

SHREE DIGVIJAY CEMENT CO. LTD.

BOARD OF DIRECTORS

Mr. Leonard D' Costa - Chairman
 Mr. Jorge Manuel Tavares Salavessa Moura
 Mr. Alvaro Joao Serra Nazare
 Mr. Robert Pavrey
 Mr. Napoleon De la Colina
 Mr. Luis Filipe Sequeira Martins
 Mr. P. A. Nair – Whole-Time Director

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Napoleon De la Colina – Chairman
 Mr. Leonard D' Costa
 Mr. Robert Pavrey
 Mr. Jorge Manuel Tavares Salavessa Moura

REMUNERATION COMMITTEE

Mr. Napoleon De la Colina – Chairman
 Mr. Leonard D' Costa
 Mr. Robert Pavrey

SHARE TRANSFER AND SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Mr. Robert Pavrey - Chairman
 Mr. Jorge Manuel Tavares Salavessa Moura
 Mr. P. A. Nair

COMPANY SECRETARY

Mr. S. N. Malpani

EXECUTIVES

Mr. Rui Duarte – Finance Head
 Mr. C. S. Jasol – Vice President
 (Personnel, Admn. & Mines)
 Mr. P. B. Patel – Asst. V. P. (Tech.)
 Mr. Prateek Gaur – Asst. V. P. (Mktg.)
 Mr. G. D. Gupta – Asst. V. P. (F & C)

AUDITORS

M/S Deloitte Haskins & Sells
 Chartered Accountants
 12, Dr. Annie Besant Road
 Worli
 Mumbai 400 018

COST AUDITORS

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

BANKERS

Citi Bank NA

REGISTERED OFFICE AND WORKS

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

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.
 (Unit – Shree Digvijay Cement Co. Ltd.)
 C-13, Pannalal Silk Mill Compound
 LBS Marg
 Bhandup (West)
 Mumbai 400 078

SHREE DIGVIJAY CEMENT CO. LTD.

NOTICE

NOTICE is hereby given that the **Sixty-fourth** Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT CO. LTD.** will be held at the Registered Office of the Company at **DIGVIJAYGRAM** 361 140 Via: Jamnagar, Gujarat on Wednesday, the 24th day of June, 2009 at 03:00 PM to transact with or without modifications as may be permissible, the following business:

1. To receive, consider and adopt Audited Profit and Loss Account for the year ended 31st March, 2009 and the Audited Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Alvaro Joao Serra Nazare, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jorge Manuel Tavares Salavessa Moura, who retires from office by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Robert Pavrey, who retires from office by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board

Place: Mumbai
Date: 12th May, 2009

S. N. Malpani
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing a proxy should however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17th June, 2009 to 24th June, 2009 (both days inclusive).
4. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in one folio.
5. Members can avail facility of nomination in respect of shares held by them and may send their Nomination form duly filled in to the Company.
6. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is attached hereto.

By Order of the Board

Place: Mumbai
Date: 12th May, 2009

S. N. Malpani
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 64th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2009

FINANCIAL RESULTS

(Rs. In lacs)

	Current Year Ended 31.03.2009	Previous Year Ended 31.03.2008
Gross Turnover	34192	28851
PBIDT (Profit before Interest, Depreciation and Tax)	3951	4109
Less: Interest	1095	75
Gross Profit	2856	4034
Less: Depreciation	671	632
Profit before extra ordinary items	2185	3402
Extra ordinary items:		
● Replacement cost (net of Insurance claim) of Capital equipment (DG Set)	0	(441)
● Interest paid to erstwhile holding Company on Debentures and other loans	0	(4333)
Profit/(Loss) before Tax	2185	(1372)
Fringe Benefit Tax	(19)	(30)
Profit/(Loss) after Tax	2166	(1402)
Transition provision of Employees benefits (AS-15)	0	(59)
Net Profit/(Loss) during the year	2166	(1461)
Balance brought forward from previous year	(11392)	(9931)
(LOSS) CARRIED OVER	(9224)	(11392)

FINANCIAL PERFORMANCE:

The year under report ended with a mixed performance. **In terms of gross turnover**, your company had achieved growth of 19% contributed by higher sales volume of about 14%. With marginal increase in unit realization by about 4%, the gross turnover is recorded at Rs. 34192 lacs (Previous year Rs. 28851 lacs). **However**, the expanded volume could not mitigate the cost inflation and

PBIDT during the year is recorded at Rs.3951 lacs (4% lower in comparison with previous year amount of Rs. 4109 lacs). After absorbing interest cost of Rs. 1095 lacs for the year (previous year Rs. 75 lacs) and providing for depreciation and fringe benefit tax, your company earned net profit of Rs. 2166 lacs. Accumulated losses at the end of the financial year are at Rs. 9224 lacs (Previous year Rs. 11392 lacs).

Other items of the working results are dealt with under Management Discussion and Analysis, forming part of the report.

PRODUCTION AND SALES

During the year under review, Cement demand in the State of Gujarat (home market for your Company) grew by just about 4% as compared to a robust growth of 15% in the previous year. Despite the dismal market growth, Cement production of your Company was higher at **8.98** lacs MT as against 8.05 lacs MT in previous year – up by about 12 % in comparison with previous year. Similarly, Clinker production was also higher at **8.87** lacs MT as against 7.64 lacs MT in previous year, up by about 16 %.

The value added product range of the Company has enhanced. Your Company has exported 0.49 lacs MT clinker (Previous year 0.32 lacs MT), and 0.26 lacs MT Cement (Previous Year Nil) during the year under report.

BIFR REFERENCE

As reported in previous year, the accumulated losses of the Company had exceeded fifty per cent of its peak net worth as at the end of the previous financial year ended on 31st March, 2008. Consequentially, your Company became a potential sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. The facts were reported to BIFR through filing requisite informations as stipulated under the governing laws and regulations.

To strengthen the Capital base and to bring the Company out of sickness, your company has issued and allotted 8,700,000 numbers of 6% Non-cumulative Compulsory Convertible Preference Shares of Rs. 100/- each aggregating Rupees 870,000,000 (Rupees Eighty Seven Crores only) to Cimpor Inversiones S.A. (the holding Company) as preferential allotment under section 81(1A) of the

SHREE DIGVIJAY CEMENT CO. LTD.

Companies Act, 1956 during the year under report. The detailed terms of the allotment of shares are explained under the Schedule of Share Capital, forming part of this Annual Report.

With the expanded Capital base, supplemented by positive performance, your Company ceased to be a Potential Sick Company.

DIRECTORS

Mr. Alvaro Joao Serra Nazare, Mr. Jorge Manuel Tavares Salavessa Moura and Mr. Robert Pavrey, who retire by rotation under Article 167 of the Articles of Association of the Company, being eligible, offer themselves for re-appointment.

A brief resume of the abovementioned Directors being appointed are attached to the Notice for the ensuing Annual General Meeting.

AUDITORS' REPORT

The observations made in the Auditors' Report are self explanatory and do not call for any further comments u/s 217(3) of the Companies Act, 1956.

AUDITORS

Your Directors request you to appoint Auditors for current accounting year and fix up their remuneration. M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the existing Auditors of the Company retiring at the ensuing Annual General Meeting are available for a fresh term and have furnished certificate of their eligibility for re-appointment.

COST AUDITORS

Pursuant to Section 233B of the Companies Act, 1956, your Directors have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the Cost Audit for the year ended 31st March 2009. The appointment has been approved by the Central Government.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The Particulars of employees, required under section 217(2A) of the Companies Act, 1956, and Information relating to conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, required under Section 217(1) (e) of the Companies Act, 1956 are annexed and form part of this report.

HUMAN RESOURCES

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 provides forum for information sharing. Rewarding individuals for their contribution is part of motivation towards Excellence.

CORPORATE GOVERNANCE

A separate section on Corporate Governance, in line with Clause 49 of the Listing Agreement with the Stock Exchange, forms part of this Report. The relevant Certificate from practicing Company Secretary is annexed and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, Directors subscribe to the "Directors Responsibility Statement" and confirm that:

- (i) in preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at 31st March 2009 and of the profit of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts of the Company are prepared on a going concern basis.

SOCIAL REPORT

During the year under Report, your Company has worked in the areas of Health Care, Education etc in discharging of its social obligations, by conducting Medical Camps and Educational Camps from time to time in partnership with the District Authorities, Village Panchayat etc.



ENVIRONMENT REPORT

Environment conservation – A way of life

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

Your Company is ISO 14001 Environment Management System Certified and adhere to OHSAS 18001 standards of Safety and Occupational Health. 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.

CHANGE IN ACCOUNTING YEAR

The next accounting year of your Company, beginning from 1st April, 2009, which otherwise would have ended on 31st March 2010 shall be

ending on 31st December 2009 (making the year for 9 months period). Thereafter the accounting year would be for 12 months period to begin from 1st day of January and to end on 31st December in respective year. This has been done to coincide the accounting year of your Company with the accounting year of Cimpor Inversioes S.A., the Holding Company.

ACKNOWLEDGEMENT

The Directors take this opportunity to express their appreciation for the support and co-operation received from the State and Central Government, the Financial Institutions and Lenders. The Directors also recognize the commitment and dedication of the Company's employees.

For and on behalf of the Board

(Alvaro Joao Serra Nazare)

Director

(P. A. Nair)

Whole Time Director

Place : Mumbai

Date : 12th May, 2009

SHREE DIGVIJAY CEMENT CO. LTD.

MANAGEMENT DISCUSSIONS & ANALYSIS

BUSINESS & FINANCIAL PERFORMANCE REVIEW

Capacity utilization

	FY 09	FY 08	% Change over corresponding period
Installed Capacity (Lac. TPA)*	10.75	10.75	—
Production (Lac. TPA)			
Clinker	8.87	7.64	16.10
Cement	8.98	8.05	11.55
Effective Capacity utilization@	88%	78%	
Sales Volume (Lac. Ton)	9.48	8.29	14.35
Domestic — Cement	8.73	7.97	9.54
Export — Cement	0.26	0.00	
— Clinker	0.49	0.32	
Net Sales Realization excluding Excise Duty (Rs./ MT)	3269	3125	4.40

* Includes Wet process for 2.00 lac TPA (not in operation)

@ Effective capacity utilization = Cement Production + Clinker sold

Financial Highlights

(In Rs. Lacs)

	FY 09	FY 08	% Change over corresponding period
Net Turnover	30626	25408	21
Other Income	308	409	
Total Expenditure	26983	21724	24
Operating Profit (PBIDT)	3951	4109	- 4
Operating Margin (%)	13	16	
Interest	1095	75	
Gross Profit (PBDT)	2856	4034	-29
Depreciation	671	632	
Profit before tax and Exceptional Items	2185	3402	-35
Exceptional Items	0	(4774)	
Fringe Benefit Tax	(19)	(30)	
Profit/(Loss) after Tax	2166	(1402)	
Transition provision of AS – 15	0	(59)	
*Employees Benefits			
**Net Profit/(Loss)	2166	(1461)	

Previous year figures have been regrouped wherever necessary.

