of meetings held and attendance of the Members at such meetings are stated in the Corporate Governance Report, which forms part of the Annual Report.

## DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Act:

- (a) in preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) that such accounting policies as mentioned in the Notes to the Accounts have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and the profit of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy, inter alia, for nomination and appointment (including remuneration) of Directors, senior management and key managerial personnel of the Company. The details of Nomination and Remuneration Policy is stated in the Corporate Governance Report and uploaded on website of the Company at <https://www.digvijaycement.com/policies/>.

The Board of Directors of the Company follows the criteria for determining qualification, positive attributes, independence of Directors as per Nomination and Remuneration Policy and the Board Diversity Policy and other applicable policies of the Company.

Directors are appointed /re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association of the Company. The initial appointment of CEO and Managing Director is generally for a period of three years. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise specifically provided under the Articles of Association or under any statute or terms of appointment. One third of

the Directors who are liable to retire by rotation, retire at every annual general Meeting and are eligible for re-appointment.

Further details on election process, appointment of Directors and the details of remuneration paid to Directors and Managerial Personnel forms part of the Corporate Governance Report.

#### **CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES:**

Details of contracts/arrangement with the Related Parties are appearing under Note no. 35b and form part of this report. All related party transactions that were entered into during the year under report were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

Related Party Transactions are placed before the Audit Committee as also before the Board, wherever required, for their approval. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The Company's management ensures total adherence to the approved Policy on Related Party Transactions to establish Arm's Length Basis without any compromise. Pursuant to the provisions of Section 188(1) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of material contracts and arrangements entered between the Company and the Related Parties are annexed herewith as Form AOC-2 in **Annexure A**.

#### **MATERIAL CHANGES AND COMMITMENTS :**

The Company has executed a Share Purchase & Shareholders' Agreement with Trinethra Renewable Energy Private Limited (name being changed to CGE Shree Digvijay Cement Green Energy Pvt. Ltd.) ("**Power Producer**") and Continuum Green Energy (India) Private Limited ("**Promoter**") agreeing to make investment of about Rs. 800 Lakhs, constituting 27% of paid-up share capital of Power Producer, for a contracted capacity of 8.10 MW hybrid wind and solar power.

Except above, there have not been any material changes and commitments in terms of Section 134(3)(l) of the Act, affecting the financial position of the Company between the end of the financial year of the Company as on 31<sup>st</sup> March, 2022 and the date of this report i.e. 27<sup>th</sup> April, 2022.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Due to second wave of Covid-19, we continued to work remotely given the surge in Covid-19 cases, while the safety and health of our team members were of paramount importance. Even in these trying times, energy conservation and efficiency measures were undertaken in various areas of the cement manufacturing. Waste Heat Recovery System (WHRs), after its revamping previous year, started operating optimally during the year through operational and capex measures.



Information relating to conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, required under Section 134(3)(m) of the Act are annexed hereto as **Annexure B** and form part of this report.

#### **PARTICULARS OF EMPLOYEES AND REMUNERATION :**

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto as **Annexure C**.

In accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, is kept open for inspection during working hours (upto the date of ensuing Annual General Meeting) at the Registered Office of the Company, and the Report & Accounts are being sent to all the Members of the Company, excluding the aforesaid particulars of employees. Alternatively, any Member, who is interested in obtaining these details, may also write to the Vice President (Legal) & Company Secretary at the Registered Office of the Company or to email id at [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com).

#### **EMPLOYEE STOCK OPTION PLAN (ESOP) :**

Pursuant to approval of Shareholders at the Annual General Meeting held on 5<sup>th</sup> August, 2019 and in accordance with SEBI (Share Based Employee Benefits) Regulations 2014 (SBEB Regulations), the Nomination and Remuneration Committee of the Board has, during the financial year 2019-20 granted 70,60,000 options at an exercise price of Rs. 16/- per option to eligible employees of the Company, as per the terms and conditions mentioned in SDCCL Employee Stock Option Plan 2019 ("ESOP Plan"). Out of total options granted, 18,63,750 (Eighteen Lakhs Sixty-Three Thousand Seven Hundred Fifty) options got vested during the year. On exercise of rights by eligible employees, 17,35,502 underlying Equity Shares of Rs.10/- each were allotted to them during the year in accordance with ESOP Plan.

The certificate of the auditors regarding the implementation of the scheme being in accordance with SBEB Regulations and in accordance with the resolution of the Company in the general meeting would be placed at the Annual General Meeting or posted electronically for the inspection of the members.

Applicable disclosure as stipulated under SBEB regulation and Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on 31<sup>st</sup> March, 2022 with regard to ESOP Plan is provided at **Annexure D** to this report.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment, including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, colour, marital status and sex.

The Company has in place Policy on Prevention, Prohibition and Redressal of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an Internal Complaints Committee for redressal of grievances regarding sexual harassment received by the Committee. All employees are covered under this Policy. During the year under review, the Company has not received any complaints of sexual harassment. The Company has complied with all the applicable provisions of the said Act.

#### **INSURANCE:**

The Company's plant, properties, equipment and stocks are adequately insured against all major risks including loss on account of business interruption caused due to property damage. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

#### **RISK MANAGEMENT:**

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing / mitigating the same. The Company has developed and implemented a Risk Management Policy that also include the process for identifying, minimizing and mitigating risks which is periodically reviewed by the Risk Management Committee, Audit Committee and the Board of Directors.

They also review Risk Management procedures measures from time to time, to ensure that executive management controls risk through means of a properly defined framework. The major risks in critical areas have been identified by the Company and its mitigation process/measures have been formulated accordingly.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Your Company aims to remain essential to the society with its social responsibility, strongly connected with the principle of sustainability, an organization based not only on financial factors, but also on social and environmental consequences. It is responsibility of your Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interest of Stakeholders.

The Company was the first industrial unit in the region, who started providing free drinking water and free medical amenities, not only to its employees but to all nearby villagers, whosoever residing in the radius of more than 15 KMs.

As required under Section 135 of the Act and Rules made thereunder, to demonstrate the responsibilities towards social upliftment in structured way, the Company has formed a Corporate Social Responsibility (CSR) Policy. Details of the Policy, CSR Committee, CSR spent during the year forms part of CSR Report and annexed hereto as **Annexure E**.

The CSR Committee is supported by an Executive Committee comprising of senior officers of the Company from various departments.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):**

### **Directors**

The Company has six directors on its Board. Detailed composition about the Board is disclosed in Corporate Governance Report. All Directors have submitted relevant declarations / disclosures as required under Act and Listing Regulations.

### **Re-appointment of Director**

Mr. Anil Singhvi (DIN No. 00239589), Executive Chairman of the Company, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors), Rules 2014 and the Articles of Association of your Company and being eligible, has offered himself for re-appointment as the Director.

The remuneration of Mr. Anil Singhvi, Executive Chairman of the Company was approved by the Shareholders for 3 years, commencing from 30<sup>th</sup> April, 2019. The Board of Directors has at their meeting held on 27<sup>th</sup> January, 2022 have considered the revised remuneration effective from 1<sup>st</sup> April, 2022 and recommended the same to the shareholders with terms & conditions, as more particularly described in the Notice of the Annual General Meeting.

As required by Regulation 36(3) of the Listing Regulations and provisions of the Secretarial standards, brief resume and other details of the above-mentioned Director(s) getting appointed /re-appointed, is attached to the Notice of the ensuing Annual General Meeting.

None of the Directors proposed for appointment / reappointment at the ensuing Annual General meeting are disqualified from being appointed /reappointed as Directors under the provisions of the Act, the Listing Regulations or any other order, directions of MCA, SEBI or any other statutory authorities.

### **Board independence**

Our definition of 'independence' of Directors is derived from Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 149(6) of the Companies Act, 2013. Based on the confirmation/ disclosures received from the Directors and on evaluation of the independence of directors during the Board evaluation process and assessing veracity of disclosures, the following Non-Executive Directors are Independent:

- a) Mr. Mahesh Gupta
- b) Ms. Mini Menon
- c) Mr. Satish Kulkarni

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Companies Act, 2013, the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management, and are persons of high integrity, expertise and experience. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board is also of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of strategy, business management, accounts & finance, auditing, tax and risk advisory services, legal, HR, IT, sales & marketing, logistics, people management, infrastructure, technical, banking, insurance, financial services, investments, mining & mineral industries both in cement & other sectors and they hold highest standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended vide Notification No. GSR.774(E), dated 18.12.2020, wherever required, Independent Directors of the Company have undertaken to complete online proficiency self-assessment test conducted by the said Institute.

### **Key Managerial Personnel (KMP)**

During the year under review, there is no change in Key Managerial Personnel. The following are the Key Managerial Personnel of the Company as defined under Sections 2(51), 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Mr. KK Rajeev Nambiar, Chief Executive Officer & Managing Director
- Mr. Vikas Kumar, Chief Financial Officer
- Mr. Suresh Meher, Vice President (Legal & HR) & Company Secretary

### Annual Evaluation by the Board of its own performance, its Committees and Individual Directors

In terms of Policy on Evaluation of Performance of Directors and the Board, the Board has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees and other committees of Board as mandated under the Act and Listing Regulations. The criteria and manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### Certificate of Non-Disqualification of Directors

In accordance with the Listing Regulations, a certificate has been received from M/s Manoj Hurkat & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been disqualified to act as Director. The same is annexed herewith as **Annexure F**.

### AUDITORS :

#### Statutory Auditors and their Report

M/s. BSR & Associates LLP (BSR), Chartered Accountants, Mumbai (ICAI Firm Registration Number 116231W/W- 100024) were appointed as Statutory Auditor of the Company at the 73<sup>rd</sup> Annual General Meeting held on 7<sup>th</sup> September, 2018 to hold office from the conclusion of the said Meeting till the conclusion of the 78<sup>th</sup> Annual General Meeting to be held in 2023, subject to ratification of their appointment by the Members at every intervening Annual General Meeting held thereafter.

The requirement of seeking ratification by the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from 7<sup>th</sup> May, 2018. Hence the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

The Auditors' Report issued by BSR to the shareholders for the year under review does not contain any qualification.

#### Cost Auditors and Cost Audit Report

Pursuant to Section 148 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has made and maintained the cost accounts and records for the year 2021-22. The Board of Directors on the recommendation of the Audit Committee appointed M/s. Kiran J. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for

the financial year 2021-22. The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2021 was filed with the Central Government on 6<sup>th</sup> August, 2021 vide SRN No. T34399634.

Further, the Board of Directors has appointed M/s Kiran J Mehta & Co. as the Cost Auditors of the Company for the financial year 2022-23 and fixed their remuneration, subject to ratification by the shareholders at the ensuing AGM of the Company. M/s Kiran J Mehta & Co. have confirmed that their appointment is within the limits of the section 139 of the Act and have also certified that they are free from any disqualifications specified under Section 141 of the Act. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. Necessary resolution seeking Member's approval for ratification of remuneration payable to the Cost Auditor for FY 2022-23, is included in the notice convening 77<sup>th</sup> Annual General Meeting.

### Secretarial Auditor and Secretarial Audit Report

Section 204 of the Act, inter-alia requires every listed company to undertake Secretarial Audit and annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form.

In line with the requirement of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Board of Directors of the Company had appointed M/s Manoj Hurkat & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2022 are annexed as **Annexure G** to this Report. This report is unqualified and self-explanatory and does not call for any further comments/explanations.

### Tax Auditors

The Board of Directors on the recommendation of the Audit Committee re-appointed M/s. BSR & Associates LLP (BSR), Chartered Accountants, to carry out the Tax Audit for the Assessment Year 2022-23.

### Internal Auditors

During the year under review M/s. RSM Astute Consulting (RSM) has acted as Internal Auditors of the Company. Audit observations of RSM and corrective actions thereon are periodically presented to the Audit Committee of the Board. The Board of Directors on the recommendation of the Audit Committee re-appointed RSM to carry out the Internal Audit of the Company for the Financial Year 2022-23.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The

Company has adequate internal financial control, which are constantly monitored by Finance Department.

The Finance Department monitors and evaluates operating systems, accounting procedures and policies at all locations of the Company. Based on the report of external Internal Auditors, the Audit Committee/ Board initiate corrective action in respective areas and thereby strengthen the controls. The scope, functioning, periodicity and methodology for conducting internal audit is as per terms agreed by the Audit Committee in consultation with the Internal Auditor and as approved by the Board.

The Company had, in all material respects, an adequate internal financial controls system with respect to its financial statements for the year ended 31<sup>st</sup> March, 2022, and that are operating effectively. More details on internal financial controls forms part of the Management Discussion and Analysis Report.

#### **ANNUAL RETURN AND OTHER POLICIES/ DOCUMENTS:**

In line with the requirement of the Companies (Amendment) Act, 2017, effective from 31<sup>st</sup> July, 2018, the extract of annual return is no longer required to be part of the Board Report. However, in Compliance to the provisions of Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year ended 31<sup>st</sup> March, 2022 and other policies of the Company is placed on the Company's website at [www.digvijaycement.com](http://www.digvijaycement.com).

#### **MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:**

##### **Vigil Mechanism (Whistle Blower Policy) and Code of Conduct**

Creating a fraud and corruption free culture has always been the core factor of your Company. In view of the potential risk of fraud, corruption and unethical behavior that could adversely impact the Company's business operations, performance and reputation, Digvijay has emphasized even more on addressing these risks. To meet this objective, a comprehensive vigil mechanism named Whistle Blower Policy, in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of Listing Regulations, is in place. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and posted on the website of the Company at [www.digvijaycement.com](http://www.digvijaycement.com).

In addition to above policy, Company has in place Code of Conduct, Ethics, Anti-Corruption policy and other critical compliance policies which are laid down based on the Company's values, beliefs, principles of ethics, integrity, transparency and applicable laws. Your Company has zero-tolerance to bribery and corruption and is committed to act professionally and fairly in all its business dealings.

To create awareness about the Company's commitment to conduct business professionally, fairly and free from bribery and corruption, regular training and awareness programs and workshops is conducted for all employees (both direct and indirect) across the organization.

More details about the Code are given in the Corporate Governance Report.

#### **Code of Conduct to Regulate, Monitor and report trading by Insiders**

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading (Insider Code) as approved by the Company's Board. Any Insiders (as defined in Insider Code) including designated employees & persons and their relatives are, inter-alia, prohibited from trading in the shares and securities of the Company or counsel any person during any period when the "unpublished price sensitive information" are available with them.

The Insider Code also requires pre-clearance for dealing in the Company's shares and prohibits dealing in Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

The Management Discussion and Analysis Report, which gives a detailed account of state of affairs of the Company's operations forms a part of this Annual Report.

#### **CORPORATE GOVERNANCE REPORT :**

The Corporate Governance Report forms an integral part of this Report, as annexed hereto as **Annexure H**, together with the Certificate from the Practicing Company Secretary regarding compliance with the requirements of Corporate Governance as stipulated in Part C of Schedule V to the Listing Regulations.

#### **BUSINESS RESPONSIBILITY REPORT :**

The Business Responsibility Report as required under National Guidelines on Responsible Business Conduct formulated by Ministry of Corporate Affairs, Government of India, and under Regulation 34(2)(f) of the Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective, form an integral part of this Annual Report and annexed hereto as **Annexure I**.

#### **TRANSFER OF SHARES ONLY IN DEMAT MODE :**

As per SEBI norms, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. The





procedure to dematerialise shares is available at <https://www.digvijaycement.com>. Further vide circular date 24<sup>th</sup> January, 2022, SEBI has notified that all request for duplicate issuance, splitting and consolidation requests too will be processed in a demat mode only. The necessary forms are available on the Company's website <https://www.digvijaycement.com>.

### UPDATING KYC DETAILS

Efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) as required by SEBI. The regulator, vide circular dated 3<sup>rd</sup> November, 2021 and 15<sup>th</sup> December, 2021, has mandated furnishing of PAN, KYC details and nomination by holders of physical securities by 31<sup>st</sup> March, 2023, and linking PAN with Aadhaar by 31<sup>st</sup> March, 2022. Members are requested to submit their PAN, KYC and nomination details to the Company's registrars through the forms available at <https://www.digvijaycement.com>. SDCCL has sent communications in this regard to relevant shareholders

Pursuant to aforesaid SEBI Circular, in case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. In case the securities continue to remain frozen as on 31<sup>st</sup> December, 2025, the registrar/ the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/ or Prevention of Money Laundering Act, 2002.

### LISTING OF EQUITY SHARES :

The Company's equity shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd. Listing fees have been duly paid to the exchanges.

More details about the Transfer of Shares and Listing of Shares are given in the Corporate Governance Report.

### COMPLIANCE WITH SECRETARIAL STANDARDS :

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India which have mandatory application during the year under review.

### AWARDS AND RECOGNITION :

#### 'Excellence, is not an act but a habit' - Aristotle

At Digvijay, we continuously invest in the development and improvement of our operations to achieve the world best. Your Company received several awards and recognitions during the year 2021-22.

Key recognitions among them are reflected through the following awards conferred on the Company:

- Corporate Governance Award in Winner category from Greentech for excellence in Corporate Governance.
- IMC Ramkrishna Bajaj National Quality Award for Performance excellence;
- SEEM Platinum Award - SEEM Energy Management Award beating all the Indian Cement Manufacturers through our outstanding achievements in Energy Management;
- Energy conservation Award in Winner category for outstanding achievements in Energy Management;
- Effective safety culture Award in Winner category for outstanding achievements in Effective Safety Culture;
- Greentech Environment Protection Award for outstanding achievements in Environment Protection;
- Five Star Rating Mines Award for Pachhatar Mine;

### HOLDING ENTITY :

True North Fund VI LLP is the "Promoter" of the Company. During the year, there has not been any change in number of shares held by Promoter. As at the end of the Financial Year 2021-22, the Promoter and the Holding entity continue to hold 80,825,928 fully paid-up equity shares.

### HUMAN RESOURCES :

Your people are your greatest resource. Your Company encourages and provides regular training to employees to improve skills. Your Company has performance appraisal system for senior employees and junior management staff. In-house news-letters provide forum for information sharing. Rewarding individuals for their contribution is part of motivation towards Excellence. More details on this section are forming part of Management Discussion and Analysis Report.

### HEALTH AND SAFETY/ INDUSTRIAL RELATIONS :

The Company continues to accord high priority to health and safety of employees at all locations. During the year under review, the Company conducted safety training programs for increasing disaster preparedness and awareness amongst all employees at the plant. Training programs and mock drills for safety awareness were also conducted for all employees at the plant. Safety Day was observed with safety competition programs with aim to imbibe safety awareness among all the employees (both direct and indirect) at the plant.

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

### OTHER DISCLOSURES:

No disclosure or reporting is made in respect of the following items as required under the Companies Act, 2013 and



Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as there were no transactions during the year under review:

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- The Managing Director of the Company does not receive any remuneration or commission from its subsidiary company.

Further your directors state that no disclosure or reporting is required in respect of following items as either there were no transactions on these items, or these items are not applicable to the Company during the year under review:

- 1) No company have ceased to be Subsidiary, Associate or joint venture of the Company during the year under review.
- 2) No significant and material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.
- 3) No fraud has been reported during the audit conducted by the Statutory Auditors, Secretarial Auditors and Cost Auditors of the Company.
- 4) During the year under review, no revision was made in the previous financial statement of the Company, except as otherwise required under applicable laws.

### ENVIRONMENT SUSTAINABILITY :

We believe in sustainable development. We regard social, economic and environmental responsibility as integral element of our business.

Your Company is an ISO 14001:2015 Environment Management System Certified and adhere to ISO 45001 standards of Safety and Occupational Health. Company gives top priority to health and safety of its employees (both direct & indirect) at its workplaces not only to avoid work related injuries and fatalities but they are essential to effective business performance. With this approach, Company switched over from OHSAS to latest version of ISO 45001:2018 on Occupational Health and Safety Management Systems.

Professional Environment Auditors such as Det Norske Veritas, the State Pollution Board's certified auditors and Environmental System Auditors conduct periodic in-depth environmental audit on our plant. The Audit Reports validate our commitment to environmental conservation. Large scale plantations in the mines, plant, colonies and surrounding areas provide a lush green cover and are reflection of our respect for the environment.



### ACKNOWLEDGEMENT :

Your directors are thankful to the Central and State Government Departments, Organizations and Agencies for their continued guidance and co-operation. The Directors are grateful to all valuable Stakeholders, Dealers, Vendors, Banks and other business associates for their excellent support and help rendered during the year. The Directors also acknowledged the commitment and valued contribution of all employees of the Company.

Your directors wish to place on record their appreciation for the support and guidance provided by its Parent Company/ Promoter.

For and on behalf of the Board

Anil Singhvi  
Executive Chairman  
(DIN: 00239589)

KK Rajeev Nambiar  
CEO & Managing Director  
(DIN: 07313541)

Place : Mumbai/Digvijaygram

Date : 27<sup>th</sup> April, 2022

## Annexure A

### FORM NO. AOC -2

#### Particular of contracts / arrangement made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangement, or transaction entered into during the year ended 31<sup>st</sup> March, 2022, which are not at arm's length basis and not in the ordinal course of business.

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

The details of material contracts or arrangement or transaction conducted at arm's length and in the ordinary course of business for the year ended 31<sup>st</sup> March, 2022 are as follows:

a. **Name (s) of the Related Party & Nature of Relationship:**

SDCCL Logistics Limited -Wholly Owned Subsidiary

The Company has remitted Rs. 5 Lakhs towards subscription of Right Issue for 50,000 Equity Shares of Rs. 10/- each (Equity investment) in SDCCL Logistics Ltd., a Wholly Owned Subsidiary (Subsidiary) of the Company. Post Right issue Company has hold total 60,000 Equity Shares in Wholly Owned Subsidiary Company.

During the period, Company has remitted Rs. 1.23 lakhs, on behalf of the Subsidiary for paying Audit Fees, Statutory dues and stationery expenses.

b. **Nature of contracts/arrangements/transaction:**

carrying out business in the field of logistics and other related activities, including transport (both for captive use and /or commercial purpose) of all kind of materials, articles and goods.

c. **Duration of the contracts/arrangements/transactions:**

Ongoing with the approval of the Audit Committee and Board, wherever required.

d. **Salient terms of the contracts or arrangements or transactions including the value, if any:**

Please refer item (b) above.

e. **Date(s) of approval by the Board, if any:**

Other than approval of Company's Board of Directors for subscription of Right issue of the SDCCL Logistics Company, there were no other transactions, that required approval of Board.

f. **Amount (Rs. in lakhs):**

Nil

**Note 1 :** Company has executed a Share Purchase & Shareholders' Agreement with Trinethra Renewable Energy Private Limited (name being changed to CGE Shree Digvijay Cement Green Energy Pvt. Ltd.) ("Power Producer") and Continuum Green Energy (India) Private Limited ("Promoter") for making investment of about Rs. 800 Lakhs, constituting 27% of paid-up share capital of Power Producer, for a contracted capacity of 8.10 MW hybrid wind and solar power.

**Note 2 :** During the year, the Company has not entered into any transaction(s) which are material in nature as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, AOC-2 is disclosed, as a matter of good corporate governance practice.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 27<sup>th</sup> April, 2022

Anil Singhvi  
Chairman

## Annexure B

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Information Under Section 134(3)(m) of the Companies Act, 2013 read with Clause 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ending 31<sup>st</sup> March, 2022.

#### CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy	<ol style="list-style-type: none"> <li>(1) Optimization of plant operation to reduce specific power consumption of kiln section to 34.30 kWh/Ton clinker from 36.19 kWh/ton clinker. Reduction in power up to clinkerisation stage to 65.52 kWh/Ton clinker from 67.33 kWh/Ton clinker.</li> <li>(2) debottlenecking cement transport circuit to improve cement grinding power to 32.52 kWh/Ton cement from 33.82 kWh/Ton cement.</li> <li>(3) Optimization of compressed air and overall equipment power in packing plant to reduce specific power to 1.71 kWh/Ton cement from 2.21 kWh/Ton cement.</li> <li>(4) Reduction in overall power consumption to 84.19 kWh/Ton cement from 88.67 kWh/ton cement.</li> <li>(5) Process optimization leading to increase in net generation of 2,50,64,350 kWh from WHR compared to previous year's net generation of 1,07,38,583 kWh.</li> <li>(6) Installation of VFD in CEP and ACW pumps of WHR to bring down auxiliary consumption from 11.35% to 7.86%.</li> </ol>
(ii) The steps taken for utilizing alternate sources of energy	Steps taken by Company to source around 13.66 million kWh (13.16% of total electricity consumption) from renewable source energy of wind.
(iii) The capital investment on energy conservation equipment	Rs.247.07 Lakhs

#### TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption	Co-Processing of plastic and industrial waste in Kiln
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> <li>1) Reduction in clinker factor leading to reduction in CO2 emission.</li> <li>2) Reduction in production cost and enhanced profitability.</li> <li>3) Improvement in MTBF, OEE &amp; Specific Power Consumption.</li> </ol>

<p>(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –</p> <p>(a) The details of technology imported;</p> <p>(b) The year of import;</p> <p>(c) Whether the technology been fully absorbed;</p> <p>(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</p>	<b>None</b>				
<p>(iv) the expenditure incurred on Research and Development</p>	1	Capital Expenditures : <b>Nil</b>			
	2	Recurring Expenses (Rs. In Lakhs)		<b>2021-22</b>	2020-21
		a	Technical Royalty	-	-
		b	R & D Cess	-	-
		c	Contribution to Cement Cess	-	-
3	Total R&D Expenditure as a percentage of total turnover		<b>NA</b>	NA	
<b>FOREIGN EXCHANGE EARNINGS &amp; OUTGO</b>				(Rs. in Lakhs)	
			<b>2021-22</b>	2020-21	
Foreign Exchange earned			-	-	
Foreign Exchange used			<b>8,408.93</b>	2,575.42	

## Annexure C

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**i. Ratio of the remuneration of each Director / Key Managerial Personnel (KMP) to the median remuneration of all the employees of the Company for the Financial Year is as follows:**

Median remuneration of all the employees of the Company for the Financial Year 2021-22 (in Rs.)	7,50,012
Percentage increase in the median remuneration of employees in the Financial Year	6%
Number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2022	259

Name of the Director / KMP	Designation	Ratio of remuneration to median remuneration of all employees	% Increase in remuneration in the FY 2021-2022
<b>Executive Directors</b>			
Mr. Anil Singhvi	Executive Chairman	33.26	-
Mr. KK Rajeev Nambiar	CEO & Managing Director	31.27	7%
<b>Other KMPs</b>			
Mr. Vikas Kumar	CFO	7.01	10.00%
Mr. Suresh Kumar Meher	VP (Legal) & Company Secretary	8.10	6.00%

**Note**

- Independent Directors were paid sitting fees & commission. Other Non-Executive Directors were not paid any remuneration during the financial year. Hence this is not applicable for Non-Executive Directors.
- The ratio of remuneration of each Director and KMP to the median remuneration is based on the CTC of the remuneration (excluding prerequisite value of stock options exercised by eligible employees under ESOP Plan and other benefits as per Company Policy) for the year 2021-22 in their respective capacity as such Director or KMP.

**ii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

On an average an employee receives an annual increase (excluding on account of promotions) of approx. 8.50%, which also include wage increments for unionized employees due to wage settlements. The wage revision for staff cadre employees is done annually as per Company's HR Policy. In order to ensure that remuneration reflects Company performance, the performance pay & annual increment are also linked to organization performance, apart from an individual's performance. The individual increments for staff cadre employees are based on Cost to Company (CTC) consisting of Annual Base Salary and the performance/ variable pay. The percentage increase in remuneration of Mr. Rajeev Nambiar, CEO & Managing Director as well as Mr. Anil Singhvi, Executive Chairman during the year are mentioned in table above.

Average increase in the remuneration of the employees other than the Managerial Personnel and that of the Key Managerial Personnel is in the line with the industry practice and industry trends. Average increase in the remuneration is also guided by factors like economic growth, inflation, mandatory increases, external competitiveness and talent retention. Whilst the Company endeavors on cost effective initiatives including employees cost being one of the key areas of cost monitoring and control, the results of any structural initiatives needs to be measured over a long-term horizon and cannot be strictly compared only with annual performance indicators.

**iii. The key parameters for any variable component of remuneration availed by the directors**

Performance assessment is based on the Company performance and individual performance. Based on the performance assessment, the variable remuneration is approved by the Nomination & Remuneration Committee and recommended to the Board for their approval within the overall limits as permitted under the law and as approved by the Members. Other than, CEO & Managing Director, no other Director is in receipt of any variable components of remuneration.

**iv. The remuneration is as per the Remuneration Policy of the Company as posted on website of the Company at <https://www.digvijaycement.com/policies/>**



## Annexure D

The disclosures as required as per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI Requirements are given below:

No. of Options outstanding at the beginning of the period (1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022)	60,22,002
No. of Options forfeited/lapsed during the year / No. of options expired (due to resignation & retirement if any)*	3,20,000
No. of Options vested during the year	18,63,750
No. of Options exercised during the year	17,35,502
No. of shares arising as a result of exercise of options	17,35,502
Exercise Price	Rs. 16/- per option
Option cancelled	Nil
Variation of terms of Option	None
Money realized by exercise of options	Rs. 2,77,68,032
No. of options outstanding at the end of the year (including 6,22,250 options already vested)	39,66,500
No. of options exercisable at the end of the year	6,22,250

\*No. of stock options granted (but not yet vested) & expired.

Employee wise details granted to:

### I) Key Managerial Personnel

Name	Designation	No. of Options exercisable at the beginning of the period	No. of Options vested during the period	No. of options exercised	No. of shares allotted
Mr. KK Rajeev Nambiar	CEO & Managing Director	3,70,002	7,48,125	8,47,502	8,47,502
Mr. Vikas Kumar	Chief Financial Officer	-	90,000	90,000	90,000
Mr. Suresh Meher	VP (Legal) & Company Secretary	15,000	75,000	70,000	70,000

### II) Employees to whom 5% or more of options granted during the year:

Name	Designation	Number of Option Granted
NIL		

### III) Employees to whom options more than 1% of issued capital granted during the year :

Name	Designation	Number of Option Granted
NIL		

### Utilisation of Funds :

During the year, the Company has received Rs. 2,77,68,032/- on allotment of shares to the eligible employees under SDCCCL Employees Stock Option Plan 2019, which was utilized towards working capital needs of the Company.

### Disclosure under SBEB Regulations:

The details in respect of ESOP as required to be disclosed under the SBEB Regulations are posted on the Company's website at <https://www.digvijaycement.com/investors/shareholders-information/>.

## Annexure E

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company

In today's context, the 'Corporate Social Responsibility (CSR) is defined as a mandatory way for a Company to balance its Economic, Social and Environmental objectives while enhancing the Shareholders' value and Stakeholders expectations. Shree Digvijay Cement Co. Ltd. (Company) has engaged itself towards this journey since its inception. Company is contributing towards promoting quality of education, improvement in living standard and upliftment of communities comprising weaker section in nearby areas. Basic and higher education at SDCCL Public School at very discountable rates, and education facilities at other nearby areas, free supply of drinking water in nearby areas are also some of the welfare activities being undertaken by Company as a part of its CSR Programmes. Company in today's context is regularly working in the areas of preventive healthcare by organizing medical camps and awareness programmes from time to time benefitting to the residents of nearby areas.

During the second wave of COVID-19 pandemic, the Company provided medical equipment and support to nearby Community Health Centre including supplying beds, oxygen cylinders along with flowmeter. Company's medical team has also conducted training sessions for the local community health centers guiding them with proper handling of oxygen cylinder etc..Regular disinfection and sanitization drives were carried-out within host communities. Mass-scale awareness drives in communities were conducted on the usage of masks, social distancing and on hand washing. Frontline health workers were provided hand gloves, face shield, Corona Virus Protecting Suit, sanitizers and N95 masks to help them serve without fear of infection.

Company has carried-out various awareness session on water preservation and sanitization to the students and local communities. Company has provided free transport facilities for vaccination to the local people including employees of the Company.

#### 2. Composition of CSR Committee:

The CSR Committee comprises of four members, of which one is Independent Director. The Committee met once during the reporting period on 28<sup>th</sup> April,2021 through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), and details of meeting is as under:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Singhvi	Chairman	1	1
2	Ms. Mini Menon	Member (Independent Director)	1	1
3	Mr. Pramod Kabra	Member (Non-executive Non-Independent Director)	1	1
4	Mr. KK Rajeev Nambiar	Member (Managing Director)	1	1

#### 3. The web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and the said Policy along with composition of CSR Committee and CSR Projects are placed on the website of the Company and the web link for the same is at <https://www.digvijaycement.com/policies/>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

(Rs. in Lakhs)

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1	2021-2022	47.80	36.92
TOTAL		47.80	36.92

6. Average net profit of the Company as per Section 135(5):

(Rs. In Lakhs)

Particulars	2018-19	2019-20	2020-21
Net Profit	334.25	7,664.62	8,293.89

Average net profit of the Company for last three financial years is at Rs. 5,430.92 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5):- Rs. 108.62 Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 (c) Amount required to be set off for the financial year, if any :- Rs. 47.80 Lakhs  
 (d) Total CSR obligation for the financial year (7a+7b- 7c) :- Rs. 60.82 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
97.74	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
NOT APPLICABLE												

(c) Details of CSR amount spent against, **other than ongoing projects**, for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (Rs. in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency (Yes/No)	
				State	District			Name	CSR registration number
1.	Health Care, Hygiene & Sanitation	Company took various measures in Second waves of COVID-19 as preventive health care and sanitation. Providing medical facilities and distribution of medical instruments to local health centers. Organized various medical camps / health check-ups, medication and health awareness program on flues, Covid-19 etc.	Yes	Gujarat	Jamnagar and Jam Khambaliya	1.61	Yes	NA	NA
2.	Contribution for Social Cause	Disaster management, Distribution of Food Packets & Masks, sanitizer in local area to prevent spread of second waves of the COVID-19.	Yes	Gujarat	Jamnagar and Jam Khambaliya	3.68	Yes	NA	NA
3.	Promotion of Education	Improvement in quality of education which includes special education, skill development and employment generating vocational skills among children, women, elderly.	Yes	Gujarat	Jamnagar and Jam Khambaliya	72.27	Yes	NA	Shree Digvijay Charitable Trust (CSR000 26204)
4.	Socio Developmental projects	Development of infrastructure and safety & security system, sports facilities & renovation of Schools.	Yes	Gujarat	Jamnagar	20.18	Yes	NA	NA
<b>TOTAL</b>						<b>97.74</b>			

- (d) Amount spent in Administrative Overheads : NA
- (e) Amount spent on Impact Assessment, if applicable : NA
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs.97.74 Lakhs

**(g) Excess amount for set off, if any: Rs. 36.92 Lakhs**

Sr. No.	Particulars	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	108.62
(ii)	Total amount spent for the financial year	97.74
(iii)	Excess amount spent for the financial year[(ii)-(i)]	-10.94
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial year, if any	47.80
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	36.92

The Company's CSR projects primarily focused on the promotion of education, socio-development projects, awareness on water conservation and environment protection, sanitation, health & hygiene and activities for social cause which pertained to Schedule VII of the Companies Act, 2013.

**9. (a) details of Unspent CSR Amount for the preceding three financial years:**

SI No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (In Rs. Lakhs)	Amount spent in the reporting Financial year (In Rs. Lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial year (In Rs. Lakhs)
				Name of the Fund	Amount (In Rs. Lakhs)	Date of transfer	
1	2018-19			Not Applicable			
2	2019-20			Not Applicable			
3	2020-21			Not Applicable			
<b>TOTAL</b>							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years(s):**

(1) SI No.	(2) Project ID	(3) Name of The project	(4) Project Duration	(5) Total amount allocated for the project (in Rs.)	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reporting Financial year (in Rs.)	(8) Cumulative amount spent at the end of the reporting Financial Year (in Rs)	(9) Status of the project-Completed/Ongoing
1	NA	NA	NA	NA	NA	NA	NA	NA
<b>TOTAL</b>								

**10. In case of creation or acquisition of capital assets, furnish the details relating to the assets so created or acquired through CSR spent in the financial year: Not Applicable**

**(asset-wise details)**

- Date of acquisition of the capital asset(s): N.A.
- Amount of CSR spent for creation or acquisition of capital assets: N.A.
- Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.: N.A.
- Provide details of the capital assets(s) created or acquired (including complete address and location of the capital assets): N.A.

**11. Specify the reason(s), if the Company has failed to spend two percent of the net profit as per Section 135(5):**

Not Applicable

Place : Mumbai / Digvijaygram  
Date : 27<sup>th</sup> April, 2022

Anil Singhvi  
Chairman- CSR Committee

KK Rajeev Nambiar  
CEO & Managing Director



## Annexure F

### CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
**SHREE DIGVIJAY CEMENT COMPANY LIMITED**  
(CIN:L26940GJ1944PLC000749)  
Digvijaygram - 361140  
Via Jamnagar, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SHREE DIGVIJAY CEMENT COMPANY LIMITED ("Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including Director Identification Number [DIN] status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Rajeev Nambiar	07313541	02/06/2015
2.	Anil Chandanmal Singhvi	00239589	30/04/2019
3.	Mahesh Shrikrishna Gupta	00046810	30/04/2019
4.	Pramod Kabra	02252403	30/04/2019
5.	Mini Menon	07500434	30/04/2019
6.	Satish Prabhakar Kulkarni	08741350	02/06/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MANOJ HURKAT & ASSOCIATES  
Practicing Company Secretaries  
FRN: P2011GJ025800

MANOJ R. HURKAT  
Partner

Place : Ahmedabad  
Date : 27<sup>th</sup> April, 2022

FCS No.: 4287, CP No.: 2574  
UDIN: F004287D000204432

## Annexure G

### SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members of  
**SHREE DIGVIJAY CEMENT COMPANY LIMITED**  
(CIN:L26940GJ1944PLC000749)  
Digvijaygram - 361140  
Via Jamnagar, Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHREE DIGVIJAY CEMENT COMPANY LIMITED** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) to the extent applicable to the Company:-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto 12<sup>th</sup> August, 2021); The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equities) Regulations, 2021 (w.e.f. 13<sup>th</sup> August, 2021);
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 15<sup>th</sup> August, 2021); The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (w.e.f. 16<sup>th</sup> August, 2021);
    - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 9<sup>th</sup> June, 2021); The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (w.e.f. 10<sup>th</sup> June, 2021); and
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.
- VI. There are no other laws applicable specifically to the Company in respect of the business/activities carried out by the Company which are required to be reported under this clause.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there no events/ actions which has taken place and have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For MANOJ HURKAT & ASSOCIATES  
Practicing Company Secretaries  
FRN: P2011GJ025800

MANOJ R. HURKAT  
Partner

Place : Ahmedabad  
Date : 27<sup>th</sup> April, 2022

FCS No.: 4287, CP No.: 2574  
UDIN: F004287D000204399

Note: This Report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this Report.