Net Turnover

Effective capacity utilization stood at 88% (previous year 78%) with resultant increase in net revenue of Rs. 30626 lacs (Previous year Rs. 25408 lacs) – growth by 21%.

Operating Profit (PBIDT) & Margin

In spite of the increased volume, your company could not register increase in its PBDIT, with the same being driven by the rising input cost of raw material and fuels. Considerable reductions in fuel price to generate electricity for captive use and volume benefits were more than neutralized, effecting profitability for the year under report.

Income Tax

No provision for Deferred Tax has been considered because of unabsorbed depreciation and carried forward accumulated tax losses under Income Tax. Your Company has provided Rs. 18.63 lacs towards Fringe Benefit Tax.

Cash Flow Analysis

(In Rs. Lac)

	FY 09	FY 08
Source of Cash		
Cash from Operations	3819.37	3533.45
Non-operating Cash flow	65.83	4.38
Increase in Debt	0	2728.79
Issue of Preferential Share Capital	8700.00	0
Total	12585.20	6266.62
Use of Cash		
Capital Expenditure (net)	2001.40	2665.19
Interest Paid	1094.94	4387.35
Taxes Paid	37.72	45.73
Investment Purchase	1786.77	0
Increase in receivables (net)	345.88	(2277.65)
Increase in Cash Equivalents (net)	7318.49	1446.00
Total	12585.20	6266.62

Cash from Operations

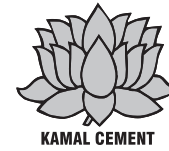
Cash from operation in FY 09 was at Rs. 3819.37 lacs as against Rs. 3533.45 lacs in FY 08 – higher by about 8% in comparison with previous year represents higher volume of turnover.

Non-operating Cash Flow

Non Operating cash flow of Rs. 65.83 lacs includes miscellaneous interest income (Rs. 27.28 lacs) and Dividend Income on short term investment (Rs. 38.55 lacs).

Issue of Preferential Share Capital

During the year under report, the Company has issued and allotted 87 lacs 6% Non-cumulative Compulsory Convertible Preference Shares of Rs. 100/- each aggregating Rs. 8700 lacs as Preferential Allotment under Section 81(1A) of the Companies Act, 1956 to its Holding Company –



Cimpor Inversiones S.A. The amount so raised was kept with Bank under Term Deposit and was also invested in mutual funds to earn better yield for short term period, as appearing under the heads "Short term Investment in Mutual Funds" and "Increase in cash equivalents". In the current financial year, the Company has pre-paid Rs. 5000 lacs, out of the said issue, towards part of its working capital loan to CITI Bank N.A. This would result in substantial reduction in interest cost in the years to come.

Capital Expenditure

During the year under report, the Company has incurred a sum of Rs. 2001.40 lacs towards capital expenditures on construction of Clinker Storage and Fly ash feeding systems etc.

SEGMENT REVIEW AND ANALYSIS

It is a single product Company

OUTLOOK

The global slow down has dampened the sentiments in domestic market. Realty Sector shows sign of stagnation as prices have softened. Infrastructure projects in the State, though announced, lack momentum. The year ahead shall be full of challenges with additional capacities and increased competition. The demand in the State is estimated to grow at the prevailing rate of 4-5%.

RISK AND CONCERN

New capacities likely to come in operation can have a significant impact on the quantum of supply over demand and with it the risk of a drop in realization. The volatility in energy prices can adversely impact the cost structure of your Company.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Industrial relations during the year under report

remained cordial. Variable pay scheme is in place to reward employees for their performance, linked with the performance of the Company.

The total number of employees in the Company as on 31st March, 2009 was 549 employees. (Previous year 552)

RISK MANAGEMENT

The Company is aware of the risks associated with the business. It regularly analysis and takes corrective actions for managing / mitigating the same.

Your Company's Risk Management framework ensures compliance with the provisions of Clause 49 of the Listing Agreement. Your Company has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and be acted upon by your Company are Securing critical resources; sustainable plant operations; cost competitiveness including logistics; completion of CAPEX; customer service standard and environment and safety issues.

INTERNAL CONTROL SYSTEM

The Company has an appropriate internal control system commensurate with the size of its business. Appropriate internal audit further strengthens internal control system.

CAUTIONARY STATEMENTS

Forward-looking statements are based on certain assumptions and expectations of future events. Actual results may differ from those expressed or implied. Important factors that could influence the Company's operations include demand and supply conditions, availability of inputs and their prices both domestic and global, changes in government regulations, tax laws, monsoon, economic developments within the country and other factors.

SHREE DIGVIJAY CEMENT CO. LTD.

Information Under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2009

A. CONSERVATION OF ENERGY

- | | |
|--|--|
| a. Energy conservation measures taken | <ol style="list-style-type: none"> 1. Installation of Electronic Packer of 6 spouts to increase packer output & specific power of Packer. 2. 2 nos. of existing vibro feeders (30KW) of secondary crusher to be replaced by 22 KW Apron feeders with new motors. 3. Replaced Higher Rating Air Slide Blower No. 17045 (15KW) to Lower rating Air Slide Blower No. 17014 (9.3 KW) at Raw Mill Silo Top.
Stop the running of additional blower of Raw mill product line blower 17041 .
Compressed air stopped in PC & PH Down Comer Water spray system during Raw is running.
Repair the SPRS of Bag House Fan, 22097 - to be run on SPRS in place of LRS
Reduction of Speed of RM 4A Belt resulted in reduction of 5 % Power.
Replacement of dam-ring base to increase grinding efficiency.
Modification in control circuit of cooling blowers of raw mill fan GRR so as to run 2 blowers in place of 3 blowers.
Reduction of height of dam-ring of Raw mill from 88 mm to 84 mm to reduce main drive power. |
| b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy. | Mechanized Fly ash unloading, storage & feeding system at KCP Cement Mill is under progress. |
| c. Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. | Reduction in electrical power consumption by around 5 units/tonne of cement. |

B. TECHNOLOGY ABSORPTION: Research & Development (R&D)

- | | | | | | | | |
|--|--|------------|---------------|--------------|-----|--|------------|
| a. Specific areas in which R & D carried out by the Company | <ol style="list-style-type: none"> 1. Company is associated with National Council for Cement & Building Materials for research and development activities. 2. In co-operation with Regional Training Centre, technical employees are being trained in various fields where latest technology is being taught and employees are trained to be utilized. | | | | | | |
| b. Benefits derived as a result of the above R&D | <ol style="list-style-type: none"> 1. Enhancement of product quality & enhanced consistency of quality. 2. Manufacturing of Special Cements as import substitutes & for specific customer requirement. 3. Motivation towards technical knowledge & competency development of employees. | | | | | | |
| c. Future plan of action | <ol style="list-style-type: none"> 1. Further improvement in quality & compressive strength of Clinker and Cement. 2. Deep bucket conveyor for clinker transport under progress. 3. 45,000 MT capacity clinker storage Silo along with Feeding & Extraction Equipment System under progress
Fly ash transporting system from Near by Thermal power station to cement mill fly ash silo is under construction. | | | | | | |
| d. Expenditure on R & D | <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">1. Capital</td> <td style="text-align: right;">(Rs. In Lacs)</td> </tr> <tr> <td>2. Recurring</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>3. Total R & D expenditure as a percentage of total turnover</td> <td style="text-align: right;">Negligible</td> </tr> </table> | 1. Capital | (Rs. In Lacs) | 2. Recurring | Nil | 3. Total R & D expenditure as a percentage of total turnover | Negligible |
| 1. Capital | (Rs. In Lacs) | | | | | | |
| 2. Recurring | Nil | | | | | | |
| 3. Total R & D expenditure as a percentage of total turnover | Negligible | | | | | | |



FORM "A"

Form for disclosure of particulars with respect to Conservation of Energy

		2008-09	2007-08
A) POWER & FUEL CONSUMPTION:			
1) Electricity:			
(a) Purchased (PGVCL)			
Unit KWH	Lacs	0	155
Total Amount	Rs. Lacs	28	1444
(Demand / Connection charges)			
Rate per Unit	Rs	0.00	9.30
(b) Own Generation:			
Through Diesel/Furnance Oil Genset			
Units KWH (Gross)	Lacs	1034	784
Units per Ltrs of Diesel/Furnance Oil	Kwh	4.38	4.29
Cost per Unit (Net)	Rs.	5.87	5.70
2) Coal for Kilns (Various grades)			
Quantity	In Thousand Tonne	121	107
Total Cost	Rs. In lacs	7353	4232
Average Rate	Rs. Per tonne	6076	3956
3) HSD/ Furnance Oil			
Quantity	K Ltrs	23611	18277
Total Cost	Rs. In lacs	5289	3370
Average Rate	Rs./ Ltr	22.40	18.44
B) CONSUMPTION PER UNIT OF PRODUCTION:			
		Standard (if any)	
a) Electricity / kwh / Tonne of Cement	120	105	111
b) Coal			
Cement (K.Cal/kg Clinker)	800	802	792

INFORMATION UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 (AS AMENDED) AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

[A] Employed through The Financial Year under review and were In receipt of remuneration for the financial year in aggregate of not less than Rs. 24,00,000/- p.a.

Sl. No.	Name	Age (Yrs)	Qualification	Designation	Date of Commencement of Employment	Experience as on 31.03.2009 No. of Years	Gross Remuneration (Rs.)	Particulars of Last Employment, Employer, Last Post, No. of Years.
1	Mr. P. A. Nair	61	B.Sc.(Engg.) D.M.M., F.I.E. (India), C. Engr.	Whole time Director	17th March, 2008	37.5 years	35,93,238	Grasim Industries Ltd. Birla PlusCement, Bhatinda Unit Head 11.5 years
2	Mr. C. S. Jasol	53	B.A.(Hons.), M.A. Diploma in Business Management	Vice President (P.A. & Mines)	16.06.1983	26	28,45,905	Shree Cement Ltd. Establishment Assistant 1 Year

[B] Employed for part of the The Financial Year under review and were in receipt of remuneration at the rate which, in the aggregate, was not less than Rs. 2,00,000/- per month.

- NIL-

Notes:

- 1 Remuneration received includes salary with allowances, performance linked payment, contribution to provident fund, superannuation fund, reimbursement of cash perks, LTA and other value of amenities provided as per Income tax rules.
- 2 Employment is non-contractual (except of Mr. P. A. Nair - Whole Time Director), subject to three months notice from either side.
- 3 The employees are not related with any Director of the Company.

SHREE DIGVIJAY CEMENT CO. LTD.

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

Company's philosophy on code of governance:

The Company believes in adopting the best Corporate Governance practices. The Company further believes that the shareholders have the right to know complete information on the Board of Directors and the Management, their interest in the Organization as well as governance practices followed by them.

I. BOARD OF DIRECTORS

● Composition and provisions as to Board and Committees

The Board should have an optimum combination of executive and non-executive directors with not less than 50% of the Board comprising non-executive directors. Further, at least one-third of

the Board should comprise of independent directors if the Chairman is non-executive and at least half of the Board should be independent in case of an executive Chairman. Further in case of non-executive Chairman is a promoter of the Company or related to any promoter half of the Board of the Company shall consist of independent directors. Also a Director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all Companies in which he is a director.

Your Company's existing Board comprises of 7 (Seven) directors. Of these, 3 (three) are independent directors and one is executive Director. The Chairman is an independent director. The details of the directors with regard to outside directorships, committee positions as well as attendance at Board/General meetings are as follows:

Director	Executive/ Non-Executive/ Independent	No. of Outside Directorship(s) Held@		No. of Outside Committee Positions Held@		No. of Board Meetings(During tenure of respective Directors)		Attended Last AGMS
		Public	Private	Member	Chairman	held	attended	
Mr. Alvaro Joao Serra Nazare	Non-Executive	2	-	-	-	6	5	Yes
Mr. Jorge Manual Salavessa Moura	Non-Executive	39	-	-	-	6	0	No
Mr. Robert Pavrey	Independent	1	27	-	-	6	6	Yes
Mr. P. A Nair	Executive	-	-	-	-	6	6	Yes
Mr. Leonard D' Costa	Independent	-	-	-	-	6	4	Yes
Mr. Napoleon De la Colina	Independent	-	-	-	-	6	6	Yes
Mr. Luis Filipe Sequeira Martins	Non-Executive	22	-	-	-	6	1	No

\$ held on 15th September, 2008. @ including foreign Companies.

● Non Executive Directors' compensation and disclosure

All fees/compensation, (except sitting fees) paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require shareholders' approval. The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, including independent directors.

Details of sitting fees paid to the Directors for attending Board meetings during the year under review are as follows:

Name of Director	Sitting fees paid (Rs.)
Mr. Leonard D' Costa	40,000
Mr. Napoleon De la Colina	60,000
Mr. Robert Pavrey.	60,000

Apart from sitting fees for attending Board/Committee Meetings, no other fees/compensation is paid to the Directors. Your Company does not have any stock option scheme for its Directors and employees.

Mr. Alvaro Joao Serra Nazare and Mr. Luis Filipe Sequeira Martins are not accepting any sitting fee for attending Board/Committee Meetings.

● Other provisions of the Board and Committees

The Board shall meet at least four times a year, with a maximum time gap of four months between any two meetings. The minimum information to be made available to the Board should be as prescribed in Annexure IA of Clause 49 of the Listing Agreement.

Your Company's Board plays a primary role in ensuing good governance and functioning of



the Company. The Board consists of professionals from diverse fields and has vast experience in their respective areas. The Board's role, functions, responsibility are clearly defined. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the meeting with the permission of the Chairman. The Board guides the management in achieving its goal and creating value for all stock holders.

The details of Board meetings held during FY 2008-09 are as follows:

Date of Board Meeting	City	No. of Directors Present
17 th June, 2008	Mumbai	5
21 st July, 2008	Mumbai	5
15 th September, 2008	Digvijaygram	5
20 th October, 2008	Digvijaygram	5
27 th January, 2009	Mumbai	4
9 th March, 2009	Mumbai	4

● Code of Conduct

The Board shall lay down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct shall be posted on website of the Company. All Board members and Senior Manager Personnel shall affirm compliance with the code on annual basis. The Annual Report of the Company shall contain a declaration signed by the C.E.O.

The Board of Directors of Your Company have laid down a Code of Conduct applicable to all Board Members and Senior Management personnel of your Company. A declaration from C.E.O. of your Company to the effect that all Board Members and Senior Management personnel of your Company have affirmed compliance with the Code of Conduct, forms a part of this report. The Code of Conduct has been posted on the website of your Company – www.digvijaycement.com

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2009.

Mumbai P.A. Nair
12th May, 2009 C. E. O

II. AUDIT COMMITTEE

A qualified and independent Audit Committee shall

be set up and should meet at least four times in a year. The Audit Committee shall have minimum three directors as member, with two-thirds of its members being independent directors. All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise. The Chairman of the Audit Committee shall be an independent director and shall be present at Annual General Meeting to answer shareholder queries. The Company Secretary shall act as secretary to the Committee.

Your Company has an Audit Committee at the Board level which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors and oversees the financial reporting process. The Audit Committee has four directors as members out of which three are independent directors. All the Members of the Audit Committee are financially literate. Mr. Napoleon De la Colina is the Chairman of the Committee and was present at Annual General Meeting of the Company. During the Year, the Audit Committee met 4 times to deliberate on various matters. The meetings were held on 17th June, 2008; 21st July 2008; 20th October 2008; and 27th January 2009. The details of attendance and sitting fee paid are as follows:

Name of Audit Committee Member	No. of Meetings		Sitting Fees paid (Rs.)
	Held	Attended	
Mr. Napoleon De la Colina	4	4	40,000
Mr. Leonard D' Costa	4	2	20,000
Mr. Robert Pavrey	4	4	40,000
Mr. Jorge Manuel Tavares Salavessa Moura	4	0	–

1. Mr. P. A. Nair – Whole Time Director and Mr. Rui Duarte – Finance Head are permanent invitees to the Audit Committee. The Statutory, Internal as well as the Cost Auditors of Your Company are also invited to the Audit Committee Meetings.
2. Mr. S. N. Malpani, Company Secretary, acts as the Secretary to the Committee.

The Audit Committee has the following powers:

- a. To investigate any activity within its terms of reference,
- b. To seek information from any employee,
- c. To obtain outside legal or other professional advice,
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee includes following:

- a. Oversight of the company's financial reporting

SHREE DIGVIJAY CEMENT CO. LTD.

- process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.*
- b. *Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditor and the fixation of audit fee and also approval for payment for any other services,*
 - c. *Reviewing with Management, the annual financial statements before submission to the Board for approval, with particular reference to;*
 - *Matters required to be included in the Directors' responsibility statement to be included in the Boards' report in terms of clause (2AA) of Section 217 of the Companies Act, 1956*
 - *Changes, if any, in accounting policies and practices and reasons for the same,*
 - *Major accounting entries involving estimates based on exercise of judgment by Management,*
 - *Significant adjustments made in the financial statements arising out of audit findings,*
 - *Compliance with listing and other legal requirements relating to financial statements*
 - *Disclosure of any related party transactions*
 - *Qualification in the draft audit report.*
 - d. *Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.*
 - e. *Reviewing with the Management, performance of Statutory and Internal Auditors, adequacy of internal control systems.*
 - f. *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,*
 - g. *Discussion with Internal Auditors any significant findings and follow up there on.*
 - h. *Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a materials nature and reporting the matter to the Board,*
 - i. *Discussion with statutory Auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern,*
 - j. *To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, share holders (in case of non-payment of declared dividends) as creditors.*
 - k. *Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.*
- The Audit Committee reviews the following information:*
- a. *Management discussion and analysis on financial condition and results of operations;*
 - b. *Statement of significant related party transactions (as defined by the audit committee), submitted by Management;*
 - c. *Management letters / letters of internal control weaknesses issued by the statutory Auditors, if any;*
 - d. *Internal audit reports relating to internal control weaknesses; and*
 - e. *The appointment, removal and terms of remuneration of the Chief Internal Auditor*
- ### III. DISCLOSURES
- #### (A) Basis of related party transactions
- A statement in summary form of transactions with related parties in the ordinary course of business, details of material individual transactions with related parties that are not in the normal course of business and details of material individual transactions with related parties that are not on an arm's length basis is required to be placed before the Audit Committee.*
- Your Company places all the aforesaid details before the Audit Committee.*
- Particulars of related party transactions are listed out in Note no. 14 of Schedule 19. However, all these transactions are on normal commercial arm's length basis.*
- #### (B) Disclosure of Accounting treatment
- Your Company has followed all relevant Accounting Standards while preparing the financial statements.*
- #### (C) Risk Management
- The Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be reviewed to ensure that executive management controls risk through means of properly defined framework.*
- Your Company is aware of the risks associated with the business. It regularly analysis the risks and takes corrective actions for managing/*



mitigating the same. Your Company has developed risk management policy.

(D) Proceeds from public issues, rights issues, preferential issues etc.

If any capital is raised through an issue, the Company needs to disclose to the Audit Committee, the uses/applications of funds on a quarterly basis. Further, on an annual basis, the Company shall prepare a statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and place it before the Audit Committee. This statement shall be certified by the Statutory Auditors of the Company.

During the previous year ended 31st March 2009, your Company had raised Rs. 87 Crores through Preferential allotment of Compulsory Convertible Preference Shares of Rs. 100/- each to Cimpor Inversiones S.A. the Promoters of the Company. The capital is raised to strengthen the Capital base of the Company, so as to bring it out of BIFR. The fund is being used to reduce the cost of borrowing and towards capital expenditures. The statement of utilization is placed before the Audit Committee regularly. The statement of utilization has been certified by the Statutory Auditors.

(E) Remuneration of Directors and details of Directors' shareholding

- The Company needs to disclose all pecuniary relationship or transactions of the non-executive directors' vis-à-vis the Company.

Apart from sitting fees that are paid to the Directors for attending Board / Committee meetings, no significant material transactions have been made with the non-executive Directors vis-à-vis the Company.

- The Company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.

Details of Directors shareholding in the Company was / is as follows:

Name of Director	No. of shares
Mr. Leonard D' Costa	2000
Mr. Napoleon De la Colina	500
Mr. Alvaro Joao Serra Nazare	500
Mr. Jorge Manual Salavessa Moura	500
Mr. Luis Filipe Sequeira Martins	500
Mr. P. A. Nair	500

(F) Management

- As part of the Directors' Report or as an additional thereto, a Management Discussion and Analysis Report should form part of the Annual Report to the shareholders.

The Management Discussion and Analysis Report forms part of Annual Report and in accordance with the requirements laid out in Clause 49 of the Listing Agreement.

- Senior management shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (for e.g. dealing in company shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.)

No material transactions has been entered in to by your Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc., that may have a potential conflict with interest of your Company.

(G) Shareholders

- In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with the details of Directors.

Details of Directors seeking appointment / re-appointment at the ensuing AGM are provided in the Notice convening the AGM.

- Quarterly results and presentations made by the Company to analysts shall be put on Company's website, or shall be sent in such a form so as to enable the stock exchange on which the Company is listed to put it on its own website.

Financial results are made available on the website of Your Company - www.digvijaycement.com

- Share Transfer and Shareholders / Investors Grievance Committee

A shareholders' Grievances Committee under the Chairmanship of a non-executive director shall be formed to specifically look in to the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. To expedite the process of share transfers, the Board of the Company shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer

SHREE DIGVIJAY CEMENT CO. LTD.

agents. The delegated authority shall attend to share transfer formalities at least once in fortnight.

Your Company has a "Share Transfer and Shareholder / Investors Grievance Committee" at the Board level, under the Chairmanship of a non-executive director. The Committee looks into issues relating to share holders, including transfer/transmission of shares, issue of duplicate share/debenture certificates, non receipt of Annual Report, shares after transfer and delays in transfer of shares. The Committee meets to review the status of investor grievances, dematerialization / rematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The Company's shares are compulsorily traded and delivered in the dematerialized form. The equity shares of the Company have been admitted with National Securities Depository Limited and Central Depository Services (I) Limited, bearing ISIN No. **INE232A01011**.