#### Annexure - A

To  
The Members,  
**SHREE DIGVIJAY CEMENT COMPANY LIMITED**  
(CIN:L26940GJ1944PLC000749)  
Digvijaygram - 361140  
Via Jamnagar, Gujarat

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and

happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.

5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The Secretarial audit was conducted in accordance with Auditing Standards issued by the Institute of Company Secretaries of India and in a manner which evolved such examinations and verifications as considered necessary and adequate for the said purpose.

For MANOJ HURKAT & ASSOCIATES  
Practicing Company Secretaries  
FRN: P2011GJ025800

MANOJ R. HURKAT  
Partner

Place : Ahmedabad  
Date : 27<sup>th</sup> April, 2022

FCS No.: 4287, CP No.: 2574  
UDIN: F004287D000204399

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC SCENARIO AND OUTLOOK

#### GLOBAL ECONOMY

The global economy grew by 5.9% in 2021 following a contraction of 3.1% in 2020. Countries across the globe focused on vaccination coverage and implemented various economic stimuli to minimise the impact of COVID-19 and hasten economic recovery. The growth momentum started slowing towards the end of 2021, as the effects of fiscal and monetary stimuli dissipated along with the onset of the Omicron variant of COVID-19.

While the early forecast for global economic growth in 2022, the recent geo-political tensions and conflict in Ukraine will weigh on global growth projections and also lead to high inflation in the short term. The conflict is a major blow to the global economy that will hurt growth and raise prices.

The International Monetary Fund in its recent report slashed its forecast for global economic growth by nearly a full percentage point, citing Russia's war in Ukraine, and warning that inflation was now a "clear and present danger" for many countries.

The war is expected to further increase inflation, the IMF said in its latest World Economic Outlook, warning that a further tightening of Western sanctions on Russia to target energy exports would cause another major drop in global output.

According to IMF, other risks to the outlook include a sharper-than expected deceleration in China prompted by a flare-up of COVID-19 lockdowns. Rising prices for food, energy and other goods could trigger social unrest, particularly in vulnerable developing countries.

Downgrading its forecasts for the second time this year, IMF said it now projects global growth of 3.6% in both 2022 and 2023, a drop of 0.8 and 0.2 percentage point, respectively, from its January forecast due to the war's direct impacts on Russia and Ukraine and global spillovers. Medium-term global growth is expected to decline to about 3.3% over the medium-term, compared to an average of 4.1% in the period from 2004 to 2013, and growth of 6.1% in 2021.

#### INDIAN ECONOMY

Among above global economy backdrop, strong economic fundamentals will likely help India avoid the long-term impacts of the ongoing conflict in Ukraine. However, the crisis has clouded India's growth outlook as well. Crude oil prices are lingering above US\$100 per barrel and edible oil prices are up 20% - all of which are critical imports from the two warring nations. India also partly meets its fertilizer needs from the region. For India, which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation.

The successful rollout of the world's largest vaccination drive, pick-up in government expenditure and better preparedness compared with the first wave limited the negative economic impact.

India's gross domestic product (GDP) is expected to have grown 9% in the financial year 2021-22, which is the highest among the leading economies, and the growth is likely to be over 8% in the current financial year, according to the PHD Chamber of Commerce and Industry. India's growth trajectory is expected to remain steady in 2022-23, supported by various dynamic reforms undertaken by the government during the past two years.

The overall Consumer Price Index (CPI) inflation was at 6.0% in January 2022 and could remain elevated in the near future due to high input cost pressures, largely stemming from supply chain disruptions and upward pressure on crude oil.

#### The Impact

**Higher Oil Price:** Brent's crude oil prices have crossed the \$100 per barrel mark for the first time in last eight years. As India imports more than 80% of its oil requirements, higher oil prices will impact India's current account deficit and also increase the LPG and kerosene subsidy. The Indian refineries do not import significant quantity of oil from Russia. So, the impact of US sanctions on Russia does not affect India directly. However, on account of the sanctions, a lot of countries will not be dealing with Russian oil and, hence, international oil supply will decrease, which will affect India, noted the research report.

**Higher Inflation:** Any increase in crude oil's price could adversely impact India's economy. The government might be forced to raise prices of domestic petrol and diesel. Consequently, the inflation rate could rise beyond RBI's comfort level. In the last policy meet, RBI left the key rate unchanged mainly because of its view that ongoing domestic recovery is still incomplete and needs continued policy support. Moreover, the inflation projection is close to the upper tolerance limit of 6 per cent. Notably, RBI's target is to keep inflation in a band of 2-6 per cent. If the inflation, crosses the manageable threshold limit, RBI may have to raise interest rates in its upcoming policy meeting.

"Higher crude oil prices will keep CPI inflation higher for longer, obliging RBI to raise rates more than the two hikes we expected in Aug-Dec'22 - unless the government sharply cuts excise duties on petrol and diesel to contain fuel inflation," writes the report.

**Weaker Currency:** As a full-blown war has been declared between Russia and Ukraine, global money will fly to safer havens. Investors will move their money from emerging economies towards safe havens like the US dollar bonds and gold. If such an outflow of foreign exchange occurs in India, then the Indian rupee will be under pressure and may lead to

weaker market sentiments. Weaker currency will weigh higher on fiscal deficit. This could dent the profitability of import-oriented sectors.

### GOVERNMENT INITIATIVES

In order to help private sector companies, thrive in the industry, the Government has been approving their investment schemes. Some of the initiatives taken by the Government off late are as below:

- In October 2021, Prime Minister, Mr. Narendra Modi, launched the 'PM Gati Shakti - National Master Plan (NMP)' for multimodal connectivity. Gati Shakti will bring synergy to create a world-class, seamless multimodal transport network in India. This will boost the demand for cement in the future.
- In July 2021, the government established a council of 25 members for the cement industry to reduce waste, achieve maximum production, enhance quality, reduce costs and encourage standardisation of products.
- In Union Budget 2021-22, the Government of India extended benefits, under Section 80-IBA of the Income Tax Act, until March 31, 2021, to promote affordable rental housing in India.
- As per the Union Budget 2021-22, the government approved an outlay of Rs. 1,18,101 crore (US\$ 16.22 billion) for the Ministry of Road Transport and Highways, and this step is likely to boost the demand for cement.
- As per the Union Budget 2021-22, National Infrastructure Pipeline (NIP) expanded to 7,400 projects from 6,835 projects.
- The Union Budget allocated Rs. 13,750 crore (US\$ 1.88 billion) and Rs. 12,294 crore (US\$ 1.68 billion) for Urban Rejuvenation Mission: AMRUT and Smart Cities Mission and Swachh Bharat Mission, respectively and Rs. 27,500 crore (US\$ 3.77 billion) has been allotted under Pradhan Mantri Awas Yojana.

### INDIAN CEMENT INDUSTRY: OUTLOOK AND OPPORTUNITIES

India is the second largest producer of cement in the world. It accounts for more than 7% of the global installed capacity. India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it. Some of the recent initiatives, such as development of 98 smart cities, is expected to provide a major boost to the sector.

Aided by suitable Government foreign policies, several foreign players such as Lafarge-Holcim, Heidelberg Cement, and Vicat have invested in the country in the recent past. A significant factor which aids the growth of this sector is the ready availability of raw materials for making cement, such as limestone and coal.

India's overall cement production accounted for 294.4 million tonnes (MT) in FY21 and 329 million tonnes (MT) in FY20.

### Robust Demand & Attractive Opportunities

As per ICRA, in FY22, the cement production in India is expected to increase by ~12% YoY, driven by rural housing demand and government's strong focus on infrastructure development.

As per Crisil Ratings, the Indian cement industry is likely to add ~80 million tonnes (MT) capacity by FY24, the highest since the last 10 years, driven by increasing spending on housing and infrastructure activities.

### Long-Term Potential

- Oligopoly market, where large players have partial pricing control.
- Low threat from substitutes.
- Indian cement companies are amongst the world greenest cement manufacturers.
- With high allocation under the Union Budget 2021-22 for infrastructure, affordable housing schemes and road projects to fuel the economy, the domestic cement industry is poised for a volume surge.

### Increasing Investments

FDI inflows in the industry, related to manufacturing of cement and gypsum products, reached US\$ 5.28 billion between April 2020 and June 2021.

In 2021, as remote work is being adopted at a fast pace amid the pandemic, the demand for affordable houses, with a ticket size of <Rs. 40-50 lakh, is expected to rise in Tier 2 and 3 cities, leading to an increase in demand for cement.

### COMPANY'S PERFORMANCE

During the year under review, earnings before interest, tax and depreciation (EBITDA) of the Company recorded Rs.12,106.36 Lakhs as compared to Rs.11,136.57 Lakhs in previous year.

The higher EBITDA was mainly due to higher sales volume; record high clinker and cement production; fixed and SGA cost optimization; reduction in overall power cost due to smooth waste heat recovery operation; and efficient & sustainable plant operations.

The demand for cement may continue to be driven further by the pick-up in the infrastructure projects viz. bridges, roads, ports, metro rails and low budget housing segment, bringing opportunities for growth in this sector. The long-term outlook for cement is expected to be positive.

Despite the pressure from increase in coal prices, input material, freight cost adversely impacted the operations and overall cement demand, the Company has recorded operating profit of Rs. 12,106.36 lakhs with strong EBITDA margin of 19%. Concerted efforts throughout the year resulted in higher sales volume, cement and clinker production. The Company continues to focus on optimizing costs, improving operational efficiency and further strengthening the brand.



**OPERATIONAL PERFORMANCE:**

Particulars	Current Year ended 31.03.2022	Previous Year ended 31.03.2021
<b>Installed Capacity (Lakhs Ton Per Annum)</b>	12.00	12.00
<b>Production (Lakhs TPA)</b>		
Clinker	9.58	8.72
Cement	11.99	10.28
Effective Capacity utilization	99.92%	85.67%
<b>Sales Volume (Lakhs Ton)</b>		
<b>Domestic</b>		
- Cement	12.02	10.38
- Clinker	0.39	0.69
<b>Export</b>		
- Cement	-	-
- Clinker	-	-
Net Cement Sales Realization (Rs. / MT)	5,105	4,655

@ Effective capacity utilization = Cement Production / Installed capacity.

**FINANCIAL PERFORMANCE:**
**(Rs. In Lakhs)**

Particulars	Current Year Ended 31.03.2022	Previous Year Ended 31.03.2021
<b>Revenue from Operations (Gross)</b>	<b>62,494.87</b>	<b>50,059.22</b>
Add: Other Operating Income	439.17	223.03
Less: Total Expenditure	51,226.59	39,777.86
<b>Profit before other income, interest, depreciation &amp; tax</b>	<b>11,707.45</b>	<b>10,504.39</b>
Add: Other Income	98.52	319.69
<b>Profit before Interest Depreciation &amp; Tax [PBIDT]</b>	<b>11,805.97</b>	<b>10,824.08</b>
Add : Interest Income	300.39	312.49
<b>Earning before Interest, Tax and Depreciation (EBITDA)</b>	<b>12,106.36</b>	<b>11,136.57</b>
Less: Interest Expense	145.62	159.39
Less: Depreciation	3,140.28	2,683.29
<b>Profit before tax</b>	<b>8,820.46</b>	<b>8,293.89</b>
Less: Tax Expenses	3,291.37	2,894.72
<b>Profit for the year</b>	<b>5,529.09</b>	<b>5,399.17</b>

Details of significant changes in key financial ratios are as given below:

Sr. No.	PARTICULARS	UOM	Year Ended 31.03.2022	Year Ended 31.03.2021	Growth YOY
1	Contribution to Exchequer	Rs. In Lakhs	19,068.10	14,176.33	23%
2	Revenue Growth	Rs. In Lakhs	63,332.95	50,914.43	24%
3	EBITDA	Rs. In Lakhs	12,106.36	11,136.57	9%
4	EBITDA MARGIN	%	19%	22%	(3%)
5	PBT	Rs. In Lakhs	8,820.46	8,293.89	6.35%
6	PAT	Rs. In Lakhs	5,529.09	5,399.17	2.41%
7	Net Worth	Rs. In Lakhs	31,223.36	31,105.73	0.38%
8	ROE %	%	17.7%	18.4%	(0.7%)
9	NET DEBT	Rs. In Lakhs	-	-	-
10	Debt	Weight	-	-	-
	Equity		1.0	1.0	-
11	Working Capital Ratio	Times	1.9	2.1	(9%)
12	Fixed Assets Turnover Ratio	Times	3.2	2.6	23%
13	Inventory Turnover Ratio	Times	6.3	7.3	(14%)
14	Debtors Turnover Ratio	Times	52.6	49.6	6%
15	Days Sales Outstanding (DSO)	Days	7	7	-

### SEGMENT REVIEW AND ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief Executive Officer (CEO) and Managing Director (MD) of the Company has been identified as CODM who assesses the financial performance and position of the Company and makes strategic decisions.

The Company's CODM has identified one business segment viz. Manufacturing and Sales of Cement and its only production facility is located in India. There are no other reportable segments.

### COST AND PROFITABILITY

On the cost front, the Company witnessed significant pressure over the course of the year due to increase in crude oil and coal prices impact on each cost element. These increases were caused largely due to external factors beyond the control.

Controlling costs is an on-going exercise of your Company. The Company continues to focus on cost reduction through procurement sourcing, increasing power sourcing of green energy which is eco-friendly and cheaper source of power, use of alternative fuel, optimising logistics operations, overheads including manpower control and increasing sales & marketing footprints to improve the overall performance and profitability of the Company.

### OPPORTUNITIES, THREATS, RISK & CONCERN

The Company has well defined structure which enable and empower management to identify, assess and leverage

business opportunities and manage risk exposure in the organization effectively.

As per Risk Management framework and procedures, management treat various category of risks and take appropriate actions for its mitigation. For example, for higher priority risks, the Company has developed and implemented specific risk management plans that supports management in strategic decisions and funding considerations, if any. Lower priority risks are also monitored as per plan. Company has the process of communication, consultation, monitoring and periodical review of the risks and effectiveness of the mitigation plan.

### Raw material risk

The cement industry depends primarily on limestone and other raw materials. However, availability of limestone from nearby sources is limited and thus, it is essential to promote the use of blended cement, which uses alternative raw materials such as fly ash and slag. The increase in the cost of these alternative materials and availability of those materials may further increase the production costs.

### Competition risk

The cement industry is witnessing a significant imbalance in its total installed capacity vis-a-vis the capacity utilization which presently is 67%. Despite the capacity overhang, capacity expansion still continues, resulting in intense competition and adverse impact on the Company's market share, sales volume and profitability.



## Infrastructure risk

Infrastructure sector drives overall development of the economy and is a major focus of the Government of India. Any pull back by the government on its initiatives will result in de-growth for the cement industry. Moreover, too many regulatory approvals and compliances might be a hindrance to the segment's progress.

## Power, fuel and freight risk

The production cost has seen an adverse impact due to the increased cost of power & fuel and freight cost. Fuel cost gone up by 89% compared to previous year. Diesel prices are up by 20% YoY .

During the year, the Company has noticed high volatility of fuel prices in the international markets coupled with uncertainty over availability of domestic and linkage coal continue to pose challenges in regard to coal availability and pricing to the cement industry as well as the Company. During the year, almost 95% of Company's requirement for kiln fire is met by imported coal. Thus, any rise in international coal prices will adversely impact operating costs of the Company.

The cement companies have so far managed to mitigate its impact due to the availability of substantial inventory at their disposal. However, that comfort is gone now. It has exposed the companies to the volatility in raw material prices.

Cement industry is highly energy intensive and close to 38% of its total expenditure consists of power and fuel costs. Out of 38% of power and fuel expense, about 12.50% cost relates to power. However, it's Company's endeavor to continuously focus on green energy with cheaper sourcing and becoming a self-sufficient Company in current energy scenario. Recently concluded Hybrid power contract with Continuum Energy will generate about 37% of total power requirement of the plant and put together with WHRS will constitute over 65% of total power needs of the Company with a considerable savings in the cost of power and environmental footprints.

At Digvijay Cement, we currently use railways for a limited use for despatches. With the rise in diesel prices, cost of road transportation has increased. The cost increase and huge dependence on road transportation is having an adverse impact on our operational costs.

## Marketing Risk

Due to increased demand of cement, intense competition is expected, which may adversely impact on the Company's market share, sales volume, and profitability.

## Cyber Security

In the last few years, technology has evolved manifold and so have the risks attached to it. The proliferation of business data

beyond data centres to the cloud, social media and digital platforms for B2B and B2C connect are impacting cyber security.

In addition to data loss, cyber-attacks can impact business operations, machinery and human assets, and result in legal and regulatory liabilities.

Appropriate controls (technology and governance) are being planned and implemented.

## Strategies:

Keeping in mind the persisting Covid pandemic, we devised a short-term strategy, aimed at health, cost and cash to mitigate immediate risks. We focused on ensuring the health and safety of our employees, suppliers and channel partners, while initiating stringent measures to control costs and strengthen cash flows.

Our long-term strategies include increasing our market reach through capacity expansion, launch of innovative and superior quality products; enhance efficiency through digital transformation, cost optimization and logistics efficiency; and achieve our sustainability goals through our targeted initiatives across four pillars of our sustainable development plan.

Company successfully integrated its environmental, social and governance (ESG) plans and targets across all functions and continue to give top priority to improve upon in all ESG parameters.

## DIGITAL TRANSFORMATION

We have seen an uptick in the adoption of digital means for doing business across all the functions after the setback caused by the pandemic. This has led us to realign our strategy around digital transformation. Our digital transformation strategy was targeted at making our digital assets more functional so that we could better serve growing customer needs. We comprehensively rebuilt our digital strategy to build new capabilities during the year. The digital transformation encompasses the entire value chain, including manufacturing, logistics, sales and marketing, consumer connect, finance and human resources. Digital elements are intertwined in the business processes as a major media for capturing and disseminating information, analysing operational parameters and engaging with all stakeholders.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use of disposition. Further, all transactions entered into by the Company are duly authorized and recorded correctly. M/s RSM Astute Consulting Group (RSM), Chartered Accountant has been working as the Internal Auditor of the Company for the FY 2021-22. The Internal Auditors are submitting reports to the Company on a Quarterly basis.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICFR)**

The internal financial controls within the Company are commensurate with the size, scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting its business, the safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and the prevention and detection of frauds and errors. The operating effectiveness of such controls are in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing specified by the Central Government in accordance with Section 143(10) of the 2013 Act and other authoritative pronouncements, to the extent applicable to an audit of internal financial controls over financial reporting, both issued by the ICAI.

**HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS**

The Company continued with efforts to ensure that its pool of human resources is “future ready” through its robust processes of learning & development, capability building and its development programmes. Efforts were taken to develop leadership lines as well as to enhance technical and functional capabilities with special focus on nurturing young talent, in order to face future challenges. Company organized several training, awareness and coaching program to develop the leadership, technical and management skills of employees. Employee engagement program were organized to create openness and sharing ideas by employees. This learning journey includes formal, informal and highly interactive components that would help in honing their leadership, and coaching skills. It will ensure that the development initiatives result not just in better skills but in enhanced performance and higher engagement.

The total number of employees on the rolls of the Company as on 31<sup>st</sup> March, 2022 was 259 (Previous year as on 31<sup>st</sup> March, 2021, number was 273)

Industrial relations during the year under report remained cordial.

**EDUCATION**

The Company has been providing primary/secondary education for the children of the employees and local community staying in nearby areas of Factory / Mines. The Company has provided educational kits to the needy children in the nearby villages. More details on this is covered in Annual Report on CSR activities forming part of Directors Report.

**ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE**

The Company has been continuously contributing towards environment sustainability. Continuous improvement, enhanced process efficiency and periodic capital expenditures have helped us position “KAMAL” Cement one of the most responsible cement manufacturers in the country. Company has been periodically reviewing the criteria of Environment, Sustainability & Governance (ESG) as per its ESG Policy with a focus on continuous improvement in Environment Sustainability. During the year, the Company’s efforts continued with the same rigour. It conducted its business maintaining high standards of governance, respecting nature and demonstrating social responsiveness towards its communities & people.

Under its ESG Implementation plan, the Company has identified 14 key areas viz. water management, circular economy & waste management, energy & climate change, atmospheric emissions, biodiversity management & greenbelt development, sustainable mining, product quality management, health & safety, transparency, ethical practices & corporate governance, innovations & digitalization, sales & supply chain, human resources, community engagement and corporate social responsibility under which key initiatives are undertaken. Despite a challenging year 2021-22, mainly impacted by second wave of COVID-19 pandemic, we were able to achieve considerable improvements across the targets and are on track with the agenda of the Company.

More details on Company’s ESG initiative and performance during the year is annexed to this MDA forming integral part of Annual Report.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and domestic demand-supply conditions finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations, tax laws, natural calamities including critically of Covid-19 pandemic, litigation and industrial relations, monsoon, economic developments within the country and other factors.

**For and on behalf of the Board**

Anil Singhvi Executive Chairman	KK Rajeev Nambiar CEO & Managing Director
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Place : Mumbai / Digvijaygram

Date : 27<sup>th</sup> April, 2022

Annexure to MDA

ESG Initiative & Performance

Creating a Positive Impact on Planet...



An unwavering commitment to responsible stewardship, by giving back to our people, society and environment



4,500 tons of wastes  
Co-processed in Kiln



33,500 K. Litres  
watersaved



Over 5%  
Reduction in  
Specific Net  
CO<sub>2</sub> emissions  
per Tonne



Over 78,500  
Trees planted



Achieved 1.18% Thermal  
Substitution rate through  
Waste Feed

Highlights FY 2021-22



11.99 Lakhs Ton  
Cement production



Rs. 63,333 Lakhs  
Revenue



Rs. 5,529 Lakhs  
Profit after tax



Zero  
Fatalities



387.30 Lakhs  
units of Green  
Energy Consumed



Rs. 97.74 Lakhs  
CSR Spend



About 28% Reduction  
in specific NO<sub>x</sub>  
emissions



100%  
Water for industrial  
use is recycled





## Water Management

During the year, specific freshwater consumption in cement operations reduced to 44 litre/t of cementitious material. Company also reduced its overall water consumption by 46.34% from 82 litre/t of cementitious material in 2020-21 to 44 litre/t of cementitious material in 2021-22. Efforts are on to promote water conservation and harvesting through close monitoring and creating water harvesting ponds / structures at plant and mining locations and by optimizing processes.



## Circular Economy, Waste Management and Resource Conservation

From our systematic approach in a circular economy perspective, we utilized various types of waste at our operation with the aim 'wastes nothing'. Waste that is produced is either re-utilized in system or send to resource recovery i.e. downgrade uses. We co-processed 4,423 MT of wastes (hazardous/non-hazardous) in our kiln as alternative fuels and raw materials (AFR) in the reporting year. Likewise, we utilized 2,01,125 MT of fly ash for manufacturing of cement in the year 2021-22.

By the utilization of AFR we achieved 1.18 % of TSR.



## Sales & Supply Chain

In view of increased use of fly ash for manufacturing blended cements during the year, the Company continued to further reduce its average clinker factor across its full range of the cement portfolio. During 2021-22, the Company increased its blended cement portfolio from 47.60% to 52.30%. All these initiatives helped Company to significantly reduce the average overall clinker factor by 1.92%.

## Energy and Climate Change

During 2021-22, the Company's WHR system at its plant site generated 250.64 lakh units of electrical energy. Additionally, the Company consumed 136.65 lakh units of wind power through Power Purchase Agreement (PPA).

Thus, a total of 387.30 lakh units of green energy was consumed in 2021-22, which is higher than last year's consumption.



## Atmospheric Emissions

During 2021-22, Company reduced its specific CO<sub>2</sub> emissions to 693 kg/t of cementitious materials in comparison to 729 kg/t of cementitious materials in previous year.

Air emissions are a key environmental aspect of cement production. As an operating principle, the Company ensures that all its sites measure and manage air emissions to the extent possible. During the year, Company has undertaken several initiatives to help bring emissions under control. Various maintenance activities were undertaken through in-house and third-party teams for rectification of ESP internals, maintenance of bag filters, bag house and so on. All the above measures have together resulted in ensuring stack dust emissions in cement plants at <math><30 \text{ mg/Nm}^3</math>. There is 6.13% reduction in specific dust emissions from 72.44 gm/t of cement in 2020-21 to 68.00 gm/t of cement in 2021-22. Regular water sprinkling and plantations supported Company to significantly reduce dust emissions.

During the year, Company has erected Coal & Limestone stock pile Sheds, due to which improvement noticed on fugitive emission and overall dust intensity reduced by 7% around limestone piles area.



NOx emission compliance was ensured through primary and secondary measures for NOx control and implementation of Selective Non-Catalytic Reduction (SNCR) systems in integrated cement plants in previous years. There is 28.62% reduction in specific NOx emissions from 587 mg/Nm<sup>3</sup> of cement in 2020-21 to 419 mg/Nm<sup>3</sup> of cement in 2021-22.

Company's SOx emissions are well within the specified regulatory limits and do not require major emission control measures. The specific SOx emissions was 50.38 mg/Nm<sup>3</sup> of cement in 2021-22.

Company is required to have continuous online reporting of ambient air quality, effluents and process emission on a real-time basis on its websites of regulatory authorities and accordingly Company has complied with this requirement. Monitoring of major stacks emissions (dust, NOx and SOx) & Continuous Ambient Air Quality (PM<sub>10</sub>, PM<sub>2.5</sub>, SO<sub>2</sub>, NOx, CO, O<sub>3</sub>) of the Company's plant at Sikka is being done. During the year Company has installed Ambient Air Weather & Monitoring

System to gather information & monitor on regular basis in order to reduce the impact of operational emissions on nearby community.



### Biodiversity management and greenbelt development

We recognize that our businesses can influence the local ecology of the areas where we operate and that we have significant role to engage in recreation and protecting the ecosystems around us. The Company is committed to the protection of environment and maintenance of biodiversity for balancing the ecosystem. This also helps us in providing an additional aesthetic look in and around our works including our mines and residential areas. A green belt has been developed in the plant premises, mines and nearby areas. Your Company has planted more than 78,500 trees during the year with cumulative plantation of approx. 2,35,500 trees with the survival rate of more than 80 percent. The team at the Plant & Mines has made lot of efforts in conservation and propagation of rare species of trees, Ayurveda plants increasing



forest cover and fruit gardens. The native species selected for plantation include Neem, Pipal, Conocarpus, Peela Gulmohar, Chickoo, Mango, Ashok, Amaltas, etc.



For enhancement of biodiversity in operation areas, your Company has taken a forward step for preparation of Comprehensive Action Plan on Biodiversity (CAPB), with having clear vision on conservation of existing habitats, towards further improvement and delivery mechanisms.

### Sustainable mining

Mining is a key activity at SDCCL, carried out for sourcing Limestone, our primary raw material. We operate in secluded, challenging environment with undulated topography and as a result, we are sensitive to the ecological needs of locals. We are always working in manner to ensure that our mining activities cause minimum disturbance.

The Mining is being performed in eco-friendly manner in accordance with approved mining plan without drilling and blasting. Dozer-Ripper is the primary extraction equipment, which eliminates drilling and blasting induced pollutants like dust, noise, vibrations and other emissions. There is no solid waste generated from the mining. Multi-pit mining is adopted for blending low-grade & high-grade limestone for optimum utilization of mineral resources. The limestone is transported through trucks with fully covered tarpaulin. Reclamation of matured pits and non-mineralized zones are going on side by side as part of the Progressive Mines Closure Plan.

Mining is restricted to above water table and no dewatering from the mines pit. During the reporting year we planted around 31,000 nos. of trees in area of 18.04 hectares land and converted 26.07 Hectares area as water reservoir so far, which helps to recharge ground water table of the surroundings.

### Product Quality Management

Quality control is an important aspect of cement production. Product Quality Management (PQM) ensures 'assured quality' of cement. At Digvijay Cement, PQM involves a comprehensive set of tools that are used to control and manage product quality and strength.



### Health and Safety

Health and Safety initiatives of the Company has continued to be an integral part of the H&S governance and assurance system. This has reinforced focus on the ground level and leadership engagement through interaction with frontline workers. This initiative has become a way of life at Digvijay and its implementation has improved safety performance in the Company.

Company regularly conducts safety audits through internal team as well as external agencies / authorities and organises EHS Training & awareness programme. Apart from this, Company celebrate National Safety Week, Global Safety Day, Ozone Day, Earth Day etc. covering population at all levels, including school, nearby villages. With a view to encourage and motivate employees (direct & indirect) for active participation, rewards are given every month.

### Ethical Practices and Corporate Governance

Company believes that business ethics and profit go together in the long-run for the sustenance of any organization. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long-term success. Company manages its affairs in a fair manner by giving utmost importance to transparency in decision making process, ethical dealings with all, pollution free clean environment. The way the Company operates is expressed in its Vision and its Values, in its Code of Conduct, and in its other policies.

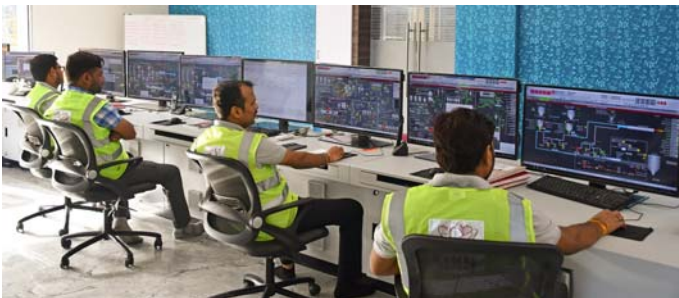
Company is committed to the creation of long-term sustainable value for the benefit of all its stakeholders. With a view to create awareness amongst all its employees and other stakeholders Company at regular intervals organizes trainings and awareness program. Such initiatives also give great insights into the importance of managing different ethics and conflicting situations.



Details about Company's philosophy and practices on Corporate Governance is included in the Corporate Governance Report, forming integral part of Annual Report.

### Innovation and Digitization

Digitization offers a wealth of information about how efficiently cement manufacturing process is performing. Capturing this data in real time is key to achieving optimum performance – as well as increasing the availability factor. At Digvijay Cement new distributed control systems (DCS) and digital tools help enabling to adjust and optimise operating parameters, spot potential problems before they have the chance to escalate, and take advantage of our remote services to diagnose, troubleshoot and even make adjustments from afar. It's all possible with DCS system and other digitalization measures.



### Community engagement and Corporate Social Responsibilities

We are a customer-centric organization which takes pride in collaborating with all our customers, from channel partners to the end consumer, in order to better understand their requirements. We conduct regular customer satisfaction surveys which allow our customers to share their valuable feedback with us. Training programmes are conducted for engineers, channel partners, builders and contractors. We organise visits to our manufacturing plant as a part of this initiative. We connect closely with communities around our manufacturing facility and look for opportunities to support them to become more self-sufficient. Enthusiastic and dedicated CSR teams reach out to communities.

### EFFORTS DURING COVID-19 PANDEMIC

During the COVID-19 pandemic, the Company reached out to local villagers. Digvijay provided dry ration and food packets to locals and needy people. Company stitched cotton masks and distributed to the local people and various stakeholders. Regular disinfection and sanitization drives were carried out within host communities. Mass-scale awareness drives in communities were conducted on the usage of masks, social distancing and on hand washing. Frontline health workers were provided hand gloves, sanitizers and N95 masks to help them serve without fear of infection. Many employees from various departments of the Company voluntarily served communities in need during the pandemic.

Company facilitated local health centers, at Company managed school premises for mass COVID vaccination, as a part of Company's drive towards 100% vaccination.

The company also provided drinking water to nearby communities.

Details about CSR activities is included in the Directors Report, forming integral part of Annual Report.

The Company is committed to achieve and comply with sustainable development goals. For this purpose, Company has defined plans and strategies for the successful implementation and monitoring of the agenda.

## Annexure H

### CORPORATE GOVERNANCE

The Board of Shree Digvijay Cement Company Limited ("Company") is pleased to present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2022. This Report includes a review of how corporate governance acts as the foundation for our corporate activity and is embedded in our business and the decisions we make.

#### A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At Digvijay Cement, Corporate Governance has been an integral part of the way we are doing our business. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long-term success. The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Company's Board is committed to the creation of long-term sustainable value for the benefit of all stakeholders.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding to our plant, mines and other locations. Company manages its affairs in a fair manner by giving utmost importance to transparency in decision making process, ethical dealings with all, pollution free clean environment. It is governed by a set of principles, initiatives and management structures that confer an integrated vision and a great deal of agility in decision-making. It also employs the best practices, and it prioritizes a long-term strategic vision of its businesses and the collective interest, focusing on results and meritocracy. The way the Company operates is expressed in its Vision and its Values, in its Code of Conduct, and in its Environment, Social and Governance Policy & Sustainability Principles. Such elements are the organization's guidelines for its businesses, objectives and challenges.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") is given below:

#### GOVERNANCE STRUCTURE:

The Company has over the years maintained the highest standards of corporate governance processes and has had

the foresight to set up corporate governance practices much before their implementation was mandated through the introduction of regulatory requirements and therefore prompt execution of regulatory & statutory requirements.

Your Company's governance structure broadly comprises of its Board of Directors, Board's designated Committees and the Executive Management.

#### (i) Board of Directors:

Your company is managed by qualified and well experienced professionals under the overall supervision of the Board of Directors ('Board'). Company's Board comprises the required combination of Independent and Non-Independent Directors, including an Independent Woman Director in line with the provisions of the Companies Act, 2013 (the "Act") and the SEBI Listing Regulations, as amended (the "SEBI Listing Regulations"). The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled.

The Directors have expertise in their respective functional areas and bring a wide range of skills and experience to make a significant contribution to the Company and Board. The Board plays a primary role to protect the interest of the Company and enhance value of all the stakeholders. The Company has a policy to maintain at least 50% of the Board as Non-Executive Independent Directors. Further, in order to promote the specific objective of gender diversity - a vital asset to the business, there must be at least one-woman Board member.

#### (ii) Committees of Board:

Boards of Directors perform their advisory and oversight function through well-structured, planned, and assigned committees to take advantage of the expertise of all the Directors. With a view to have better transparency in various areas of the business, to divide the work of the Board into manageable sections and for better accountability, the Board has constituted the committees viz. Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors (for routine matters). These Committees undertake the functions, roles and responsibilities as per terms of reference approved by the Board of Directors and provided in this report.



### (iii) Executive Management:

The Executive Management of the Company comprising of Executive Chairman and CEO & Managing Director with support from all business & functional heads oversees the day-to-day business and governance under the overall supervision and guidance of the Board.

Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis.

The Board comprises of six (6) Directors consisting of three (3) Non-Executive Independent Directors (50%) including a Woman Director, one (1) Non-Executive Non-Independent Director (16.67%) and two (2) Executive Directors including CEO & Managing Director (33.33%). The Chairman is an Executive Director. The details of the Directors regarding their outside directorships, committee positions as well as their attendance at Board/General Meetings are as follows:

## B) BOARD OF DIRECTORS:

### i) Composition of the Board :

The composition of the Board is in conformity with Regulation 17 and Regulation 17A of the SEBI Listing Regulations read with Section 149 of the Act. In terms of the provisions of the Act and the SEBI Listing

Name of Directors	Category [Executive/ Non-Executive/ Independent]	Number of other Director-ship held ^ in Board		Number of Membership/ Chairmanship of respective Board Committee ^	No. of Board Meetings (During tenure of respective Directors)		Attended Last AGM <sup>5</sup>
		Listed Company	Other Company		Held	Attended	
Mr. Anil Singhvi	Executive	2	3	4	4	4	Yes
Mr. Mahesh Gupta	Independent	4	-	4	4	4	Yes
Ms. Mini Menon	Independent	-	-	-	4	4	Yes
Mr. Satish Kulkarni	Independent	-	-	-	4	4	Yes
Mr. Pramod Kabra	Non-Executive	-	2	-	4	4	Yes
Mr. KK Rajeev Nambiar	Executive	-	1	-	4	4	Yes

^ These numbers exclude the Directorship / Committee Membership held in the Company and in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013. Further, it includes only the Chairmanship / Membership of the Audit Committee and Stakeholders' Relationship Committee.

<sup>5</sup> Last AGM was held on 18<sup>th</sup> June, 2021.

### NOTES:

- None of the Directors are related inter-se.
- Mr. Anil Singhvi, directly /indirectly holds following equity shares of the Company as on 31<sup>st</sup> March, 2022:

Sr. No.	Name	No. of equity shares held in the Company	% of the shares held in the Company	Relation
i.	Anagha Advisors LLP	7,024,048	4.88	Designated Partner
ii.	Ican Investments Advisors Private Limited	3,229,530	2.24	Director
iii.	Mrs. Nishi Anil Singhvi	500,000	0.35	Wife
iv.	Mr. Anil Singhvi	1,169,492	0.81	Self
	<b>Total</b>	<b>11,923,070</b>	<b>8.28</b>	

3. Mr. KK Rajeev Nambiar holds 9,36,816 (i.e. 0.65% of paid-up equity shares of the Company) as on 31<sup>st</sup> March, 2022.

4. None of the Directors (including non-executive directors) except above, holds any shares in the Company.

**ii) Skills / expertise / competencies of Directors**

As per the SEBI Listing Regulations, the Board of Directors of the Company have identified the below mentioned skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

- Knowledge of cement and mining sector;
- Knowledge of strategy, corporate legal, HR, IT, sales & marketing, logistics etc. (specialized professional skill);
- Knowledge of accounts and finance, including taxation (ability to read and understand financial statement); and
- Knowledge of technical, administration and management.

The above skills / expertise / competencies identified by the Company are also actually available with the Board as under:

<b>Name of the Director</b>	<b>Expertise in specific functional areas</b>
Mr. Anil Singhvi	He is having expertise in accounts, finance, taxation, marketing, strategy planning, administration and general management in cement and other sectors.
Mr. Mahesh Gupta	He is having expertise in Business Management, Business Turnarounds, Corporate Legal Matters and all Dimensions of Finance including M&As Restructuring & Taxation.
Mr. Satish Kulkarni	He is having expertise in executive areas of B2B business, consumer services, channel sales, brand management and marketing and strategic areas of organization structure and business strategy.
Ms. Mini Menon	She is having expertise in strategy planning, business administration and management.
Mr. Pramod Kabra	He is having expertise in Consumer, healthcare, logistics and financial services.

Mr. KK Rajeev	He is having expertise in technical, marketing, HR & administration and management in cement sector
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**iii) Board Meetings and Attendance of Directors:**

Regular meetings of Board of Directors are convened and held to review the performance and to deliberate and decide on various business matters. Calendar of Board / Committee meetings for the year are agreed with the Directors well in advance to enable them to plan their schedule for effective participation in the meetings. It is Company's endeavor to finalise the calendar in such a way that all Members of Board able to participate in Board and Committee meetings. During the year, all the existing Directors and Committee Members attended 100% of meetings held during their tenure.

During the financial year ended on 31<sup>st</sup> March, 2022, four meetings of the Board of Directors were held. The details of Board Meetings held during the said financial year are as follows:

<b>Sr. No.</b>	<b>Date of Board Meeting</b>	<b>No. of Directors attended*</b>
1.	28 <sup>th</sup> April, 2021	6
2.	29 <sup>th</sup> July, 2021	6
3.	27 <sup>th</sup> October, 2021	6
4.	27 <sup>th</sup> January, 2022	6

\*In the wake of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, the Directors participated in the meetings of the Board and Committees held after March, 2020 through video conferencing/ other audio-visual means.

The intervening gap between two consecutive meetings was not more than one hundred and twenty days.

**iv) Agenda process:**

The agenda items alongwith notes and information thereto (except for the price sensitive information, which is sent one day before meeting) as provided in Secretarial Standard (SS-1) on "Meeting of the Board of Directors" read with SEBI Listing Regulations and Companies Act, 2013 (hereinafter referred to as "Act"), are circulated to all Board Members well in advance before the Board Meetings. Additional agenda in the form of "Other Business" are included with the permission of the Chairman and with the

consent of the majority of the Independent Directors present at the meeting.

**v) Proceedings & Attendance:**

Apart from the Board members, the CEO, CFO and Company Secretary also attend all the Board & Committee Meetings. Other senior management executives of the Company / representatives from Promoter are also invited to meetings to provide inputs for the items being discussed by the Board. The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board Meeting.

The Directors and Committee Members committed to devote sufficient time available to discharge their

duties as Directors or Committee members. As a policy, every Director and Committee members are expected to attend all the meetings held in a calendar year, but in any case, to attend at least 50% of meetings each of Board and Committee meetings held in a calendar year.

**vi) Other Directorships:**

None of the Directors is a director in more than 10 public limited companies or acts as an independent director in more than 7 listed companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all public limited companies in which he/she is a director.

The details of the directorships and committee memberships in other companies (excluding private limited companies and foreign companies) held by the Directors as on 31<sup>st</sup> March, 2022 are given below:

Sr. No.	Name of the Director	Other Directorships*	Committee Positions**		Name of the Listed entities	Category of Directorship
			Chairman	Member		
1.	Mr. Anil Singhvi	5	2	2	(1) Subex Ltd. (2) IDFC Ltd.	Non-Executive Non-Independent Independent
2.	Mr. Mahesh Gupta	4	2	2	(1) CEAT Ltd. (2) RPG Life Science Ltd. (3) Peninsula Land Ltd. (4) Morarjee Textiles Ltd.	Independent Independent Non-Executive, Non-Independent Non-Executive, Non-Independent
3.	Ms. Mini Menon	-	-	-	-	-
4.	Mr. Pramod Kabra	2	-	1	-	-
5.	Mr. KK Rajeev Nambiar	1	-	-	-	-
6.	Mr. Satish Kulkarni	-	-	-	-	-

\* Includes directorships of Indian public limited companies other than Shree Digvijay Cement Company Limited.

\*\* Includes only Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies (whether listed or not) other than Shree Digvijay Cement Company Limited.

**vii) Independent Directors:**

**Election Process:** Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee (NRC) of the Company, for appointment as Independent Director on the Board. The NRC, *inter alia*, considers qualifications, positive attributes, area of expertise,

number of Directorship(s) and Membership(s) held in other companies by such persons, in accordance with Company's policies on selection of Directors. The Board considers the recommendation of NRC and takes appropriate decision.

Every Independent Director at the meeting of Board in which he is appointed as a Director and thereafter at the first meeting of Board held every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law.

Meeting of Independent Directors: As required under the Act, one meeting of the Independent Directors of the Company was held on 26<sup>th</sup> April, 2021.

Familiarization Programme of Independent Directors:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter alongwith necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company has, through various programmes and presentations at regular intervals, familiarised and updated the Independent Directors with the strategy, operations and functions of the Company and the Cement Industry as a whole. Regular visits to Company's business locations are organized for the Directors to enable them to understand the operations of the Company. They were regularly updated with the changes in the regulatory environment having significant impact on the operations of the Company.

The terms and conditions of appointment of Independent Directors, number of hours spent, and details of familiarization programmes has been placed on the website of the Company [www.digvijaycement.com](http://www.digvijaycement.com).

Proficiency: Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended vide Notification No. GSR.774(E), dated 18.12.2020, wherever required, Independent Directors of the Company have undertaken to complete online proficiency self-assessment test conducted by the said Institute.

Independence: The Board of Directors do hereby confirm that the Independent Directors of the Company fulfills the criteria of Independence as per the requirements and are Independent from the management.

### C) COMMITTEE OF DIRECTORS

In order to enable Board to focus on specific areas and make informed decisions within the authority delegated to each of the Committees, Board has constituted following committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and

composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

#### 1. AUDIT COMMITTEE:

- The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations read with Section 177 of the Act.
- Apart from all the matters provided in Regulation 18 of SEBI Listing Regulations and Section 177 of the Act, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.
- The Audit Committee as on 31<sup>st</sup> March, 2022 comprises of three Directors, out of these, two (2) are Independent Directors and one (1) is Non-Executive Director. Following are the members of the Audit Committee:
  1. Mr. Mahesh Gupta
  2. Ms. Mini Menon
  3. Mr. Pramod Kabra

Mr. Mahesh Gupta, Independent Director is the Chairman of the Committee.
- All the Members of the Audit Committee attended the last Annual General Meeting of the Company held on 18<sup>th</sup> June, 2021 to answer the queries of shareholders.
- During the financial year ended on 31<sup>st</sup> March, 2022, four Meetings of the Audit Committee were held i.e. 28<sup>th</sup> April, 2021, 29<sup>th</sup> July, 2021, 27<sup>th</sup> October, 2021 and 27<sup>th</sup> January, 2022.
- The attendance of each member of the Audit Committee are given below:

Name	Designation	Category	Meetings Attended
Mr. Mahesh Gupta	Chairman	Independent Director	4
Ms. Mini Menon	Member	Independent Director	4
Mr. Pramod Kabra	Member	Non-Executive Director	4

The Executive Chairman, CEO & Managing Director and CFO are permanent invitees to the Audit Committee meetings. The Statutory, Internal as well as the Cost Auditors of the Company are also invited to the Audit Committee Meetings.

Mr. Suresh Meher, V.P. (Legal) & Company Secretary, acts as the Secretary to the Committee.

The necessary quorum was present at all the meetings.

The principal terms of reference of the Audit Committee, as approved by the Board and as updated from time to time by the Board, are as under:

- I. (1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's report;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by Management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- (6) reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the Company with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;



- (19) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- II. The Audit Committee mandatorily reviews the following information:
- (1) Management discussion and analysis of financial condition and results of operations;
  - (2) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (3) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - (4) Internal audit reports relating to internal control weaknesses; and
  - (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
  - (6) statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- III. In addition to the above, the Audit Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable law.
- IV. The Audit Committee may make recommendations to the Board on any matter within its purview, by passing appropriate resolutions at its meetings.

## 2) **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee (NRC) of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. NRC is governed by a Charter in line with the Act and the SEBI Listing Regulations.

The NRC recommends the appointment of Directors and remuneration of such Directors. The level and structure of appointment and remuneration of all Key Managerial personnel and wherever required of Senior Management Personnel (being the direct reportees to the CEO i.e. the persons holding the positions namely, CFO, Legal Head & CS, HR-Head, Technical Head, Sales & Marketing Head and SCM-Head or any functional head) of the Company, as per the Nomination and Remuneration Policy, is also overseen by this Committee.

The details of composition of the Committee and attendance record of the members at the meeting were as follows:

- The NRC is comprising of three Directors, of these two (2) are Independent Directors and one (1) is Non- Executive Director. Following are the members of Nomination and Remuneration Committee:

1. Mr. Mahesh Gupta
2. Ms. Mini Menon
3. Mr. Pramod Kabra

Mr. Mahesh Gupta, Independent Director is the Chairman of the Committee.

- During the financial year, two meetings of the Nomination & Remuneration Committee were held on 28<sup>th</sup> April, 2021 and 27<sup>th</sup> January, 2022.

The attendance of each member of the NRC are given below:

Name	Designation	Category	Meetings Attended
Mr. Mahesh Gupta	Chairman	Independent Director	2
Ms. Mini Menon	Member	Independent Director	2
Mr. Pramod Kabra	Member	Non-Executive Director	2
Mr. Anil Singhvi*	Member	Executive Director	1

\* Mr. Anil Singhvi ceased to be a member of NRC effective from 1<sup>st</sup> January, 2022.

- Chairman of the Nomination and remuneration Committee attended last Annual General Meeting of the Company held on 18<sup>th</sup> June, 2021.

Mr. Suresh Meher, Vice President (Legal) & Company Secretary, provided secretarial support to the Committee.



Pursuant to Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, Nomination and Remuneration Committee has the following principal terms of reference:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and senior employees as per Remuneration Policy;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) In addition to the above, the Committee shall have such functions / role / powers, if any, as may be specified in the Act, SEBI Listing Regulations with stock exchanges or any other applicable law / regulations from time to time or as may be assigned by the Board of Directors.

### 3) RISK MANAGEMENT COMMITTEE:

The Risk Management Committee was constituted in line with the SEBI Listing Regulations.

The details of composition of the Committee and attendance record of the members at the meeting were as follows:

- The Risk Management Committee comprises of three Directors, of these two (2) are Independent Directors and one (1) is Non- Executive Director. Following are the members of Risk Management Committee :
  1. Mr. Mahesh Gupta – Independent Director and Chairman of Committee
  2. Ms. Mini Menon - Independent Director and Member of Committee
  3. Mr. Pramod Kabra – Non-Executive Director and Member of Committee

- During the financial year, two meetings of the Risk Management Committee were held on 27<sup>th</sup> October, 2021 and 27<sup>th</sup> January, 2022.

The attendance of each member of the Audit Committee are given below :

Name	Designation	Category	Meetings Attended
Mr. Mahesh Gupta	Chairman	Independent Director	2
Ms. Mini Menon	Member	Independent Director	2
Mr. Pramod Kabra	Member	Non-Executive Director	2

Mr. Suresh Meher, VP (Legal) & Company Secretary, provided secretarial support to the Committee.

Risk Management Committee has the following principal terms of reference:

- a) Framing, overseeing and monitoring implementation of Risk Management Policy.
- b) Validating the process and procedure of Risk Management and Risk Mitigation.
- c) Periodically reviewing and evaluating the Risk Management Policy.
- d) In addition to the above, the Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable law, and/or as may be delegated by the Board of Directors of the Company, from time to time.

### 4) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders' Relationship Committee (SRC) of the Board is in line with the of Section 178 of the Act and Regulation 20 readwith Part D of Schedule II of the SEBI Listing Regulations. The Stakeholders Relationship Committee considers and oversees, inter alia, resolution of grievances of security holders and investors of the Company.

During the year, the Committee met once on 28<sup>th</sup> April, 2021 and all the members were present at the meeting.

Stakeholder Relationship Committee comprising of three Directors, out of these, one (1) is Independent Director, one (1) is Non-Executive Director and one(1) is Executive Director.

Following are the members of Stakeholder Relationship Committee :

1. Ms. Mini Menon
2. Mr. Pramod Kabra
3. Mr. Anil Singhvi

Ms. Mini Menon, Independent Director is Chairperson of the Committee.

Mr. Suresh Meher – Vice President (Legal) & Company Secretary is the Compliance Officer.

Complaints received and redressed by the Company during the financial year:

Particulars	No. of Complaints
At the beginning of the year	NIL
Received during the year	3
Resolved during the year	3
At the end of the year	NIL

The Company has designated an exclusive e-mail ID [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com) for redressal of shareholders' complaints/grievances. Further there were no instances of such complaints which were not solved to the satisfaction of shareholders.

#### 5) **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

Pursuant to Section 135 of the Act, the Company has constituted Corporate Social Responsibility Committee, inter-alia, to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on social activities and to monitor the CSR Policy. Implementation of decisions of Committee and CSR activities are undertaken by the Executive Committee consisting of senior officials from various departments of the Company. CSR Policy is uploaded on website of the Company at <https://www.digvijaycement.com/policies/>.

Corporate Social Responsibility Committee comprises of four Directors, out of these one (1) is Independent Director, two (2) are Executive Directors and one (1) is Non-Executive Director.

- Following are the members of Corporate Social Responsibility Committee:

1. Mr. Anil Singhvi
2. Mr. Pramod Kabra
3. Ms. Mini Menon
4. Mr. KK Rajeev Nambiar

- Mr. Anil Singhvi, Executive Director is the Chairman of the Committee

All the members were present at the meeting held on 28<sup>th</sup> April, 2021.

The Annual Report on CSR activities, carried out during the year 2021-22, is annexed to Directors' Report.

Apart from above Committees, Board also has constituted a "Committee of Directors" consisting of Mr. Anil Singhvi, as its Chairman; Mr. Pramod Kabra and Mr. KK Rajeev Nambiar as its members; whose principal terms of reference is to consider and decide on routine business matters, as brought before the Committee from time to time, as delegated by the Board.

#### D) **NOMINATION, APPOINTMENT & REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:**

The Company is committed to excel in every sphere of its activity by attracting and retaining qualified, talented and experienced professionals through efficient selection and evaluation mechanism and to incentivize them to develop and implement the Company's Strategy, thereby enhancing the business value and maintains a high-performance workforce.

With the above objective, the Board of Directors has adopted the Nomination and Remuneration Policy, which is uploaded on website of the Company at <https://www.digvijaycement.com/policies/>. This Policy, inter alia, sets out the guiding principles for determining the nominations of Directors & Key Managerial Personnel, and remuneration of Whole-time Director(s), Managing Director and other Executive Directors & other Directors, Senior Management Personnel and other employees.

### **Election Process of Executive Directors:**

Considering the requirement of skill sets and expertise on the Board as well as Company, eminent people having expertise in cement industries, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee (NRC) of the Company, for appointment as Executive Director on the Board. The NRC, inter alia, considers qualifications, positive attributes, area of expertise, number of Directorship(s) and Membership(s) held in other companies by such persons, in accordance with Company's Policy and other policies on selection of Directors. The Board considers the recommendation of NRC and takes appropriate decision.

### **Election Process of Non-Executive Directors:**

All proposals on appointment of Non-Executive Directors including Independent Directors are reviewed by NRC. NRC identify potential candidates after assessment of their level of competence, experience and their personal and other positive attributes, compliance with applicable laws before making its recommendation to the Board. In case of re-appointment of Non-Executive Directors, NRC whilst making its recommendation to the Board of Directors, also take into consideration the performance evaluation of the Director and his engagement level.

In case of recommendation for appointment of Independent Directors, NRC shall also satisfy itself with regard to the independent nature of the Director vis-à-vis the Company apart from number of directorship and committee positions in other companies.

Every Director at the first meeting of Board in which he participates as a Director and thereafter at the first meeting of Board held every financial year, gives a declarations and disclosures as per statutory requirement.

### **Performance Evaluation for Board, Committees, Individual Directors (Independent and Non-Independent Directors):**

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually as per the process and criteria laid down by the Board of Directors based on the Policy on

Performance Evaluation for Board, Committees, Individual Directors and Nomination & Remuneration Policy. Forms with structured rating on a scale of 1 to 5 [1 = Strongly disagree; 2 = Disagree; 3 = Not Applicable; 4 = Agree; 5 = Strongly agree] on the functioning and performance of the Board, Committees and individual Directors was circulated to all Board and Committee Members, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, frequency of meetings, competencies, Board culture, execution and performance of specific duties, obligations & governance, Directors' knowledge, skills, time devoted and contributions made to Board and Committee meetings deliberations & policy decisions etc.. A consolidated summary of the ratings given by each Director was then prepared. The Independent Directors (IDs) at their meeting discussed the performance of the Chairman and Managing Directors, Board and other Directors (other than IDs) and briefed to Board on their suggestions. Evaluation of Committees of Board and Independent Directors were also submitted to Board through Chairman. The report of performance evaluation was then discussed and noted by the Board at their Meeting. The Directors expressed their satisfaction with the evaluation process of the Company and also noted the feedback of Independent Directors.

### **Remuneration of Directors:**

#### **Executive Directors**

Remuneration including all perquisites and benefits of all Executive Directors are within the overall limits approved by the shareholders, subject to ceiling prescribed under the Act and other applicable laws. Executive Directors are not entitled to any sitting fees for attending meeting of the Board and committees thereof.

#### **Non-Executive Directors**

Remuneration for all Non-Executive Directors (including Independent Directors) are within the overall limits prescribed under the Act. In addition to remuneration by way of commission, as may be approved by the Board from time to time within the limits approved by the shareholders, Independent Directors are also entitled to sitting fees for attending each meeting of the Board and committees thereof as per limits as approved by the Board from time to time.

The details of remuneration paid to the Directors for the financial year 2021-22 are given below:

(In Rupees)

Name of Director	Designation	Salary <sup>4</sup>	Commis- sion	Perquisites <sup>4</sup>	Retire- ment Benefits	Sitting Fee	Total
Mr. Anil Singhvi	Executive Chairman	2,48,28,000	-	-	-	-	2,48,28,000
Mr. KK Rajeev Nambiar	CEO & Managing Director	2,35,94,074	-	5,19,38,813	-	-	7,55,32,887
Mr. Mahesh Gupta	Independent Director	-	5,00,000	-	-	11,50,000	16,50,000
Ms. Mini Menon	Independent Director	-	5,00,000	-	-	13,50,000	18,50,000
Mr. Satish Kulkarni	Independent Director	-	5,00,000	-	-	5,00,000	10,00,000
Mr. Pramod Kabra	Non-executive Director	-	-	-	-	-	-
<b>Total</b>		<b>4,84,22,074</b>	<b>15,00,000</b>	<b>5,19,38,813</b>	<b>-</b>	<b>30,00,000</b>	<b>10,48,60,887</b>

**Notes:**

- 1) Apart from sitting fees for attending Board/Committee Meetings, compensation by way of commission has been paid to the Independent Directors during the year. Other than this, there have not been any significant material transactions with the Non-Executive Directors vis-à-vis the Company during the year. Payment of remuneration by way of Commission to Independent Directors will be made for the financial year 2021-22, based on net profits of said financial year.
- 2) The Non-Executive Directors, other than Independent Directors are not accepting any sitting fee for attending Board/Committee meetings nor remuneration by way of commission, if any.
- 3) The service contracts and notice period of Executive Directors are as per Company's Policy. As per contracts, no severance fees payable to any of Executive Directors.
- 4) Total Salary of Mr. KK Rajeev Nambiar, CEO & Managing Director includes:
  - a) Variable Pay for the financial year 2021-22 amounting to Rs. 70,00,000; and
  - b) Perquisite value of Rs.5,00,44,861 on account of exercise of 8,47,502 stock options by him during the year.

**Stock Options:**

Out of 70,60,000 stock options granted to eligible employees and director of the Company under SDCCL Employee Stock Option Plan 2019, 18,63,750 (Eighteen Lakhs Sixty-Three Thousand & Seven Hundred Fifty) stock options got vested during the year 2021-22.

Details of stock options granted to Mr. KK Rajeev Nambiar, CEO & Managing Director under SDCCL Employee Stock Option Plan 2019 ("ESOP 2019") and those got vested and exercised are as under:

Financial Year	Stock Options granted	Date of vesting*	No. of Options Vested/to be vested*	No. of options exercised	Fixed Price per option at which / granted exercised	No. of options unexercised	Period over which exercisable
2019-20	28,50,000	NA	NIL	NIL	Rs.16	NA	Within a maximum period of 5 years commencing after each Vesting
2020-21	-	05/08/2020	5,70,000	1,99,998	Rs.16	3,70,002	
2021-22	-	05/08/2021	7,48,125**	8,47,502	Rs.16	2,70,625	
2022-23	-	05/08/2022	8,55,000	NA	Rs.16	NA	
2023-24	-	05/08/2023	5,70,000	NA	Rs.16	NA	
<b>Total</b>	<b>28,50,000</b>		<b>27,43,125</b>	<b>10,47,500</b>			

\*Subject to fulfilment of conditions of ESOP 2019.

\*\* Out of 8,55,000 options, 7,48,125 (Seven Lakhs Fourty Eight Thousand One Hundred Twenty-Five) options already vested during the year 2021-22. Vesting of remaining 106,875 performance-based options allocated for 2021-22 (including timing of vesting) will be subject to Committee approval.

More details about Stock Options are given under the head 'Employees Stock Option Scheme (ESOP)' in the Directors' Report.



### **Appointment and Remuneration for the Senior Management Employees**

For appointment and in determining the remuneration of the Senior Management Employees and Key Managerial Personnel, the criteria and guidelines mentioned in the Nomination & Remuneration Policy and Company's HR Policy is followed.

## **E) DISCLOSURES:**

### **Legal Compliances:**

The Company follows a formal system of legal compliance & reporting to facilitate periodical review by the Board of compliance status of all laws applicable to the Company and steps taken to rectify non-compliances, if any. There were no instances of material non-compliance, and no penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

### **Certificate from Company Secretary in practice on Non-Disqualification of Directors from appointment as Directors of the Company:**

The Company has obtained a certificate from M/s Manoj Hurkat & Associates, Company Secretary in Practice that none of the Directors of Company are disqualified from being appointed/ continuing as Director of the Company.

### **Code of Conduct:**

Code of Conduct adopted by the Company has been posted on the website of the Company. It prescribes Mechanisms to record and report on breaches against Code of Conduct. Company regularly conduct training program and awareness sessions to sensitize employees and contractors on Code of Conduct provisions, consequences of its breach etc. The Members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code of Conduct for the effective period. The declaration by the CEO & Managing Director is annexed to this report.

### **Related Party Transaction:**

Pursuant to Regulation 23 of the SEBI Listing Regulations and applicable provisions of the Act, the Company has formulated Related Party Transactions Policy for dealing with Related Party transactions. Transactions with every Related Party are as per the provisions of the law and the Related Party Transactions Policy. All Transaction with related parties was in the ordinary course of business and on arm's length pricing basis. The Policy on related party transaction has been placed on the Company's website and can be accessed through <https://www.digvijaycement.com/policies/>.

### **CEO / CFO Certification:**

The CEO & Managing Director and Chief Financial Officer (CFO) of the Company gives an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The CEO & Managing Director and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI Listing Regulations.

### **Vigil Mechanism / Whistle Blower Policy:**

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behavior. The Company has adopted a Whistle Blower Policy ("Policy") as per the applicable laws and as per the standards, policies and procedures as laid down in Company's Code of Conduct ("Code") through which the Company has institutionalized a mechanism for the Stakeholders to disclose their concerns and grievances on unethical behavior and improper / illegal practices and wrongful conduct taking place in the Company for appropriate action.

As per the Policy, all Protected Disclosures concerning any alleged wrongful conduct or act can be addressed/ reported to the Conduct Committee with copy to Chairman/ of Audit Committee, or directly to Chairman of Audit Committee, through the following email ids:

Name	Email id
Conduct Committee	WB.Committee@digvijaycement.com
Mr. Mahesh Gupta - Chairman of Audit Committee	WB.ACChairman@digvijaycement.com

Through this Policy, the Company provides adequate safeguards to all whistle blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation and provides for direct access to the Chairman of the Audit Committee. None of the employees of the Company has been denied access to the Audit Committee.

### **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- number of complaints filed during the financial year : NIL
- number of complaints disposed of during the financial year: NIL
- number of complaints pending as on end of the financial year: NIL

### **Policy for preservation of documents:**

The Company has a policy for preservation of documents. The said policy is available at Company's website at [www.digvijaycement.com](http://www.digvijaycement.com).

**Policy for determination of material event and price sensitive information:**

The Company has a policy for determination of material event and price sensitive information. The said policy is available at Company's website at [www.digvijaycement.com](http://www.digvijaycement.com).

**Commodity price risk and hedging activities:**

Most of raw materials that are used in the manufacturing operations of cement product of the Company are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks. The Company has Risk Management framework to pro-actively mitigate if there is any risk arising.

**Fees paid to the Statutory Auditors:**

During the financial year 2021-22, the Statutory Auditors of the Company were paid fees for audit and fees for other services as per below details:

(Rs.in Lakhs)

Name of the Auditors	Fees paid			Total
	For Statutory Audit	For other services	For Tax Audit	
BSR & Associates LLP	22.69*	0.25	1.53 <sup>#</sup>	24.47

\*Statutory Audit fees includes fees paid for 2020-21 as well and out of pocket expenses for 2021-22.

<sup>#</sup>Tax audit fees is for the tax audit of books of accounts for 2020-21 including out of pocket expenses.

**Other Policies and Disclosures:**

The Company has also adopted other policies as required under SEBI Listing Regulations and other applicable laws, circular and notifications.

The discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations, wherever applicable to the Company, have been adopted. Further the Company has complied with disclosure requirements, wherever applicable, as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations.

In addition, the Company has, in line with its focus areas and international standards, developed an Environmental, Social and Governance (ESG) policy to incorporate ethical, environmental and social considerations into business activities thereby mitigating material risks, exploring areas of opportunity and improving overall performance.

**Mandatory & Non-Mandatory Clauses:**

The Company has complied with all mandatory requirements laid down by SEBI Listing Regulations. The non-mandatory requirements complied with has been disclosed at the relevant places.

**F) GENERAL BODY MEETINGS**

Details of Annual General Meeting (AGM) held during last three years are as under:

AGM	Financial Year	Location of the Meeting	Date & Time
74 <sup>th</sup>	2018-19	Registered Office, Digvijaygram	5 <sup>th</sup> August, 2019 at 03.00 P.M.
75 <sup>th</sup>	2019-20	Through Video Conference (VC)	30 <sup>th</sup> June, 2020 at 03.00 P.M.
76 <sup>th</sup>	2020-21	Through Video Conference (VC)	18 <sup>th</sup> June, 2021 at 10.00 a.m.

The details of special resolutions passed in the previous three Annual General Meetings are as follows:

Date of AGM	No. of special resolutions passed	Brief particulars of Special Resolution
5 <sup>th</sup> August, 2019	Four	<ol style="list-style-type: none"> <li>Appointment of Mr. Anil Singhvi as Executive Chairman of the Company for a period of 5 (five) years from 30<sup>th</sup> April, 2019 to 29<sup>th</sup> April, 2024 on the terms and conditions (including remuneration) as are set out in the said special resolution and explanatory statements thereto.</li> <li>Approval of 'SDCCL Employee Stock Option Plan 2019' to create, offer, issue and allot 70,68,000 Options to eligible Directors and employees under Employee Stock Option Plan.</li> <li>Grant of Stock options of 1% or more of the issued Share Capital of the Company to Mr. KK Rajeev Nambiar, CEO &amp; Managing Director.</li> <li>Alteration of Articles of Association.</li> </ol>
30 <sup>th</sup> June, 2020	None	None
18 <sup>th</sup> June, 2021	One	Re-appointment of Mr. KK Rajeev Nambiar (DIN: 07313541) as Managing Director and fixation of remuneration.

**During the year, the Company has not passed any resolution through Postal Ballot.**

## G) MEANS OF COMMUNICATION

During the year, un-audited quarterly and audited annual financial results of the Company were submitted to the stock exchanges soon after the approval at Board meeting and were published in leading newspapers viz. The Financial Express in all editions of English language and The Financial Express in Gujarati language. These were also promptly put on the Company's website at [www.digvijaycement.com](http://www.digvijaycement.com). All other relevant news and information are also displayed on the Company's website.

In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide circular no. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 & 21/2021 dated 14<sup>th</sup> December, 2021 (the 'MCA Circulars'), provided certain relaxations for companies, including conducting Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) ('electronic mode'). Said MCA Circulars had also dispensed with the printing and dispatch of annual reports to shareholders.

In line with the above MCA Circulars, SEBI vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 dispensed with the requirement of Regulation 36 (1)(b) and (c) of the SEBI Listing Regulations for listed entities, who conduct their AGMs, inter alia, during the calendar year 2021, which otherwise prescribes that a listed entity shall send a hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Act to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively.

Accordingly, this year too, in view of persisting Covid-19 pandemic situation and also to support the "Green Initiative in Corporate Governance", an initiative taken by the MCA, the Company has decided to send soft copies of Annual Report 2021-22 (including AGM Notice) to those shareholders whose email IDs are registered with the Depository Participants and / or with the Company's Registrars and Transfer Agents.

In terms of above MCA Circulars and in view of the current extraordinary circumstances due to persisting Covid-19 pandemic requiring social distancing, the Company is taking measures to allow Members to vote through the mechanism of e-voting or other electronic mode in accordance with the provisions of the Act and rules made thereunder, without holding AGM that requires physical presence of Members at a common venue.

**With respect to detailed procedure for Remote e-voting or voting through electronic mode and attending the AGM through VC/OAVM, please refer the Notes and instructions annexed to Notice of 77<sup>th</sup> AGM.**

### GENERAL INFORMATION TO SHAREHOLDER

- **Financial Year** : 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022
- **Record Date** : Monday, 13<sup>th</sup> June, 2022
- **Annual General Meeting** : Monday, 20<sup>th</sup> June, 2022 at 10:00 a.m. at Digvijaygram, Gujarat, India through VC/OAVM
- **Dividend Payment Date** : The proposed Final Dividend, if approved at the ensuing AGM, will be distributed by 27<sup>th</sup> June, 2022.

**Tentative Financial Calendar for the year 2022-23:**

Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Quarterly results and Limited Review for the quarter ending 30 <sup>th</sup> June, 2022	Within 45 days of the end of the quarter
Quarterly/ Half-yearly results and Limited Review for the quarter ending 30 <sup>th</sup> September, 2022	
Quarterly/ Nine-months results and Limited Review for the quarter ending 31 <sup>st</sup> December, 2022	
Results for the Year ending 31 <sup>st</sup> March, 2023	Within 60 days of the end of the financial year
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2023	By end of September, 2023

**Listing of Shares :**

The Equity Shares of the Company are listed at the following Stock Exchanges:

	Name of Exchange	Stock Code
1.	<b>National Stock Exchange of India Ltd. (NSE)</b> Exchange Plaza, C - 1, Block - G, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051.	SHREDIGCEM
2.	<b>BSE Ltd. (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.	502180

Annual Listing fees for the financial year 2022-23 paid to both the Stock Exchanges.

The security of the Company was never suspended from trading during the year 2021-22

**Corporate Identity Number (CIN) :** L26940GJ1944PLC000749

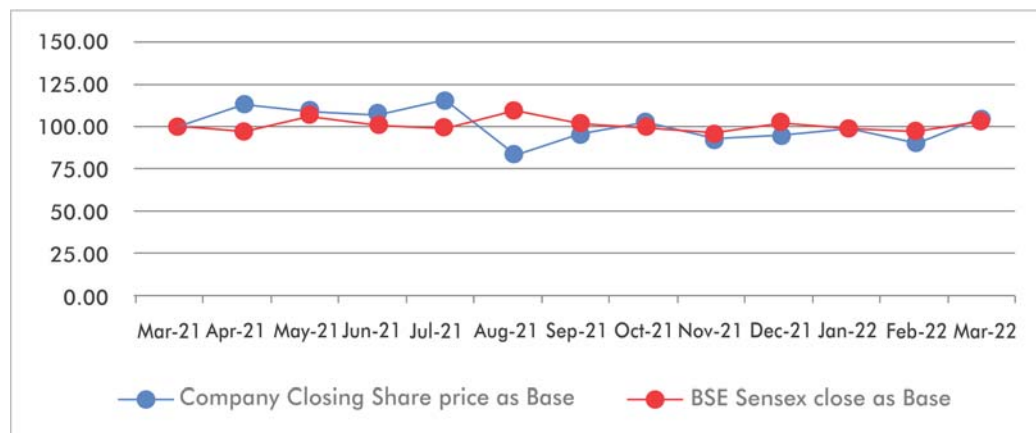
**Market Price Data during financial year 2021-2022 :**

Month	BSE (in Rs.)			NSE (in Rs.)		
	High	Low	Volume	High	Low	Volume
April-2021	74.50	60.95	2137878	74.40	60.70	21067649
May-2021	80.70	67.20	1698338	80.65	67.85	16782760
June-2021	96.05	74.95	2343004	93.85	75.00	19194630
July-2021	97.70	81.10	2303908	97.80	81.15	21372912
August-2021	96.85	74.90	1692295	96.90	74.70	13178465
September-2021	84.70	75.05	904611	84.70	75.50	5940030
October-2021	87.85	76.05	1192169	88.00	76.90	10351660
November-2021	84.55	72.70	663238	84.55	72.60	4419338
December-2021	80.05	68.00	465464	80.15	63.70	3341517
January-2022	82.35	69.80	1427259	82.45	69.75	11253793
February-2022	74.70	52.10	751233	74.70	47.10	5191280
March-2022	73.45	60.85	888852	72.80	60.90	6368083

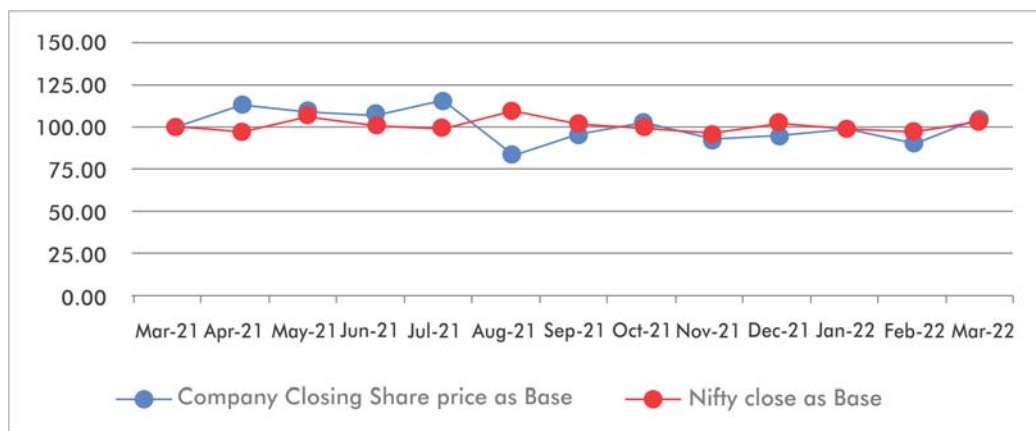
The performance of the equity share price of the Company vis-à-vis the S&P BSE Sensex is as under:

Month	Company's Share Price at BSE (Rs.)	S & P BSE Sensex	Relative Index for comparison purpose	
			Company Share price index	BSE Sensex
March-2021	61.9	49509.15	100.00	100.00
April-2021	70.35	48782.36	113.65	98.53
May-2021	76.15	51937.44	108.24	106.47
June-2021	81.7	52482.71	107.29	101.05
July-2021	94.95	52586.84	116.22	100.20
August-2021	80.7	57552.39	84.99	109.44
September-2021	77.85	59126.36	96.47	102.73
October-2021	80.75	59306.93	103.73	100.31
November-2021	76.2	57064.87	94.37	96.22
December-2021	72.5	58253.82	95.14	102.08
January-2022	71.9	58014.17	99.17	99.59
February-2022	65.2	56247.28	90.68	96.95
March-2022	69.15	58568.51	106.06	104.13

**Company's Share Price on BSE and BSE Sensex Trend (Base Price basis):**



**Company's Share Price on NSE and CNX Nifty Trend (Base Price basis) :**





**Dividend history for the last 5 years is as under:**

Financial Year	Date of Declaration	Dividend per Share (Rs.)
2017-18	NA	NIL
2018-19	NA	NIL
2019-20	30-06-2020	Rs. 1.50 (i.e. 15%)
2020-21	18-06-2021	Rs. 2.50 (i.e. 25%)
2021-22	27-10-2021	Interim Dividend : Rs. 1.50 (i.e. 15%)- Final Dividend: Rs. 2.00 (i.e. 20%)* Total Dividend: Rs. 3.50 (i.e. 35% )

\* As recommended by Board of Directors at its meeting held on 27<sup>th</sup> April, 2022 and subject to approval of shareholders at the ensuing 77<sup>th</sup> Annual General Meeting scheduled on 20<sup>th</sup> June, 2022.

**Unclaimed Dividends:**

The Company currently has no unclaimed dividends that need to be transferred to the Investor Education & Protection Fund (IEPF), since dividend was declared by the Company since financial year 2019-20, after a gap of almost 33 years.

**Registrar and Share Transfer Agents (RTA):**

M/s Link In-time India Pvt. Ltd.  
C-101, 247 Park  
LBS Marg, Vikhroli (W)  
Mumbai – 400 083  
Telephone No.022-4918 6000  
Fax No.022-4918 6060  
e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**Investors Correspondence:**

The Company Secretary  
Shree Digvijay Cement Company Limited  
CIN: L26940GJ1944PLC000749  
Digvijaygram – 361 140  
Dist. Jamnagar (Gujarat)  
Telephone : (0288) 2344 272 - 2344 275  
Fax No. : (0288) 2344 092  
Website : [www.digvijaycement.com](http://www.digvijaycement.com)

**Exclusive e-mail id for Investors' Grievances :**

Pursuant to Regulation 85 of the SEBI Listing Regulations, the following e-mail id has been designated for communicating investors' grievances:

e-mail : [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com)

**E-mail id pursuant to Green Initiative in the Corporate Governance :**

As a part of Green Initiative, the Members who wants to receive the notices/documents including Annual Reports of the Company electronically, may kindly intimate their e-mail id to the Company at its designated e-mail id i.e. [greeninitiative@digvijaycement.com](mailto:greeninitiative@digvijaycement.com).

**Share Transfer System:**

a) Transfer of Securities held in physical Mode

As per SEBI norms, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. The procedure to dematerialise shares is available at <https://www.digvijaycement.com>. Further vide circular date 24<sup>th</sup> January, 2022, SEBI has notified that all request for duplicate issuance, splitting and consolidation requests too will be processed in a demat mode only. You may also write to our RTA on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or to the Company's mail id. [Investors.sdcl@digvijaycement.com](mailto:Investors.sdcl@digvijaycement.com) requesting for such forms.

b) Nomination facility for shareholding

As per the provision of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form by writing to the Company Secretary of the Company or RTA or download the form from the Company's website. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regard.

c) Permanent Account Number (PAN) and Bank Account details:

As required by SEBI. The regulator, vide circular dated 3<sup>rd</sup> November, 2021, and 15<sup>th</sup> December, 2021, has mandated furnishing of PAN, KYC details and nomination by holders of physical securities by 31<sup>st</sup> March, 2023, and linking PAN with Aadhaar by 31<sup>st</sup> March, 2022. Members are requested to submit their PAN, KYC and nomination details to the Company's registrars through the forms available at [www.digvijaycement.com](http://www.digvijaycement.com). Company has also sent communications in this regard to eligible shareholders.