To expedite the transfer in the physical segment, necessary authority has been delegated by your Board to Officers of the Company, to approve issue of share certificates, approve transfer/transmission of shares, consolidation, sub-division, split of share certificates etc. Details of transfer/transmission of shares approved by the officers are placed before the Board.

Details of complaints received, number of shares transferred during the year, time taken for affecting these transfers and the number of share transfer pending are furnished in the "Shareholder Information" section of this Annual Report.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by stock exchange or SEBI or any other statutory authority, on any matter relating to capital market during the year.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the year under review and hence no strictures/penalties have been imposed on the Company by the SEBI or any statutory authority.

IV. CEO/CFO CERTIFICATION

Mr. P. A. Nair - CEO and Mr. Rui Duarte – Finance Head have certified to the Board that:

1. They have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement;
2. Based on their knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit

to state material fact that might be misleading with respect to the statements made;

3. Based on their knowledge, information and belief, the financial statements and other financial information included in this Report present a true and fair view of the Company's affairs for the period presented in this Report and are in compliance with the existing accounting standards, applicable laws and regulations;
4. To the best of their knowledge, information and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
5. They are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting;
6. They have disclosed, based on their most recent evaluation, wherever applicable, to the Company's Auditors and Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify the deficiencies;

They have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company's internal control over financial reporting during the year;
- b) All significant changes in the accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements;
- c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

V. GENERAL BODY MEETINGS

Details of Annual General Meetings;

Location and time, where last three Annual General Meetings (AGM's) were held:

Financial Year	Location of the Meeting	Date & Time
2005-06	Registered Office, Digvijaygram.	12 th September 2006 – 2.30 PM
2006-07	Registered Office, Digvijaygram	29 th August, 2007–11.30 AM
2007-08	Registered Office, Digvijaygram	15 th September, 2008 – 11:00 AM



Whether special resolution passed in the previous 3 AGMs?	Yes
Whether any special resolution passed last year through postal ballot:	No
Details of voting pattern:	N.A.
Person who conducted the postal ballot exercise:	N.A.
Whether any special resolution is proposed to be conducted through ballot:	N.A.
Procedure for postal ballot:	N.A.

VI. MEANS OF COMMUNICATION

Quarterly results

- Which news papers normally published in
 - *Financial Express – All India Edition*
 - *Financial Express - Gujarati*
- Any website, where displayed
 - www.digvijaycement.com
- Whether MD&A is part of Annual Report
 - Yes
- Whether Shareholder Information Section forms part of the Annual Report.
 - Yes

SHARE HOLDER INFORMATION

1. Annual General Meeting

Date & Time : **24th June, 2009 at 03:00 PM**

Venue : Digvijaygram-361 140, Via. Jamnagar (Gujarat)

2. Financial Calender

- Financial reporting and Limited Review for the quarter ending 30th June 2009 - End July 2009
- Financial reporting and Limited Review for the quarter ending 30th September 2009 - End October 2009
- Financial reporting for the Year ending 31st December 2009 - End March 2010
- Annual General Meeting for the year ending 31st December 2009 - End May 2010

3. Dates of Book Closure

17th June, 2009 to 24th June, 2009
(both days inclusive)

4 Registered Office & Works

Digvijaygram – 361 140,
Via. Jamnagar (Gujarat)
Telephone Nos. : (0288) 2344272-2344275
Fax Nos. : (0288) 2344092 & 2344214
Website: www.digvijaycement.com

5 Listing on Stock Exchanges & Stock Code No.

Bombay Stock Exchange Ltd
P. J .Towers, Dalal Street,
Mumbai – 400 001
(Stock Code. 502180)

Note: The annual listing fee has been paid to the above Stock Exchange.

6 Stock Price Data

Price on Bombay Stock Exchange Ltd.

Month	High (Rs.)	Low (Rs.)
Apr-08	24.50	18.50
May-08	23.50	18.05
Jun-08	19.7	15
Jul-08	15.90	12.55
Aug-08	17.65	13.76
Sep-08	14.76	7.66
Oct-08	10.45	4.61
Nov-08	7.90	4.23
Dec-08	8.15	4.40
Jan-09	8.39	5.32
Feb-09	8.15	6.03
Mar-09	7.30	5.51

7 Registrars and Share Transfer Agents

Link Intime India Pvt. Limited
(Unit : Shree Digvijay Cement Co.Ltd.)
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (West)
Mumbai 400 078

Tel No.(022) 2594 6970 / 71
Fax No.(022) 2594 6969
email : rnt.helpdesk@linkintime.co.in

8 Investors Correspondence

For any assistant regarding dematerialization of shares, share transfers, transmission, change of address or any other quarry relating to shares, please write to :

Link Intime India Pvt. Limited
(Unit : Shree Digvijay Cement Co.Ltd.)
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078

Tel Nos. : (022) 2594 6970 / 71
Fax Nos. : (022) 2594 6969
email : rnt.helpdesk@linkintime.co.in

SHREE DIGVIJAY CEMENT CO. LTD.

For General Correspondence:

The Company Secretary,
Shree Digvijay Cement Co.Ltd.
Digvijaygram – 361 140,
Via. Jamnagar (Gujarat)
Telephone Nos. : (0288) 2344272-2344275
Fax No. (0288) 2344092 & 2344214
email : snmalpani@cimpor.com

9 Share Transfer System

The Share Transfers and Shareholders Grievance Committee meets every fortnight. Share transfer in physical form are re-registered or returned within a period of 15-20 days from the date of receipt in case documents are completed in all respects.

10 Distribution of Shareholding as on 31st March, 2009

Holding	Shareholder		No. of Shares	% of age Share holdings
	Nos.	%age		
0 - 500	23169	69.81	4929096	3.48
501 - 1000	4549	13.70	3986198	2.82
1001 - 5000	4443	13.39	10083599	7.13
5001 - 10000	599	1.81	4517614	3.20
10001 & above	428	1.29	11785771	83.37
TOTAL	33188	100.00	141374278	100.00

11 Dematerialisation of Shares & Liquidity

The shares of the company are in compulsory demat sagement, and are available for demat both with the NSDL & CDSL. International Securities Identification Number (ISIN) allotted to the equity shares of the company is INE232A01011 .

As on 31st March 2009, 140081031 equity shares of the company representing 99.21 % have been dematerialised.

12 Registered Office & Works

Digvijaygram – 361 140,
Via. Jamnagar (Gujarat)
Telephone Nos. : (0288) 2344272-2344275
Fax Nos. (0288) 2344092 & 2344214
Website: www.digvijaycement.com

13 Categories of Shareholding as on 31.03.2009

Category	No.of shares held	% of Shareholding
Promoters	104091537	73.63
NR & NRIs	737454	0.52
Fin.Inst.& Banks etc.	31837	0.02
FII	6000	0.00
Corporates etc.	4417062	3.12
Public	32090388	22.71
Total	141374278	100.00

14 Nomination facility

Share holders are eligible to file their nominations against shareholding for smooth transmission process. Nomination forms are available at the Investors Service Division. Those interested in getting the facility of informations may write to the Company Secretary for a copy of the prescribed Nomination Form

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SHREE DIGVIJAY CEMENT COMPANY LIMITED

We have examined the compliance conditions of Corporate Governance by **Shree Digvijay Cement Company Limited ("the Company")** for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We 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.

**For DSU & Associates
Company Secretaries**

**Dinesh Kumar Deora
Partner**

Place: Mumbai
Date: 14th April, 2009

Membership No. FCS 5683
CP No. 4119

Details of Directors seeking Appointment/Re-appointment in Annual General Meeting fixed for 24th June, 2009

Name of Director	Mr. Jorge Manuel Tavares Salavessa Moura	Mr. Alvaro Joao Serra Nazare	Mr. Robert Pavrey
Date of Birth	4th December, 1950	8th September, 1941	16th March 1962
Date of Appointment	25th March, 2008	7th January, 2008	25th March 2008
Qualification	Engineering Degree	Engineer	Company Secretary
Experience in specific functional area	HR, Legal, PR etc.	Cement Industry	Company Secretary in practice
List of outside Company Directorship held.	<p>Chairman of the Board of Directors:</p> <ol style="list-style-type: none"> Cimpor Portugal, SGPS, S.A. Cimpor Internacional, SGPS, S.A. Cimpor Investimentos, SGPS, S.A. Cimpor Industria de Cimentos, S.A. Cimpor Imobiliaria, S.A. Cimpor Inversioes, S.A. Cimpor - Servicos de Apoio a Gestao de Empresas, S.A. Cimship - Transportes Maritimos, S.A. Asment de Temara, S.A. Belocim, S.A. CTA_Cement Trading Actividades-Com. Internacional, S.A. Sacopor - Sociedade De Embalagens de Sacos de Papel, S.A. Geoler - Producao e Comercializacao e Bens e Equipamentos, S.A. Prediana - Sociedade de Pre-Estforçados, S.A. Estabelecimentos Scial do Norte, S.A. Yibitas Holding, A.S. Cimpor Yibitas Cimento Sanayi Ve Ticaret A.S. Yibitas Yozgat ISI Birigi Insaat Malzemeleri Ticaret Sanayi A.S. Sociedade De Investimento Cimpor Macau, S.A. Asment Du Centre, S.A. ATIC - Associacao Technica Da Industria Do Cimento Cimpor Chengton Cement Corporation Ltd Scanang Trading Activities-ESPANA, S.A Cecisa -Comercio Internacionalv ,S.A. <p>Member of the Board of Directors:</p> <ol style="list-style-type: none"> Cimpor - Cimentos de Portugal, SGPS, S.A. Amreyah Cement Company, S.A.E. Amreyah Cimpor Cement Company, S.A.E. CJO - Societe les Ciments de Jbel Oust, Cimpor Sacs Manufacture Company, S.A.E. Amreyah Dekhella Terminal Company S.A.E. Cimor Egypt for Cement Company S.A.E. NPC - Cimpor (Pty) Limited. Natal Portland Cement Company (Proprietory), Limited. MECAN - Manufatura De Elementos De Casas De Construcáo Normalizada, LDA. KANDMAD, SGPS,LDA NORDICAVE Trading Industrial Scanang SGPS, Unipessoal LDA. CAXALP, SGPS, LDA Corporacion Noroeste,S.A. <ol style="list-style-type: none"> Audit Committee - Member Share Transfer and Shareholders/ Investors Grievance Committee - Member 	<p>Member of the Board of Directors:</p> <ol style="list-style-type: none"> New Liu Yuan Cement, China. Nanda cement, China. 	<p>Member of the Board of Directors:</p> <ol style="list-style-type: none"> Adept Fin. & Cons.Ser.P.Ltd AFI India Services P.Ltd. Alliance Bernstein Inv.Research and Management India Pvt.Ltd. Audatex Solutions P.Ltd. BAM India Advisory P.Ltd. California Wow Fitness P.Ltd. Datacard India P.Ltd. Deva Capital Management Advisors P.Ltd. Enpocket Services I.P.Ltd. Global Develon Capital Manage.P.Ltd. Shaina Pproperties Pvt.Ltd. Showdirt Worldwide Pvt.Ltd. Strategic Human Resource Man.I.P.Ltd. Tobena India Pvt.Ltd. WL Ross(India)Pvt.Ltd. Brightlight Support Services India P.Ltd. Chevron Phillips Chemicals India P.Ltd. Daimier Hero Commercial Vehicles Ltd DW Animation Studios India P.Ltd. KKR India Advisors Pvt.Ltd. Premchand Micro Financing Prakritik Biofuels Pvt.Ltd. Siberline Speciality Effect Pigment India P.Ltd Smartege Systems India Pvt.Ltd. Sun Night Solar Pvt.Ltd. WGI (India) Consul.Services Pvt.Ltd. Fitch Ratings I.P.Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	<ol style="list-style-type: none"> Audit Committee - Member Share Transfer and Shareholders/ Investors Grievance Committee - Member 	NIL	<ol style="list-style-type: none"> Audit Committee - Member Share Transfer and Shareholders/ Investors Grievance Committee - Chairman Remuneration Committee - Member
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL	NIL	NIL



KAMAL CEMENT

SHREE DIGVIJAY CEMENT CO. LTD.