Pursuant to aforesaid SEBI Circular, in case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. In case the securities continue to remain frozen as on 31<sup>st</sup> December, 2025, the registrar/ the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/ or Prevention of Money Laundering Act, 2002.

d) Subdivision of shares

The Company had subdivided the face value of its Equity shares from Rs.100 to Rs.10 in 1995. The old shares having face value of Rs.100 are no longer tradable on the stock exchange. Members holding share certificates of the face value of Rs.100 are requested to send the certificates to the Company Secretary of the

Company for exchange with shares of the face value of Rs.10 each.

e) Pending Investors' Grievances

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

f) Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by an independent external Auditors (Practicing Company Secretary) with a view to reconcile the total share capital admitted with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and shares held in physical form, with the issued and listed capital. The Auditors Certificate in regard to the same is submitted to BSE and NSE and also placed before the Stakeholders Relationship committee and the Board of Directors.

**Distribution of shareholding as on 31<sup>st</sup> March, 2022:**

Holdings	No. of Shareholders	% age	No. of shares	% of shareholdings
1-500	60,941	84.4725	73,56,167	5.1075
501-1000	5,482	7.5988	45,81,180	3.1808
1001-2000	2,733	3.7883	42,31,517	2.9380
2001-3000	950	1.3168	24,23,088	1.6824
3001-4000	408	0.5655	14,70,183	1.0208
4001-5000	472	0.6543	22,43,335	1.5576
5001-10000	654	0.9065	49,36,946	3.4278
10001 & above	503	0.6972	11,67,85,362	81.0853
<b>Total</b>	<b>72,143</b>	<b>100.00</b>	<b>14,40,27,778</b>	<b>100.00</b>

**Dematerialisation of Shares and liquidity:**

As on 31<sup>st</sup> March, 2022, 99.47% of the Company's total equity shares representing 14,32,70,515 equity shares (including 1,72,500 equity shares, allotted

under ESOP 2019 on 31/03/2022, and were lying under temporary ISIN with NSDL) were held in dematerialized form and 7,57,263 equity shares representing 0.53% of paid-up share capital were held in physical form.

**Categories of Shareholding as on 31<sup>st</sup> March, 2022**

Category	No. of shares held	% of Shareholdings
Promoters	8,08,25,928	56.12
NR & NRI's	29,49,101	2.05
Financial Ins./ Banks etc.	5,347	0
Bodies Corporate/ LLP	1,20,52,913	8.37
Foreign Portfolio Investors	4,14,602	0.29
Public	4,77,79,887	33.17
<b>Total</b>	<b>14,40,27,778</b>	<b>100.00</b>

**Registered Office & Works / Plant Location:**

Shree Digvijay Cement Company Limited

CIN: L26940GJ1944PLC000749

Digvijaygram – 361 140

Dist. Jamnagar (Gujarat)

Telephone : (0288) 2344 272 -2344 275

Fax No. : (0288) 2344 092

Website : [www.digvijaycement.com](http://www.digvijaycement.com)

e-mail : [investors.sdcl@digvijaycement.com](mailto:investors.sdcl@digvijaycement.com)

**Non-Mandatory / Discretionary requirements of regulation 27 (1) & Part E of Schedule II of the SEBI Listing Regulations:**

- **Shareholders Rights:**

The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.

- **Auditor's Opinion:**

The Company's financial statements for the financial year 2021-22 do not contain any audit qualification.

- **Reporting of internal auditor:**

The internal auditors report to the Audit Committee.

- **Separate posts for chairperson and chief executive officer:**

The position of the Chairman of the Board of Directors and the CEO are separate.

- **Code for Prohibition of Insider Trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". The Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated persons as defined in the Code of Conduct.

## ANNEXURE TO CORPORATE GOVERNANCE REPORT

To  
The Shareholders,  
Affirmation of Compliance with Code of Conduct

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Conduct from all the Directors and the Senior Management Personnel of the Company, as applicable to them, for the financial year ended 31<sup>st</sup> March, 2022.

For Shree Digvijay Cement Co. Ltd.

Place : Digvijaygram  
Date : 27<sup>th</sup> April, 2022

KK Rajeev Nambiar  
CEO & Managing Director

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members of  
Shree Digvijay Cement Company Limited

We have examined the compliance of conditions of corporate governance by **Shree Digvijay Cement Company Limited ("the Company")**, for the year ended 31<sup>st</sup> March, 2022, as specified Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Regulations**").

### Management's Responsibility:

The Company's management also takes full responsibility of the Compliance of the conditions of Corporate Governance stipulated in the Regulations.

### Auditors' Responsibility:

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our engagement in accordance with the "Guidance Note on Corporate Governance Certificate" issued by the Institute of Company Secretaries of India. Our responsibility is to certify based on the work done.

### Conclusion:

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restrictions on use:

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP  
COMPANY SECRETARIES  
UNIQUE CODE: L2017MH003500

Place : Mumbai  
Date : 27<sup>th</sup> April, 2022

DINESH KUMAR DEORA  
PARTNER  
Membership No.: FCS 5683 COP No 4119  
UDIN Number: F005683D000220491

## Annexure I

### BUSINESS RESPONSIBILITY REPORT 2021-22

Shree Digvijay Cement Company Ltd. (“**Company**”) believes that responsible business conduct is based on the principle of business being accountable towards its stakeholders in its drive for sustainable development in the arena of environmental protection, workplace safety, social responsibility and governance. With this intent, Company has adopted Environment Social and Governance (ESG) Policy, in accordance with the Global Standards and Reporting Initiative’s framework, with the object to incorporate ethical, environmental and social considerations into business activities thereby mitigating material risks, exploring areas of opportunity and improving overall performance. More details about Company’s ESG performance is included in Management Discussion & Analysis (MDA) Report forming part of Annual Report.

Company’s Business Responsibility Report 2021-22 follows the National Guidelines on Responsible Business Conduct (NGRBC) as formulated by Ministry of Corporate Affairs (MCA) and includes Company’s responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“**Listing Regulations**”), covering topics across environment, governance, social responsibility and stakeholder relationships. This Business Responsibility Report is a testament to our accountability towards creating enduring value for all stakeholders in a responsible manner. In line with Listing Regulations and MCA NGRBC, the report summarizes our efforts to conduct business with responsibility.

### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L26940GJ1944PLC000749			
2	Name of the Company	Shree Digvijay Cement Company Limited			
3	Registered address	Digvijaygram-361 140, Via: Jamnagar, Gujarat, India			
4	Website	<a href="http://www.digvijaycement.com">www.digvijaycement.com</a>			
5	E-mail id	<a href="mailto:investors.sdcl@digvijaycement.com">investors.sdcl@digvijaycement.com</a>			
6	Financial Year reported	2021-22			
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Details of major products			
		Group	Class	Sub Class	Description
		239	2394	23941 23942	Manufacturing of Clinker and Cement
8	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	The Company manufactures cement of various kinds viz. Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Sulphate Resisting Portland Cement (SRPC), and Oil Well Cement (OWC) and other Special Cements.			
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5):-Nil (b) Number of National Locations : One integrated cement unit comprising of clinker, grinding unit, blending unit at Sikka, Digvijaygram; (c) Registered Office and Corporate Office at Sikka, Digvijaygram; <i>Jamnagar, Gujarat;</i> (d) Central Sales Office at Ahmedabad, Gujarat; and (e) Regional Sales Offices at other locations in the state of Gujarat.			
10	Markets served by the Company	Local	State	National	International
		Yes	Yes	Yes	Yes



## SECTION B : FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	Rs. 14,402.85 Lakhs
2	Total Turnover	Rs. 63,332.95 Lakhs
3	Total profit after taxes	Rs. 5,529.09 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, an amount of Rs.97.74 Lakhs was spent on CSR activities.
5	List of activities in which expenditure in 4 above has	1. Health Care, Hygiene & Sanitation been incurred:- 2. Contribution for Social Cause 3. Promotion of Education 4. Socio Developmental Projects

## SECTION C: OTHER DETAILS

### 1. Does the Company has any Subsidiary Company/Companies?

Yes. the Company has one Wholly Owned Subsidiary ("Subsidiary") namely SDCCL Logistics Limited as on March 31, 2022.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Company's Subsidiary has not started its operations during the year. As such, it has not participated in the BR initiatives of the Company.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Other entities viz. suppliers, distributors etc. with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company.

## SECTION D: BR INFORMATION

### 1. Details of Director/Officer responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:		
1	DIN Number	: 07313541
2	Name	: Mr. KK Rajeev Nambiar
3	Designation	: CEO & Managing Director
b) Details of the BR head:		
	<b>No.</b>	<b>Particulars</b>
		<b>Details</b>
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Suresh Kumar Meher
3	Designation	V.P. (Legal) & Company Secretary
4	Telephone Number	0288-2344272
5	Email ID	suresh.meher@digvijaycement.com

**2. Principle-wise (as per NGRBC) BR Policy/policies**

a) Details of compliance (Reply in Y/N)

The Nine principles as per BRR are as given below :-

<b>P 1</b>	Businesses should conduct and govern themselves with Ethics, Transparency and Accountable.
<b>P 2</b>	Businesses should provide goods and services in a manner that is sustainable and safe
<b>P 3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains.
<b>P 4</b>	Businesses should respect the interests of and be responsive to all their stakeholders.
<b>P 5</b>	Businesses should respect and promote human rights.
<b>P 6</b>	Businesses should respect, protect and make efforts to restore the environment.
<b>P 7</b>	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
<b>P 8</b>	Businesses should promote inclusive growth and equitable development.
<b>P 9</b>	Businesses should engage with and provide value to their consumers in a responsible manner.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for each principle?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify, (50 words)	The policies are based on the 'National Guidelines on Responsible Business Conduct (NGRBC) as formulated by Ministry of Corporate Affairs (MCA). ESG Policy adopted by the Company is in accordance with the Global Standards and Reporting Initiative's framework.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Copies of the policy will be made available on receipt of written request from stakeholders.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company.								
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency.	The Company is working on developing and improving its system for evaluating the implementation of the policies. The policies are evaluated from time to time and updated whenever required. ESG Policy is implemented with the help of independent external agency and review / evaluation of the implementation and working of the Policy take place by such agency on regular intervals.								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why : (Tick upto 2 options):

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	<b>Not Applicable</b>								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

BR performance of the Company is assessed in every 3 months during the financial year 2021-22.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyper link for viewing this report? How frequently it is published?**

The Company prepares Business Responsibility Report annually and the same is placed on the website of the Company at [www.digvijaycement.com](http://www.digvijaycement.com). Details about Company's ESG & Substitutability initiatives and performance are part of Management Discussion and Analysis Report.

## SECTION E : PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

The Policy relating to Ethics, Bribery and Corruption is an extension of Code of Conduct (Code) of the Company and the backbone of Company's governance system and guides the operations of the Company. The Code of Conduct applies to the Directors and the Senior Management and all employees of the Company. The Policy and Code are also shared with our suppliers / contractors / other stakeholders, wherever required, and it is Company's endeavour to encourage its suppliers, vendors, contractors, business partners and third parties with whom it conducts business to abide by this Policy and Code.

A Whistle Blower Policy/Vigil Mechanism is also in place, which provide opportunity to all stakeholders to report any concerns/issues/incidents about unethical behaviour, actual or suspected fraud or violation of the Code and Policies of the Company.

The Company' Subsidiary has its own policies which are also aligned with the policies of the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the financial year 2021-22, the Company has received total 3 (three) complaints from the shareholders of the Company, out of which 1 is relating to non-receipt of dividend and 2 are relating to issue of duplicate share and 100% of the said complaints were satisfactorily resolved by the Company. There is no complaints received from other stakeholders during the year, other than employee grievances, which are attended and resolved as per grievance redressal mechanism of the Company.

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE**

**1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company has been focusing on developing products that are environment friendly, utilizing waste by product from other industries, reducing carbon foot-print and more energy efficient. Our major product range is blended cements which include Portland Pozzolana Cement (PPC), Ordinary Portland Cement (OPC), and Oil Well Cement (OWC). It has been Company's constant endeavor to increase sales of blended cement PPC including special blended PPC cement with brand name "CEMENT KA SARDAR", which is specially engineered for CRACK-FREE concrete. This very special Premium Green Cement comes with 6 Key benefits of High Early Strength, Superior Cohesion, Quick Setting, Resistant to Chemical Attack, Most Durable and Green Product. We have also introduced the first NOx control system in Gujarat to produce greener clinker and reduce the impact of gaseous pollutant to atmosphere. Installation of a new AFR system in our pyro section helps us to reduce the greenhouse gases emission through better fuel control. With the reduction in the overall kilo meters of delivery destinations, we are able to reduce the transport efficiency and greener footprint, thereby minimizing the cost and Carbon emission.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company is committed to environment protection, climate change and taking various initiatives to reduce carbon footprint. It is Company's endeavour to continuously focus on green energy with cheaper sourcing and becoming a self-sufficient Company in current energy scenario. As a part of promoting renewable energy, Company has installed Waste Heat Recovery Power Generation Plant (WHRP) at its Manufacturing unit at Sikka. Company has also recently signed hybrid power contract for a capacity of 8.10 MW hybrid wind and solar power. This Hybrid power contract will generate about 37% of total power requirement of the plant and put together with WHRP will constitute over 65% of total power needs of the Company with a considerable savings in the cost of power and environmental footprints. Company always promote energy efficient technology to ensure lower energy consumption. The Company, as a part of drive to conserve natural resources and to reduce energy consumption, consumes industrial hazardous waste as a fuel in kiln in both solid and liquid form, by-products such as fly ash, chemical gypsum, iron sludge, copper slag in the cement manufacturing process, contributing to reduce greenhouse gas emission. Apart from use of wind power at its Sikka unit, Company also intend to promote use of solar power and other renewable energy. For further details please refer to Annexure – 'C' to the Director's Report covering inter-alia, details of Conservation of Energy.

The Company is replacing fossil fuel with burnable and industrial waste to the extent of availability.

The Company has a focused approach to cater to the cement needs of population and organizations in the areas close to its manufacturing plant in Sikka.

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

*The Company's products are used by variety of consumers and it is neither feasible to measure reduction in the usage (energy, water) nor available with us. However, at plant level we are taking following actions to reduce energy and water consumption:*

- i) Use of alternative fuel for thermal substitution by using plastic wastes collected locally, poly residue plastic ETP sludge, industrial waste and replacing fossil fuel. During the year, Company achieved 1.18% Thermal Substitution rate though Waste Feed.
- ii) Reduction in water consumption reduced by 40% in plant operation.
- iii) Achieved 100% water recycle in plant and township with zero liquid discharge operation.
- iv) For water conservation, we also collect rain-water in three number of water ponds and two number of roof top systems, which is being used for plant and colony throughout the year.
- v) Company has also rolled out water awareness campaign in and around plant and colony area.
- vi) Because of various measures, total water consumption intensity are in reducing trend.

More details about above is disclosed in MDA forming part of Annual Report.

### 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company's main raw material "limestone" is procured from its own mines and third-party mines, situated at an average distance of 100 km from its Plant. These are transported through trucks with fully covered tarpaulin. Most of the Company's inward bulk materials are sourced from nearby areas in a sustainable manner.

The Company also procures fly ash through bulker from nearby industries as much as possible.

The Company has continuously increased the use of Alternate Fuel (plastic wastes, co-processed industrial waste and segregated municipal wastes) to replace part of fossil fuel, in a sustainable manner.

Company has adopted advance technology giving solutions to provide real time fleet monitoring, incorporating travel history, movement reports, alerts and timely delivery by control and monitoring through mobile app remotely through GPS tracking. These initiatives helped a lot to Company in improving the efficiency of the logistic & transport operation of the Company.

### 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company encourages local vendors to supply Company's regular needs. The Company has trained and developed local contractors to meet its repair and maintenance needs as much as possible. These contractors employ workmen mostly from local villages. Almost 100% of the skilled workmen and majority of the knowledge-based workmen are sourced from local areas only. Also all the inward and outward transport vendors are all from the near vicinity.

### 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Cement manufacturing process does not generate any by-product / waste as such. The plant is a zero-waste generator. The Company utilizes wastes of other industries like steel plants, power plants and other chemical plants as additives in cement manufacture and thus contributes to sustainable development.

Company is collecting the waste plastic from municipalities and industries to recycle the same in the manufacturing process. During the year, new transport belts and feeding circuit has been commissioned to recycle and consume 100% spillages and waste material inside the plant. During the year nearly 4500 tons of wastes co-processed in Kiln.

## PRINCIPLE 3 :

### **BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.**

**1. Please indicate the Total number of employees.**

The total number of employees is 259 as on 31<sup>st</sup> March, 2022.

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Total temporary/Contractual/Casual employees were as on 31<sup>st</sup> March, 2022 out of which 11 comprises of Trainees and Apprentices.

**3. Please indicate the Number of permanent women employees.**

There were 6 permanent women employees as on 31<sup>st</sup> March, 2022

**4. Please indicate the Number of permanent employees with disabilities**

There were Nil permanent employees with disabilities as on 31<sup>st</sup> March, 2022.

**5. Do you have an employee association that is recognized by management?**

Company has workers union namely, Shree Sikka Cement Employees Union (Indian National Trade Union Congress) and Shree Digvijay Cement Mazdoor Sangh (Bharatiya Mazdoor Sangh). There is no Staff Union.



**6. What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	The Company does not employ such labour	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

**8. What percentage of your under mentioned employees were given safety & skillup-gradation training in the last year?**

Sr. No.	Category of Employees	Safety and skill up gradation training
(a)	Permanent Employees	94%
(b)	Permanent Women Employees	83%
(c)	Casual/temporary/Contractual Employees	100%
(d)	Employees with Disabilities	NA

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS.**
**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes. For Shree Digvijay Cement, maintaining relationship with stakeholders is a business imperative. The business revolves around stakeholders, right from suppliers to customers, shareholders to communities, government to workforce and contractors.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

The Company has mapped disadvantaged, vulnerable and marginalized stakeholders viz. communities in and around the areas of its plant & mining operations and is actively working towards their inclusive growth as part of Company's CSR efforts.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company undertakes special initiatives and projects in the areas of Eradication of Poverty, Women Empowerment, Health Care including preventive health care and sanitation, providing safe drinking water, education. Company also engage in skill development leading to creation of alternative employment. Company ensures environmental sustainability through forestry, conservation of natural resources and maintaining quality of soil, air and water, all directed towards helping neighboring communities, including disadvantaged, vulnerable and marginalized stakeholders and being instrumental in cultivating their progress. The Company was the first industrial unit in the region, who started providing free drinking water and free medical amenities to all nearby villagers, particularly disadvantaged, vulnerable and marginalized population, whosoever residing around Company's plant and mining locations. The Company also has a well-established CSR policy which reflects the objective of economic and social development to create a positive impact.

## PRINCIPLE 5 : BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Policy relating to respecting and promoting human rights covers the Company and its Suppliers, and Contractors. However, the Company encourages its other business partners and third parties with whom it conducts business to abide by this Policy.

### 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the financial year 2021-22, the Company did not receive any complaint regarding violation of human rights.

## PRINCIPLE 6 : BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

### 1. Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others ?

The Policy relating to respecting, protecting and restoring the Environment covers the Company only. However, the Company encourages its suppliers, business partners and third parties with whom it conducts business to abide by this Policy.

### 2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for web page etc.

The world is faced with serious challenges like climate change, global warming and environmental risks. The Company is fully engaged mitigating the negative effects to the environment and climate through various initiatives in a sustainable and planned manner. The Company proactively takes measure to reduce carbon footprint to address the environmental issues. The Company has a special drive for tree plantation in the mined-out areas, waste land and plant premises.

More details on Company's efforts on climate change etc. is disclosed in MDA forming part of Annual Report.

### 3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company identifies and assesses potential environmental risks periodically across its plant operations and projects. Company has constantly been investing in latest and best technology to reduce emissions as per Environment norms.

### 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Currently no projects related to Clean Development Mechanism (CDM) have been taken up by the Company. However, the Company has completed CDM project on WHRP at Sikka, which is operating successfully. The Company is also first to set up Ammonia purging plant (SNCR) as a part of CDM to reduce NOx emissions by its processes. The Company burns plastic waste, sourced from plastic industry, colony and nearby villages, in its kiln routinely.

### 5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc.Y/N. If yes, please give hyperlink for web page etc.

Yes, the Company has taken various initiatives on clean technology, energy efficiency, renewable energy etc., to reduce its impact on the environment, apart from its installed WHRP. In addition, the Company has installed system for feeding alternate fuel (plastic waste, co-processed industrial & chemical wastes etc.). To augment the AFR consumption a new shredder system is also installed during the Year. In the coming periods, it is proposed to increase alternate fuel consumption to reduce the dependence on fossil fuel. For further details please refer to Annexure-'C' to the Director's Report covering inter-alia, details of Conservation of Energy and MDA forming part of Annual Report. The Company has a target to achieve 10% substitution of renewable fuel with alternate fuels. The Company uses pet coke and fly ash from nearby refineries, power and petroleum industries. This also helps to reduce carbon foot-print.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the stacks are connected live to the Government body CPCB/GPCB as per norms. The emissions/waste generated by the Company is within the permissible limits for the financial year 2021-22.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are no show cause/ legal notices received from CPCB/GPCB which are pending as at end of the Financial Year 2021-22.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a Member of the following trade/ chamber associations:

- (a) Cement Manufacturers Association (CMA)
- (b) Confederation of Indian Industry (CII)
- (c) Federation of Indian Mineral Industries (FIMI)
- (d) ASAP for Indian Cement Review (ICR)
- (e) Global Cement & Concrete Association (GCCA)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company continuously advocates the use of eco-friendly mining practices, use of alternative fuels and increase use of fly-ash, installation of WHRP in cement manufacturing units, energy conservation, infrastructure developments and construction of concrete roads.

**PRINCIPLE 8 : BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has a well-defined CSR Policy and Programme wise implementation plan, which creates sustainable livelihoods, especially among the poor in rural areas wherein the Company operates and :

- a) Focus on skill development of people for alternate employment opportunity generation, particularly women empowerment including livelihood projects.
- b) Conduct Self Help Group training, meeting and development programme.
- c) Conduct meeting of villagers / farmers at mines and train them towards advanced agriculture techniques so that they can use their land more effectively and increase their income.
- d) Aid women for making various types of food items, tailoring and stitching etc. for Sustainable Livelihood.
- e) Work for women empowerment, education, skill development and entrepreneurship.
- f) Conduct vocational skill training for women empowerment such as Tailoring classes, cooking classes, Dance classes, etc., manufacturing of masks & bags etc. The Company also provides Computer Course, English Speaking Classes and open Learning Centre.

The Company through its Environment, Social and Governance (ESG) Policy, inter alia:

- a) established systems to manage environmental and social impact of business activities across the value chain.
  - b) established, implemented and maintained an effective monitoring and reporting systems for continuous improvement of ESG performance.
  - c) implemented mechanisms to achieve an equitable, healthy, and safe working environment for employees
  - d) supported the local communities for an inclusive development of the society.
  - e) consulting and sought feedback from relevant stakeholders to ensure continued relevance of policy.
- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

Programme / Projects are currently undertaken through in-house team.

**3. Have you done any impact assessment of your initiative?**

Our team / field staffs regularly visit nearby villages and take feedback from beneficiaries. We also conduct Community Assessment to identify the need of local community for our CSR initiatives. Company is not required to do any impact assessment as per MCA Notification.

**4. What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

The Company has spent Rs.97.74 Lakhs as part of its CSR initiatives during the year. Details of the projects are given in Annexure- 'E'- Annual Report on CSR Activities forming part of Director's Report. These activities in CSR Report and amount spent doesn't include, spending by the Company and efforts made in supplying free drinking water to nearby villages etc.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. The Company has taken all possible steps to ensure that these programs are successfully adopted by the community. The Company organise regular meetings of its officials with villagers to ensure their satisfaction / specific need analysis. CSR officials regularly keep interacting with them to explain benefits of the programs undertaken by the Company. Company officials also interacted with women groups to understand their needs, build confidence amongst them and to promote their enterprise, which is implemented through Company's CSR Programme. The Company has implemented monthly reporting system which contains progress and development report of all the ongoing programmes. Company in today's context is regularly working in the areas of preventive healthcare by organizing medical camps and awareness programmes from time to time benefitting to the residents of nearby areas.

During the second wave of COVID-19 pandemic, the Company provided medical equipment and support & training to nearby Community Health Centre including supplying beds, oxygen cylinders along with flowmeter. Company has taken various steps for promoting education in local area for which Company on continuous basis develop infrastructure facilities of School Buildings managed through Trust.

**PRINCIPLE 9 : BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The Company is firmly committed to providing world class products and services to customers, supported by capable and qualified manpower to provide pre and after-sales services. The Company takes care of concerns of all its stakeholders, influencers and recommenders.

A well-established mechanism is in place to deal with customer feedback and complaints. Customers can connect with the Company through multiple channels such as email, telephone, website, social media and feedback forms. There is a robust mechanism in place to appropriately address and resolve any type of complaint. At the end of the financial year, there were no unresolved complaints.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks.**

Company displays and maintains high standards of communication and information dissemination to ensure full compliance with applicable regulations.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

There are no cases in relation to unfair trade practices, irresponsible advertising and/or violation of any laws during the financial year 2021-22.

**4. Did your Company carry out any consumer survey/consumer satisfaction trends.**

The Company conducts a Consumer Satisfaction Survey once every six months to gauge consumer sentiments and expectations. The exercise enables the Company to take appropriate measures, often proactively, to increase customer satisfaction.



## INDEPENDENT AUDITORS' REPORT

To the Members of  
Shree Digvijay Cement Company Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Shree Digvijay Cement Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Litigations and contingencies See note 25 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>- The Company is required to comply with a variety of different Central and State laws including direct and indirect tax laws, regulations and interpretations which exposes it to risk of litigations and claims.</li> <li>- Provisions and contingent liability disclosures for litigations and claims may arise from tax proceedings, legal and regulatory proceedings, other government/department proceedings, as well as investigations by authorities and commercial claims.</li> <li>- The complex nature and magnitude of the litigation and claims involves application of significant judgment by the Company to estimate the possible outcome of each matter. Also, the proceedings to these litigations and claims may span over multiple years and may involve protracted negotiation or litigation. These are also disclosed as critical estimates and judgements in preparing the standalone financial statements.</li> <li>- These estimates could change significantly over time as new facts emerge and each legal case progresses.</li> <li>- Considering the complexity, possible interpretations, the magnitude of the potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</li> </ul>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> <li>- Making enquiries with Company's in-house Legal Counsel and other senior personnel about the current and potential significant claims and litigations on the Company</li> <li>- Testing the design, implementation and operating effectiveness of the Company's controls over review of litigations and contingencies</li> <li>- Obtained Company's assessment on key exposures and any related litigation. Reading and analyzing select key correspondences between the Company and various tax/legal authorities or plaintiffs and attorneys, where applicable, and external legal opinions/ consultations obtained by the Company for key legal and tax matters</li> <li>- Involving our internal tax experts to assess various tax positions taken by the Company with respect to complex tax matters</li> <li>- Assessing and challenging the Company's estimate of the possible outcome of the disputed cases by considering legal precedence and other judicial rulings</li> <li>- Assessing and testing the adequacy of presentation and disclosures</li> </ul>

**Revenue recognition See Note 26 to the standalone financial statements**

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>- Revenue is recognised when the control over the underlying products has been transferred to the customer.</li> <li>- We consider a risk of misstatement of the Financial Statements related to revenue recognised during the year and as at year end which may include:               <ul style="list-style-type: none"> <li>- inconsistencies with customer agreements; or</li> <li>- overstatement of revenues by recording revenues in the current reporting period which should be recognised in a subsequent year; or</li> <li>- risk of recording fictitious revenue to achieve the targets</li> </ul> </li> <li>- Accordingly, revenue recognition during the year and as at year end is considered as a key audit matter.</li> </ul>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> <li>- Assessing the Company's revenue recognition policy for compliance with Ind AS</li> <li>- Testing the design, implementation and operating effectiveness of the Company's manual and automated controls around recording of revenue</li> <li>- Verifying the appropriateness of revenue recognition which included evaluating the Company's transit time assessment and quantification of any sales reversals based on the terms in sales contracts</li> <li>- Performing testing on selected statistical samples of revenue transactions recorded throughout the year and at the year end and checking delivery documents</li> <li>- Assessing and testing the adequacy of presentation and disclosures</li> </ul>

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cashflows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing

and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial

statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements.

b) The Company has long-term contracts as at 31 March 2022 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at 31 March 2022.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 35 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 35 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP**  
Chartered Accountants

Firm's Registration No. 116231W/W-100024  
ICAI UDIN: 22045754AHWJUF4982

**Jeyur Shah**

Partner

Place : Digvijaygram

Date : 27 April 2022

Membership No. 045754

**Annexure A to the report on the Audit of the Standalone Financial Statements**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of delivery has been verified. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investment in its wholly owned subsidiary company which prima facie is not prejudicial to the interest of the Company. The Company has not made any investments in firms, limited liability partnership or any other parties. Accordingly, clause 3(iii)(a) and clause 3(iii)(c) to clause 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, the provisions of section 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable. As explained to us, the provisions of employee state insurance are not applicable to the Company.



- (b) According to the information and explanations given to us, statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount demanded (Rs in lakhs)	Amount under dispute not deposited (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	686.56	634.58	Financial year 2009-10 to 2010-11	The Customs, Excise and Service Tax Appellate Tribunal
		516.95	516.95	Financial year 2009-10 to 2012-13	Commissioner (Appeals), Rajkot
		48.46	46.60	Financial year 2008-09 to 2012-13	Commissioner (Appeals), Ahmedabad
The Finance Act, 1994	Service tax	2,041.70	1,907.59	Financial year 2005-06 to 2015-16	The Customs, Excise and Service Tax Appellate Tribunal
		27.45	27.45	Financial year 2005-06	Commissioner (Appeals), Rajkot
The Customers Act, 1962	Customs duty	451.55	100.00	Financial year 2011-12	The Customs, Excise and Service Tax Appellate Tribunal
Sales Tax Act of respective states	Sales Tax	420.46	356.98	Financial year 2009-10 to 2017-18	Joint Commissioner (Appeal)
Octroi tax levied by local bodies	Octroi Tax	33.23	33.23	Financial year 2000-01	Gram Panchayat, Digvijaygram
Mines and Minerals (Development and Regulation) Act, 1957	Surface Rent & Dead rent	15.95	15.95	Financial year 2006-07 to 2008-09	Mines department, Gandhinagar

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from banks or financial institutions or any other lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under Companies Act, 2013. The Company does not hold any investment in any associate companies or joint ventures as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary

as defined under Companies Act, 2013. The Company does not hold any investment in any associate companies or joint ventures as defined under Companies Act, 2013.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons

connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi) (a) &(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and clause 3(xvi)(b) of the Order is not applicable.
- (c) &(d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) and clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**  
Chartered Accountants

Firm's Registration No. 116231W/W-100024  
ICAI UDIN: 22045754AHWJUF4982

**Jeyur Shah**

Partner

Membership No. 045754

Place : Digvijaygram

Date : 27 April 2022

**Annexure B to the report on the Audit of the Standalone Financial Statements of Shree Digvijay Cement Company Limited for the year ended 31 March 2022**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Shree Digvijay Cement Company Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements

based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or

that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No. 116231W/W-100024  
ICAI UDIN: 22045754AHWJUF4982

Place : Digvijaygram  
Date : 27 April 2022

**Jeyur Shah**  
Partner  
Membership No. 045754

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2022**

(Rs. in lakhs)

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	18,425.48	17,154.64
Capital work-in-progress		175.96	899.05
Intangible assets	4(A)	1,221.66	1,054.83
Right-of-use asset	4(B)	32.66	28.28
Intangible assets under development	4(C)	362.21	356.65
<b>Financial assets</b>			
i. Investment in subsidiary company	5	6.00	1.00
ii. Other financial assets	6	1,025.10	39.88
Income tax assets	7	39.41	39.41
Other non-current assets	9	1,748.15	1,620.35
<b>Total Non-Current Assets</b>		<b>23,036.63</b>	<b>21,194.09</b>
<b>Current assets</b>			
Inventories	10	12,668.83	7,496.78
<b>Financial assets</b>			
i. Trade receivables	11	1,336.02	1,072.19
ii. Cash and cash equivalents	12	1,285.29	5,141.13
iii. Bank balances other than (ii) above	13	7,043.92	7,246.10
iv. Loans	14	36.58	42.54
v. Other financial assets	15	59.61	223.43
Other current assets	16	774.62	753.51
<b>Total Current Assets</b>		<b>23,204.87</b>	<b>21,975.68</b>
<b>Total Assets</b>		<b>46,241.50</b>	<b>43,169.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	14,402.85	14,229.30
Other equity	18	16,820.51	16,876.43
<b>Total Equity</b>		<b>31,223.36</b>	<b>31,105.73</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Lease liability	41	17.06	1.69
Provisions	19	1,518.43	1,287.88
Deferred tax liabilities (net)	8	1,358.09	356.41
<b>Total Non-Current Liabilities</b>		<b>2,893.58</b>	<b>1,645.98</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Lease liability	41	4.26	25.84
ii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	96.47	20.92
b. Total outstanding dues of creditors other than (a) above	20	6,159.39	5,095.38
iii. Other financial liabilities	21	3,510.68	2,668.85
Other current liabilities	22	1,926.00	2,124.52
Provisions	23	375.95	331.79
Income tax liabilities	24	51.81	150.76
<b>Total Current Liabilities</b>		<b>12,124.56</b>	<b>10,418.06</b>
<b>Total Equity and Liabilities</b>		<b>46,241.50</b>	<b>43,169.77</b>
<b>Significant accounting policies</b>	2(A)		
<b>The notes are an integral part of these standalone financial statements</b>			

In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.: 116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO & Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &

Company Secretary



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	26	62,934.04	50,282.25
Other income	27	398.91	632.18
<b>Total income</b>		<b>63,332.95</b>	<b>50,914.43</b>
<b>Expenses</b>			
Cost of materials consumed	28	12,156.35	11,090.70
Changes in inventories of finished goods and work-in-progress	29	(986.67)	(1,451.84)
Employees benefits expenses	30	3,767.07	3,662.47
Finance costs	31	145.62	159.39
Depreciation and amortisation expenses	32	3,140.28	2,683.29
Power and fuel expenses		20,869.64	13,470.16
Freight and handling expenses		9,170.95	7,447.09
Other expenses	33	6,249.25	5,559.28
<b>Total expenses</b>		<b>54,512.49</b>	<b>42,620.54</b>
<b>Profit before tax</b>		<b>8,820.46</b>	<b>8,293.89</b>
Tax expense	7A		
Current tax		3,333.15	3,246.42
Deferred tax (credit)		(41.78)	(351.70)
<b>Total tax expense</b>		<b>3,291.37</b>	<b>2,894.72</b>
<b>Profit for the year</b>		<b>5,529.09</b>	<b>5,399.17</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post employment benefit obligations, gain/(loss)	30A	0.58	(58.18)
Income tax relating to above	8	(0.15)	20.33
<b>Other comprehensive income for the year, net of tax</b>		<b>0.43</b>	<b>(37.85)</b>
<b>Total comprehensive income for the year</b>		<b>5,529.52</b>	<b>5,361.32</b>
Earnings per equity share (in Rs.) (Nominal value per share Rs.10)	39		
Basic earning per Share (In Rs.)		3.86	3.79
Diluted earning per Share (In Rs.)		3.78	3.66
<b>Significant accounting policies</b>	2(A)		
<b>The notes are an integral part of these standalone financial statements</b>			

In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.: 116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO & Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &

Company Secretary

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

	Year ended March 31,2022	Year ended March 31,2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	8,820.46	8,293.89
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	3,140.28	2,683.29
Provision for slow / non-moving stores & spares	37.21	31.17
Loss on sale / write-off of property, plant and equipments	14.39	55.28
Provision provided/(written back) for doubtful debts and advances	20.04	(2.05)
Interest income	(300.39)	(312.49)
Unrealized foreign exchange (gain) on operating activities	(56.19)	(42.14)
Compensation expenses under employee stock option scheme (ESOS)	33.98	78.12
Finance costs	145.62	159.39
<b>Operating profit before working capital changes</b>	<b>11,855.40</b>	<b>10,944.46</b>
<b>Adjustments for:</b>		
(Increase) in inventories	(5,209.26)	(1,038.46)
(Increase) in trade receivables	(259.82)	(79.54)
Decrease/(increase) in loans	5.96	(6.75)
Decrease/(increase) in other financial assets	140.72	(209.88)
Decrease/(increase) in other assets	19.59	(193.51)
Increase in trade payables	1,195.75	392.67
Increase/(decrease) in other financial liabilities	327.41	(74.71)
(Decrease)/increase in other liabilities	(198.52)	1,160.05
Increase/(decrease) in provision	242.28	(8.80)
<b>Cash generated from operations</b>	<b>8,119.51</b>	<b>10,885.53</b>
Taxes paid (net of refunds)	(2,388.79)	(1,389.83)
<b>Net cash generated from operating activities</b>	<b>5,730.72</b>	<b>9,495.70</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment and intangible assets	(3,546.35)	(2,794.05)
Proceeds from sale of items of property, plant and equipment	14.93	32.39
Interest received	308.18	287.24
(Investment in)/proceed from term deposit with bank (net)	(760.09)	(7,197.13)
Investment in subsidiary	(5.00)	(1.00)
<b>Net cash (used in) investing activities</b>	<b>(3,988.33)</b>	<b>(9,672.55)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(105.76)	(100.49)
Dividend paid	(5,723.56)	(2,120.61)
Proceeds from Issue of Share Capital on Exercise of ESOS	277.68	146.88
Repayment of lease liability	(46.59)	(44.06)
<b>Net cash (used in) financing activities</b>	<b>(5,598.23)</b>	<b>(2,118.28)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3,855.84)</b>	<b>(2,295.13)</b>
Cash and cash equivalents at the beginning of the year	5,141.13	7,436.26
<b>Cash and cash equivalents at the end of the year</b>	<b>1,285.29</b>	<b>5,141.13</b>

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

	Year ended March 31,2022	Year ended March 31,2021
Reconciliation of cash & cash equivalents as per cash flow statement :		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	0.49	1.50
Balances with banks - in current accounts	1,284.80	631.81
Demand deposits	-	4,507.82
<b>Total</b>	<b>1,285.29</b>	<b>5,141.13</b>
<b>Significant accounting policies [Refer Note 2(A)]</b>		
<b>The notes are an integral part of these financial statements</b>		

**Note:**

- 1 The cash flow statement has been prepared under "Indirect Method" specified in Ind AS 7 on "Statement of Cash Flows".
- 2 Reconciliation of movements of cash flows arising from financing activities

	As at March 31,2022	As at March 31,2021
<b>Balance as at the beginning of the year</b>	-	-
<b>Cash Flow from financing activities</b>		
Dividend paid	(5,723.56)	(2,120.61)
Proceeds from Issue of Share Capital on Exercise of ESOS	277.68	146.88
Interest paid	(105.76)	(100.49)
Repayment of lease liability	(46.59)	(44.06)
<b>Total cash flow from financing activities</b>	<b>(5,598.23)</b>	<b>(2,118.28)</b>
Finance costs	145.62	159.39
<b>Less : Unwinding of discount on provision</b>	<b>(33.01)</b>	<b>(53.12)</b>
Add : ROU liability (Refer Note 4(B) & 41)	33.53	30.88
Add : Movement in lease liability (Refer Note 41)	6.21	7.40
Add : Securities premium on Shares issued under ESOS	(104.13)	(55.08)
Add : Share capital - ESOS	(173.55)	(91.80)
Add: Unpaid dividend	32.71	15.33
Add: Dividend paid	5,690.85	2,105.28
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.:116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**
**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO &amp; Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &amp;

Company Secretary

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

**Equity Share Capital**

(Rs. in lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	17	14,229.30	14,137.50
Changes in Equity Share Capital during the year		173.55	91.80
<b>Balance at the end of the year</b>	<b>17</b>	<b>14,402.85</b>	<b>14,229.30</b>

**Other Equity**

(Rs. in lakhs)

Particulars	Note	Reserves and Surplus						Share option outstanding	Total Other Equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income		
<b>As at March 31, 2020</b>	18	<b>8,786.87</b>	<b>35.00</b>	<b>20.43</b>	-	<b>4,674.78</b>	<b>(86.24)</b>	<b>71.68</b>	<b>13,502.52</b>
Profit for the year		-	-	-	-	5,399.17	-	-	5,399.17
Other comprehensive income		-	-	-	-	-	(37.85)	-	(37.85)
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>5,399.17</b>	<b>(37.85)</b>	-	<b>5,361.32</b>
<b>Contribution by and distribution to owners</b>									
Dividends		-	-	-	-	(2,120.61)	-	-	(2,120.61)
Transfer from retained earnings		-	-	-	1,000.00	(1,000.00)	-	-	-
Employees Stock Options Exercised		-	-	84.18	-	-	-	(29.10)	55.08
Employees Stock Options Scheme (ESOS)		-	-	-	-	-	-	78.12	78.12
<b>Total contribution by and distribution to owners</b>		-	-	<b>84.18</b>	<b>1,000.00</b>	<b>(3,120.61)</b>	-	<b>49.02</b>	<b>(1,987.41)</b>
<b>As at March 31, 2021</b>	18	<b>8,786.87</b>	<b>35.00</b>	<b>104.61</b>	<b>1,000.00</b>	<b>6,953.34</b>	<b>(124.09)</b>	<b>120.70</b>	<b>16,876.43</b>
Profit for the year		-	-	-	-	5,529.09	-	-	5,529.09
Other comprehensive income		-	-	-	-	-	0.43	-	0.43
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>5,529.09</b>	<b>0.43</b>	-	<b>5,529.52</b>
<b>Contribution by and distribution to owners</b>									
Dividends		-	-	-	-	(5,723.56)	-	-	(5,723.56)
Transfer from retained earnings		-	-	-	1,000.00	(1,000.00)	-	-	-
Employees Stock Options Exercised		-	-	158.40	-	-	-	(54.26)	104.14
Employees stock options scheme (ESOS)		-	-	-	-	-	-	33.98	33.98
<b>Total contribution by and distribution to owners</b>		-	-	<b>158.40</b>	<b>1,000.00</b>	<b>(6,723.56)</b>	-	<b>(20.28)</b>	<b>(5,585.44)</b>
<b>As at March 31, 2022</b>	18	<b>8,786.87</b>	<b>35.00</b>	<b>263.01</b>	<b>2,000.00</b>	<b>5,758.87</b>	<b>(123.66)</b>	<b>100.42</b>	<b>16,820.51</b>

Significant accounting policies [Refer Note 2(A)]

The notes are an integral part of these standalone financial statements

In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.:116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO & Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &

Company Secretary

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 1 Company Overview

Shree Digvijay Cement Company Limited (the 'Company') is a public limited Company domiciled in India with its registered office address being Digvijaygram, Dist: Jamnagar, Gujarat - 361140. The Company is listed on the Bombay Stock Exchange (BSE) & National stock exchange (NSE). The Company's principal business is manufacturing and selling of cement. The Company has one manufacturing facility at Sikka (via Jamnagar) with installed capacity of 12 lacs MT per annum. The Company caters mainly to the domestic market.

### 2(A) Summary of significant accounting policies

#### 2.01 Basis of preparation

##### a) Compliance with Indian Accounting Standards (Ind AS)

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### b) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for following items:

- i) Employee's Defined Benefit Plan as per actuarial valuation.
- ii) Employee share based payments measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

##### c) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 2.02 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief executive officer (CEO) and Managing director (MD) of the Company has been identified as CODM who assesses the financial performance and position of the Company, and makes strategic decisions.

#### 2.03 Foreign Currency Transactions

##### a) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the standalone statement of profit and loss.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

**2.04 Revenue Recognition**

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties. In determining the transaction price, the Company considers below, if any:

**Variable consideration :**

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

**Consideration payable to a customer :**

Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good that the customer transfers to the Company.

Further, in accordance with Ind AS 37, the Company recognises a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

**Contract balances**

**Trade receivables :** A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

**Contract liabilities :** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

**Significant payment terms**

Generally, the Company provides 21 days credit period for trade type customers and 30 days for non-trade type customers. Further, trade customers are eligible for certain discounts as per basis quantity upliftment by the customer on monthly, quarterly and annual.

**Interest income :**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

**2.05 Borrowing costs**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 2.06 Leasing - As a lessee

#### Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in standalone statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

### 2.07 Employee benefits

#### a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**b) Other long-term employee benefit obligations**

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the period are treated as other long term employee benefits for measurement purpose. The Company's liability is actuarially determined by an independent actuary using the Projected Unit Credit method at the end of each period. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in standalone statement of profit and loss.

**c) Post employee obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund and superannuation fund

**i) Gratuity obligations**

The liability recognised in the standalone balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is determined at the year end by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the standalone statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the standalone statement of changes in equity. Remeasurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in standalone statement of profit and loss as past service cost.

**ii) Defined contribution plans**

**Provident fund**

The Company pays contributions towards provident fund to the regulatory authorities as per local regulations where the Company has no further payment obligations. The contributions are recognised as employee benefit expense when they are due.

**Superannuation Fund**

Contribution towards superannuation fund for qualifying employees as per the Company's policy is made to Life Insurance Corporation of India where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

**2.08 Current and deferred tax**

Income tax expense or credit represents the sum of the current tax and deferred tax.

Current and deferred tax is recognised in the Standalone Statement of Profit and Loss except to the extent it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case it is recognised in 'Other comprehensive income' or directly in equity, respectively.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the standalone statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the standalone balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the standalone balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as an asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

The carrying amount of deferred tax assets and MAT credit is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 2.09 Property, plant and equipment

All items of property, plant and equipment ("PPE") are stated at historical cost less accumulated depreciation less accumulated impairment losses. The cost of property, plant and equipment includes purchase price including import duties, non-refundable taxes and expenditure that is directly attributable to acquisition and installation, cost of dismantling and removing the item and restoring the site on which it is located.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the standalone statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Standalone Statement of Profit and Loss.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a pro-rata basis on the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as per technical evaluation. Estimated useful lives of the assets thereof are as under:

Assets class	Life of Assets in Years
Buildings	30 - 60
Railway Sidings	21
Plant and Equipment	5 - 21
Electric Installations	5 - 20
Rolling Stocks and Locomotives	18
Furniture and Fixtures	5 - 20
Office Equipments & Computers	3 - 6
Vehicles	5 - 10
Jetty and Wharf	20 - 21

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

**2.10 Intangible Assets and Amortisation**

Intangible assets with finite useful life are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

**Amortisation methods and periods**

The Company amortises intangible assets with finite useful life using straight line method over the following periods:

Asset class	Life of Assets in Years
Computer Software and Licenses	3 to 6
Mining rights (Land)	Based on extractions of reserve

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Standalone Statement of Profit and Loss.

Intangible assets under development is carried at cost, less any recognised impairment loss. Amortisation of these assets commences when the assets are substantially ready for their intended use.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### Mine Reclamation provision and related asset

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. The Company recognizes unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier. These obligations represent the net present value of cash flows expected to be incurred for the restoration process and initially recognized as assets under mining rights (land) which are amortised over its remaining useful life. The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations, which mainly includes cost of plantation, fencing, biodiversity management, sustainable development, rainwater harvesting etc. The increase in liability due to unwinding of discount is recognised in the Standalone Statement of Profit and Loss under finance cost. Subsequent adjustments to the obligation for changes in the estimated cash flows/disbursement period/discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

### 2.11 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials and fuels comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour, other direct costs and related production overheads. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.13 Cash and cash equivalents

For the purpose of presentation in the Standalone Statement of Cash Flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

##### i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Standalone Statement of Profit or Loss or other comprehensive income.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through statement of profit or loss are expensed in standalone statement of profit and loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

##### Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in standalone statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

##### Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in standalone profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method.

##### Fair value through statement of profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through standalone statement of profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through statement of profit or loss is recognised in standalone statement of profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

### iii) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through standalone statement of profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in standalone statement of profit and loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the standalone statement of profit and loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### iv) De-recognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### v) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### Financial Liabilities

##### i) Classification

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

##### ii) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through statement of profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through statement of profit and loss.

##### iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

##### iv) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in standalone statement of profit and loss over the period of the borrowings using the effective interest method.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in standalone statement of profit and loss.

### **v) Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## **2.15 Provisions and contingent liabilities**

### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of the obligation can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

### **Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### **Contingent Assets**

A contingent asset is disclosed, where an inflow of economic benefits is probable.

## **2.16 Earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 2.17 Employee Share based payments:

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Standalone Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share Option Outstanding.

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 44

### 2.18 Investment in Subsidiaries :

The Company's investment in its subsidiary is carried at cost net of accumulated impairment loss, if any. On disposal of the Investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Standalone Statement of Profit and Loss.

### 2.19 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**2.20 Rounding of amounts**

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2(B) Critical estimates and judgements**

The preparation of standalone financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. The areas involving critical estimates or judgements are:

**a.) Mines Reclamation Provisions and related asset**

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs. (Refer note 2(A) 2.10 and 19).

**b.) Provisions & Contingent Liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. If a loss arising from these litigations and/or claims is probable and can be reasonably estimated, the management record the amount of the estimated loss. If a loss is reasonably possible, but not probable, the management discloses the nature of the significant contingency and, if quantifiable, the possible loss that could result from the resolution of the matter. As additional information becomes available, the management reassess any potential liability related to these litigations and claims and may need to revise the estimates. Such revisions or ultimate resolution of these matters could materially impact the results of operations, cash flows or financial statements of the Company. (Refer Note 23 and 25)

**c.) Current tax expense and deferred tax**

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses (Refer note 7 and 24).

**Recognition of deferred tax assets**

The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the Company operate. (Refer Note 8).

**d.) Useful lives of property, plant and equipment and intangibles**

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period or even earlier in case, circumstances change such that the recorded value of an asset may not be recoverable. The estimate of useful life requires significant management judgment and requires assumptions that can include: planned use of equipments, future volume trends, revenue and expense growth rates and annual operating plans, and in addition, external factors such as changes in macroeconomic trends which are considered in connection with the Company's long-term strategic planning. (Refer note 2(A) 2.09 and 2(A) 2.10).



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## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### e.) **Employee benefit plans**

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 30A(ii).

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**3 PROPERTY, PLANT AND EQUIPMENT**

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation		Net Carrying Amount As at March 31, 2022
		Opening as at April 01, 2021	Additions	Disposals	Closing as at March 31, 2022	Opening as at April 01, 2021	
1	Own Assets	850.03	-	-	850.03	-	850.03
2	Land Freehold (Refer note 1 below)	755.13	1,942.75	39.70	2,658.18	30.87	2,367.33
3	Building	8.06	-	-	8.06	-	7.48
4	Railway Sidings	25,567.49	2,093.96	159.99	27,501.46	143.10	14,700.16
5	Plant and Equipment	355.36	-	0.11	355.25	0.10	75.97
6	Electric Installations	1.69	-	-	1.69	-	1.69
7	Rolling Stocks and Locomotives	365.97	172.32	82.08	456.21	78.49	342.66
8	Furniture, Fixtures and Office Equipments	93.47	37.60	11.67	119.40	11.67	67.08
9	Vehicles	129.08	-	-	129.08	-	13.08
9	Jetty and Wharf (Refer note 3 below)						
	<b>TOTAL</b>	<b>28,126.28</b>	<b>4,246.63</b>	<b>293.55</b>	<b>32,079.36</b>	<b>264.23</b>	<b>18,425.48</b>

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation		Net Carrying Amount As at March 31, 2021
		Opening as at April 01, 2020	Additions	Disposals	Closing as at March 31, 2021	Opening as at April 01, 2020	
1	Own Assets	850.03	-	-	850.03	-	850.03
2	Land Freehold (Refer note 1 below)	720.82	43.05	8.74	755.13	8.74	573.29
3	Building	8.06	-	-	8.06	-	7.48
4	Railway Sidings	24,574.14	1,099.12	105.77	25,567.49	40.18	15,306.32
5	Plant and Equipment	355.36	-	-	355.36	-	104.32
6	Electric Installations	1.69	-	-	1.69	-	1.69
7	Rolling Stocks and Locomotives	451.46	29.85	115.34	365.97	105.14	236.99
8	Furniture, Fixtures and Office Equipments	92.77	1.10	0.40	93.47	0.38	42.28
9	Vehicles	129.08	-	-	129.08	-	32.24
9	Jetty and Wharf (Refer note 3 below)						
	<b>TOTAL</b>	<b>27,183.41</b>	<b>1,173.12</b>	<b>230.25</b>	<b>28,126.28</b>	<b>154.44</b>	<b>17,154.64</b>

**Notes:**

- The Company is in process of obtaining mining rights. E-auction process has been initiated and the commissioner of Geology and Mining has issued the Notice Inviting Tender (NIT). The Company has purchased the tender document for further processing.
- The carrying amount of Leasehold Land (in respect of which the Company pays nominal ground rent) at Sikka, Gujarat is Nil. The lease period expires on November 20, 2044 and the Company has an option to renew the same for further period of 99 years.
- The Company has currently valid, subsisting and exclusive priority license with Gujarat Maritime Board ("GMB") for construction, upgradation and use of the Captive Wharf / Jetty at Sikka vide License Agreement dated 20 September 1999 valid till 2024.
- There are no qualifying assets and accordingly no borrowing cost is capitalised during the year.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**  
**4(A) INTANGIBLE ASSETS** (Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount		Accumulated Amortisation		Net Carrying Amount As at March 31, 2022
		Opening as at April 01, 2021	Closing as at March 31, 2022	Opening as at April 01, 2021	Closing as at March 31, 2022	
1	Own Assets (Acquired) Computer Software and Licenses	77.30	88.00	4.32	39.54	48.46
2	Mining right (land) (Refer note below)	1,017.26	1,338.06	35.41	129.45	1,173.20
	<b>TOTAL</b>	<b>1,094.56</b>	<b>1,426.06</b>	<b>39.73</b>	<b>164.67</b>	<b>1,221.66</b>

Sr. No.	Particulars	Gross Carrying Amount		Accumulated Amortisation		Net Carrying Amount As at March 31, 2021
		Opening as at April 01, 2020	Closing as at March 31, 2021	Opening as at April 01, 2020	Closing as at March 31, 2021	
1	Own Assets (Acquired) Computer Software and Licenses	194.85	77.30	124.94	4.32	72.98
2	Mining right (land) (Refer note below)	120.94	1,017.26	27.17	35.41	981.85
	<b>TOTAL</b>	<b>315.79</b>	<b>1,094.56</b>	<b>152.11</b>	<b>39.73</b>	<b>1,054.83</b>

Notes: Mining right (land) includes assets in respect of mines reclamation.

**4(B) Right-of-use asset (Lease)** (Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount		Accumulated Amortisation		Net Carrying Amount As at March 31, 2022
		Opening as at April 01, 2021	Closing as at March 31, 2022	Opening as at April 01, 2021	Closing as at March 31, 2022	
1	Right-of-use asset (Lease)	85.57	95.16	57.29	62.50	32.66
	<b>TOTAL</b>	<b>85.57</b>	<b>95.16</b>	<b>57.29</b>	<b>62.50</b>	<b>32.66</b>

Sr. No.	Particulars	Gross Carrying Amount		Accumulated Amortisation		Net Carrying Amount As at March 31, 2021
		Opening as at April 01, 2020	Closing as at March 31, 2021	Opening as at April 01, 2020	Closing as at March 31, 2021	
1	Right-of-use asset (Lease)	54.69	85.57	27.45	57.29	28.28
	<b>TOTAL</b>	<b>54.69</b>	<b>85.57</b>	<b>27.45</b>	<b>57.29</b>	<b>28.28</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**4(C) INTANGIBLE ASSETS UNDER DEVELOPMENT**

The Company has acquired mineral rights of three mines i.e. Debhar-Bhavneswar, Mokhana and Pachhtardi having total expected Limestone Reserve of 27.49 million tons. Out of which, company has got the clearance for Pachhtardi mine. The value of the same mine has been moved to Intangible assets under Mining right (land). However, Company is yet to obtain environment clearance on remaining mines from Ministry of Environment & Forest, Climate Change. These mines are outside the Eco-Sensitive Zone but Debhar-Bhavneswar and Mokhana mines major portion fall within 1 km restrictions of Barda Wildlife Sanctuary. Company has made various representation to Ministry of Environment and Forest and State Government. Management is confident of getting positive response from the respective authorities and will be able to get the requisite clearance. Value of such assets is Rs. 351.24 lakhs (as on March 31, 2021 - Rs. 351.24 lakhs).

**4(D) Aging Schedule**

(Rs. in lakhs)

Particulars	Amount in CWIP/Intangible under development for a period of				As at March 31, 2022
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Capital work-in-progress</b>					
Office building - Mines	7.16	-	-	-	7.16
Plant & Machinery - Cement Division	17.16	0.58	-	-	17.74
Structure Strengthening - Clinker division	111.90	-	-	-	111.90
Structure Strengthening - Cement division	13.20	-	-	-	13.20
Colony upgradation	25.96	-	-	-	25.96
<b>Sub total Capital work-in-progress</b>	<b>175.38</b>	<b>0.58</b>	<b>-</b>	<b>-</b>	<b>175.96</b>
<b>Intangible assets under development</b>					
New Mines under development	5.57	5.40	-	351.24	362.21
<b>Sub total Intangible assets under development</b>	<b>5.57</b>	<b>5.40</b>	<b>-</b>	<b>351.24</b>	<b>362.21</b>
<b>Total</b>	<b>180.95</b>	<b>5.98</b>	<b>-</b>	<b>351.24</b>	<b>538.17</b>

Particulars	Amount in CWIP/Intangible under development for a period of				As at March 31, 2021
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Capital work-in-progress</b>					
Plant & Machinery - Cement Division	98.86	-	-	-	98.86
Plant & Machinery - Clinker division	40.40	-	-	-	40.40
Raw material Shed	759.56	-	-	-	759.56
Colony upgradation	0.23	-	-	-	0.23
<b>Sub total Capital work-in-progress</b>	<b>899.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>899.05</b>
<b>Intangible assets under development</b>					
New Mines under development	-	-	356.65	-	356.65
<b>Sub total Intangible assets under development</b>	<b>-</b>	<b>-</b>	<b>356.65</b>	<b>-</b>	<b>356.65</b>
<b>Total</b>	<b>899.05</b>	<b>-</b>	<b>356.65</b>	<b>-</b>	<b>1,255.70</b>

**Note :** The projects mentioned above are expected to complete as per plan and there are no projects which are overdue or has exceeded its cost compared to its original plan.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

5	INVESTMENT IN SUBSIDIARY COMPANY	As at March 31, 2022	As at March 31, 2021
	<b>Equity Instruments (at cost)</b>		
	SDCCL Logistics Limited (Face value of Rs.10 each fully paid)	6.00	1.00
	<b>TOTAL</b>	<b>6.00</b>	<b>1.00</b>

(Rs. in lakhs)

6	OTHER FINANCIAL ASSETS (NON-CURRENT)	As at March 31, 2022	As at March 31, 2021
	Demand deposits with bank with maturity period of more than 12 months from reporting date (Refer note below)	995.25	8.94
	Security deposits (Refer note 46)	29.85	30.94
	<b>TOTAL</b>	<b>1,025.10</b>	<b>39.88</b>

**Note:** Deposit with bank amounting to nil (March 31, 2021 : Rs. 8.94 lakhs) are lien marked against Bank Guarantees.

(Rs. in lakhs)

7	INCOME TAX ASSETS (NON-CURRENT)	As at March 31, 2022	As at March 31, 2021
	Income tax asset (net of provision for tax)	39.41	39.41
	<b>TOTAL</b>	<b>39.41</b>	<b>39.41</b>

(Rs. in lakhs)

7A	TAX EXPENSE	Year ended March 31, 2022	Year ended March 31, 2021
	<b>Current tax :</b>		
	Current tax on profits for the year	3,325.34	3,242.51
	Short provision for tax of earlier years	7.81	3.91
	<b>Total current tax expense</b>	<b>3,333.15</b>	<b>3,246.42</b>
	<b>Deferred tax :</b>		
	Decrease in deferred tax assets (net)	288.79	(114.57)
	(Decrease) in deferred tax liabilities	(330.57)	(237.13)
	<b>Total deferred tax (credit)/charge</b>	<b>(41.78)</b>	<b>(351.70)</b>
	<b>Total tax expense</b>	<b>3,291.37</b>	<b>2,894.72</b>
	Effective tax rate	37.315%	34.902%
	<b>Reconciliation of tax expense and accounting profit multiplied by statutory tax rate</b>		
	Profit before tax	8,820.46	8,293.89
	Rate of tax	34.944%	34.944%
	<b>Tax expense at applicable tax rate</b>	<b>3,082.22</b>	<b>2,898.22</b>
	Effect of expenses not deductible in determining taxable profit	43.02	24.05
	Additional MAT created for earlier years	-	(9.75)
	Short provision for tax of earlier years	7.81	3.91
	Change in Corporate Tax Rate assumption	158.32	(21.71)
	<b>Total tax expense/(credit)</b>	<b>3,291.37</b>	<b>2,894.72</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

8	DEFERRED TAX LIABILITIES (NET)	As at March 31, 2022	As at March 31, 2021
	Deferred tax liabilities (Net)	(1,358.09)	(356.41)
	<b>TOTAL</b>	<b>(1,358.09)</b>	<b>(356.41)</b>
	<b>The balance comprises temporary differences attributable to:</b>		
	<b>Deferred Tax Liabilities</b>		
	Depreciation/ Amortisation on property, plant and equipment and intangible assets	1,889.82	2,216.69
	Deferred tax on ROU asset created under Ind AS 116	26.20	29.90
	<b>Less : Deferred Tax Assets</b>		
	Allowance for doubtful debts	52.49	65.87
	Provision for slow moving/obsolete inventory	93.85	117.29
	Items allowed on payment/utilisation basis	277.91	387.72
	Disallowances for items to be allowed in subsequent years	34.88	148.36
	Provision for mines reclamation assets	70.31	94.83
	Deferred tax on lease liability created under Ind AS 116	28.49	32.80
	Unused tax credits (MAT credit entitlement )	-	1,043.31
	<b>Deferred tax Liabilities (net) [Refer note below]</b>	<b>(1,358.09)</b>	<b>(356.41)</b>

**Note :** Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation laws.

(Rs. in lakhs)

8A	MOVEMENT IN DEFERRED TAX ASSETS/ LIABILITIES	As at April 01, 2021	Utilisation	(Charged)/ Credited to Profit and Loss	Credited/ (Charged) to OCI/equity	As at March 31, 2022
	<b>Deferred tax liabilities</b>					
	Depreciation/amortisation on property, plant and equipment and intangible assets	(2,216.69)	-	326.87	-	(1,889.82)
	Deferred tax on ROU asset created under Ind AS 116	(29.90)	-	3.70	-	(26.20)
	<b>Total deferred tax (liabilities)</b>	<b>(2,246.59)</b>	<b>-</b>	<b>330.57</b>	<b>-</b>	<b>(1,916.02)</b>
	<b>Less : Deferred tax assets</b>					
	Allowance for doubtful debts	65.87	-	(13.38)	-	52.49
	Provision for slow moving/obsolete inventory	117.29	-	(23.44)	-	93.85
	Items allowed on payment/utilisation basis	387.72	-	(109.66)	(0.15)	277.91
	Disallowances for items to be allowed in subsequent years	148.36	-	(113.48)	-	34.88
	Provision for mines reclamation assets	94.83	-	(24.52)	-	70.31
	Deferred tax on lease liability created under Ind AS 116	32.80	-	(4.31)	-	28.49
	Unused tax credits (MAT credit entitlement )	1,043.31	(1,043.31)	-	-	-
	<b>Total deferred tax assets</b>	<b>1,890.18</b>	<b>(1,043.31)</b>	<b>(288.79)</b>	<b>(0.15)</b>	<b>557.93</b>
	<b>Deferred tax liabilities (net)</b>	<b>(356.41)</b>	<b>(1,043.31)</b>	<b>41.78</b>	<b>(0.15)</b>	<b>(1,358.09)</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

8B	MOVEMENT IN DEFERRED TAX ASSETS/ LIABILITIES	As at April 01, 2020	Utilisation	(Charged)/ Credited to Profit and Loss	Credited/ (Charged) to OCI/equity	As at March 31, 2021
	<b>Deferred tax liabilities</b>					
	Depreciation/amortisation on property, plant and intangible assets	(2,464.61)	-	247.92	-	(2,216.69)
	Deferred tax on ROU asset created under Ind AS 116	(19.11)	-	(10.79)	-	(29.90)
	<b>Total deferred tax (liabilities)</b>	<b>(2,483.72)</b>	<b>-</b>	<b>237.13</b>	<b>-</b>	<b>(2,246.59)</b>
	<b>Less : Deferred tax assets</b>					
	Allowance for doubtful debts	66.58	-	(0.71)	-	65.87
	Provision for slow moving/obsolete inventory	106.40	-	10.89	-	117.29
	Items allowed on payment/utilisation basis	369.06	-	(1.67)	20.33	387.72
	Disallowances for items to be allowed in subsequent years	77.54	-	70.82	-	148.36
	Provision for mines reclamation assets	80.13	-	14.70	-	94.83
	Deferred tax on lease liability created under Ind AS 116	22.01	-	10.79	-	32.80
	Unused tax credits (MAT credit entitlement )	2,789.97	(1,756.41)	9.75	-	1,043.31
	<b>Total deferred tax assets</b>	<b>3,511.69</b>	<b>(1,756.41)</b>	<b>114.57</b>	<b>20.33</b>	<b>1,890.18</b>
	<b>Deferred tax liabilities (net)</b>	<b>1,027.97</b>	<b>(1,756.41)</b>	<b>351.70</b>	<b>20.33</b>	<b>(356.41)</b>

For current year, the Company has calculated its tax liability for current taxes as per normal provision and has utilized MAT credit from Carry forward MAT credit.

(Rs. in lakhs)

8C	Income assessment year to which MAT credit entitlement relates	As at March 31, 2022	As at March 31, 2021
	Financial year 2019-20 (AY 2020-21)	-	1,043.31
	<b>TOTAL</b>	<b>-</b>	<b>1,043.31</b>

(Rs. in lakhs)

9	OTHER NON-CURRENT ASSETS	As at March 31, 2022	As at March 31, 2021
	Capital advances	198.01	29.51
	Deposits with government authorities	1,232.10	1,266.04
	Balances with statutory authorities	305.06	305.06
	Pre-paid expenses	12.98	19.74
	<b>TOTAL</b>	<b>1,748.15</b>	<b>1,620.35</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

10	INVENTORIES	As at March 31, 2022	As at March 31, 2021
	Raw materials	745.83	513.14
	Work in progress	4,852.58	3,859.07
	Finished Goods (including goods in transit)	392.26	399.10
	Stores and spare parts (net off provision Rs. 372.86 lakhs, March 31, 2021 : Rs.335.65 lakhs)	1,821.37	1,478.38
	Packing materials	422.90	231.20
	Fuels	4,433.89	1,015.89
	<b>TOTAL</b>	<b>12,668.83</b>	<b>7,496.78</b>

(Rs. in lakhs)

11	TRADE RECEIVABLES	As at March 31, 2022	As at March 31, 2021
	Considered good - secured	250.75	148.60
	Considered good - unsecured	1,085.27	923.59
	Credit impaired	3.86	7.87
	<b>SUB- TOTAL</b>	<b>1,339.88</b>	<b>1,080.06</b>
	<b>Less:</b> Allowance for doubtful debts	(3.86)	(7.87)
	<b>TOTAL</b>	<b>1,336.02</b>	<b>1,072.19</b>
	<b>Movement in allowance for doubtful debts :</b>		
	<b>Balance at the beginning of the year</b>	7.87	18.44
	<b>Add:</b> Reversal for the year	(4.01)	(10.57)
	<b>Balance at the end of the year</b>	<b>3.86</b>	<b>7.87</b>

**11A Trade Receivable ageing schedule as at March 31, 2022**

(Rs. in lakhs)

Particulars	Outstanding for following period from due date of payment						As at March 31, 2022
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
(i) Considered good	1,031.76	303.20	-	-	1.06	-	1,336.02
(ii) Credit Impaired	-	0.11	0.78	-	1.17	1.80	3.86
<b>Total</b>	<b>1,031.76</b>	<b>303.31</b>	<b>0.78</b>	<b>-</b>	<b>2.23</b>	<b>1.80</b>	<b>1,339.88</b>

**11B Trade Receivable ageing schedule as at March 31, 2021**

(Rs. in lakhs)

Particulars	Outstanding for following period from due date of payment						As at March 31, 2021
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
(i) Considered good	955.72	115.40	-	1.07	-	-	1,072.19
(ii) Credit Impaired	-	1.07	0.75	4.25	0.16	1.64	7.87
<b>Total</b>	<b>955.72</b>	<b>116.47</b>	<b>0.75</b>	<b>5.32</b>	<b>0.16</b>	<b>1.64</b>	<b>1,080.06</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

12	CASH AND CASH EQUIVALENTS	As at March 31, 2022	As at March 31, 2021
	<b>Cash and Cash equivalents:</b>		
	Cash on hand	0.49	1.50
	<b>Bank Balances :</b>		
	In Current accounts	1,284.80	631.81
	Demand deposits (Maturity upto three months)	-	4,507.82
	<b>TOTAL</b>	<u><u>1,285.29</u></u>	<u><u>5,141.13</u></u>

(Rs. in lakhs)

13	OTHER BANK BALANCES	As at March 31, 2022	As at March 31, 2021
	Deposits with banks (Maturity more than three months and upto twelve months - Refer note below)	6,996.90	7,230.77
	Earmarked balance with bank for unpaid dividend	47.02	15.33
	<b>TOTAL</b>	<u><u>7,043.92</u></u>	<u><u>7,246.10</u></u>

**Note :** Deposits with banks amounting to Rs.9.39 lakhs (March 31, 2021 : Nil) are against bank guarantees or as a security deposit.

(Rs. in lakhs)

14	LOANS (CURRENT)	As at March 31, 2022	As at March 31, 2021
	(Unsecured, considered good)		
	Loan to employees	36.58	42.54
	<b>TOTAL</b>	<u><u>36.58</u></u>	<u><u>42.54</u></u>

(Rs. in lakhs)

15	OTHER FINANCIAL ASSETS (CURRENT)	As at March 31, 2022	As at March 31, 2021
	(Unsecured, considered good unless otherwise stated)		
	Interest accrued on security deposits	0.64	0.78
	Others (net of provision of Rs.178.08 lakhs, as on March 31, 2021 Rs.154.03 lakhs)	58.97	222.65
	<b>TOTAL</b>	<u><u>59.61</u></u>	<u><u>223.43</u></u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

16 OTHER CURRENT ASSETS	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Advance royalty	90.92	81.60
Pre-paid expense	277.86	198.56
Pre-paid expense - CSR (Refer Note - 42)	36.92	47.80
<b>Advances to suppliers :</b>		
Considered good	368.92	425.55
Considered doubtful	26.59	26.59
<b>Less: Provision for doubtful advances</b>	<b>(26.59)</b>	<b>(26.59)</b>
<b>TOTAL</b>	<b><u>774.62</u></b>	<b><u>753.51</u></b>
<b>Movement in allowance for doubtful debts :</b>		
<b>Balance at the beginning of the year</b>	<b>26.59</b>	<b>26.59</b>
<b>Balance at the end of the year</b>	<b><u>26.59</u></b>	<b><u>26.59</u></b>

(Rs. in lakhs)

17 SHARE CAPITAL	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
250,000,000 (March 31, 2021: 250,000,000) equity shares of Rs. 10/- each	25,000.00	25,000.00
	<b><u>25,000.00</u></b>	<b><u>25,000.00</u></b>
<b>Issued</b>		
14,42,97,145 (March 31, 2021: 14,25,61,643) equity shares of Rs. 10/- each	14,429.71	14,256.16
<b>Subscribed and paid-up</b>		
14,40,28,898 (March 31, 2021: 14,22,93,396) equity shares of Rs. 10/- each fully paid	14,402.89	14,229.34
Less: 1,120 equity shares of Rs. 10/- each forfeited	(0.11)	(0.11)
Add: Forfeited shares (amount originally paid-up on equity shares)	0.07	0.07
<b>TOTAL</b>	<b><u>14,402.85</u></b>	<b><u>14,229.30</u></b>

## a) Reconciliation of the number of shares : Equity Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Rs. in lakhs	Number of Shares	Rs. in lakhs
Balance at the beginning of the year	14,22,92,276	14,229.30	14,13,74,278	14,137.50
Issue of shares under ESOS -2019	17,35,502	173.55	9,17,998	91.80
<b>Balance at the end of the year</b>	<b><u>14,40,27,778</u></b>	<b><u>14,402.85</u></b>	<b><u>14,22,92,276</u></b>	<b><u>14,229.30</u></b>

## b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

- c) 265,212 equity shares (March 31, 2021: 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.
- d) 3,035 equity shares (March 31, 2021: 3,035) were issued in past but remain unsubscribed.
- e) Shares held by holding company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Rs. in lakhs	Number of Shares	Rs. in lakhs
True North Fund VI LLP	8,08,25,928	8,082.59	8,08,25,928	8,082.59

- f) Details of shareholder holding more than of 5% of the aggregate shares in the Company including promoter share holding

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
True North Fund VI LLP	8,08,25,928	56.12%	8,08,25,928	56.80%
<b>TOTAL</b>	<b>8,08,25,928</b>	<b>56.12%</b>	<b>8,08,25,928</b>	<b>56.80%</b>

- g) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2022.
- h) During the year ended March 31, 2022, the Company has allotted 17,35,502 (March 31, 2021 : 9,17,998) equity shares of Rs.10/- each to the option grantees upon exercise of Option under the Company's Employees Stock Option Scheme - 2019. Pursuant to this allotment, the paid up equity share capital of the Company has increased from 14,22,92,276 equity shares of Rs.10/- each to 14,40,27,778 equity shares of Rs.10/- each.

(Rs. in lakhs)

18 OTHER EQUITY	As at March 31, 2022	As at March 31, 2021
Capital reserve	8,786.87	8,786.87
Capital redemption reserve	35.00	35.00
Securities premium	263.01	104.61
Share option outstanding (Refer note 30 & 44)	100.42	120.70
General Reserve	2,000.00	1,000.00
<b>Surplus in statement of profit and loss</b>		
Balance as at the beginning of the year	6,829.25	4,588.54
<b>Add : Profit for the year</b>	5,529.09	5,399.17
<b>Add : Other comprehensive income/(loss)</b>	0.43	(37.85)
<b>Less: Transfer to general reserve</b>	(1,000.00)	(1,000.00)
<b>Less: Dividends</b>	(5,723.56)	(2,120.61)
<b>Balance as at the end of the year</b>	<b>5,635.21</b>	<b>6,829.25</b>
<b>TOTAL</b>	<b>16,820.51</b>	<b>16,876.43</b>

### Notes :

- 1) **Capital Reserve** : The Company had issued 6% non-cumulative compulsorily convertible preference shares to its then parent company. Subsequently, the preference shareholders relinquished their right and resultant gain was recorded in the capital reserve in the year of 2010. It also include subsidies received from State Government in the year 2002-03.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

- 2) **Capital Redemption Reserve** : This was created on redemption of 14% redeemable cumulative preference shares in year 1996-97.
- 3) **Securities Premium** : Securities premium is used to record the excess of the amount received over the face value of the shares. This can be utilised in accordance with the provision of the Companies Act, 2013.
- 4) **Shares Options Outstanding** : The Company has share option schemes under which options to subscribe for the Company's shares have been granted to specific employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to certain class of employee as part of their remuneration. Refer to Note 44 for further details of these plans.
- 5) **General Reserve**: The Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.
- 6) **Surplus in statement of profit and loss** represent surplus/accumulated earnings of the Company and are available for distribution to shareholders.
- 7) **Analysis of Accumulated OCI** :

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	(124.09)	(86.24)
Remeasurements of post employment benefit obligations, gain/(loss)	0.58	(58.18)
Income tax effect	(0.15)	20.33
Due to change in the rate of tax on opening balance	(18.64)	-
<b>Balance at the end of the year</b>	<b>(142.30)</b>	<b>(124.09)</b>

**Note** : Balance of OCI transferred to retained earnings

- 8) The Board has recommended a final dividend of Rs. 2.00/- (i.e. 20%) per equity share (March 31, 2021 Rs. 2.5/- per equity share) of Rs. 10/- each on 14,40,27,778 fully paid Equity Shares for the year ended March 31, 2022 (March 31, 2021 14,22,92,276 fully paid equity shares), aggregating to Rs. 2,880.56 lakhs (March 31, 2021 - Rs. 3,557.31 lakhs). This will be in addition to the interim dividend of Rs.1.5/- (i.e. 15%) per equity shares of Rs. 10/- each already paid during the year.