AUDITORS' REPORT

To the Members of Shree Digvijay Cement Company Limited

1. We have audited the attached Balance Sheet of **Shree Digvijay Cement Company Limited** (the 'Company') as at 31st March 2009, the Profit and Loss Account of the Company and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) we have 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 Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956; and
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.
5. On the basis of written representations received from the directors of the Company as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants

Sanjiv V. Pilgaonkar

Partner

Membership No.: 39826

Mumbai,
12th May, 2009



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the Company has a programme for physical verification of fixed assets in a phased manner designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per the programme some part of the fixed assets has been physically verified during the year. No material discrepancies were noticed on such verification.
 - (c) In our opinion, the fixed assets disposed off during the year, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the "going concern" status of the Company.
- (ii) In respect of its inventories:
- (a) As explained to us, inventories of the Company were physically verified by the Management at reasonable intervals during the year and as at the year end.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory. The differences noticed on verification between physical stocks and book records were not material.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956. Accordingly, the provisions of paragraph 4(iii) (a) to (g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, the Company has internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. According to the information and explanations given to us, the Company does not sell services in the normal course of business. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, there were no contracts or arrangements of the kind referred to in Section 301 of the Companies Act, 1956, that were required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956. Accordingly, the provisions of paragraph 4 (v) of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of Sections 58 and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. According to the information and explanations given to us, no Order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect in the case of the Company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of cement, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

SHREE DIGVIJAY CEMENT CO. LTD.

- (ix) In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues relating to Provident Fund, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Wealth Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year. Further, as explained to us, no dues were payable during the year in respect of the Employees State Insurance Scheme and Investors Education and Protection Fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, Wealth Tax, Investors Education and Protection Fund, Cess and other material statutory dues applicable to it, were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there were no dues in respect of Income Tax, Wealth Tax, Customs Duty and Cess which were not deposited on account of disputes; the details of dues of sales tax, excise duty and service tax which have not been deposited as at 31st March, 2009 on account of disputes are given below:

Name of statute	Nature of the dues	Amount (Rs. in lacs)	Period to which amount the amount relates	Forum where dispute is pending
Gujarat Sales Tax Act, 1969	Sales Tax	2.41	1992-1995	Deputy Commissioner
Rajasthan Sales Tax	Sales Tax	5.74	1995-96 1997-98	High Court – Jodhpur
Central Excise Act, 1944	Excise Duty	4.10	2002-03	Additional Commissioner, Rajkot
		87.20	2002-03	Joint Commissioner, Rajkot
		1.62	2002-03	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
	Service Tax	17.63	2005-06	Additional Commissioner

- (x) The accumulated losses of the Company have not exceeded fifty per cent of its net worth as at the end of the year covered by our audit. The Company has not incurred cash losses during the financial year covered by our audit. It had incurred cash losses in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. There were no amounts payable to any financial institution during the year. There were no amounts outstanding on account of debentures during the year.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund, nidhi or a mutual benefit society. Therefore, the provisions of paragraph 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Therefore, the provisions of paragraph 4 (xiv) of the Order are not applicable to the Company.



- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans obtained by the Company have *prima facie* been applied for the purposes for which such loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- (xviii) According to the information and explanations given to us, the Non-Cumulative Compulsorily Convertible Preference Shares issued by the Company during the period covered by our audit report is not issued to a parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, there are no amounts outstanding in respect of secured debentures during the year. Therefore, the provisions of paragraph 4 (ix) of the Order are not applicable to the Company.
- (xx) According to the information and explanation given to us, the Company has not raised any money by public issue, during the period covered by our audit.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period covered by our audit.

For **Deloitte Haskins & Sells**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Membership No.: 39826

Mumbai,
12th May, 2009

SHREE DIGVIJAY CEMENT CO. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in lacs)

	Schedules	As At 31/03/2009	As At 31/03/2008
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	22,837.51	14,137.51
Reserves and Surplus	2	142.30	142.30
Loan Funds			
Unsecured Loans	3	10,000.00	10,000.00
TOTAL		32,979.81	24,279.81
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	19,378.88	18,176.01
Less : Depreciation		11,771.87	11,153.48
Net Block		7,607.01	7,022.53
Capital Work-in-Progress (including capital advances)		3,459.21	2,716.37
		11,066.22	9,738.90
Investments	5	1,788.42	1.65
Current Assets, Loans and Advances			
Inventories	6	4,303.38	3,895.60
Sundry Debtors	7	1,425.95	782.83
Cash and Bank Balances	8	8,983.33	1,664.85
Other Current Assets	8A	10.20	0.21
Loans and Advances	9	1,134.01	1,347.57
		15,856.87	7,691.06
Less :			
Current Liabilities and Provisions			
Current Liabilities	10	4,493.11	4,133.60
Provisions	11	463.83	409.89
		4,956.94	4,543.49
Net Current Assets		10,899.93	3,147.57
Profit and Loss Account - Debit Balance		9,225.24	11,391.69
TOTAL		32,979.81	24,279.81
Accounting Policies and Notes on Accounts	19		

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Leonard D' Costa

Napoleon De la Colina

Robert Pavrey

Alvaro Joao Serra Nazare

P. A. Nair - CEO & Whole time Director

Directors

Mumbai
12th May, 2009

G.D. Gupta
AVP (Comm & Finan.)

S.N. Malpani
Co.Secretary

Rui Duarte
Finance Head



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. in lacs)

	Schedules	2008-2009	2007-2008
INCOME			
Sales		34,191.71	28,851.19
Less : Excise Duty		3,566.01	3,442.75
Net Sales		30,625.70	25,408.44
Other Income	12	308.42	424.16
		30,934.12	25,832.60
EXPENDITURE			
(Increase) / Decrease in Stocks	13	(260.86)	(146.05)
Raw Materials Consumed	14	4,832.61	3,915.54
Manufacturing Expenses	15	15,782.22	12,047.61
Payments to and Provisions for employees	16	2,064.08	2,151.20
Selling, Distribution, Administration and Other Expenses	17	4,594.13	3,855.59
Interest (Net)	18	1,094.85	74.90
Depreciation	4	671.11	631.76
		28,778.14	22,530.55
Less: Self Consumption of Cement (Net of excise duty Rs. 4.39 lacs; Previous year Rs.15.59 lacs)		29.10	100.24
		28,749.04	22,430.31
Profit/(Loss) before tax and exceptional item		2,185.08	3,402.29
Exceptional item (See note no. 4 in Schedule 19)		-	(4,774.16)
Profit/(Loss) before tax		2,185.08	(1,371.87)
Provision for Taxation			
Fringe Benefit Tax		(18.63)	(30.27)
Profit/(Loss) after tax		2,166.45	(1,402.14)
Balance Loss brought forward		(11,391.69)	(9,931.19)
Transition Provision of AS - 15 "Employee Benefits" (See note No. 18 in Schedule 19)		-	(58.36)
Balance Loss Carried forward to Balance Sheet		(9,225.24)	(11,391.69)
Basic and Diluted Earning Per Share (in Rs.) (Face Value Rs.10)		1.53	(0.99)
Accounting Policies and Notes on Accounts	19		

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Leonard D' Costa

Napoleon De la Colina

Robert Pavrey

Alvaro Joao Serra Nazare

P. A. Nair - CEO & Whole time Director

Directors

Mumbai
12th May, 2009

G.D. Gupta
AVP (Comm & Finan.)

S.N. Malpani
Co.Secretary

Rui Duarte
Finance Head

SHREE DIGVIJAY CEMENT CO. LTD.

SCHEDULES FORMING PART OF ACCOUNTS		(Rs. in lacs)
SCHEDULE - 1	As At 31/03/2009	As At 31/03/2008
SHARE CAPITAL		
Authorised		
150,000,000 (Previous Year 150,000,000) Equity Shares of Rs. 10/- Each	15,000.00	15,000.00
10,000,000 (Previous Year NIL) Compulsory Convertible Preference Shares of Rs. 100/- each	10,000.00	-
	25,000.00	15,000.00
Issued		
141,643,645 (Previous Year 141,643,645) Equity Shares of Rs. 10/- each	14,164.36	14,164.36
8,700,000 (Previous Year NIL) Compulsory Convertible Preference Shares of Rs. 100/- each	8,700.00	-
	22,864.36	14,164.36
Subscribed & Paid-up		
141,375,398 (Previous Year 141,375,398) Equity Shares of Rs. 10/- each fully paid	14,137.54	14,137.54
Less: 1,120 Equity Shares of Rs. 10/- each forfeited	(0.11)	(0.11)
	14,137.43	14,137.43
Add: Forfeited Shares (amount originally paid-up on Equity Shares)	0.07	0.07
Add: Application and Allotment money on 21 Equity Coupons	0.01	0.01
	14,137.51	14,137.51
8,700,000 (Previous Year NIL) 6% Non-Cumulative Compulsory Convertible Preference Shares of Rs. 100/- each fully paid.	8,700.00	-
TOTAL	22,837.51	14,137.51

Foot Notes :

A : In respect of Equity Share Capital:

- Of the above subscribed & paid up share capital -
 - 997,540 Equity Shares (Previous Year 997,540) were allotted as fully paid-up bonus shares by Capitalisation from General Reserve.
 - 400,000 Equity Shares (Previous Year 400,000) were allotted pursuant to a contract without payment being received in cash.
 - 67,855,392 Equity Shares (Previous Year 67,855,392) were allotted as Rights Shares, without payment being received in cash and was appropriated against dues to the shareholders.
 - 104,091,537 Equity Shares (Previous Year 104,091,537) are held by the holding company Cimpor Inversiones S.A. (the ultimate holding company is Cimpor Cimentos De Portugal SGPS, S.A.)
- 265,212 Equity Shares (Previous Year 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

B : In respect of Preference Share Capital:

- 8,700,000 (Previous Year Nil) 6% Non-cumulative Compulsorily convertible Preference Shares are held by the holding company Cimpor Inversiones S.A. (the ultimate holding company is Cimpor Cimentos De Portugal SGPS, S.A.).
- The Preference Shares were allotted as preferential allotment under section 81(1A) of the Companies Act, 1956, on 9th March, 2009 and are compulsory convertible in to Equity Shares in accordance with the guidelines, at any time within a period of 18 months from the date of allotment. Each preference share (subject to applicable law and requirements of the listing agreement) shall be converted in ten equity shares of nominal value of Rs. 10/- each at a price of Rs. 10/- per equity share. However if at the time of conversion of Preference Shares, such conversion will result in the minimum public shareholding threshold of the Company being reduced as required under the provisions of Clause 40A of the Listing Agreement, the Company shall only convert the Preference Shares into such number of Equity Shares such that the minimum public shareholding of the Company is not reduced and is maintained as per the provisions of Listing Agreement.



(Rs. in lacs)

SCHEDULE - 2	As At 31/03/2009	As At 31/03/2008
RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	86.87	86.87
Capital Redemption Reserve		
As per last Balance Sheet	35.00	35.00
Securities Premium		
As per last Balance Sheet	20.43	20.43
TOTAL	142.30	142.30

(Rs. in lacs)

SCHEDULE - 3	As At 31/03/2009	As At 31/03/2008
UNSECURED LOANS		
Other than Short Term		
Term Loan from a Bank	10,000.00	10,000.00
TOTAL	10,000.00	10,000.00

SCHEDULE - 4 FIXED ASSETS

(Rs. in lacs)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01/04/2008	Addition	Adjustments Deductions	As at 31/03/2009	Upto 31/03/2008	For the Year	Adjustments Deduction	Upto 31/03/2009	As at 31/03/2009	As at 31/03/2008
	INTANGIBLE ASSETS										
1	COMPUTER SOFTWARE	-	175.29	-	175.29	-	28.33	-	28.33	146.96	-
	SUB TOTAL - A	-	175.29	-	175.29	-	28.33	-	28.33	146.96	-
	TANGIBLE ASSETS										
1	FREEHOLD LAND (See Footnote 1)	34.33	-	-	34.33	-	-	-	-	34.33	34.33
2	BUILDINGS	759.27	-	0.67	758.60	369.43	17.95	0.19	387.19	371.41	389.84
3	RAILWAY SIDINGS	167.07	-	-	167.07	157.09	0.22	-	157.31	9.76	9.98
4	PLANT AND MACHINERY	15,432.14	1,020.19	15.47	16,436.86	9,580.17	549.83	14.92	10,115.08	6,321.78	5,851.97
5	ELECTRIC INSTALLATIONS	638.83	-	0.90	637.93	429.22	14.53	0.86	442.89	195.04	209.61
6	ROLLING STOCKS And LOCOMOTIVES	74.79	-	-	74.79	71.10	-	-	71.10	3.69	3.69
7	FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	464.59	64.16	34.10	494.65	324.07	28.98	31.45	321.60	173.05	140.52
8	VEHICLES ETC.	57.55	12.95	18.58	51.92	23.23	5.27	5.30	23.20	28.72	34.32
9	JETTY AND WHARF (See Footnote 2)	547.44	-	-	547.44	199.17	26.00	-	225.17	322.27	348.27
	SUB TOTAL - B	18,176.01	1,097.30	69.72	19,203.59	11,153.48	642.78	52.72	11,743.54	7,460.05	7,022.53
	TOTAL	18,176.01	1,272.59	69.72	19,378.88	11,153.48	671.11	52.72	11,771.87	7,607.01	7,022.53
	Capital Work-in-Progress (including advances)	2,716.37	1,759.45	1,016.61	3,459.21	-	-	-	-	3,459.21	2,716.37
	GRAND TOTAL	20,892.38	3,032.04	1,086.33	22,838.09	11,153.48	671.11	52.72	11,771.87	11,066.22	9,738.90
	Previous Year	18,234.85	2,672.06	14.53	20,892.38	10,527.79	631.76	6.07	11,153.48	9,738.90	-

Foot Notes :

- Leasehold Land (in respect of which the Company pays Ground Rent) is not included above.
- The Gujarat Maritime Board holds the titles to the jetty / wharf in respect of which capital cost was paid by the Company.

SHREE DIGVIJAY CEMENT CO. LTD.

		(Rs. in lacs)	
SCHEDULE - 5		As At	As At
		31/03/2009	31/03/2008
INVESTMENTS			
Long Term (At Cost)			
1.	Government and Trust Securities		
	i) Government Securities		
	Unquoted -		
	Securities deposited with Government Departments	0.62	0.67
	Quoted -		
	Securities deposited with Government Departments (Rs.300 - previous year Rs.300)	-	-
	ii) Trust Securities		
	Quoted -		
	Securities deposited with Government Departments 968 Bonds of Rs. 100 each in 6.75% Tax Free US 64 Bonds	-	0.97
2.	Shares, Bonds and Debentures		
	Unquoted - Fully paid		
	Debentures (Non Trade)		
	12 8% Indian Chamber of Commerce of Rs. 100 each	-	0.01
	2 8% Indian Chamber of Commerce of Rs. 25 each (Rs. Nil - previous year Rs.50)	-	-
		0.62	1.65
CURRENT			
	Units of Mutual Fund (see note no. 9 in schedule 19)	1,787.80	-
TOTAL		1,788.42	1.65
Aggregate Book Value of :			
a)	Quoted Investments	-	0.97
b)	Unquoted Investments	1,788.42	0.68
		1,788.42	1.65
Aggregate Market Value of Quoted Investments		-	0.97

		(Rs. in lacs)	
SCHEDULE - 6		As At	As At
		31/03/2009	31/03/2008
INVENTORIES			
(At lower of cost and net realisable value unless otherwise stated)			
	Stores and Spare parts, Packing Materials and Fuels	1,810.67	1,776.57
	Raw Materials	1,077.48	901.69
	Process Stock	1,017.94	633.20
	Finished Goods - including in transit Rs. 5.01 lacs (Previous Year Rs. 18.09 lacs)	384.96	574.50
	Waste / Scrap (at net realisable value)	12.33	9.64
TOTAL		4,303.38	3,895.60



KAMAL CEMENT

(Rs. in lacs)		
SCHEDULE - 7	As At 31/03/2009	As At 31/03/2008
SUNDRY DEBTORS		
Exceeding six months		
Good and Secured	1.22	1.22
Doubtful and Unsecured	337.64	348.62
Less: Provision for Doubtful Debts	(337.64)	(348.62)
	<u>1.22</u>	<u>1.22</u>
Others		
Good and Secured	86.33	100.84
Good and Unsecured	1,338.40	680.77
	<u>1,424.73</u>	<u>781.61</u>
TOTAL	<u>1,425.95</u>	<u>782.83</u>

(Rs. in lacs)		
SCHEDULE - 8	As At 31/03/2009	As At 31/03/2008
CASH AND BANK BALANCES		
Cash balance in hand (including cheques on hand Rs. 0.67 lacs ; previous year Rs. 20.60 lacs)	2.53	22.06
Bank Balances :		
With Scheduled Banks :		
In Current accounts	211.02	1,575.23
In Fixed deposit (FD) accounts (See Footnote)	8,769.78	67.56
TOTAL	<u>8,983.33</u>	<u>1,664.85</u>

Foot Note : Including FDR of Rs. 68 lacs (Previous Year Rs. 65.78 lacs) pledged with banks for guarantees.

(Rs. in lacs)		
SCHEDULE - 8A	As At 31/03/2009	As At 31/03/2008
OTHER CURRENT ASSETS		
Interest accrued on term deposits	10.20	0.21
TOTAL	<u>10.20</u>	<u>0.21</u>

(Rs. in lacs)		
SCHEDULE - 9	As At 31/03/2009	As At 31/03/2008
LOANS AND ADVANCES (Unsecured, considered good except stated otherwise)		
Deposits and Balances with Government and other Authorities	684.79	903.78
Other Deposits	49.51	63.44
Advance recoverable in cash or in kind or for value to be received		
Considered Good	342.82	346.29
Considered Doubtful	21.61	23.58
Less: Provision for Doubtful advances	(21.61)	(23.58)
Tax Deducted at Source	50.68	33.59
Advance Payment of Fringe Benefit Tax (Net)	6.21	0.47
TOTAL	<u>1,134.01</u>	<u>1,347.57</u>

SHREE DIGVIJAY CEMENT CO. LTD.

SCHEDULE - 10	Rs. in lacs)	
	As At 31/03/2009	As At 31/03/2008
CURRENT LIABILITIES		
Sundry creditors :		
a) Dues of Micro and Small enterprises (See Note No. 8 in Schedule 19)	-	0.09
b) Others - Including overdrawn bank balance as per books Rs. 69.53 lacs (Previous Year Rs.103.90 lacs)	2,709.09	2,593.41
Security and Other Deposits	776.60	718.20
Advances from customers	404.88	176.43
Other Liabilities	582.40	625.24
Interest accrued but not due on Loans	20.14	20.23
TOTAL	4,493.11	4,133.60

SCHEDULE - 11	(Rs. in lacs)	
	As At 31/03/2009	As At 31/03/2008
PROVISIONS		
Provision for Gratuity	92.59	81.28
Provision for Compensated absences	350.60	318.54
Provision for Mines Reclamation	20.64	10.07
TOTAL	463.83	409.89

SCHEDULE - 12	(Rs. in lacs)	
	2008-2009	2007-2008
OTHER INCOME		
i) On Long Term Investments		
Interest (Gross) on :		
Investment other than Government Securities	0.01	0.07
ii) Others		
Dividend From Others	38.54	0.13
Bank and Other Accounts (Tax Deducted at Source was Rs. 4.90 lacs; Previous year Rs. 1.91 lacs)	37.27	0.41
Provision for doubtful debts written back	12.63	18.05
Liability no longer required written back	54.46	114.46
Excess / Short Provisions (Net)	6.80	0.06
Insurance Claims	20.18	42.83
Gain on foreign currency translations	-	14.92
Profit on Sale of Investment (net)	0.01	3.58
Scrap Sales	76.54	100.73
Miscellaneous Receipts (Tax deducted at source from Rent was Rs. 1.66 lacs; previous year Rs. 2.03 lacs)	61.98	128.92
TOTAL	308.42	424.16



	(Rs. in lacs)	
SCHEDULE - 13	2008-2009	2007-2008
(INCREASE) / DECREASE IN STOCKS		
Closing Stock		
Process Stock	1,017.94	633.20
Finished Goods	384.96	574.50
Waste / Scrap	12.33	9.64
	<u>1,415.23</u>	<u>1,217.34</u>
Less : Excise Duty on Finished Goods	50.09	113.06
	<u>1,365.14</u>	<u>1,104.28</u>
Opening Stock		
Process Stock	633.20	683.01
Finished Goods	574.50	346.17
Waste / Scrap	9.64	10.99
	<u>1,217.34</u>	<u>1,040.17</u>
Less : Excise Duty on Finished Goods	113.06	81.94
	<u>1,104.28</u>	<u>958.23</u>
(Increase) / Decrease in Stocks	<u>(260.86)</u>	<u>(146.05)</u>

	(Rs. in lacs)	
SCHEDULE - 14	2008-2009	2007-2008
RAW MATERIALS CONSUMED		
Opening Stock	901.69	406.22
Add: Purchases and Incidental Exp. (includes cost of Lime Stone raised)	5,008.40	4,411.01
	<u>5,910.09</u>	<u>4,817.23</u>
Less : Closing Stock	1,077.48	901.69
TOTAL	<u>4,832.61</u>	<u>3,915.54</u>

	(Rs. in lacs)	
SCHEDULE - 15	2008-2009	2007-2008
MANUFACTURING EXPENSES		
Consumption of Stores, Spare Parts and Components and Packing Materials	1,995.70	1,475.80
Power and Fuel	13,277.09	10,027.27
Repairs to Building	101.92	133.22
Repairs to Machinery	370.38	402.29
Repairs - Others	37.13	9.03
TOTAL	<u>15,782.22</u>	<u>12,047.61</u>

	(Rs. in lacs)	
SCHEDULE - 16	2008-2009	2007-2008
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages, Bonus, etc.	1,729.61	1,674.99
Gratuity	126.87	243.21
Contribution to Provident and Other funds	141.15	149.04
Employees welfare expenses	66.45	83.96
TOTAL	<u>2,064.08</u>	<u>2,151.20</u>

SHREE DIGVIJAY CEMENT CO. LTD.