(Rs. in lakhs)

19 PROVISIONS - NON-CURRENT	As at March 31, 2022	As at March 31, 2021
Provision for mines reclamation	636.47	426.84
<b>Provision for employee benefits (Refer note 30A):</b>		
Provision for gratuity	420.97	424.83
Provision for compensated absences	460.99	436.21
<b>TOTAL</b>	<b>1,518.43</b>	<b>1,287.88</b>
<b>Movement in provision for mines reclamation :</b>		
<b>Balance at the beginning of the year</b>	426.84	384.82
<b>Add</b> : Unwinding of interest on provision	33.01	53.12
<b>Add</b> : Effect of addition/changes in estimates	201.66	-
<b>Less</b> : Utilised during the year	(25.04)	(11.10)
<b>Balance at the end of the year</b>	<b>636.47</b>	<b>426.84</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

20	TRADE PAYABLES	As at March 31, 2022	As at March 31, 2021
	a) Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	96.47	20.92
	b) Total outstanding dues of creditors other than (a) above	6,159.39	5,095.38
	<b>TOTAL</b>	<b>6,255.86</b>	<b>5,116.30</b>

**20A Trade Payable ageing schedule as at March 31, 2022**

(Rs. in lakhs)

Particulars	Outstanding for following period from due date of payment						As at March 31, 2022
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	91.82	4.65	-	-	-	96.47
(ii) Others	2,948.24	2,886.41	205.90	19.80	16.85	82.19	6,159.39
<b>Total</b>	<b>2,948.24</b>	<b>2,978.23</b>	<b>210.55</b>	<b>19.80</b>	<b>16.85</b>	<b>82.19</b>	<b>6,255.86</b>

**20B Trade Payable ageing schedule as at March 31, 2021**

(Rs. in lakhs)

Particulars	Outstanding for following period from due date of payment						As at March 31, 2021
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	16.62	4.30	-	-	-	20.92
(ii) Others	2,363.97	2,542.63	94.20	21.63	17.60	55.35	5,095.38
<b>Total</b>	<b>2,363.97</b>	<b>2,559.25</b>	<b>98.50</b>	<b>21.63</b>	<b>17.60</b>	<b>55.35</b>	<b>5,116.30</b>

(Rs. in lakhs)

21	OTHER FINANCIAL LIABILITIES (CURRENT)	As at March 31, 2022	As at March 31, 2021
	Security deposits from customers	1,227.71	1,019.21
	Rebate and discount to customers	822.89	708.56
	Security deposits from vendors	222.77	232.02
	Payable to creditors related to property, plant and equipments	583.67	116.27
	Employee benefits payable	601.56	570.46
	Unpaid Dividends	47.02	15.33
	Others	5.06	7.00
	<b>TOTAL</b>	<b>3,510.68</b>	<b>2,668.85</b>

(Rs. in lakhs)

22	OTHER CURRENT LIABILITIES	As at March 31, 2022	As at March 31, 2021
	Advances from customers	645.45	577.21
	Statutory dues (including provident fund and tax deducted at source)	1,280.14	1,546.93
	Others	0.41	0.38
	<b>TOTAL</b>	<b>1,926.00</b>	<b>2,124.52</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

23	PROVISIONS (CURRENT)	As at March 31, 2022	As at March 31, 2021
	Provision for litigations and disputes (Refer note below)	275.55	249.86
	<b>Provision for employee benefits (Refer note 30A):</b>		
	Provision for compensated absences	100.40	81.93
	<b>TOTAL</b>	<b>375.95</b>	<b>331.79</b>

**Note:** Provision of Rs.248.66 lakhs (as at March 31, 2021 : 248.66 lakhs) for arrears of rent claimed by Mumbai Port Trust with respect to plot of land C-2 and C3 at Sewri Estate Mumbai towards the proceeding filed by Mumbai Port Trust (MPT) against the Company. The Company is contesting the said order before the High Court.

(Rs. in lakhs)

24	INCOME TAX LIABILITY (NET)	As at March 31, 2022	As at March 31, 2021
	Income tax liability (net of advance tax of Rs. 2,238.02 lakhs, as on March 31, 2021 Rs. 1,335.34 lakhs)	51.81	150.76
	<b>TOTAL</b>	<b>51.81</b>	<b>150.76</b>

(Rs. in lakhs)

25	CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS	As at March 31, 2022	As at March 31, 2021
a)	Claim against the Company not acknowledged as debts Demand contested by the Company		
	- Sales tax	396.14	396.14
	- Excise duty	1,251.97	1,251.97
	- Service tax	2,069.15	2,069.15
	- Custom duty	451.55	451.55
	- Labour cases	77.50	79.50
	- Other cases	909.02	909.02
	<b>TOTAL</b>	<b>5,155.33</b>	<b>5,157.33</b>

- b) A sum of Rs. 309.84 lakhs (March 31, 2021: Rs. 309.84 lakhs) on account of arrears, rent, service charges, way leave fees of certain leasehold property, consequent to the Order of the Estate Officer of Mumbai Port Trust (MPT) dated February 28, 2007, has not been provided for as the said property was assigned in an earlier year to M/s Dinbandhu Estate Pvt. Ltd. (the Assignee). The assignment was subject to the approval of MPT which was to be arranged by the Assignee. The Company is contesting the said Order before the High Court.
- c) In respect of retrospective revision (August 2012 to January 2018) of electricity duty the Company has received a demand of Rs. 1,472 lakhs from Paschim Gujarat Vij Company Limited. The Company has filed a writ petition with the High Court. Management believes that the probability of the above matter converting into a liability for the Company is remote basis various precedents and applicable laws. As per the direction received from High Court, the Company has deposited Rs. 500 lakhs as fixed deposit with the High Court in July 2018.
- d) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

- e) The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are notified.
- f) **Capital commitments :**  
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 276.48 lakhs (March 31, 2021: Rs. 313.40 lakhs).

			(Rs. in lakhs)	
26	REVENUE FROM OPERATIONS		Year ended March 31, 2022	Year ended March 31, 2021
	Sale of product (Refer Note 40)		62,494.87	50,059.22
	<b>Other Operating Revenue</b>			
	Scrap sales		356.12	165.01
	Miscellaneous income		83.05	58.02
	<b>TOTAL</b>		<b><u>62,934.04</u></b>	<b><u>50,282.25</u></b>

			(Rs. in lakhs)	
27	OTHER INCOME		Year ended March 31, 2022	Year ended March 31, 2021
	Interest income (Refer note below)		300.39	312.49
	Net gain on foreign currency transactions and translations		56.19	42.14
	Provision for Doubtful Debt written back (net) (Refer note 11 and 15)		-	2.05
	Insurance Claim (Refer Note - 47)		0.66	187.83
	Miscellaneous income		41.67	87.67
	<b>TOTAL</b>		<b><u>398.91</u></b>	<b><u>632.18</u></b>

**Note :** Interest income on deposits are calculated based on effective interest method which is measured at amortised cost

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

28	<b>COST OF MATERIAL CONSUMED</b>	Year ended March 31, 2022	Year ended March 31, 2021
	<b>Raw material consumed</b>		
	Opening inventory	513.14	650.76
	Add: Purchases and incidental expenses (including cost of extraction and transporting lime stone Rs. 6,298.25 lakhs, March 31, 2021 Rs.5,056.53 lakhs)	10,160.67	9,308.41
	Less: Closing inventory	745.83	513.14
	<b>Cost of raw material consumed during the year</b>	<b>9,927.98</b>	<b>9,446.03</b>
	<b>Packing material consumed</b>		
	Opening inventory	231.20	220.40
	Add: Purchases and incidental expenses	2,420.07	1,655.47
	Less: Closing inventory	422.90	231.20
	<b>Cost of packing material consumed during the year</b>	<b>2,228.37</b>	<b>1,644.67</b>
	<b>TOTAL</b>	<b>12,156.35</b>	<b>11,090.70</b>

(Rs. in lakhs)

29	<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>	Year ended March 31,2022	Year ended March 31,2021
	(Increase) in stocks		
	Stock at the end of the year	4,852.58	3,859.07
	Work in progress	392.26	399.10
	Finished goods		
	<b>TOTAL A</b>	<b>5,244.84</b>	<b>4,258.17</b>
	Less: Stock at the beginning of the year		
	Work in progress	3,859.07	2,072.57
	Finished goods	399.10	733.76
	<b>TOTAL B</b>	<b>4,258.17</b>	<b>2,806.33</b>
	<b>(Increase) in stocks (B-A)</b>	<b>(986.67)</b>	<b>(1,451.84)</b>

(Rs. in lakhs)

30	<b>EMPLOYEE BENEFITS EXPENSES</b>	Year ended March 31,2022	Year ended March 31,2021
	Salaries, wages and bonus	3,354.81	3,311.30
	Contribution to provident and other funds:		
	Provident fund [Refer note no. 30A(i)]	175.93	172.85
	Superannuation fund [Refer note no. 30A(i)]	28.19	25.70
	Gratuity [Refer note no. 30A(ii)]	86.72	9.76
	Expenses on Employees Stock Options Scheme (Refer note 18 & 44)	33.98	78.12
	Staff welfare expenses	87.44	64.74
	<b>TOTAL</b>	<b>3,767.07</b>	<b>3,662.47</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 30A EMPLOYEE BENEFIT OBLIGATIONS:

#### i) Defined-contribution plans

The Company makes contribution to provident fund under the provision of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to superannuation fund for the qualifying employees as per the Company's policy.

(Rs. in lakhs)

Amount recognised in Standalone Statement of Profit and Loss	Year ended March 31,2022	Year ended March 31,2021
Provident fund	175.93	172.85
Superannuation fund	28.19	25.70

#### ii) Defined-benefits plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, as per the Company's policy. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death. The gratuity payable to employees is based on the employee's tenure of service and last drawn salary at the time of leaving the services of the Company. The gratuity plan is a funded plan and is administrated through a trust namely Shree Digvijay Cement Co. Ltd. Employee Gratuity Fund.

Amount recognised in Standalone Statement of Profit and Loss

(Rs. in lakhs)

Particulars	Year ended March 31,2022	Year ended March 31,2021
Current service cost	62.12	77.09
Past service cost	-	(92.12)
Interest on defined benefit obligation/(asset) (net)	24.60	24.79
<b>Total amount recognised in Standalone Statement of Profit and Loss</b>	<b>86.72</b>	<b>9.76</b>

Amount recognised in other comprehensive income:

(Rs. in lakhs)

Particulars	Year ended March 31,2022	Year ended March 31,2021
<b>Remeasurement during the period due to:</b>		
(Gain)/loss from change in financial assumptions	2.33	5.59
(Gain)/loss from change in demographic assumptions	11.25	-
Experience (gains)/losses	(16.39)	53.15
Actuarial (gains)/losses on plan assets	2.23	(0.56)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(0.58)</b>	<b>58.18</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Present value of defined benefit obligation : [Gratuity -Funded Plan]</b>		
Balance at the beginning of the year	1,161.90	1,132.12
Current service cost	62.12	77.09
Past service cost	-	(92.12)
Interest on defined benefit obligation	68.47	68.54
<b>Remeasurement due to:</b>		
(Gain)/loss from change in financial assumptions	2.33	5.59
(Gain)/loss from change in demographic assumptions	11.25	-
Experience (gains)/losses	(16.39)	53.15
Benefit paid	(113.88)	(82.47)
<b>Balance at the end of the year</b>	<b><u>1,175.80</u></b>	<b><u>1,161.90</u></b>
<b>Fair value of plan assets:</b>		
Balance at the beginning of the year	737.07	710.23
Contributions by employer	90.00	65.00
Interest income	43.87	43.76
Benefits paid	(113.88)	(82.47)
Actuarial (gains)/losses on plan assets	(2.23)	0.55
<b>Balance at the close of the year</b>	<b><u>754.83</u></b>	<b><u>737.07</u></b>

**Assets and Liabilities recognised in the Standalone Balance Sheet:**

(Rs. in lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Present value of funded obligations	1,175.80	1,161.90
Fair value of plan assets	(754.83)	(737.07)
<b>Deficit of funded plan</b>	<b><u>420.97</u></b>	<b><u>424.83</u></b>
Non-current (Note 19)	420.97	424.83
Current	-	-

**Major Category of Plan Assets as a % of total Plan Assets:**

Particulars	As at March 31,2022	As at March 31,2021
Government of India securities	25%	25%
Corporate bonds	6%	7%
Insurance managed fund	68%	65%
Others	1%	3%
	<b><u>100%</u></b>	<b><u>100%</u></b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### Actuarial Assumptions:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.80%	6.35%
Salary growth rate	8.50%	8.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

### Mortality:

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

### Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions by 50 basis Point is:  
(Rs. in lakhs)

Particulars	Impact on defined benefit obligation			
	Increase in assumptions by 0.5%		Decrease in assumptions by 0.5%	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Change due to Discount rate	(27.04)	(27.42)	28.34	28.70
Change due to Salary growth rate	27.75	28.12	(26.69)	(27.19)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which has been used for calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### Expected Contribution to the Fund in the next year:

(Rs. in lakhs)

Particulars	Amount
Gratuity	75.00

### iii) Risk Exposure

The Gratuity scheme is Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The risks commonly affecting the defined benefit plan are expected to be:

#### Demographic Risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**Salary Inflation Risk :**

Higher than expected increases in salary will increase the defined benefit obligation.

**Interest-Rate Risk:**

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

iv) **Defined Benefit Liability and Employer Contributions**

The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The weighted average duration of the defined benefit obligation is 4.70 years (March 31, 2021 - 4.83 years). The expected maturity analysis of undiscounted gratuity is as follows:

**Maturity Analysis of the Projected Benefit Obligations - Gratuity (undiscounted) (Rs. in lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
1st following year	235.16	167.29
2nd following year	234.01	195.66
3rd following year	150.76	227.83
4th following year	159.98	145.11
5th following year	177.40	159.87
Sum of 6th to 10th following year	762.20	758.79

v) **Other long term employee benefits : (Rs. in lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current (Note 19)	460.99	436.21
Current (Note 23)	100.40	81.93
<b>Total</b>	<b>561.39</b>	<b>518.14</b>

**Note:** The above classification is based on actuary's report.

**Actuarial Assumptions:**

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.80%	6.35%
Salary growth rate	8.50%	8.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

**Leave Availment Pattern:**

Based on the data provided to us on the pattern of availment of leave by employees of the Company in the past, it has been assumed that 2.5% of leave balance as at the valuation date and each subsequent year following the valuation date is availed by the employee. The balance leave is assumed to be available for encashment on separation from the Company.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

31	FINANCE COSTS	Year ended March 31, 2022	Year ended March 31, 2021
	Interest on short term borrowings	6.82	13.93
	Interest on income tax	13.49	20.34
	Interest to others	31.27	31.39
	Unwinding of discount on provision	33.01	53.12
	Unwinding of discount on lease liability	6.85	5.78
	Other finance cost	54.18	34.83
	<b>TOTAL</b>	<b>145.62</b>	<b>159.39</b>

(Rs. in lakhs)

32	DEPRECIATION AND AMORTISATION EXPENSES	Year ended March 31, 2022	Year ended March 31, 2021
	Depreciation on property, plant and equipment [Refer note 3]	2,946.47	2,597.00
	Amortisation on intangible assets [Refer note 4(A)]	164.67	56.45
	Amortisation on Right-of-use asset (Lease) [Refer note 4(B)]	29.14	29.84
	<b>TOTAL</b>	<b>3,140.28</b>	<b>2,683.29</b>

(Rs. in lakhs)

33	OTHER EXPENSES	Year ended March 31, 2022	Year ended March 31, 2021
	Consumption of stores and spare parts	1,546.75	1,459.23
	Repairs to building	265.66	182.78
	Repairs to machinery	1,237.34	1,162.17
	Sales commission	944.44	832.15
	Advertisement and publicity expenses	295.93	103.82
	Insurance	198.93	138.61
	Rent (including lease rent) (Refer note 41)	123.87	81.47
	Rates and taxes	1.86	59.96
	Printing, stationery and communications expenses	38.69	32.86
	Travelling expenses	149.20	144.60
	Legal and professional fees	443.56	433.15
	Contractual manpower charges	120.74	102.60
	Equipment hire charges	293.73	296.01
	Provision for doubtful debts and advances (net) (Refer note 11 and 15)	20.04	-
	Loss on sale / write-off of property, plant and equipments (net)	14.39	55.28
	Provision for slow / non-moving stores and spares	37.21	31.17
	Directors sitting fees	30.00	28.00
	Directors commission	15.00	15.00
	Donation	1.00	-
	Expenditure towards corporate social responsibility (CSR) activities (Refer Note 42)	108.62	67.19
	Payment to auditors		
	<b>As auditor:</b>		
	Audit fees (Including limited review and consolidation)	22.10	21.73
	Tax audit fees	1.50	1.25
	Certification	0.50	1.50
	Reimbursement of expenses	0.10	1.53
	Miscellaneous expenses	338.09	307.22
	<b>TOTAL</b>	<b>6,249.25</b>	<b>5,559.28</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**34 SEGMENT INFORMATION**

The Company's chief operating decision maker (CODM) has identified one business segment viz. Manufacturing and Sales of Cement and its only production facility is located in India. There are no other reportable segment.

The Company does not have revenue from customer located outside India during the year. The Company does not hold any non-current assets in foreign countries. There are no individual customers or a particular group contributing to more than 10% of revenue.

**35 RELATED PARTY DISCLOSURES:**

**35a Names of the related parties and nature of relationship:**

i) Where control exists

Holding Entity :

True North Fund VI LLP

Wholly Owned Subsidiary Company

SDCCL Logistics Limited (with effect from July 28, 2020)

ii) Key Management Personnel

Mr. Anil Singhvi (Executive Chairman)

Mr. KK Rajeev Nambiar (CEO and Managing Director)

Mr. Pramod Kabra (Director)

Mr. Mahesh Gupta (Independent Director)

Ms. Mini Menon (Independent Director)

Mr. Satish Kulkarni (Independent Director) (with effect from June 02, 2020)

iii) Trust

Shree Digvijay Cement Co. Ltd. Employees' Gratuity Fund

**35b Details of Transactions with related Parties:**

**(Rs. in lakhs)**

<b>Nature of Transactions</b>	<b>Holding Entity</b>	<b>Subsidiary Company</b>	<b>Other Related Parties</b>	<b>Total</b>
Investment in subsidiary	- (-)	5.00 (1.00)	- (-)	5.00 (1.00)
Other expenses	- (-)	1.23 (1.94)	- (-)	1.23 (1.94)
Reimbursement of expenses	5.49 (-)	- (-)	- (-)	5.49 (-)
Dividend Paid	3,233.04 (1,212.39)	- (-)	74.44 (13.11)	3,307.48 (1,225.50)
Contribution made to Trust	- (-)	- (-)	90.00 (65.00)	90.00 (65.00)

Figures in bracket are relates to the previous year.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 35c Compensation of key managerial personnel

(Rs. in lakhs)

Related Parties	Year ended March 31, 2022	Year ended March 31, 2021
Employee benefits to CEO and managing director & Chairman	1,003.61	593.78
Commission to independent directors	15.00	15.00
Directors' sitting fees to independent directors	30.00	28.00
<b>Total</b>	<b>1,048.61</b>	<b>636.78</b>

#### Key Management Personnel Compensation

Provision for gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

- 35d** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 36 FAIR VALUE MEASUREMENTS

### (i) Financial instruments by category

There are no financial assets/liabilities that are measured at fair value through statement of profit and loss or other comprehensive income. The following financial assets/liabilities are measured at amortised cost:

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>		
Other non-current financial assets	1,025.10	39.88
Trade receivables	1,336.02	1,072.19
Cash and cash equivalents	1,285.29	5,141.13
Other bank balances	7,043.92	7,246.10
Loans (current)	36.58	42.54
Other current financial assets	59.61	223.43
<b>Total Financial Assets</b>	<b>10,786.52</b>	<b>13,765.27</b>
<b>Financial Liabilities</b>		
Trade payables	6,255.86	5,116.30
Other financial liabilities	3,532.00	2,696.38
<b>Total Financial Liabilities</b>	<b>9,787.86</b>	<b>7,812.68</b>

**Note:** Investments in subsidiary have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**(ii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:-

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**iii) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of term deposits and interest there on, trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short-term nature.

**37 FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The market risk to the Company is foreign exchange risk and interest rate. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

**37A CREDIT RISK**

Credit risk comprises of direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from trade receivables, cash and cash equivalents (excluding cash on hand) and bank deposits.

**(i) Credit risk management**

**a) Trade receivables**

The carrying amount of trade receivables represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was Rs. 1,336.02 lakhs as of March 31, 2022 (March 31, 2021 - Rs. 1,072.19 lakhs).

Trade receivables are derived from revenue earned from customers. Credit risk for trade receivable is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business. Further, there are customers covered either by security deposits or bank guarantee. The Company's credit period generally ranges from 0-30 days.

As per simplified approach, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of Company's customers' financial condition; aging of trade accounts receivable, the extent of credit insurance coverage; the value and adequacy of collateral received from the customers in certain circumstances; the Company's historical loss experience; and changes in credit risk and capital availability of the Company's customers resulting from economic conditions. The Company defines default as an event when there is no reasonable expectation of recovery.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### Expected credit loss for trade receivables (Rs. in lakhs)

Ageing	0-120 days	> 120 days	Total
Gross carrying amount	1,333.59	6.29	1,339.88
Expected loss rate	0%	61%	0.29%
Expected credit losses (Loss allowance provision)	-	3.86	3.86
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>1,333.59</b>	<b>2.43</b>	<b>1,336.02</b>

#### b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalents and bank deposits is generally low as the said deposits have been made with banks having good reputation, good past track record and high quality credit rating and the Company also reviews their credit-worthiness on an on-going basis.

### 37B LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk is managed by Company's Liquidity and Financial Indebtedness Management Policy, which aims to ensure the availability of sufficient net funds to meet the Company's financial commitments with minimal additional cost. One of the main liquidity monitoring measurement instruments is the cash flow projection, using a minimum projection period of 12 months from the benchmark date.

#### (i) Financing arrangements

The Company has undrawn borrowing facilities of Rs. 9,180.58 lakhs as at March 31, 2022 (Rs. 4,665.62 lakhs as at March 31, 2021). Undrawn credit facilities comprises of fund based and non-fund based.

#### (ii) Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on the contractually agreed undiscounted cash flows as at the Balance Sheet date.

(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 1 Year	Above 1 Year	Total
<b>March 31, 2022</b>			
Trade payables	6,255.86	-	6,255.86
Other financial liabilities	3,514.94	17.06	3,532.00
<b>Total Liabilities</b>	<b>9,770.80</b>	<b>17.06</b>	<b>9,787.86</b>

(Rs. in lakhs)

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	Less than 1 Year	Above 1 Year	Total
<b>March 31, 2021</b>			
Trade payables	5,116.30	-	5,116.30
Other financial liabilities	2,694.69	1.69	2,696.38
<b>Total Liabilities</b>	<b>7,810.99</b>	<b>1.69</b>	<b>7,812.68</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**38 CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure of the Company, Management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

The Company considers total equity reported in the standalone financial statements to be managed as part of capital.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Debt	-	-
Less : Cash and cash equivalents	1,285.29	5,141.13
<b>Adjusted net debt</b>	<b>(1,285.29)</b>	<b>(5,141.13)</b>
Equity share capital	14,402.85	14,229.30
Other equity	16,820.51	16,876.43
<b>Total equity</b>	<b>31,223.36</b>	<b>31,105.73</b>
<b>Adjusted net debt to equity ratio</b>	<b>-</b>	<b>-</b>

**39 EARNINGS PER SHARE (EPS)**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit after tax (Rs. in lakhs)	5,529.09	5,399.17
Weighted average number of shares outstanding for basic EPS (In lakhs)	1432.56	1,422.92
<b>Add:</b> Potential Equity Shares on exercise of options (In lakhs)	29.83	51.67
Weighted average number of shares outstanding for diluted EPS (In lakhs)	1,462.39	1,474.59
Nominal value per share (In Rs.)	10.00	10.00
Basic earning per share (In Rs.)	3.86	3.79
Diluted earning per share (In Rs.)	3.78	3.66

**40 Reconciliation of the amount of revenue recognised in the standalone statement of profit and loss with the contracted price:**

(Rs. in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price	64,303.72	51,071.84
<b>Adjustments :</b>		
Rebates & Discounts	1,808.85	1,012.62
<b>Revenue from contract with customers</b>	<b>62,494.87</b>	<b>50,059.22</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### Disaggregation of revenue

The management determines that there is only one business segment viz. Manufacturing and Sales of Cement as per the segment information reported under Note 34 Segment reporting, hence there is no requirement to disclose disaggregation of revenue under Ind AS 115 Revenue from contract with Customers separately.

### Significant payment terms

Generally, the Company provides 21 days credit period for trade type customers and 30 days for non-trade type customers. Further, trade customers are eligible for certain discounts as per basis quantity upliftment by the customer on monthly, quarterly and annual.

## 41 LEASES

As a lessee:

As a lessee, the Company entered in to leases agreement for many assets including property, production equipment and IT equipment. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases. These lease arrangements range for a period between 11 months and 20 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(Rs. in lakhs)

	Year ended March 31,2022	Year ended March 31,2021
Lease payments recognised in the Statement of Profit and Loss during the year	123.87	81.47

(Rs. in lakhs)

Lease Liabilities on account of adoption of Ind AS 116	As at March 31,2022	As at March 31,2021
<b>Balance at the beginning of the year</b>	<b>27.53</b>	<b>34.93</b>
<b>Add:</b> Addition during the year (net)	33.53	30.88
Finance costs incurred during the year	6.85	5.78
Payments of Lease liabilities	(46.59)	(44.06)
<b>Balance at the end of the year</b>	<b>21.32</b>	<b>27.53</b>
Current	17.06	1.69
Non- Current	4.26	25.84

## 42 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY

(Rs. in lakhs)

PARTICULARS	Year ended March 31,2022	Year ended March 31,2021
Opening Balance	47.80	-
Gross amount required to be spent by the Company during the year	108.62	67.19
Net Amount to be spent by the Company during year	60.82	67.19
<b>Amount spent during the year on:</b>		
i) Construction / acquisition of asset	20.19	9.84
ii) On purposes other than (i) above	77.55	105.15
<b>Total amount spent</b>	<b>97.74</b>	<b>114.99</b>
<b>Closing Balance (Refer Note below)</b>	<b>36.92</b>	<b>47.80</b>

**Note:** Excess amount spent under CSR have been disclosed in Note-16 as pre-paid expenses.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**42A Manner in which amount has been spent during the financial year 2021-22 is detailed below:**
**(Rs. in lakhs)**

CSR Project / Activities	Sector	Year Ended March 31, 2022	Year Ended March 31, 2021
Company took various measures in Second waves of COVID-19 as preventive health care and sanitation. Providing medical facilities and distribution of medical instruments to local health centers. Organized various medical camps / health check-ups, medication and health awareness program on flus, Covid-19 etc	Health, Hygiene and Sanitation	1.61	3.05
Disaster management, Distribution of Food Packets & Masks, sanitizer in local area to prevent spread of second waves of the COVID-19.	Contribution for social cause	3.68	3.71
Improvement in quality of, education which includes special education, skill development and employment generating vocational skills among children, women, elderly.	Promotion of Education	72.27	103.25
Development of infrastructure and safety & security system, sports facilities & renovation of School.	Social Business Project and Welfare activities	20.18	0.40
Organized Skill Development Activity for women by distributing sewing machines, conducting tailoring classes, Cooking Classes etc. Other activities for promoting gender equality and empowering women including contribution to orphanage for women education	Empowerment of Women	-	4.58
<b>Total</b>		<b>97.74</b>	<b>114.99</b>

**43 DUES TO MICRO AND SMALL ENTERPRISES**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 as below

**(Rs. in lakhs)**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	96.47	20.92
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made.	-	-
Further interest remaining due and payable for earlier years	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

There is no principal and interest overdue to Micro and Small enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has relied upon by the auditors.

### 44 SHARE BASED PAYMENTS (Ind AS 102)

(A) The Company has granted 70,60,000 options during the FY 2019-20 to its eligible employee including 1 MD & CEO and 5 business heads under ESOP Schemes, details are as under:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Vesting plan	20%	30%	30%	20%
No. of Options (Refer Note 44(D))	14,12,000	21,18,000	21,18,000	14,12,000
Vesting period	1 Year	2 Years	3 Years	4 Years
Exercise period	5 Years	5 Years	5 Years	5 Years
Time to expiration (Years)	6 Years	7 Years	8 Years	9 Years
Grant Date	August 05,2019	August 05,2019	August 05,2019	August 05,2019
Exercise Date	August 04,2025	August 04,2026	August 04,2027	August 04,2028
Exercise price (Rs. per share)	16.00	16.00	16.00	16.00
Fair Value per Stock Option (Rs.per share)	3.17	3.11	3.03	2.94
Share price as on grant date (Rs.per share)	14.74	14.74	14.74	14.74

**Note :** Options would be vested based on Company's and individual performance and time as per Grant Letter

### (B) Fair Valuation

Share options were granted during the year March 31, 2020 70,60,000 shares with vesting plan of 20%, 30%, 30% and 20% basis each year. Weighted average fair value of the options granted during the year March 31, 2020 is Rs. 3.06 per share.

The fair value of option has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.

### (C) The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant August 05, 2019 :

Risk Free Rate	6.39%
Expected annual volatility	40.62%
Dividend Yield	Nil

### (D) Movement of Options Granted :

	As at March 31,2022	As at March 31,2021
Outstanding at the beginning of the year	60,22,002	70,60,000
Granted during the year	-	-
Vested during the year	18,63,750	14,12,000
Exercised during the year	17,35,502	9,17,998
options expired (due to resignation & retirement)	3,20,000	1,20,000
<b>Outstanding at the end of the year</b>	<b>39,66,500</b>	<b>60,22,002</b>
Options exercisable at the end of the year	6,22,250	4,94,002

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**45 Ratio Analysis:**

Particulars	Parameters for calculation	Year Ended March 31, 2022	Year Ended March 31, 2021	% of variance
<b>Liquidity Ratio</b> Current Ratio (times)	Current Assets/ Current Liabilities	1.91	2.11	(9.5%)
<b>Profitability ratio</b> Net Profit Ratio (%)	PAT/Total Income	9%	11%	(2%)
Return on Equity Ratio (%)	PAT/Avg. share holder's fund	17.7%	18.4%	(0.7%)
Return on Capital employed (%)	EBIT/Avg. Capital employed	26.8%	27.4%	(0.6%)
Return on Investment (%)	Income generated from invested funds/ avg. invested funds	4.5%	4.8%	(0.3%)
<b>Utilization Ratio</b> Trade Receivables turnover ratio (times)	Total Income/ Avg. Receivables	52.6	49.6	6.1%
Inventory turnover ratio (times)	Total Income/Avg. Inventory	6.3	7.3	(13.7%)
Trade payables turnover ratio (times)	Net Purchases/ Avg. trade payables	8.8	8.0	10.0%
Net capital turnover ratio (times)	Total Income/ Avg. Working capital	5.6	5.7	(1.8%)

**46 Reclassification as per amendments in Schedule III:**

Security deposits from vendors amounting to Rs. 29.85 lakhs (March 31, 2021 : Rs. 30.94 lakhs) have been reclassified from "Loans" under Non-current financial assets to "Other financial assets" under Non-current financial assets. (Refer Note 6)

**47** On June 01, 2020 the turbine and generator of Waste Heat Recovery plant got damaged due to an incident. The Company had lodged insurance claim for recovering cost of damage to the equipments and loss of profit on account of increase in power cost. The Company had accounted for Rs. 58.86 lakhs (March 31, 2021 : 261 lakhs) towards the claim amount received from insurance company. Total claim of Rs.319.86 lakhs have been received (Rs. 187.83 lakhs on account of machinery break down claim and 132.03 lakhs on account of reimbursement of power cost against the additional cost of power).

**48 Impact on COVID-19**

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, intangible assets, Trade Receivables and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the Financial Statements.

The notes are an integral part of these standalone financial statements.

In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.:116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO & Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &

Company Secretary





## **CONSOLIDATED FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

**To the Members of  
Shree Digvijay Cement Company Limited**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the consolidated financial statements of Shree Digvijay Cement Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Litigations and contingencies

See Note 24 to the consolidated financial statements

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>- The Group is required to comply with a variety of different Central and State laws including direct and indirect tax laws, regulations and interpretations which exposes it to risk of litigations and claims.</li> <li>- Provisions and contingent liability disclosures for litigations and claims may arise from tax proceedings, legal and regulatory proceedings, other government / department proceedings, as well as investigations by authorities and commercial claims.</li> <li>- The complex nature and magnitude of the litigation and claims involves application of significant judgment by the Group to estimate the possible outcome of each matter. Also, the proceedings to these litigations and claims may span over multiple years and may involve protracted negotiation or litigation. These are also disclosed as critical estimates and judgements in preparing the consolidated financial statements.</li> <li>- These estimates could change significantly over time as new facts emerge and each legal case progresses.</li> <li>- Considering the complexity, possible interpretations, the magnitude of the potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</li> </ul>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> <li>- Making enquiries with Group's in-house Legal Counsel and other senior personnel about the current and potential significant claims and litigations on the Group</li> <li>- Testing the design, implementation and operating effectiveness of the Company's controls over review of litigations and contingencies</li> <li>- Obtained Group's assessment on key exposures and any related litigation. Reading and analyzing select key correspondences between the Group and various tax / legal authorities or plaintiffs and attorneys, where applicable, and external legal opinions/ consultations obtained by the Group for key legal and tax matters</li> <li>- Involving our internal tax experts to assess various tax positions taken by the Group with respect to complex tax matters</li> <li>- Assessing and challenging the Group's estimate of the possible outcome of the disputed cases by considering legal precedence and other judicial rulings</li> <li>- Assessing and testing the adequacy of presentation and disclosures</li> </ul>

## Revenue recognition

See Note 25 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>- Revenue is recognised when the control over the underlying products has been transferred to the customer.</li> <li>- We consider a risk of misstatement of the Financial Statements related to revenue recognised during the year and as at year end which may include:                             <ul style="list-style-type: none"> <li>- inconsistencies with customer agreements; or</li> <li>- overstatement of revenues by recording revenues in the current reporting period which should be recognised in a subsequent year; or</li> <li>- risk of recording fictitious revenue to achieve the targets</li> </ul> </li> <li>- Accordingly, revenue recognition during the year and as at year end is considered as a key audit matter.</li> </ul>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> <li>- Assessing the Holding Company's revenue recognition policy for compliance with Ind AS</li> <li>- Testing the design, implementation and operating effectiveness of the Holding Company's manual and automated controls around recording of revenue</li> <li>- Verifying the appropriateness of revenue recognition which included evaluating the Holding Company's transit time assessment and quantification of any sales reversals based on the terms in the sales contracts</li> <li>- Performing testing on selected statistical samples of revenue transactions recorded throughout the year and at the year end and checking delivery documents</li> <li>- Assessing and testing the adequacy of presentation and disclosures</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group

are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each Company.

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error,



and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the

consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the respective directors of the

Holding Company and its subsidiary Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and its Subsidiary Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and, its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 24 to the consolidated financial statements.
- b) The Group has long-term contracts as at 31 March 2022 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at 31 March 2022.
- c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2022.
- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 34 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiary Company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its Subsidiary Company incorporated in India or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 34 to the consolidated financial statements, no funds have been received by the Holding Company or its Subsidiary Company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

- e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. Subsidiary Company incorporated in India has not declared nor paid any dividend during the year.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its Subsidiary Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its Subsidiary Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**  
Chartered Accountants

Firm's Registration No. 116231W/W-100024  
ICAI UDIN: 22045754AHWJUI2030

**Jeyur Shah**  
Partner

Place : Digvijaygram  
Date : 27 April 2022

Membership No. 045754

**Annexure A to the report on the Audit of the Consolidated Financial Statements**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	SDCCL Logistics Limited	U63000GJ2020PLC115066	Subsidiary	3(xvii)

For **B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No. 116231W/W-100024  
ICAI UDIN: 22045754AHWJUI2030

**Jeyur Shah**  
Partner  
Membership No. 045754

Place : Digvijaygram  
Date : 27 April 2022

**Annexure B to the report on the Audit of the Consolidated Financial Statements of Shree Digvijay Cement Company Limited for the year ended 31 March 2022**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph 2 (A)(f) under ' Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Shree Digvijay Cement Company Limited (hereinafter referred to as "the Holding Company") and such Company incorporated in India under the Companies Act, 2013, which is its subsidiary Company as of that date.