	(Rs. in lacs)	
SCHEDULE - 17	2008-2009	2007-2008
SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
Sales Expenses including service charges	238.78	206.22
Cash discount	260.95	406.99
Freight, handling and other expenses	3,332.80	2,592.14
Advertisement and Publicity	32.85	21.57
Insurance	77.99	87.59
Rent (including Lease Rent)	42.61	80.01
Rates and Taxes	67.30	2.96
Stationery, Printing, Postage & Telephone Expenses	72.60	64.91
Travelling & Conveyance	127.13	132.46
Legal & Professional Charges	45.02	61.75
Bad Debts/Advances/Deposit Written off	1.22	74.35
Less: Provisions for doubtful debts no longer required	(0.32)	(74.35)
Research Contribution (including Expenses)	6.74	6.04
Donation	0.09	0.19
Loss on Sale of Fixed Assets	2.96	1.86
Loss on Discarded Stock	17.08	-
Exchange loss (Net)	45.25	-
Financial Charges	29.44	32.33
Auditors' remuneration	17.57	13.55
Miscellaneous Expenses	176.07	145.02
TOTAL	4,594.13	3,855.59

	(Rs. in lacs)	
SCHEDULE - 18	2008-2009	2007-2008
INTEREST		
On loan for fixed period (See note no.4 in Schedule 19)	1,053.19	20.23
On Other Accounts	41.66	54.67
TOTAL	1,094.85	74.90



SCHEDULE - 19

NOTES TO THE ACCOUNTS :

1 Significant Accounting Policies :

(a) Basis of Accounting

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards.

(b) Use of Estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

(c) Fixed Assets and Depreciation / Amortisation

(i) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition value are delivery and handling costs, installation, legal services and consultancy services. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised upto the date when the asset is ready for its intended use.

Depreciation is provided on a straight line basis at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 unless the use of a higher rate or an accelerated charge is justified through technical estimates. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase. Freehold land is not depreciated since it is deemed to have an indefinite economic life.

(ii) Intangible assets and amortisation

Intangible assets other than goodwill are valued at cost less amortisation. These generally comprise of costs incurred to acquire computer software licences and implement the software for internal use (including software recording, installation and testing). Intangible assets are reported at acquisition value with deductions for accumulated amortisation and any impairment losses. Amortisation takes place on a straight line basis over the asset's anticipated useful life. The useful life is determined based on the period of the underlying contract and the period of time over which the intangible asset is expected to be used and generally does not exceed 10 years.

(d) Impairment of assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

(e) Investments

Long term investments are stated at cost, less other than temporary diminution, in value, if any. Current investments are stated at the lower of cost and fair value.

SHREE DIGVIJAY CEMENT CO. LTD.

(f) Inventory

Finished goods and process stock are valued at the lower of the cost and the net realisable value. Raw materials, packing material and fuels are valued at or below cost. Stores and spare parts are carried at or below cost. Cost of finished goods and process stock are determined using the absorption costing principles. Costs include the cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

Net realisable value is estimated at the expected selling price less estimated completion and selling costs. In the case of raw materials, packing materials and fuels, cost is determined on the basis of quarterly weighted average. In the case of stores and spare parts, cost is determined on a continuous weighted average basis. Costs include the purchase price, non-refundable taxes and delivery and handling costs.

(g) Revenue Recognition

Sales of goods are net off trade discounts and exclude sales tax, state value added tax.

Revenue is recognised when practically all risks and rights connected with ownership have been transferred to the buyer. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain.

(h) Financial Income and Borrowing Cost

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised upto the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period. Interest on bank deposits is recognised evenly over the period of the instrument. Income from dividend is recognised when the right to receive dividend is established.

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expense in the Profit and Loss Account.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are valued at closing-date rates, and unrealised translation differences are included in the Profit and Loss Account.

The premium arising on entering into forward exchange contract is amortised over the life of such contracts and exchange differences arising on such contracts are recognised in the Profit and Loss Account.

(j) Taxes on Income

The Company's income taxes include taxes on the Company's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities/receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed



depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

(k) Provisions and Contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value, and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

(l) Cash Flow Statements

Cash-flow statements are prepared in accordance with “Indirect Method” as explained in the Accounting Standard on Cash Flow Statements (AS-3).

(m) Cash and Cash Equivalents

Cash and bank balances and current investments that have insignificant risk of change in value and which have original contractual maturity of up to three months, are included in the Company’s cash and cash equivalents in the Cash Flow Statement.

(n) Earnings per Share

Basic Earnings per Share (before dilution) is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the period.

Diluted earnings per share is calculated by adjusting the net profit after tax for the year attributable to equity shareholders and the weightage average number of equity shares outstanding during the year for the effects of all dilutive potential equity shares.

(o) Employee Benefits

(i) Short Term Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(ii) Long Term Benefits

The Company has both defined–contribution and defined-benefit plans, of which some have assets in special funds or similar securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees’ provident fund, family pension fund and superannuation fund. The Company’s payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined-benefit plans

Expenses for defined-benefit gratuity plan is calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee’s working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, utilising a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

SHREE DIGVIJAY CEMENT CO. LTD.

(iii) Other Long term employee benefits

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation carried out at the end of the year.

2 Contingent Liabilities :

	(Rs. in lacs)	
	As at	
	31st Mar 2009	31st Mar 2008
(a) Demand contested by the Company		
- Sales tax	26.62	26.62
- Excise duty	339.53	47.27
- Service tax	17.63	17.52
- Labour cases	234.20	229.55
- Other Cases	288.90	296.37
- Electricity Duty	948.85	948.85
(b) Rent on water pipe lines levied by Panchayat and Irrigation Department, Government of Gujarat.	668.94	585.34
(c) A sum of Rs. 309.84 Lacs (<i>previous year Rs. 309.84 lacs</i>) determined as payable on account of arrears, rent, service charges, way leave fees payable in respect of certain leasehold property, consequent to the Order of the Estate Officer of Mumbai Port Trust (MPT) dated 28th February, 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). (<i>In the previous years a sum of Rs. 1,071.21 lacs was claimed by Mumbai Port Trust</i>). 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.		
(d) Outstanding Bank Guarantees Rs.357.38 lacs (<i>previous year Rs. 65.78 lacs</i>).		

The Company does not expect any liability to devolve on it in respect of the above.

- 3 Estimated amount of contracts remaining to be executed on capital account is Rs. 1,388.68 lacs (previous year Rs. 2,119.88 lacs), against which advances paid aggregate Rs. 133.78 lacs (previous year Rs. 149.27 lacs).
- 4 Exceptional items comprise the following :

	(Rs. in lacs)	
Items	31st March 2009	31st March 2008
Expenses:		
Replacement cost (net of insurance claim) of component of Capital equipment	-	441.48
Interest paid to erstwhile holding company on debentures	-	1,138.01
Interest paid to erstwhile holding company on Other Loans	-	3,194.67
Total	<u>-</u>	<u>4,774.16</u>

Foot Notes :

- (a) During the previous year ended 31st March 2008, the Company had replaced a damaged engine of one of the diesel generator sets. The Company received an insurance claim for the damaged engine. The replacement cost net off insurance claim amount was debited to the profit and loss account as a part of "Exceptional Items".
- (b) During the previous year ended 31st March, 2008, consequent to a recall of its dues by Grasim Industries Ltd, the erstwhile holding company, after it ceased to be the Company's holding company, the Company repaid the outstanding dues relating to debentures and other loans of Grasim Industries Ltd. Interest was paid at the rate and from the period as stipulated in the Memorandum of Understanding dated April 18, 2006 entered into between the Company and Grasim Industries Ltd. Based on the same the Company paid Rs. 1,138.01 lacs retain towards interest on Debentures and Rs. 3,194.67 lacs retain towards interest on Other Loans for the period from April 1, 2004 to March 24, 2008, after adjusting for deposits placed out of proceeds of Rights Issue. These amount were debited to Profit and Loss Account as a part of Exceptional Items during the previous year.



- 5 Advances recoverable in cash or in kind includes loans and advances given to officers free of interest or at concessional rates of interest aggregating Rs. 24.36 lacs (*previous year Rs. 30.39 lacs*). Maximum amount outstanding during the year aggregated Rs. 32.68 lacs (*previous year Rs. 38.52 lacs*).
- 6 In compliance of High Court orders and pursuant to scheme of arrangement between the Company and Gujarat Composite Ltd, loss incurred from transfer of units was adjusted against the Reserve on Revaluation of Fixed Assets in an earlier year. Consequently, depreciation for the current year includes Rs.6.34 lacs (*previous year Rs. 6.34 lacs*) pertaining to depreciation on revalued portion of fixed assets.
- 7 The following expenses are classified under various other heads of expenditure in the Profit and Loss Account :

(Rs. in lacs)

Sr. No.	Classified as Expenses	Total	Employees welfare expenses	Repairs to Building	Stationery, Printing, Postage and Telephone Expenses	Power and Fuel	Raw material consumed	Misc. expenses	Travelling and conveyance expenses
2008 - 2009									
a)	Salaries, Wages and Bonus etc.	49.00	49.00	-	-	-	-	-	-
b)	Stores & spares Consumed	408.68	9.66	44.09	3.17	177.26	173.32	0.73	0.45
c)	Royalty and Cess Charges	495.90	-	-	-	-	495.90	-	-
d)	Power and Fuel	14.21	-	-	-	-	14.21	-	-
e)	Repair and maintenance	3.65	-	-	-	-	3.65	-	-
f)	Rates & taxes / Insurance/ Rent paid / Lease Rent	1.54	-	-	-	-	1.54	-	-
g)	Miscellaneous expenses	26.75	-	-	-	-	26.75	-	-
2007 - 2008									
a)	Salaries , Wages and Bonus etc.	52.57	52.57	-	-	-	-	-	-
b)	Stores & spares Consumed	813.57	4.73	58.70	3.83	607.38	136.43	2.23	0.27
c)	Royalty and Cess Charges	449.27	-	-	-	-	449.27	-	-
d)	Power and Fuel	12.72	-	-	-	-	12.72	-	-
e)	Repair and maintenance	8.28	-	-	-	-	8.28	-	-
f)	Rates & taxes / Insurance/ Rent paid/Lease Rent	0.99	-	-	-	-	0.99	-	-
g)	Miscellaneous expenses	34.72	-	-	-	-	34.72	-	-

- 8 There were no dues payable to Micro and Small vendors covered under Micro, Small and Medium Enterprises Development Act, 2006.