In our opinion, the Holding Company and such Company incorporated in India which is its subsidiary Company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential

components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with



reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements includes

those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231W/W-100024

ICAI UDIN: 22045754AHWJUI2030

**Jeyur Shah**

Partner

Place : Digvijaygram

Date : 27 April 2022

Membership No. 045754

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

(Rs. in lakhs)

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	18,425.48	17,154.64
Capital work-in-progress		175.96	899.05
Intangible assets	4(A)	1,221.66	1,054.83
Right-of-use asset	4(B)	32.66	28.28
Intangible assets under development	4(C)	362.21	356.65
Financial assets			
i. Other financial assets	5	1,025.10	39.88
Income tax assets (net)	6	39.41	39.41
Other non-current assets	8	1,748.15	1,620.35
<b>Total Non-Current Assets</b>		<b>23,030.63</b>	<b>21,193.09</b>
<b>Current assets</b>			
Inventories	9	12,668.83	7,496.78
Financial assets			
i. Trade receivables	10	1,336.02	1,072.19
ii. Cash and cash equivalents	11	1,287.93	5,142.13
iii. Bank balances other than (ii) above	12	7,043.92	7,246.10
iv. Loans	13	36.58	42.54
v. Other financial assets	14	59.61	223.43
Other current assets	15	774.93	751.57
<b>Total Current Assets</b>		<b>23,207.82</b>	<b>21,974.74</b>
<b>Total Assets</b>		<b>46,238.45</b>	<b>43,167.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	14,402.85	14,229.30
Other equity	17	16,815.87	16,873.25
<b>Total Equity</b>		<b>31,218.72</b>	<b>31,102.55</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Lease liability	40	17.06	1.69
Provisions	18	1,518.43	1,287.88
Deferred tax liabilities (net)	7	1,358.09	356.41
<b>Total Non-Current Liabilities</b>		<b>2,893.58</b>	<b>1,645.98</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Lease liability	40	4.26	25.84
ii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	19	96.47	20.92
b. Total outstanding dues of creditors other than (a) above	19	6,160.89	5,096.59
iii. Other financial liabilities	20	3,510.68	2,668.85
Other current liabilities	21	1,926.00	2,124.55
Provisions	22	375.95	331.79
Income tax liabilities	23	51.81	150.76
<b>Total Current Liabilities</b>		<b>12,126.15</b>	<b>10,419.30</b>
<b>Total Equity and Liabilities</b>		<b>46,238.45</b>	<b>43,167.83</b>
<b>Significant accounting policies</b>	2(A)		
<b>The notes are an integral part of these consolidated financial statements</b>			

In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.: 116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO & Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &

Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	25	62,934.04	50,282.25
Other income	26	398.91	632.18
<b>Total income</b>		<b>63,332.95</b>	<b>50,914.43</b>
<b>Expenses</b>			
Cost of materials consumed	27	12,156.35	11,090.70
Changes in inventories of finished goods and work-in-progress	28	(986.67)	(1,451.84)
Employees benefits expenses	29	3,767.07	3,662.47
Finance costs	30	145.62	159.39
Depreciation and amortisation expenses	31	3,140.28	2,683.29
Power and fuel expenses		20,869.64	13,470.16
Freight and handling expenses		9,170.95	7,447.09
Other expenses	32	6,250.71	5,562.46
<b>Total expenses</b>		<b>54,513.95</b>	<b>42,623.72</b>
<b>Profit before tax</b>		<b>8,819.00</b>	<b>8,290.71</b>
Tax expense	6A		
Current tax		3,333.15	3,246.42
Deferred tax (credit)		(41.78)	(351.70)
<b>Total tax expense</b>		<b>3,291.37</b>	<b>2,894.72</b>
<b>Profit for the year</b>		<b>5,527.63</b>	<b>5,395.99</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post employment benefit obligations, gain/(loss)	29A	0.58	(58.18)
Income tax relating to above	7	(0.15)	20.33
<b>Other comprehensive income for the year, net of tax</b>		<b>0.43</b>	<b>(37.85)</b>
<b>Total comprehensive income for the year</b>		<b>5,528.06</b>	<b>5,358.14</b>
Earnings per equity share (in Rs.) (Nominal value per share Rs. 10)	38		
Basic earning per Share (In Rs.)		3.86	3.79
Diluted earning per Share (In Rs.)		3.78	3.66
<b>Significant accounting policies</b>	2(A)		
<b>The notes are an integral part of these consolidated financial statements</b>			

In terms of our report of even date  
**For B S R & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 116231W/W-100024  
**Jeyur Shah**  
Partner  
Membership No.: 045754  
**Place:** Digvijaygram  
**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

<b>Anil Singhvi</b> Executive Chairman DIN: 00239589	<b>KK Rajeev Nambiar</b> CEO & Managing Director DIN: 07313541	<b>Suresh Kumar Meher</b> VP (Legal) & Company Secretary
<b>Mahesh Gupta</b> Independent Director DIN: 00046810	<b>Vikas Kumar</b> Chief Financial Officer	
<b>Place:</b> Digvijaygram/Mumbai <b>Date:</b> April 27, 2022		

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	8,819.00	8,290.71
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	3,140.28	2,683.29
Provision for slow / non-moving stores & spares	37.21	31.17
Loss on sale / write-off of property, plant and equipments	14.39	55.28
Provision (written back) for doubtful debts and advances	20.04	(2.05)
Interest income	(300.39)	(312.49)
Unrealized foreign exchange (gain) on operating activities	(56.19)	(42.14)
Compensation expenses under ESOS	33.98	78.12
Finance costs	145.62	159.39
<b>Operating profit before working capital changes</b>	<b>11,853.94</b>	<b>10,941.28</b>
<b>Adjustments for:</b>		
(Increase) in inventories	(5,209.26)	(1,038.46)
(Increase) in trade receivables	(259.82)	(79.54)
Decrease/(increase) in loans	5.96	(6.75)
Decrease/(increase) in other financial assets	140.72	(209.88)
Decrease/(increase) in other assets	19.28	(193.51)
Increase in trade payables	1,194.09	395.82
Increase/(decrease) in other financial liabilities	327.41	(74.71)
(Decrease)/increase in other liabilities	(198.45)	1,160.08
Increase/(decrease) in provision	242.28	(8.80)
<b>Cash generated from operations</b>	<b>8,116.15</b>	<b>10,885.53</b>
Taxes paid (net of refunds)	(2,388.79)	(1,389.83)
<b>Net cash generated from operating activities</b>	<b>5,727.36</b>	<b>9,495.70</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment and intangible assets	(3,546.35)	(2,794.05)
Proceeds from sale of items of property, plant and equipment	14.93	32.39
Interest received	308.18	287.24
Proceeds from term deposit with bank (net)	(760.09)	(7,197.13)
<b>Net cash (used in) investing activities</b>	<b>(3,983.33)</b>	<b>(9,671.55)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(105.76)	(100.49)
Dividend paid	(5,723.56)	(2,120.61)
Proceeds from Issue of Share Capital on Exercise of ESOS	277.68	146.88
Repayment of lease liability	(46.59)	(44.06)
<b>Net cash (used in) financing activities</b>	<b>(5,598.23)</b>	<b>(2,118.28)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3,854.20)</b>	<b>(2,294.13)</b>
Cash and cash equivalents at the beginning of the year	5,142.13	7,436.26
<b>Cash and cash equivalents at the end of the year</b>	<b>1,287.93</b>	<b>5,142.13</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

	Year ended March 31,2022	Year ended March 31,2021
Reconciliation of cash & cash equivalents as per cash flow statement :		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	0.49	1.50
Balances with banks - in current accounts	1,287.44	632.81
Demand deposits	-	4,507.82
<b>Total</b>	<b>1,287.93</b>	<b>5,142.13</b>
<b>Significant accounting policies [Refer Note 2(A)]</b>		
<b>The notes are an integral part of these consolidated financial statements</b>		

**Note:**

- 1 The cash flow statement has been prepared under "Indirect Method" specified in Ind AS 7 on "Statement of Cash Flows".
- 2 Reconciliation of movements of cash flows arising from financing activities

	As at March 31,2022	As at March 31,2021
<b>Cash Flow from financing activities</b>		
Dividend paid	(5,723.56)	(2,120.61)
Proceeds from Issue of Share Capital on Exercise of ESOS	277.68	146.88
Interest paid	(105.76)	(100.49)
Repayment of lease liability	(46.59)	(44.06)
<b>Total cash flow from financing activities</b>	<b>(5,598.23)</b>	<b>(2,118.28)</b>
Finance costs	145.62	159.39
Less : Unwinding of interest	(33.01)	(53.12)
Add : ROU liability (Refer Note 4(B) & 40)	33.53	30.88
Add : Movement in lease liability (Refer Note 40)	6.21	7.40
Add : Securities premium on Shares issued under ESOS	(104.13)	(55.08)
Add : Share capital - ESOS	(173.55)	(91.80)
Add : Unpaid dividend	32.71	15.33
Add : Dividend paid	5,690.85	2,105.28
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.:116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO & Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &

Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

**Equity Share Capital**

(Rs. in lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	16	14,229.30	14,137.50
Changes in Equity Share Capital during the year		173.55	91.80
<b>Balance at the end of the year</b>	<b>16</b>	<b>14,402.85</b>	<b>14,229.30</b>

**Other Equity**

(Rs. in lakhs)

Particulars	Note	Reserves and Surplus						Share option outstanding	Total Other Equity
		Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income		
<b>As at March 31, 2020</b>	17	<b>8,786.87</b>	<b>35.00</b>	<b>20.43</b>	-	<b>4,674.78</b>	<b>(86.24)</b>	<b>71.68</b>	<b>13,502.52</b>
Profit for the year		-	-	-	-	5,395.99	-	-	5,395.99
Other comprehensive income		-	-	-	-	-	(37.85)	-	(37.85)
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>5,395.99</b>	<b>(37.85)</b>	-	<b>5,358.14</b>
<b>Contribution by and distribution to owners</b>									
Dividends		-	-	-	-	(2,120.61)	-	-	(2,120.61)
Transfer from retained earnings		-	-	-	1,000.00	(1,000.00)	-	-	-
Employees Stock Options Exercised		-	-	84.18	-	-	-	(29.10)	55.08
Employees Stock Options Scheme (ESOS)		-	-	-	-	-	-	78.12	78.12
<b>Total contribution by and distribution to owners</b>		-	-	<b>84.18</b>	<b>1,000.00</b>	<b>(3,120.61)</b>	-	<b>49.02</b>	<b>(1,987.41)</b>
<b>As at March 31, 2021</b>	17	<b>8,786.87</b>	<b>35.00</b>	<b>104.61</b>	<b>1,000.00</b>	<b>6,950.16</b>	<b>(124.09)</b>	<b>120.70</b>	<b>16,873.25</b>
Profit for the year		-	-	-	-	5,527.63	-	-	5,527.63
Other comprehensive income		-	-	-	-	-	0.43	-	0.43
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>5,527.63</b>	<b>0.43</b>	-	<b>5,528.06</b>
<b>Contribution by and distribution to owners</b>									
Dividends		-	-	-	-	(5,723.56)	-	-	(5,723.56)
Transfer from retained earnings		-	-	-	1,000.00	(1,000.00)	-	-	-
Employees Stock Options Exercised		-	-	158.40	-	-	-	(54.26)	104.14
Employees stock options scheme (ESOS)		-	-	-	-	-	-	33.98	33.98
<b>Total contribution by and distribution to owners</b>		-	-	<b>158.40</b>	<b>1,000.00</b>	<b>(6,723.56)</b>	-	<b>(20.28)</b>	<b>(5,585.44)</b>
<b>As at March 31, 2022</b>	17	<b>8,786.87</b>	<b>35.00</b>	<b>263.01</b>	<b>2,000.00</b>	<b>5,754.23</b>	<b>(123.66)</b>	<b>100.42</b>	<b>16,815.87</b>

Significant accounting policies [Refer Note 2(A)]

The notes are an integral part of these consolidated financial statements

In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.:116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO & Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &

Company Secretary



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 1 Company Overview

Shree Digvijay Cement Company Ltd (the 'Company') is a public limited Company domiciled in India with its registered office address being Digvijaygram, Dist: Jamnagar, Gujarat - 361140. The Company is listed on the Bombay Stock Exchange (BSE) & National stock exchange (NSE). The Company's principal business is manufacturing and selling of cement. The Company has one manufacturing facility at Sikka (via Jamnagar) with installed capacity of 12 lacs MT per annum. The Company caters mainly to the domestic market. Shree Digvijay Cement Company Limited (the "Company") and its subsidiary collectively referred to as the "Group"

### 2(A) Summary of significant accounting policies

#### 2.01 Basis of preparation

##### a) Compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for following items:

- i) Employee's Defined Benefit Plan as per actuarial valuation.
- ii) Employee share based payments measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

##### c) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 2.02 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief executive officer (CEO) and Managing director (MD) of the Group has been identified as CODM who assesses the financial performance and position of the Group, and makes strategic decisions.

#### 2.03 Foreign Currency Transactions

##### a) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit and loss.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

### **2.04 Revenue Recognition**

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties. In determining the transaction price, the Group considers below, if any:

#### **Variable consideration :**

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

#### **Consideration payable to a customer :**

Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good that the customer transfers to the Group.

Further, in accordance with Ind AS 37, the Group recognises a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

#### **Contract balances**

**Trade receivables :** A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

**Contract liabilities :** A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

#### **Significant payment terms**

Generally, the Group provides 21 days credit period for trade type customers and 30 days for non-trade type customers. Further, trade customers are eligible for certain discounts as per basis quantity upliftment by the customer on monthly, quarterly and annual.

#### **Interest income :**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

### **2.05 Borrowing costs**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 2.06 Leasing - As a lessee

#### Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

### 2.07 Employee benefits

#### a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**b) Other long-term employee benefit obligations**

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the period are treated as other long term employee benefits for measurement purpose. The Group's liability is actuarially determined by an independent actuary using the Projected Unit Credit method at the end of each period. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in consolidated statement of profit and loss.

**c) Post employee obligations**

The Group operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund and superannuation fund

**i) Gratuity obligations**

The liability recognised in the consolidated balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is determined at the year end by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity. Remeasurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in consolidated statement of profit and loss as past service cost.

**ii) Defined contribution plans**

**Provident fund**

The Group pays contributions towards provident fund to the regulatory authorities as per local regulations where the Group has no further payment obligations. The contributions are recognised as employee benefit expense when they are due.

**Superannuation Fund**

Contribution towards superannuation fund for qualifying employees as per the Group's policy is made to Life Insurance Corporation of India where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from contribution made on monthly basis.

**2.08 Current and deferred tax**

Income tax expense or credit represents the sum of the current tax and deferred tax.

Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case it is recognised in 'Other comprehensive income' or directly in equity, respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Statement of profit and loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Consolidated Balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as an asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

The carrying amount of deferred tax assets and MAT credit is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 2.09 Property, plant and equipment

All items of property, plant and equipment ("PPE") are stated at historical cost less accumulated depreciation less accumulated impairment losses. The cost of property, plant and equipment includes purchase price including import duties, non-refundable taxes and expenditure that is directly attributable to acquisition and installation, cost of dismantling and removing the item and restoring the site on which it is located.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a pro-rata basis on the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as per technical evaluation. Estimated useful lives of the assets thereof are as under:

<b>Assets class</b>	<b>Life of Assets in Years</b>
Buildings	30 - 60
Railway Sidings	21
Plant and Equipment	5 - 21
Electric Installations	5 - 20
Rolling Stocks and Locomotives	18
Furniture and Fixtures	5 - 20
Office Equipments & Computers	3 - 6
Vehicles	5 - 10
Jetty and Wharf	20 - 21

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

**2.10 Intangible Assets and Amortisation**

Intangible assets with finite useful life are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

**Amortisation methods and periods**

The Group amortises intangible assets with finite useful life using straight line method over the following periods:

<b>Asset class</b>	<b>Life of Assets in Years</b>
Computer Software and Licenses	3 to 6
Mining rights (Land)	Based on extractions of reserve

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Consolidated Statement of Profit and Loss.

Intangible assets under development is carried at cost, less any recognised impairment loss. Amortisation of these assets commences when the assets are substantially ready for their intended use.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### Mine Reclamation provision and related asset

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. The Group recognizes unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier. These obligations represent the net present value of cash flows expected to be incurred for the restoration process and initially recognized as assets under mining rights (land) which are amortised over its remaining useful life. The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations, which mainly includes cost of plantation, fencing, biodiversity management, sustainable development, rainwater harvesting etc. The increase in liability due to unwinding of discount is recognised in the Consolidated Statement of Profit and Loss under finance cost. Subsequent adjustments to the obligation for changes in the estimated cash flows/disbursement period/discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

### 2.11 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packing materials and fuels comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour, other direct costs and related production overheads. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

##### i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in consolidated statement of profit or loss or other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**ii) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through statement of profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through statement of profit or loss are expensed in consolidated statement of profit and loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in consolidated statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in consolidated profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through statement of profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through statement of profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through statement of profit or loss is recognised in consolidated statement of profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

**iii) Impairment of financial assets**

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in consolidated statement of profit and loss.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Group uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the consolidated statement of profit and loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### iv) De-recognition of financial assets

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### v) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### Financial Liabilities

##### i) Classification

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

##### ii) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through statement of profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through statement of profit and loss.

##### iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

##### iv) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated statement of profit and loss over the period of the borrowings using the effective interest method.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit and loss.

**v) Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**2.15 Provisions and contingent liabilities**

**Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of the obligation can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

**Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent Assets**

A contingent asset is disclosed, where an inflow of economic benefits is probable.

**2.16 Earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 2.17 Employee Share based payments:

Equity- settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share Option Outstanding.

The Group measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 43

### 2.18 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**2.19 Rounding of amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2(B) Critical estimates and judgements**

The preparation of consolidated financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. The areas involving critical estimates or judgements are:

**a.) Mines Reclamation Provisions and related asset**

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs. (Refer note 2(A) 2.10 and 18).

**b.) Provisions & Contingent Liabilities**

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. If a loss arising from these litigations and/or claims is probable and can be reasonably estimated, the management record the amount of the estimated loss. If a loss is reasonably possible, but not probable, the management discloses the nature of the significant contingency and, if quantifiable, the possible loss that could result from the resolution of the matter. As additional information becomes available, the management reassess any potential liability related to these litigations and claims and may need to revise the estimates. Such revisions or ultimate resolution of these matters could materially impact the results of operations, consolidated cash flows or consolidated financial statements of the Group. (Refer Note 22 and 24)

**c.) Current tax expense and deferred tax**

The calculation of the Group's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses (Refer note 6 and 23).

**Recognition of deferred tax assets**

The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the Group operate. (Refer Note 7).

**d.) Useful lives of property, plant and equipment and intangibles**

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period or even earlier in case, circumstances change such that the recorded value of an asset may not be recoverable. The estimate of useful life requires significant management judgment and requires assumptions that can include: planned use of equipments, future volume trends, revenue and expense growth rates and annual operating plans, and in addition, external factors such as changes in macroeconomic trends which are considered in connection with the Group's long-term strategic planning. (Refer note 2(A) 2.09 and 2(A) 2.10).



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### e.) **Employee benefit plans**

The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 29A(ii).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**3 PROPERTY, PLANT AND EQUIPMENT**

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As at March 31, 2022
		Opening as at April 01, 2021	Additions	Disposals	Closing as at March 31, 2022	Opening as at April 01, 2021	For the Year	
	<b>Own Assets</b>							
1	Land Freehold (Refer note 1 below)	850.03	-	-	850.03	-	-	850.03
2	Building	755.13	1,942.75	39.70	2,658.18	181.84	290.85	2,367.33
3	Railway Sidings	8.06	-	-	8.06	0.58	0.58	7.48
4	Plant and Equipment	25,567.49	2,093.96	159.99	27,501.46	10,261.17	12,801.30	14,700.16
5	Electric Installations	355.36	-	0.11	355.25	251.04	279.28	75.97
6	Rolling Stocks and Locomotives	1.69	-	-	1.69	-	-	1.69
7	Furniture, Fixtures and Office Equipments	365.97	172.32	82.08	456.21	128.98	113.55	342.66
8	Vehicles	93.47	37.60	11.67	119.40	51.19	52.32	67.08
9	Jetty and Wharf (Refer note 3 below)	129.08	-	-	129.08	96.84	116.00	13.08
	<b>TOTAL</b>	<b>28,126.28</b>	<b>4,246.63</b>	<b>293.55</b>	<b>32,079.36</b>	<b>10,971.64</b>	<b>13,653.88</b>	<b>18,425.48</b>

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As at March 31, 2021
		Opening as at April 01, 2020	Additions	Disposals	Closing as at March 31, 2021	Opening as at April 01, 2020	For the Year	
	<b>Own Assets</b>							
1	Land Freehold (Refer note 1 below)	850.03	-	-	850.03	-	-	850.03
2	Building	720.82	43.05	8.74	755.13	137.26	181.84	573.29
3	Railway Sidings	8.06	-	-	8.06	0.58	0.58	7.48
4	Plant and Equipment	24,574.14	1,099.12	105.77	25,567.49	7,864.57	10,261.17	15,306.32
5	Electric Installations	355.36	-	-	355.36	217.79	251.04	104.32
6	Rolling Stocks and Locomotives	1.69	-	-	1.69	-	-	1.69
7	Furniture, Fixtures and Office Equipments	451.46	29.85	115.34	365.97	180.31	128.98	236.99
8	Vehicles	92.77	1.10	0.40	93.47	36.77	51.19	42.28
9	Jetty and Wharf (Refer note 3 below)	129.08	-	-	129.08	91.80	96.84	32.24
	<b>TOTAL</b>	<b>27,183.41</b>	<b>1,173.12</b>	<b>230.25</b>	<b>28,126.28</b>	<b>8,529.08</b>	<b>10,971.64</b>	<b>17,154.64</b>

**Notes:**

- The Company is in process of obtaining mining rights. E-auction process has been initiated and the commissioner of Geology and Mining has issued the Notice Inviting Tender (NIT). The Company has purchased the tender document for further processing.
- The carrying amount of Leasehold Land (in respect of which the Group pays nominal ground rent) at Sikka, Gujarat is Nil. The lease period expires on November 20, 2044 and the Group has an option to renew the same for further period of 99 years.
- The Group has currently valid, subsisting and exclusive priority license with Gujarat Maritime Board ("GMB") for construction, upgradation and use of the Captive Wharf / Jetty at Sikka vide License Agreement dated 20 September 1999 valid till 2024.
- There are no qualifying assets and accordingly no borrowing cost is capitalised during the year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**4(A) INTANGIBLE ASSETS**

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As at March 31, 2022		
		Opening as at April 01, 2021	Additions	Adjustment/Disposals	Closing as at March 31, 2022	Opening as at April 01, 2021	For the Year		Adjustment/Disposals	Closing as at March 31, 2022
1	<b>Own Assets (Acquired)</b>	77.30	10.70	-	88.00	4.32	35.22	-	39.54	48.46
2	Computer Software and Licenses Mining right (land) (Refer note below)	1,017.26	320.80	-	1,338.06	35.41	129.45	-	164.86	1,173.20
	<b>TOTAL</b>	<b>1,094.56</b>	<b>331.50</b>	<b>-</b>	<b>1,426.06</b>	<b>39.73</b>	<b>164.67</b>	<b>-</b>	<b>204.40</b>	<b>1,221.66</b>

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As at March 31, 2022		
		Opening as at April 01, 2020	Additions	Adjustment/Disposals	Closing as at March 31, 2021	Opening as at April 01, 2020	For the Year		Adjustment/Disposals	Closing as at March 31, 2021
1	<b>Own Assets (Acquired)</b>	194.85	63.14	180.69	77.30	124.94	48.21	168.83	4.32	72.98
2	Computer Software and Licenses Mining right (land) (Refer note below)	120.94	896.32	-	1,017.26	27.17	8.24	-	35.41	981.85
	<b>TOTAL</b>	<b>315.79</b>	<b>959.46</b>	<b>180.69</b>	<b>1,094.56</b>	<b>152.11</b>	<b>56.45</b>	<b>168.83</b>	<b>39.73</b>	<b>1,054.83</b>

Notes: Mining right (land) includes assets in respect of mines reclamation.

**4(B) Right-of-use asset (Lease)**

(Rs. in lakhs)

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As at March 31, 2022		
		Opening as at April 01, 2021	Additions	Adjustment/Disposals	Closing as at March 31, 2022	Opening as at April 01, 2021	For the Year		Adjustment/Disposals	Closing as at March 31, 2022
1	Right-of-use asset (Lease)	85.57	43.28	33.69	95.16	57.29	29.14	23.93	62.50	32.66
	<b>TOTAL</b>	<b>85.57</b>	<b>43.28</b>	<b>33.69</b>	<b>95.16</b>	<b>57.29</b>	<b>29.14</b>	<b>23.93</b>	<b>62.50</b>	<b>32.66</b>

Sr. No.	Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount As at March 31, 2021		
		Opening as at April 01, 2020	Additions	Adjustment/Disposals	Closing as at March 31, 2021	Opening as at April 01, 2020	For the Year		Adjustment/Disposals	Closing as at March 31, 2021
1	Right-of-use asset (Lease)	54.69	30.88	-	85.57	27.45	29.84	-	57.29	28.28
	<b>TOTAL</b>	<b>54.69</b>	<b>30.88</b>	<b>-</b>	<b>85.57</b>	<b>27.45</b>	<b>29.84</b>	<b>-</b>	<b>57.29</b>	<b>28.28</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**4(C) INTANGIBLE ASSETS UNDER DEVELOPMENT**

The Company has acquired mineral rights of three mines i.e. Debbhar-Bhavneswar, Mokhana and Pachhtardi having total expected Limestone Reserve of 27.49 million tons. Out of which, company has got the clearance for Pachhtardi mine. The value of the same mine has been moved to Intangible assets under Mining right (land). However, Company is yet to obtain environment clearance on remaining mines from Ministry of Environment & Forest, Climate Change. These mines are outside the Eco-Sensitive Zone but Debbhar-Bhavneswar and Mokhana mines major portion fall within 1km restrictions of Barda Wildlife Sanctuary. Company has made various representation to Ministry of Environment and Forest and State Government. Management is confident of getting positive response from the respective authorities and will be able to get the requisite clearance. Value of such assets is Rs. 351.24 lakhs (as on March 31, 2021 - Rs. 351.24 lakhs).

**4(D) Aging Schedule**

(Rs. in lakhs)

Particulars	Amount in CWIP/Intangible under development for a period of				As at March 31, 2022
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Capital work-in-progress</b>					
Office building - Mines	7.16	-	-	-	7.16
Plant & Machinery - Cement Division	17.16	0.58	-	-	17.74
Structure Strengthening - Clinker division	111.90	-	-	-	111.90
Structure Strengthening - Cement division	13.20	-	-	-	13.20
Colony upgradation	25.96	-	-	-	25.96
<b>Sub total Capital work-in-progress</b>	<b>175.38</b>	<b>0.58</b>	<b>-</b>	<b>-</b>	<b>175.96</b>
<b>Intangible assets under development</b>					
New Mines under development	5.57	5.40	-	351.24	362.21
<b>Sub total Intangible assets under development</b>	<b>5.57</b>	<b>5.40</b>	<b>-</b>	<b>351.24</b>	<b>362.21</b>
<b>Total</b>	<b>180.95</b>	<b>5.98</b>	<b>-</b>	<b>351.24</b>	<b>538.17</b>

Particulars	Amount in CWIP/Intangible under development for a period of				As at March 31, 2021
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Capital work-in-progress</b>					
Plant & Machinery - Cement Division	98.86	-	-	-	98.86
Plant & Machinery - Clinker division	40.40	-	-	-	40.40
Raw material Shed	759.56	-	-	-	759.56
Colony upgradation	0.23	-	-	-	0.23
<b>Sub total Capital work-in-progress</b>	<b>899.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>899.05</b>
<b>Intangible assets under development</b>					
New Mines under development	-	-	356.65	-	356.65
<b>Sub total Intangible assets under development</b>	<b>-</b>	<b>-</b>	<b>356.65</b>	<b>-</b>	<b>356.65</b>
<b>Total</b>	<b>899.05</b>	<b>-</b>	<b>356.65</b>	<b>-</b>	<b>1,255.70</b>

**Note :** The projects mentioned above are expected to complete as per plan and there are no projects which are overdue or has exceeded its cost compared to its original plan.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

5	OTHER FINANCIAL ASSETS (NON-CURRENT)	As at March 31, 2022	As at March 31, 2021
	Deposits with bank with maturity period of more than 12 months from reporting date (Refer note below)	995.25	8.94
	Security deposits (Refer note 46)	29.85	30.94
	<b>TOTAL</b>	<b>1,025.10</b>	<b>39.88</b>

**Note:** Deposit with bank amounting to nil (March 31, 2021 : Rs. 8.94 lakhs) are lien marked against Bank Guarantees.

(Rs. in lakhs)

6	INCOME TAX ASSETS (NON-CURRENT)	As at March 31, 2022	As at March 31, 2021
	Income tax asset	39.41	39.41
	<b>TOTAL</b>	<b>39.41</b>	<b>39.41</b>

(Rs. in lakhs)

6A	TAX EXPENSE	Year ended March 31, 2022	Year ended March 31, 2021
	<b>Current tax :</b>		
	Current tax on profits for the year	3,325.34	3,242.51
	Short provision for tax of earlier years	7.81	3.91
	<b>Total current tax expense</b>	<b>3,333.15</b>	<b>3,246.42</b>
	<b>Deferred tax :</b>		
	Decrease in deferred tax assets (net)	288.79	(114.57)
	(Decrease) in deferred tax liabilities	(330.57)	(237.13)
	<b>Total deferred tax charge/(credit)</b>	<b>(41.78)</b>	<b>(351.70)</b>
	<b>Total tax expense/(credit)</b>	<b>3,291.37</b>	<b>2,894.72</b>
	Effective tax rate	37.321%	34.915%
	<b>Reconciliation of tax expense and accounting profit multiplied by statutory tax rate</b>		
	Profit/(Loss) before tax	8,819.00	8,290.71
	Rate of tax	34.944%	34.944%
	<b>Tax expense/(credit) at applicable tax rate</b>	<b>3,081.71</b>	<b>2,897.11</b>
	Effect of expenses not deductible in determining taxable profit	43.54	25.16
	Additional MAT created for earlier years	-	(9.75)
	Short provision for tax of earlier years	7.81	3.91
	Change in Corporate Tax Rate assumption	158.31	(21.71)
	<b>Total tax expense/(credit)</b>	<b>3,291.37</b>	<b>2,894.72</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

7	DEFERRED TAX LIABILITIES (NET)	As at March 31, 2022	As at March 31, 2021
	Deferred tax assets/liabilities (Net)	(1,358.09)	(356.41)
	<b>TOTAL</b>	<b>(1,358.09)</b>	<b>(356.41)</b>
	<b>The balance comprises temporary differences attributable to:</b>		
	<b>Deferred Tax Liabilities</b>		
	Depreciation/ Amortisation on property, plant and equipment and intangible assets	1,889.82	2,216.69
	Deferred tax on ROU asset created under Ind AS 116	26.20	29.90
	<b>Less : Deferred Tax Assets</b>		
	Allowance for doubtful debts	52.49	65.87
	Provision for slow moving/obsolete inventory	93.85	117.29
	Items allowed on payment/utilisation basis	277.91	387.72
	Disallowances for items to be allowed in subsequent years	34.88	148.36
	Provision for mines reclamation assets	70.31	94.83
	Deferred tax on lease liability created under Ind AS 116	28.49	32.80
	Unused tax credits (MAT credit entitlement )	-	1,043.31
	<b>Deferred tax Liabilities (net) [Refer note below]</b>	<b>(1,358.09)</b>	<b>(356.41)</b>

**Note :** Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation laws.

(Rs. in lakhs)

7A	MOVEMENT IN DEFERRED TAX ASSETS/ LIABILITIES	As at April 01, 2021	Utilisation	(Charged)/ Credited to Profit and Loss	Credited/ (Charged) to OCI/equity	As at March 31, 2022
	<b>Deferred tax liabilities</b>					
	Depreciation/amortisation on property, plant and equipment and intangible assets	(2,216.69)	-	326.87	-	(1,889.82)
	Deferred tax on ROU asset created under Ind AS 116	(29.90)	-	3.70	-	(26.20)
	<b>Total deferred tax (liabilities)</b>	<b>(2,246.59)</b>	<b>-</b>	<b>330.57</b>	<b>-</b>	<b>(1,916.02)</b>
	<b>Less : Deferred tax assets</b>					
	Allowance for doubtful debts	65.87	-	(13.38)	-	52.49
	Provision for slow moving/obsolete inventory	117.29	-	(23.44)	-	93.85
	Items allowed on payment/utilisation basis	387.72	-	(109.66)	(0.15)	277.91
	Disallowances for items to be allowed in subsequent years	148.36	-	(113.48)	-	34.88
	Provision for mines reclamation assets	94.83	-	(24.52)	-	70.31
	Deferred tax on lease liability created under Ind AS 116	32.80	-	(4.31)	-	28.49
	Unused tax credits (MAT credit entitlement )	1,043.31	(1,043.31)	-	-	-
	<b>Total deferred tax assets</b>	<b>1,890.18</b>	<b>(1,043.31)</b>	<b>(288.79)</b>	<b>(0.15)</b>	<b>557.93</b>
	<b>Deferred tax liabilities (net)</b>	<b>(356.41)</b>	<b>(1,043.31)</b>	<b>41.78</b>	<b>(0.15)</b>	<b>(1,358.09)</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**  
(Rs. in lakhs)

7B	MOVEMENT IN DEFERRED TAX ASSETS/ LIABILITIES	As at April 01, 2020	Utilisation	(Charged)/ Credited to Profit and Loss	Credited/ (Charged) to OCI/equity	As at March 31, 2021
	<b>Deferred tax liabilities</b>					
	Depreciation/amortisation on property, plant and equipment and intangible assets	(2,464.61)	-	247.92	-	(2,216.69)
	Deferred tax on ROU asset created under Ind AS 116	(19.11)	-	(10.79)	-	(29.90)
	<b>Total deferred tax (liabilities)</b>	<b>(2,483.72)</b>	<b>-</b>	<b>237.13</b>	<b>-</b>	<b>(2,246.59)</b>
	<b>Less : Deferred tax assets</b>					
	Allowance for doubtful debts	66.58	-	(0.71)	-	65.87
	Provision for slow moving/obsolete inventory	106.40	-	10.89	-	117.29
	Items allowed on payment/utilisation basis	369.06	-	(1.67)	20.33	387.72
	Disallowances for items to be allowed in subsequent years	77.54	-	70.82	-	148.36
	Provision for mines reclamation assets	80.13	-	14.70	-	94.83
	Deferred tax on lease liability created under Ind AS 116	22.01	-	10.79	-	32.80
	Unused tax credits (MAT credit entitlement)	2,789.97	(1,756.41)	9.75	-	1,043.31
	<b>Total deferred tax assets</b>	<b>3,511.69</b>	<b>(1,756.41)</b>	<b>114.57</b>	<b>20.33</b>	<b>1,890.18</b>
	<b>Deferred tax liabilities (net)</b>	<b>1,027.97</b>	<b>(1,756.41)</b>	<b>351.70</b>	<b>20.33</b>	<b>(356.41)</b>

For current year, the Group has calculated its tax liability for current taxes as per normal provision and has utilized MAT credit from Carry forward MAT credit.

(Rs. in lakhs)

8	OTHER NON-CURRENT ASSETS	As at March 31, 2022	As at March 31, 2021
	Capital advances	198.01	29.51
	Deposits with government authorities	1,232.10	1,266.04
	Balances with statutory authorities	305.06	305.06
	Pre-paid expenses	12.98	19.74
	<b>TOTAL</b>	<b>1,748.15</b>	<b>1,620.35</b>

(Rs. in lakhs)

9	INVENTORIES	As at March 31, 2022	As at March 31, 2021
	Raw materials	745.83	513.14
	Work in progress	4,852.58	3,859.07
	Finished Goods (including goods in transit)	392.26	399.10
	Stores and spare parts (net off provision Rs. 372.86 lakhs, March 31, 2021 : Rs.335.65 lakhs)	1,821.37	1,474.59
	Packing materials	422.90	231.20
	Fuels	4,433.89	1,019.68
	<b>TOTAL</b>	<b>12,668.83</b>	<b>7,496.78</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

<b>10</b>	<b>TRADE RECEIVABLES</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	Considered good - secured	250.75	148.60
	Considered good - unsecured	1,085.27	923.59
	Credit impaired	3.86	7.87
	<b>SUB- TOTAL</b>	<b>1,339.88</b>	<b>1,080.06</b>
	<b>Less:</b> Allowance for doubtful debts	(3.86)	(7.87)
	<b>TOTAL</b>	<b>1,336.02</b>	<b>1,072.19</b>

**10A Trade Receivable ageing schedule as at March 31, 2022**

(Rs. in lakhs)

<b>Particulars</b>	<b>Outstanding for following period from due date of payment</b>						<b>As at March 31, 2022</b>
	<b>Not Due</b>	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Undisputed Trade Receivables							
(i) Considered good	1,031.76	303.20	-	-	1.06	-	1,336.02
(ii) Credit Impaired	-	0.11	0.78	-	1.17	1.80	3.86
<b>Total</b>	<b>1,031.76</b>	<b>303.31</b>	<b>0.78</b>	<b>-</b>	<b>2.23</b>	<b>1.80</b>	<b>1,339.88</b>

**10B Trade Receivable ageing schedule as at March 31, 2021**

(Rs. in lakhs)

<b>Particulars</b>	<b>Outstanding for following period from due date of payment</b>						<b>As at March 31, 2021</b>
	<b>Not Due</b>	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Undisputed Trade Receivables							
(i) Considered good	955.72	115.40	-	1.07	-	-	1,072.19
(ii) Credit Impaired	-	1.07	0.75	4.25	0.16	1.64	7.87
<b>Total</b>	<b>955.72</b>	<b>116.47</b>	<b>0.75</b>	<b>5.32</b>	<b>0.16</b>	<b>1.64</b>	<b>1,080.06</b>

(Rs. in lakhs)

<b>11</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>Cash and Cash equivalents:</b>		
	Cash on hand	0.49	1.50
	<b>Bank Balances :</b>		
	In Current accounts	1,287.44	632.81
	Demand deposits (Maturity upto three months)	-	4,507.82
	<b>TOTAL</b>	<b>1,287.93</b>	<b>5,142.13</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

12 OTHER BANK BALANCES	As at March 31, 2022	As at March 31, 2021
Deposits with banks (Maturity more than three months and up to twelve months)	6,996.90	7,230.77
Earmarked balance with bank for unpaid dividend	47.02	15.33
<b>TOTAL</b>	<b><u>7,043.92</u></b>	<b><u>7,246.10</u></b>

**Note :** Term deposit amounting to Rs.9.39 lakhs (March 31, 2021 : Nil) are against bank guarantees or as a security deposit.

(Rs. in lakhs)

13 LOANS (CURRENT)	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good) Loan to employees	36.58	42.54
<b>TOTAL</b>	<b><u>36.58</u></b>	<b><u>42.54</u></b>

(Rs. in lakhs)

14 OTHER FINANCIAL ASSETS (CURRENT)	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated) Interest accrued on security deposits	0.64	0.78
Others (net of provision of Rs.178.08 lakhs, as on March 31, 2021 Rs.154.03 lakhs)	58.97	222.65
<b>TOTAL</b>	<b><u>59.61</u></b>	<b><u>223.43</u></b>

(Rs. in lakhs)

15 OTHER CURRENT ASSETS	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated) Advance royalty	90.92	81.60
Pre-paid expense	277.86	198.56
Pre-paid expense - CSR (Refer Note - 41)	36.92	47.80
Balances with statutory authorities	0.31	-
<b>Advances to suppliers :</b> Considered good	368.92	423.61
Considered doubtful	26.59	26.59
<b>Less:</b> Provision for doubtful advances	(26.59)	(26.59)
<b>TOTAL</b>	<b><u>774.93</u></b>	<b><u>751.57</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**(Rs. in lakhs)**

16 SHARE CAPITAL	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b> 250,000,000 equity shares of Rs. 10/- each	25,000.00	25,000.00
	<b>25,000.00</b>	<b>25,000.00</b>
<b>Issued</b> 14,42,97,145 (March 31, 2021: 14,25,61,643) equity shares of Rs. 10/- each	14,256.16	14,256.16
<b>Subscribed and paid-up</b> 14,40,28,898 (March 31, 2021: 14,22,93,396) equity shares of Rs. 10/- each fully paid	14,402.89	14,229.34
Less: 1,120 equity shares of Rs. 10/- each forfeited	(0.11)	(0.11)
Add: Forfeited shares (amount originally paid-up on equity shares)	0.07	0.07
<b>TOTAL</b>	<b>14,402.85</b>	<b>14,229.30</b>

**a) Reconciliation of the number of shares : Equity Shares (Rs. in lakhs)**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Rs. in lakhs	Number of Shares	Rs. in lakhs
Balance at the beginning of the year	14,22,92,276	14,229.30	14,13,74,278	14,137.50
Issue of shares under ESOS -2019	17,35,502	173.55	9,17,998	91.80
<b>Balance at the end of the year</b>	<b>14,40,27,778</b>	<b>14,402.85</b>	<b>14,22,92,276</b>	<b>14,229.30</b>

**b) Rights, preferences and restrictions attached to equity shares**

The Group has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amount, in proportion to their shareholding. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend.

c) 265,212 equity shares are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

d) 3,035 equity shares were issued in past but unsubscribed.

e) Shares held by holding company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Rs. in lakhs	Number of Shares	Rs. in lakhs
True North Fund VI LLP	8,08,25,928	8,082.59	8,08,25,928	8,082.59

**f) Details of shareholder holding more than of 5% of the aggregate shares in the Group including promoters holding**

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
True North Fund VI LLP	8,08,25,928	56.12%	8,08,25,928	56.80%
<b>TOTAL</b>	<b>8,08,25,928</b>	<b>56.12%</b>	<b>8,08,25,928</b>	<b>56.80%</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

- g) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2022.
- h) During the year ended March 31, 2022, the Company has allotted 17,35,502 (March 31, 2021 : 9,17,998) equity shares of Rs.10/- each to the option grantees upon exercise of Option under the Company's Employees Stock Option Scheme - 2019. Pursuant to this allotment, the paid up equity share capital of the Company has increased from 14,22,92,276 equity shares of Rs.10/- each to 14,40,27,778 equity shares of Rs.10/- each.

(Rs. in lakhs)

17 OTHER EQUITY	As at March 31, 2022	As at March 31, 2021
Capital reserve	8,786.87	8,786.87
Capital redemption reserve	35.00	35.00
Securities premium	263.01	104.61
Share option outstanding (Refer note 29 & 43)	100.42	120.70
General Reserve	2,000.00	1,000.00
<b>Surplus in statement of profit and loss</b>		
Balance as at the beginning of the year	6,826.07	4,588.54
<b>Add : Profit for the year</b>	5,527.63	5,395.99
<b>Add : Other comprehensive income/(loss)</b>	0.43	(37.85)
<b>Less: Transfer to general reserve</b>	(1,000.00)	(1,000.00)
<b>Less: Dividends</b>	(5,723.56)	(2,120.61)
<b>Balance as at the end of the year</b>	<b>5,630.57</b>	<b>6,826.07</b>
<b>TOTAL</b>	<b>16,815.87</b>	<b>16,873.25</b>

### Notes :

- Capital Reserve :** The Holding Company had issued 6% non-cumulative compulsorily convertible preference shares to its then parent Company. Subsequently, the preference shareholders relinquished their right and resultant gain was recorded in the capital reserve in the year of 2010. It also include subsidies received from State Government in the year 2002-03.
- Capital Redemption Reserve :** This was created on redemption of 14% redeemable cumulative preference shares in year 1996-97.
- Securities Premium :** Securities premium is used to record the excess of the amount received over the face value of the shares. This can be utilised in accordance with the provision of the Companies Act, 2013.
- Shares Options Outstanding :** The Group has share option schemes under which options to subscribe for the Group's shares have been granted to specific employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to certain class of employee as part of their remuneration. Refer to Note 43 for further details of these plans.
- General Reserve:** The Group has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.
- Surplus in statement of profit and loss** represent surplus/accumulated earnings of the Group and are available for distribution to shareholders.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**7) Analysis of Accumulated OCI :**
**(Rs. in lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	(124.09)	(86.24)
Remeasurements of post employment benefit obligations, gain/(loss)	0.58	(58.18)
Income tax effect	(0.15)	20.33
Due to change in the rate of tax on opening balance	(18.64)	-
<b>Balance at the end of the year</b>	<b>(142.30)</b>	<b>(124.09)</b>

**Note :** Balance of OCI transferred to retained earnings

- 8) The Board has recommended a final dividend of Rs. 2.00/- (i.e. 20%) per equity share (March 31, 2021 Rs. 2.5/- per equity share) of Rs. 10/- each on 14,40,27,778 fully paid Equity Shares for the year ended March 31, 2022 (March 31, 2021 14,22,92,276 fully paid equity shares), aggregating to Rs. 2,880.56 lakhs (March 31, 2021 - Rs. 3,557.31 lakhs). This will be in addition to the interim dividend of Rs.1.5/- (i.e. 15%) per equity shares of Rs. 10/- each already paid during the year.

**(Rs. in lakhs)**

18	PROVISIONS - NON-CURRENT	As at March 31, 2022	As at March 31, 2021
	Provision for mines reclamation	636.47	426.84
	<b>Provision for employee benefits (Refer note 29A):</b>		
	Provision for gratuity	420.97	424.83
	Provision for compensated absences	460.99	436.21
	<b>TOTAL</b>	<b>1,518.43</b>	<b>1,287.88</b>
	<b>Movement in provision for mines reclamation :</b>		
	<b>Balance at the beginning of the year</b>	426.84	384.82
	<b>Add: Unwinding of interest on provision</b>	33.01	53.12
	<b>Add : Effect of addition/changes in estimates</b>	201.66	-
	<b>Less : Utilised during the year</b>	(25.04)	(11.10)
	<b>Balance at the end of the year</b>	<b>636.47</b>	<b>426.84</b>

**(Rs. in lakhs)**

19	TRADE PAYABLES	As at March 31, 2022	As at March 31, 2021
	a) Total outstanding dues of micro enterprises and small enterprises (Refer note 42)	96.47	20.92
	b) Total outstanding dues of creditors other than (a) above	6,160.89	5,096.59
	<b>TOTAL</b>	<b>6,257.36</b>	<b>5,117.51</b>

**19A Trade Payable ageing schedule as at March 31, 2022**
**(Rs. in lakhs)**

Particulars	Outstanding for following period from due date of payment						As at March 31, 2022
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	91.82	4.65	-	-	-	96.47
(ii) Others	2,949.19	2,886.41	206.14	20.11	16.85	82.19	6,160.89
<b>Total</b>	<b>2,949.19</b>	<b>2,978.23</b>	<b>210.79</b>	<b>20.11</b>	<b>16.85</b>	<b>82.19</b>	<b>6,257.36</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**19B Trade Payable ageing schedule as at March 31, 2021**

(Rs. in lakhs)

Particulars	Outstanding for following period from due date of payment						As at March 31, 2021
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	16.62	4.30	-	-	-	20.92
(ii) Others	2,364.90	2,542.63	94.48	21.63	17.60	55.35	5,096.59
<b>Total</b>	<b>2,364.90</b>	<b>2,559.25</b>	<b>98.78</b>	<b>21.63</b>	<b>17.60</b>	<b>55.35</b>	<b>5,117.51</b>

(Rs. in lakhs)

20	OTHER FINANCIAL LIABILITIES (CURRENT)	As at March 31, 2022	As at March 31, 2021
	Security deposits from customers	1,227.71	1,019.21
	Rebate and discount to customers	822.89	708.56
	Security deposits from vendors	222.77	232.02
	Payable to creditors related to property, plant and equipments	583.67	116.27
	Employee benefits payable	601.56	570.46
	Unpaid Dividends	47.02	15.33
	Others	5.06	7.00
	<b>TOTAL</b>	<b>3,510.68</b>	<b>2,668.85</b>

(Rs. in lakhs)

21	OTHER CURRENT LIABILITIES	As at March 31, 2022	As at March 31, 2021
	Advances from customers	645.45	577.21
	Statutory dues (including provident fund and tax deducted at source)	1,280.14	1,546.96
	Others	0.40	0.38
	<b>TOTAL</b>	<b>1,926.09</b>	<b>2,124.55</b>

(Rs. in lakhs)

22	PROVISIONS (CURRENT)	As at March 31, 2022	As at March 31, 2021
	Provision for litigations and disputes (Refer note below)	275.55	249.86
	<b>Provision for employee benefits (Refer note 29A):</b>		
	Provision for compensated absences	100.40	81.93
	<b>TOTAL</b>	<b>375.95</b>	<b>331.79</b>

**Note:** Provision for arrears of rent claimed by Mumbai Port Trust with respect to plot of land C-2 and C3 at Sewri Estate Mumbai towards the proceeding filed by Mumbai Port Trust (MPT) against the Group. The Group is contesting the said order before the High Court.

(Rs. in lakhs)

23	INCOME TAX LIABILITY (NET)	As at March 31, 2022	As at March 31, 2021
	Income tax liabilities (net of advance tax of Rs. 2,238.02 lakhs, as on March 31, 2021 - Rs. 1,335.34 lakhs)	51.81	150.76
	<b>TOTAL</b>	<b>51.81</b>	<b>150.76</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**(Rs. in lakhs)**

24	<b>CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS</b>	As at March 31, 2022	As at March 31, 2021
a)	Claim against the Group not acknowledged as debts Demand contested by the Company		
	- Sales tax	396.14	396.14
	- Excise duty	1,251.97	1,251.97
	- Service tax	2,069.15	2,069.15
	- Custom duty	451.55	451.55
	- Labour cases	77.50	79.50
	- Other cases	909.02	909.02
	<b>TOTAL</b>	<b>5,155.33</b>	<b>5,157.33</b>

- b) A sum of Rs. 309.84 lakhs on account of arrears, rent, service charges, way leave fees of certain leasehold property, consequent to the Order of the Estate Officer of Mumbai Port Trust (MPT) dated February 28, 2007, has not been provided for as the said property was assigned in an earlier year to M/s Dinbandhu Estate Pvt. Ltd. (the Assignee). The assignment was subject to the approval of MPT which was to be arranged by the Assignee. The Group is contesting the said Order before the High Court.
- c) In respect of retrospective revision (August 2012 to January 2018) of electricity duty the Group has received a demand of Rs. 1,472 lakhs from Paschim Gujarat Vij Group Limited. The Group has filed a writ petition with the High Court. Management believes that the probability of the above matter converting into a liability for the Group is remote basis various precedents and applicable laws. As per the direction received from High Court, the Group has deposited Rs. 500 lakhs as fixed deposit with the High Court in July 2018.
- d) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities.
- e) The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely impact the contributions made by the Company towards Provident Fund and Gratuity. The Group will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are notified.
- f) **Capital commitments :**  
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 276.48 lakhs (March 31, 2021: Rs. 313.40 lakhs).

**(Rs. in lakhs)**

25	<b>REVENUE FROM OPERATIONS</b>	Year ended March 31, 2022	Year ended March 31, 2021
	Sale of product (Refer Note 39)	62,494.87	50,059.22
	<b>Other Operating Revenue</b>		
	Scrap sales	356.12	165.01
	Miscellaneous income	83.05	58.02
	<b>TOTAL</b>	<b>62,934.04</b>	<b>50,282.25</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

26	OTHER INCOME	Year ended March 31, 2022	Year ended March 31, 2021
	Interest income (Refer note below)	300.39	312.49
	Net gain on foreign currency transactions and translations	56.19	42.14
	Provision for Doubtful Debt written back (net) (Refer note 10 and 14)	-	2.05
	Insurance Claim (Refer Note - 47)	0.66	187.83
	Miscellaneous income	41.67	87.67
	<b>TOTAL</b>	<b>398.91</b>	<b>632.18</b>

**Note :** Interest income on deposits are calculated based on effective interest method which is measured at amortised cost

27	COST OF MATERIAL CONSUMED	Year ended March 31, 2022	Year ended March 31, 2021
	<b>Raw material consumed</b>		
	Opening inventory	650.76	650.76
	Add: Purchases and incidental expenses (including cost of extraction and transporting lime stone Rs. 5,056.53 lakhs)	10,023.05	9,308.41
	Less: Closing inventory	745.83	513.14
	<b>Cost of raw material consumed during the year</b>	<b>9,927.98</b>	<b>9,446.03</b>
	<b>Packing material consumed</b>		
	Opening inventory	220.40	220.40
	Add: Purchases and incidental expenses	2,430.87	1,655.47
	Less: Closing inventory	422.90	231.20
	<b>Cost of packing material consumed during the year</b>	<b>2,228.37</b>	<b>1,644.67</b>
	<b>TOTAL</b>	<b>12,156.35</b>	<b>11,090.70</b>

28	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	Year ended March 31, 2022	Year ended March 31, 2021
	(Increase) in stocks		
	Stock at the end of the year	4,852.58	3,859.07
	Work in progress	392.26	399.10
	Finished goods		
	<b>TOTAL A</b>	<b>5,244.84</b>	<b>4,258.17</b>
	Less: Stock at the beginning of the year		
	Work in progress	3,859.07	2,072.57
	Finished goods	399.10	733.76
	<b>TOTAL B</b>	<b>4,258.17</b>	<b>2,806.33</b>
	<b>(Increase) in stocks (B-A)</b>	<b>(986.67)</b>	<b>(1,451.84)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**  
(Rs. in lakhs)

29	<b>EMPLOYEE BENEFITS EXPENSES</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
	Salaries, wages and bonus	3,354.81	3,311.30
	Contribution to provident and other funds:		
	Provident fund [Refer note no. 29A(i)]	175.93	172.85
	Superannuation fund [Refer note no. 29A(i)]	28.19	25.70
	Gratuity [Refer note no. 29A(ii)]	86.72	9.76
	Expenses on Employees Stock Options Scheme (Refer note 17 & 43)	33.98	78.12
	Staff welfare expenses	87.44	64.74
	<b>TOTAL</b>	<b><u>3,767.07</u></b>	<b><u>3,662.47</u></b>

**29A EMPLOYEE BENEFIT OBLIGATIONS:**

## i) Defined-contribution plans

The Group makes contribution to provident fund under the provision of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to superannuation fund for the qualifying employees as per the Group's policy.

(Rs. in lakhs)

	<b>Amount recognised in Consolidated Statement of Profit and Loss</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
	Provident fund	175.93	172.85
	Superannuation fund	28.19	25.70

## ii) Defined-benefits plans

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, as per the Group's policy. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death. The gratuity payable to employees is based on the employee's tenure of service and last drawn salary at the time of leaving the services of the Group. The gratuity plan is a funded plan and is administrated through a trust namely Shree Digvijay Cement Co. Ltd. Employee Gratuity Fund.

**Amount recognised in Consolidated Statement of Profit and Loss**

(Rs. in lakhs)

<b>Particulars</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
Current service cost	62.12	77.09
Past service cost	-	(92.12)
Interest on defined benefit obligation/(asset) (net)	24.60	24.79
<b>Total amount recognised in Consolidated Statement of Profit and Loss</b>	<b><u>86.72</u></b>	<b><u>9.76</u></b>

**Amount recognised in other comprehensive income:**

(Rs. in lakhs)

<b>Particulars</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
<b>Remeasurement during the period due to:</b>		
Loss from change in financial assumptions	2.33	5.59
(Gain)/loss from change in demographic assumptions	11.25	-
Experience (gains)/losses	(16.39)	53.15
Actuarial (gains)/losses on plan assets	2.23	(0.56)
<b>Total amount recognised in Other Comprehensive Income</b>	<b><u>(0.58)</u></b>	<b><u>58.18</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Present value of defined benefit obligation : [Gratuity -Funded Plan]</b>		
Balance at the beginning of the year	1,161.90	1,132.12
Current service cost	62.12	77.09
Past service cost	-	(92.12)
Interest on defined benefit obligation	68.54	68.54
<b>Remeasurement due to:</b>		
(Gain)/loss from change in financial assumptions	2.33	5.59
(Gain)/loss from change in demographic assumptions	11.25	-
Experience (gains)/losses	(16.39)	53.15
Benefit paid	(113.88)	(82.47)
<b>Balance at the end of the year</b>	<b>1,175.87</b>	<b>1,161.90</b>
<b>Fair value of plan assets:</b>		
Balance at the beginning of the year	737.07	710.23
Contributions by employer	90.00	65.00
Interest income	43.87	43.76
Benefits paid	(113.88)	(82.47)
Actuarial losses on plan assets	(2.23)	0.55
<b>Balance at the close of the year</b>	<b>754.83</b>	<b>737.07</b>

**Assets and Liabilities recognised in the Consolidated Balance Sheet:**

(Rs. in lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Present value of funded obligations	1,175.87	1,161.90
Fair value of plan assets	(754.83)	(737.07)
<b>Deficit of funded plan</b>	<b>421.04</b>	<b>424.83</b>
Non-current (Note 18)	420.97	424.83
Current	-	-

**Major Category of Plan Assets as a % of total Plan Assets:**

Particulars	As at March 31,2022	As at March 31,2021
Government of India securities	25%	25%
Corporate bonds	6%	7%
Insurance managed fund	68%	65%
Others	1%	3%
	<b>100%</b>	<b>100%</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**Actuarial Assumptions:**

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.80%	6.35%
Salary growth rate	8.50%	8.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

**Mortality:**

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

**Sensitivity Analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions by 50 basis Point is:  
**(Rs. in lakhs)**

Particulars	Impact on defined benefit obligation			
	Increase in assumptions by 0.5%		Decrease in assumptions by 0.5%	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Change due to Discount rate	(27.04)	(27.42)	28.34	28.70
Change due to Salary growth rate	27.75	28.12	(26.69)	(27.19)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which has been used for calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Expected Contribution to the Fund in the next year:**
**(Rs. in lakhs)**

Particulars	Amount
Gratuity	75.00

**iii) Risk Exposure**

The Gratuity scheme is Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The risks commonly affecting the defined benefit plan are expected to be:

**Demographic Risk:**

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### Salary Inflation Risk :

Higher than expected increases in salary will increase the defined benefit obligation.

### Interest-Rate Risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

### iv) Defined Benefit Liability and Employer Contributions

The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The weighted average duration of the defined benefit obligation is 4.70 years (March 31, 2021 - 4.83 years). The expected maturity analysis of undiscounted gratuity is as follows:

### Maturity Analysis of the Projected Benefit Obligations - Gratuity (undiscounted) (Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1st following year	235.16	167.29
2nd following year	234.01	195.66
3rd following year	150.76	227.83
4th following year	159.98	145.11
5th following year	177.40	159.87
Sum of 6th to 10th following year	762.20	758.79

### v) Other long term employee benefits : (Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current (Note 18)	460.99	436.21
Current (Note 22)	100.40	81.93
<b>Total</b>	<b>561.39</b>	<b>518.14</b>

**Note:** The above classification is based on actuary's report.

### Actuarial Assumptions:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.80%	6.35%
Salary growth rate	8.50%	8.00%

The discount rates reflects the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

### Leave Availment Pattern:

Based on the data provided to us on the pattern of availment of leave by employees of the Group in the past, it has been assumed that 2.5% of leave balance as at the valuation date and each subsequent year following the valuation date is availed by the employee. The balance leave is assumed to be available for encashment on separation from the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**(Rs. in lakhs)**

<b>30</b>	<b>FINANCE COSTS</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
	Interest on short term borrowings	6.82	13.93
	Interest on income tax	13.49	20.34
	Interest to others	31.27	31.39
	Unwinding of discount on provision	33.01	53.12
	Unwinding of discount on lease liability	6.85	5.78
	Other finance cost	54.18	34.83
	<b>TOTAL</b>	<b>145.62</b>	<b>159.39</b>

**(Rs. in lakhs)**

<b>31</b>	<b>DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
	Depreciation on property, plant and equipment [Refer note 3]	2,946.47	2,597.00
	Amortisation on intangible assets [Refer note 4(A)]	164.67	56.45
	Amortisation on Right-of-use asset (Lease) [Refer note 4(B)]	29.14	29.84
	<b>TOTAL</b>	<b>3,140.28</b>	<b>2,683.29</b>

**(Rs. in lakhs)**

<b>32</b>	<b>OTHER EXPENSES</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
	Consumption of stores and spare parts	1,546.75	1,459.23
	Repairs to building	265.66	182.78
	Repairs to machinery	1,237.34	1,162.17
	Sales commission	944.44	832.15
	Advertisement and publicity expenses	295.93	103.82
	Insurance	198.93	138.61
	Rent (including lease rent) (Refer note 40)	123.87	81.47
	Rates and taxes	1.86	59.96
	Printing, stationery and communications expenses	38.70	32.86
	Travelling expenses	149.20	144.60
	Legal and professional fees	443.78	436.34
	Contractual manpower charges	120.74	102.60
	Equipment hire charges	293.73	296.01
	Provision for doubtful debts and advances (net) (Refer note 10 and 14)	20.04	-
	Loss on sale / write-off of property, plant and equipments (net)	14.39	55.28
	Provision for slow / non-moving stores and spares	37.21	31.17
	Directors sitting fees	30.00	28.00
	Directors commission	15.00	15.00
	Donation	1.00	-
	Payment to auditors		
	<b>As auditor:</b>		
	Audit fees (Including limited review)	23.10	22.00
	Tax audit fees	1.50	1.50
	Certification	0.50	0.75
	Reimbursement of expenses	0.17	1.76
	Expenditure towards corporate social responsibility (CSR) activities (Refer Note 41)	108.62	67.19
	Miscellaneous expenses	338.25	307.21
	<b>TOTAL</b>	<b>6,250.71</b>	<b>5,562.46</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 33 SEGMENT INFORMATION

The Group's chief operating decision maker (CODM) has identified one business segment viz. Manufacturing and Sales of Cement and its only production facility is located in India. There are no other reportable segment.

The Group does not have revenue from customer located outside India during the year. The Group does not hold any non-current assets in foreign countries. There are no individual customers or a particular group contributing to more than 10% of revenue.

### 34 RELATED PARTY DISCLOSURES:

#### 34a Names of the related parties and nature of relationship:

- i) Where control exists  
Holding Entity :  
True North Fund VI LLP
- ii) Key Management Personnel  
Mr. Anil Singhvi (Executive Chairman)  
Mr. KK Rajeev Nambiar (CEO and Managing Director)  
Mr. Pramod Kabra (Director)  
Mr. Mahesh Gupta (Independent Director)  
Ms. Mini Menon (Independent Director)  
Mr. Satish Kulkarni (Independent Director) (with effect from June 02,2020)
- iii) Trust  
Shree Digvijay Cement Co. Ltd. Employees' Gratuity Fund

#### 34b Details of Transactions with related Parties:

(Rs. in lakhs)

Nature of Transactions	Holding Entity	Other Related Parties	Total
Dividend Paid	3,233.04 (1,212.39)	74.44 (13.11)	3,307.48 (1,225.50)
Reimbursement of expenses	5.49 (-)	- (-)	5.49 (-)
Contribution made to Trust	- (-)	90.00 (65.00)	90.00 (65.00)

Figures in bracket are relates to the previous year.

#### 34c Compensation of key managerial personnel

(Rs. in lakhs)

Related Parties	Year ended March 31,2022	Year ended March 31,2021
Employee benefits to CEO and managing director & Chairman	1,003.61	593.78
Commission to independent directors	15.00	15.00
Directors' sitting fees to independent directors	30.00	28.00
<b>Total</b>	<b>1,048.61</b>	<b>636.78</b>

#### Key Management Personnel Compensation

Provision for gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

**34d** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiary Company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Holding Company or its Subsidiary Company incorporated in India (Ultimate Beneficiaries). The Holding Company or its Subsidiary Company incorporated in India has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**35 FAIR VALUE MEASUREMENTS**
**(i) Financial instruments by category**

There are no financial assets/liabilities that are measured at fair value through statement of profit and loss or other comprehensive income. The following financial assets/liabilities are measured at amortised cost:

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>		
Other non-current financial assets	1,025.10	39.88
Trade receivables	1,336.02	1,072.19
Cash and cash equivalents	1,287.93	5,142.13
Other bank balances	7,043.92	7,246.10
Loans (current)	36.58	42.54
Other current financial assets	59.61	223.43
<b>Total Financial Assets</b>	<b>10,789.16</b>	<b>13,766.27</b>
<b>Financial Liabilities</b>		
Trade payables	6,257.36	5,117.51
Other financial liabilities	3,532.00	2,696.38
<b>Total Financial Liabilities</b>	<b>9,789.36</b>	<b>7,813.89</b>

**(ii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:-

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**iii) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of term deposits and interest there on, trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short-term nature.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 36 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The market risk to the Group is foreign exchange risk and interest rate. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

#### 36A CREDIT RISK

Credit risk comprises of direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. It mainly arises from trade receivables, cash and cash equivalents (excluding cash on hand) and bank deposits.

##### (i) Credit risk management

###### a) Trade receivables

The carrying amount of trade receivables represent the maximum credit exposure net of provision for impairment. The maximum exposure to credit risk was Rs. 1,336.02 lakhs as of March 31, 2022 (March 31, 2021 - Rs. 1,072.19 lakhs).

Trade receivables are derived from revenue earned from customers. Credit risk for trade receivable is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business. Further, there are customers covered either by security deposits or bank guarantee. The Company's credit period generally ranges from 0-30 days.

As per simplified approach, the Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of Group's customers' financial condition; aging of trade accounts receivable, the extent of credit insurance coverage; the value and adequacy of collateral received from the customers in certain circumstances; the Group's historical loss experience; and changes in credit risk and capital availability of the Group's customers resulting from economic conditions. The Group defines default as an event when there is no reasonable expectation of recovery.

##### Expected credit loss for trade receivables (Rs. in lakhs)

Ageing	0-120 days	> 120 days	Total
Gross carrying amount	1,333.59	6.29	1,339.88
Expected loss rate	0%	61%	0.29%
Expected credit losses (Loss allowance provision)	-	3.86	3.86
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>1,333.59</b>	<b>2.43</b>	<b>1,336.02</b>

###### b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalents and bank deposits is generally low as the said deposits have been made with banks having good reputation, good past track record and high quality credit rating and Group also reviews their credit-worthiness on an on-going basis.

#### 36B LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk is managed by Group's Liquidity and Financial Indebtedness Management Policy, which aims to ensure the availability of sufficient net funds to meet the Group's financial commitments with minimal additional cost. One of the main liquidity monitoring measurement instruments is the cash flow projection, using a minimum projection period of 12 months from the benchmark date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**(i) Financing arrangements**

The Company has undrawn borrowing facilities of Rs. 9,180.58 lakhs as at March 31, 2022 (Rs. 4,665.62 lakhs as at March 31, 2021). Undrawn credit facilities comprises of fund based and non-fund based.

**(ii) Maturities of financial liabilities**

The following table shows the maturity analysis of the Group's financial liabilities based on the contractually agreed undiscounted cash flows as at the Balance Sheet date.

(Rs. in lakhs)

<b>CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES</b>	<b>Less than 1 Year</b>	<b>Above 1 Year</b>	<b>Total</b>
<b>March 31, 2022</b>			
Trade payables	6,257.36	-	<b>6,257.36</b>
Other financial liabilities	3,514.94	17.06	<b>3,532.00</b>
<b>Total Liabilities</b>	<b>9,772.30</b>	<b>17.06</b>	<b>9,789.36</b>

(Rs. in lakhs)

<b>CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES</b>	<b>Less than 1 Year</b>	<b>Above 1 Year</b>	<b>Total</b>
<b>March 31, 2021</b>			
Trade payables	5,117.51	-	<b>5,117.51</b>
Other financial liabilities	2,694.69	1.69	<b>2,696.38</b>
<b>Total Liabilities</b>	<b>7,812.20</b>	<b>1.69</b>	<b>7,813.89</b>

**37 CAPITAL MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure of the Group, Management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

The Group considers total equity reported in the consolidated financial statements to be managed as part of capital.

The Group monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

(Rs. in lakhs)

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Total Debt	-	-
<b>Less : Cash and cash equivalents</b>	<u>1,287.93</u>	<u>5,142.13</u>
<b>Adjusted net debt</b>	<u><b>(1,287.93)</b></u>	<u><b>(5,142.13)</b></u>
Equity share capital	14,402.85	14,229.30
Other equity	16,815.87	16,873.25
<b>Total equity</b>	<u><b>31,218.72</b></u>	<u><b>31,102.55</b></u>
<b>Adjusted net debt to equity ratio</b>	-	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 38 EARNINGS PER SHARE (EPS)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit after tax (Rs. in lakhs)	5,527.63	5,395.99
Weighted average number of shares outstanding for basic EPS (In lakhs)	1,432.56	1,422.92
<b>Add:</b> Potential Equity Shares on exercise of options (In lakhs)	29.83	51.67
Weighted average number of shares outstanding for diluted EPS (In lakhs)	1,462.39	1,474.59
Nominal value per share (In Rs.)	10.00	10.00
Basic earning per share (In Rs.)	3.86	3.79
Diluted earning per share (In Rs.)	3.78	3.66

### 39 Reconciliation of the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price:

(Rs. in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price	64,303.72	51,071.84
<b>Adjustments :</b>		
Rebates & Discounts	1,808.85	1,012.62
<b>Revenue from contract with customers</b>	<b>62,494.87</b>	<b>50,059.22</b>

#### Disaggregation of revenue

The management determines that there is only one business segment viz. Manufacturing and Sales of Cement as per the segment information reported under Note 33 Segment reporting, hence there is no requirement to disclose disaggregation of revenue under Ind AS 115 Revenue from contract with Customers separately.

#### Significant payment terms

Generally, the Group provides 21 days credit period for trade type customers and 30 days for non-trade type customers. Further, trade customers are eligible for certain discounts as per basis quantity upliftment by the customer on monthly, quarterly and annual.

### 40 LEASES

As a lessee:

As a lessee, the Group entered in to leases agreement for many assets including property, production equipment and IT equipment. The Group recognises right-of-use assets and lease liabilities for most of these leases. These lease arrangements range for a period between 11 months and 20 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(Rs. in lakhs)

	Year ended March 31,2022	Year ended March 31,2021
Lease payments recognised in the Consolidated Statement of Profit and Loss during the year	123.87	81.47
<b>Lease Liabilities on account of adoption of Ind AS 116</b>		
<b>Balance at the beginning of the year</b>	<b>27.53</b>	<b>34.93</b>
<b>Add:</b> Addition during the year	33.53	30.88
Finance costs incurred during the year	6.85	5.78
Payments of Lease liabilities	(46.59)	(44.06)
<b>Balance at the end of the year</b>	<b>21.32</b>	<b>27.53</b>
Current	17.06	1.69
Non- Current	4.26	25.84

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**41 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY**
**(Rs. in lakhs)**

<b>PARTICULARS</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
Opening Balance	47.80	-
Gross amount required to be spent by the Group during the year	108.62	67.19
Net Amount to be spent by the Group during year	60.82	67.19
<b>Amount spent during the year on:</b>		
i) Construction / acquisition of asset	20.19	9.84
ii) On purposes other than (i) above	77.55	105.15
<b>Total amount spent</b>	<b>97.74</b>	<b>114.99</b>
<b>Closing Balance (Refer Note below)</b>	<b>36.92</b>	<b>47.80</b>

**Note:** Excess amount spent under CSR have been disclosed in Note-15 as pre-paid expenses.

**41A Manner in which amount has been spent during the financial year 2021-22 is detailed below:**
**(Rs. in lakhs)**

<b>CSR Project / Activities</b>	<b>Sector</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
Company took various measures in Second waves of COVID-19 as preventive health care and sanitation. Providing medical facilities and distribution of medical instruments to local health centers. Organized various medical camps / health check-ups, medication and health awareness program on flus, Covid-19 etc	Health, Hygiene and Sanitation	1.61	3.05
Disaster management, Distribution of Food Packets & Masks, sanitizer in local area to prevent spread of second waves of the COVID-19.	Contribution for social cause	3.68	3.71
Improvement in quality of, education which includes special education, skill development and employment generating vocational skills among children, women, elderly.	Promotion of Education	72.27	103.25
Development of infrastructure and safety & security system, sports facilities & renovation of School.	Social Business Project and Welfare activities	20.18	0.40
Organized Skill Development Activity for women by distributing sewing machines, conducting tailoring classes, Cooking Classes etc. Other activities for promoting gender equality and empowering women including contribution to orphanage for women education	Empowerment of Women	-	4.58
<b>Total</b>		<b>97.74</b>	<b>114.99</b>

**42 DUES TO MICRO AND SMALL ENTERPRISES**

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 as below

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	96.47	20.92
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made.	-	-
Further interest remaining due and payable for earlier years	-	-

There is no principal and interest overdue to Micro and Small enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Group and the same has relied upon by the auditors.

**43 SHARE BASED PAYMENTS (Ind AS 102)**

(A) The Group has granted 70,60,000 options during the FY 2019-20 to its eligible employee including 1 MD & CEO and 5 business heads under ESOP Schemes, details are as under:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV
Vesting plan	20%	30%	30%	20%
No. of Options (Refer Note 43(D))	14,12,000	21,18,000	21,18,000	14,12,000
Vesting period	1 Year	2 Years	3 Years	4 Years
Exercise period	5 Years	5 Years	5 Years	5 Years
Time to expiration (Years)	6 Years	7 Years	8 Years	9 Years
Grant Date	August 05,2019	August 05,2019	August 05,2019	August 05,2019
Exercise Date	August 04,2025	August 04,2026	August 04,2027	August 04,2028
Exercise price (Rs. per share)	16.00	16.00	16.00	16.00
Fair Value per Stock Option (Rs.per share)	3.17	3.11	3.03	2.94
Share price as on grant date (Rs.per share)	14.74	14.74	14.74	14.74

**Note :** Options would be vested based on Group's and individual performance and time as per Grant Letter

**(B) Fair Valuation**

70,60,000 share options were granted during the year March 31, 2020 with vesting plan of 20%, 30%, 30% and 20% basis each year. Weighted average fair value of the options granted is Rs. 3.06 per share.

The fair value of option has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.

**(C) The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant August 05, 2019 :**

Risk Free Rate	6.39%
Expected annual volatility	40.62%
Dividend Yield	Nil

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022**
**(D) Movement of Options Granted :**

	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	60,22,002	70,60,000
Granted during the year	-	-
Vested during the year	18,63,750	14,12,000
Exercised during the year	17,35,502	9,17,998
options expired (due to resignation & retirement)	3,20,000	1,20,000
<b>Outstanding at the end of the year</b>	<b>39,66,500</b>	<b>60,22,002</b>
Options exercisable at the end of the year	6,22,250	4,94,002

**44 Principles of Consolidation**

These Consolidated Financial Statements (CFS) are prepared in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110) and "Disclosure of interests in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

**45 Additional Information as required by Paragraph 2 of Part III - General Instruction for Preparation of CFS of Schedule III of the Companies Act, 2013.**

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	% of consolidated net assets	Rs. In lakhs	% of consolidated profit/(loss)	Rs. In lakhs	% of consolidated OCI	Rs. In lakhs	% of consolidated TCI	Rs. In lakhs
<b>March 31, 2022</b>								
<b>Parent</b>	100.02%	31,223.36	100.03%	5,529.09	100%	0.43	100.03%	5,529.52
<b>Wholly owned subsidiary</b>								
SDCCL Logistics Limited	0.00%	1.36	-0.03%	(1.46)	0%	-	-0.03%	(1.46)
<b>Adjustments arising out of consolidation</b>	-0.02%	(6.00)	0.00%	-	0%	-	0%	-
<b>Total</b>	100%	31,218.72	100.00%	5,527.63	100%	0.43	100%	5,528.06
<b>March 31, 2021</b>								
<b>Parent :</b>	100.01%	31,105.73	100.06%	5,399.17	100%	(37.85)	100.06%	5,361.32
<b>Wholly owned subsidiary :</b>								
SDCCL Logistics Limited	-0.01%	(2.18)	-0.06%	(3.18)	0%	-	-0.06%	(3.18)
<b>Adjustments arising out of consolidation</b>	0.00%	(1.00)	0.00%	-	0%	-	0%	-
<b>Total</b>	100%	31,102.55	100.00%	5,395.99	100%	(37.85)	100%	5,358.14

**46 Reclassification as per amendments in Schedule III:**

Security deposits from vendors amounting to Rs. 29.85 lakhs (March 31, 2021 : Rs. 30.94 lakhs) have been reclassified from "Loans" under Non-current financial assets to "Other financial assets" under Non-current financial assets. (Refer note 5)

**47 On June 01, 2020 the turbine and generator of Waste Heat Recovery plant got damaged due to an incident. The Company had lodged insurance claim for recovering cost of damage to the equipments and loss of profit on account of increase in power cost. The Company had accounted for Rs. 58.86 lakhs (March 31, 2021 : 261 lakhs) towards the claim amount received from insurance company. Total claim of Rs.319.86 lakhs have been received (Rs. 187.83 lakhs on account of machinery break down claim and 132.03 lakhs on account of reimbursement of power cost against the additional cost of power).**

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 48 Impact on COVID-19

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Group has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, intangible assets, Trade Receivables and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the Financial Statements.

The notes are an integral part of these consolidated financial statements.

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In terms of our report of even date

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No.: 116231W/W-100024

**Jeyur Shah**

Partner

Membership No.: 045754

**Place:** Digvijaygram

**Date:** April 27, 2022

**For and on behalf of the Board of Directors**

**Anil Singhvi**

Executive Chairman

DIN: 00239589

**Mahesh Gupta**

Independent Director

DIN: 00046810

**Place:** Digvijaygram/Mumbai

**Date:** April 27, 2022

**KK Rajeev Nambiar**

CEO & Managing Director

DIN: 07313541

**Vikas Kumar**

Chief Financial Officer

**Suresh Kumar Meher**

VP (Legal) &

Company Secretary

**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of Subsidiaries, Associates And Joint Ventures

**Part A: Wholly Owned Subsidiary (WOS)**

Amount (in Rs.)

Sr.	Particulars	Details
1	Name of the wholly owned Subsidiary	SDCCL Logistics Limited (CIN :U63000GJ2020PLC115066)
2	The date since when Subsidiary was Incorporated	28 <sup>th</sup> July, 2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting Currency and Exchange Rate as on the last date of the relevant financial year in case of foreign subsidiaries	NA
5	Share Capital	6,00,000
6	Other Equity	(4,63,801)
7	Total Assets	2,95,424
8	Total Liabilities	1,59,225
9	Investments	-
10	Turnover	-
11	Loss before Taxation	(1,45,550)
12	Provision for Taxation	-
13	Loss after Taxation	(1,45,550)
14	Proposed Dividend	-
15	% of Shareholding	100%

**Part B: Associates and Joint Ventures :**

The Company does not have any Associates or Joint Ventures, hence the requirements under this part is not applicable to the Company.

**For and on behalf of the Board of Directors**

**Anil Singhvi**  
Chairman

**KK Rajeev Nambiar**  
CEO &  
Managing Director

**Vikas Kumar**  
CFO

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

Place : Mumbai / Digvijaygram

Date : 27<sup>th</sup> April, 2022





**KAMAL  
CEMENT**



**YEARS OF  
ESCALATING GROWTH,  
SUCCESS AND  
ACHIEVEMENTS!**



# Glimpses of CSR activities



Distribution of Merit Certificate to students to recognize their achievement



CSR - Gop Mines School



As a part of social activities, Raksha Bandhan festival celebrated with Brahmakumaris



School Functions as part of promoting education



Covid Vaccination at SDCCL Campus



Immunization Program at SDCCL Medical Centre



Computer Classes organized by SDCCL



Dental Camp organized by Company



Tailoring classes organized by SDCCL for local women



Swachhta Abhiyan by School Teachers and Students in & around SDCCL campus





**KAMAL  
CEMENT**

# મજબૂતીનું ચક્રવૃદ્ધિ વ્યાજ







**SHREE DIGVIJAY CEMENT COMPANY LIMITED**



**SHREE DIGVIJAY CEMENT  
COMPANY LIMITED**

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