The above information and that given Schedule 10 "Current Liabilities" regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

- 9 **Statement of purchase and sales of units of mutual funds**

(Rs. in lacs)

Particulars of Investment	2008-09		2007-08	
	No. of Units	Cost	No. of Units	Cost
a) Acquired and sold during the year				
HDFC CMF - Treasury Advantage Plan - Wholesale - DDR	8,480,188.759	851.00	-	-
HDFC CMF - Saving Plan - DDR	54,999,811.973	5,850.00	-	-
Birla Cash Plus - Instl. - Daily Dividend - Reinvestment	-	-	3,832,517.149	414.00
Birla Cash Plus - Instl. Prem. - Growth	-	-	14,970,560.783	1,910.00
b) Acquired during the year and retained as at the year end				
HDFC CMF - Treasury Advantage Plan - Wholesale - DDR	15,323,889.947	1,537.00	-	-
HDFC CMF - Saving Plan - DDR	2,355,881.284	251.00	-	-

SHREE DIGVIJAY CEMENT CO. LTD.

- 10 Prior period expenses/(income) included in the other head of expenses are as under:

Name of Account	(Rs. in lacs)	
	2008 - 2009	2007 - 2008
Temporary Electricity connection charges	72.93	-
Repairs to machinery	4.53	0.14
Miscellaneous Expenses	0.76	14.90
Salaries, Wages, Bonus, Gratuity etc.	-	24.08
Total	78.22	39.12

Had these items been accounted for in earlier financial years the profit for the year would have been higher by Rs. 78.22 lacs (*loss for the previous year would have been lower by Rs. 39.12 lacs*).

- 11 Managerial Remuneration *

(Remuneration paid to Manager and Whole time Director)

Name of Account	(Rs. in lacs)	
	2008 - 2009	2007 - 2008
Salary*	19.42	7.13
Contribution to Provident & other funds	2.33	1.83
Other benefits in cash and kind	24.92	10.64
Total	46.67	19.60

* excluding Gratuity provision as this amount is determined for the Company as a whole and figures for the Manager and whole time Director are not separately available.

- 12 Deferred tax :

The Company has recognised Deferred Tax Assets and Deferred Tax Liabilities as under :

Deferred Tax arising from	(Liabilities) / Assets as at 31st March, 2009	(Liabilities) / Assets as at 31st March, 2008
Deferred Tax Liabilities		
Timing differences on account of Depreciation	1,575.46	1,656.77
Deferred Tax Assets		
Unabsorbed depreciation restricted upto the amount of Deferred Liabilities	1,575.46	1,656.77
Net Deferred Tax Liabilities	NIL	NIL

"The Company's claim of unabsorbed depreciation is supported by the decision of the Honourable Bombay High Court in the case of Hindustan Petroleum Corporation Ltd reported in 187 ITR 1." Additional deferred tax assets arising due to unabsorbed depreciation and carried forward business loss have not been recognised on grounds of prudence.

- 13 Segment information :

The Company is in the business of manufacturing and sale of cement and clinker which is considered to constitute one single primary segment.

In respect of geographical segments:

	2008 - 2009		2007 - 2008	
	In India	Outside India	In India	Outside India
Revenue *	32,152.12	2039.59	28,365.34	485.85
Assets (Debtors)	592.36	833.59	782.83	Nil
Capital Expenditure	3,459.21	Nil	2,716.37	Nil

* Excludes self consumption for capital and revenue jobs Rs. 33.49 lacs (Previous Year Rs. 115.83 lacs)



14 “Related Party Disclosures” is as follows:

a) Names of the related parties and description of relationship:

Related Party	Relationship
Cimpor Inversiones S.A.	Holding Company (From March 25, 2008)
Cimpor Cimentos De Portugal SGPS, S.A.	Ultimate Holding Company (From March 25, 2008)
Scanang Trading Activities S. A. (Spain)	Fellow Subsidiary (From March 25, 2008)
Cimpor Services S. A. Liboa Portugal	Fellow Subsidiary (From March 25, 2008)
Mr. P.A.Nair	Whole Time Director
Mr. S. N. Malpani	Manager (Upto Sept. 08)
Grasim Industries Limited	Holding Company (Till March 24, 2008)
UltraTech Cement Ltd.	Fellow Subsidiary (Till March 24, 2008)

b) Details of Transactions:

(Rs. in lacs)

Nature of Transactions	Erstwhile Holding Company (Grasim Industries Ltd.) (Till March 24, 2008)	Key Management Personnel	Fellow Subsidiary Companies (UltraTech Cement Ltd.) (Till March 24, 2008)	Scanang Trading Activities S. A. (Spain) (From March 25, 2008)	Cimpor Services S. A. Liboa Portugal (From March 25, 2008)	Total
Purchase of Goods	-	-	-	-	-	-
	-	-	5.26	-	-	5.26
Sales of Goods	-	-	-	818.41	-	818.41
	1,628.52	-	291.21	-	-	1,919.73
Purchase of Fixed Assets	-	-	-	-	-	-
	0.02	-	-	-	-	0.02
Rental and Maintenance Charges	-	-	-	-	-	-
	2.33	-	21.13	-	-	23.46
Inter corporate deposit / loan taken	-	-	-	-	-	-
	2,650.00	-	-	-	-	2,650.00
Inter corporate deposit / loan and debentures repaid	-	-	-	-	-	-
	9,001.46	-	-	-	-	9,001.46
Reimbursement of Travelling Exp.	-	-	-	-	5.57	5.57
	-	-	-	-	-	-
Remuneration Paid (Refer note 13)	-	46.67	-	-	-	46.67
	-	19.60	-	-	-	19.60
Interest (See note 4 above)	-	-	-	-	-	-
	4,332.68	-	-	-	-	4,332.68
Other Receivables as at the year end	-	-	-	821.31	-	821.31
	3.73	0.08	0.01	-	-	3.82
Other Payables as at the year end	-	-	-	-	-	-
	6.25	-	-	-	-	6.25

Figures in italics relate to the previous year.

15 Quantitative Information pursuant to the provisions of part II of Schedule VI to The Companies Act, 1956.

a) Licensed and installed capacity and production :

	2008 - 2009		2007 - 2008	
	Installed*	Production	Installed*	Production
Cement (Tonnes) Dry Process Unit	875,000	898,244	875,000	805,347
Cement (Tonnes) Wet Process Unit	200,000	-	200,000	-
Total	<u>1,075,000</u>	<u>898,244</u>	<u>1,075,000</u>	<u>805,347</u>

Notes:

- Licensed capacity per annum has not been indicated due to abolition of Industrial license as per Notification No. S.O. 477(E) dt. 25th July, 1991, issued under the Industrial (Development and Regulation) Act, 1951.
- * As certified by the Management and accepted by the Auditors without verification as it is a technical matter.

SHREE DIGVIJAY CEMENT CO. LTD.

b) Sales:

	2008 - 2009		2007 - 2008	
	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)
Cement *	899,455.55	32,970.53	797,414.14	28,365.34
Clinker	48,566.00	1,221.18	31,500.00	485.85
Total	<u>948,021.55</u>	<u>34,191.71</u>	<u>828,914.14</u>	<u>28,851.19</u>

* Excludes Cement Samples, Transit loss, damages/shortages 15 MT (*Previous year 5.45 MT*) and Clinker 26.79 MT.

* Excludes self consumption for Capital and Revenue Jobs 1158.86 MT (*Previous Year 4,009.41 MT*).

c) Stock:

	Opening Stock				Closing Stock			
	01.04.2008		01.04.2007		31.03.2009		31.03.2008	
	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)
Cement	18,394	574.50	14,476	346.17	16,009	384.96	18394	574.50
Clinker	*	*	*	*	*	*	*	*
Total		<u>574.50</u>		<u>346.17</u>		<u>384.96</u>		<u>574.50</u>

* held as stock in trade for captive consumption.

d) Raw materials consumed:

	2008 - 2009		2007 - 2008	
	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)
Lime Stone	1,209,585	3,573.30	1,042,370	2,968.93
Gypsum	52,808	417.72	49,107	373.33
Others	*	841.59	*	573.28
Total		<u>4,832.61</u>		<u>3,915.54</u>

* comprise dissimilar items which cannot be practicably aggregated.

e) Value of imported and indigenous raw materials, spare parts and components consumed:

	2008-2009				2007-2008			
	Raw Material		Stores, Spare Parts & Components etc.*		Raw Material		Stores, Spare Parts & Components etc.*	
	Value (Rs. in lacs)	% of total Consumption	Value (Rs. in lacs)	% of total Consumption	Value (Rs. in lacs)	% of total Consumption	Value (Rs. in lacs)	% of total Consumption
Imported	-	-	72.28	3.01	-	-	29.35	1.28
Indigenous	4,832.61	100.00	2,332.10	96.99	3,915.54	100.00	2,260.02	98.72
Total	<u>4,832.61</u>	<u>100.00</u>	<u>2,404.38</u>	<u>100.00</u>	<u>3,915.54</u>	<u>100.00</u>	<u>2,289.37</u>	<u>100.00</u>

f) C.I.F.Value of Imports:

	Rs. in lacs	
	2008 - 2009	2007 - 2008
Coal	5,006.64	3,728.55
Components & Spare parts	393.97	951.66

g) Expenditure in foreign currencies (in rupee equivalent):

	Rs. in lacs	
	2008 - 2009	2007 - 2008
Travelling Expenses	23.96	1.14
Others	8.20	0.13

h) Earnings in foreign currency:

F.O.B. value of Exports Rs.2039.59 lacs (*Previous year Rs.485.85 lacs*)



16 Earnings per Share:

(Rs. in lacs)

	2008 - 2009	2007 - 2008
Profit/(loss) attributable to Equity Shareholders	2,166.45	(1,402.14)
Weighted average No. of Equity Share for Basic EPS (Nos)	141,640,610	141,640,610
Nominal Value of Equity Per Share (in Rs.)	10	10
Basic & Diluted Earning Per Share (in Rs.)	1.53	(0.99)

Note :

The Compulsary Convertible Preference Shares (CCPS) outstanding as at March 31, 2009 are not considered as dilutive since the contracted / expected conversion value is in excess of the average fair value of the equity shares of the Company, as at the balance sheet date.

17 Auditors' Remuneration

(Rs. in lacs)

	2008 - 2009	2007 - 2008
Audit Fees	6.00	6.00
Tax Audit Fees	1.00	1.00
Reimbursement of expenses	1.82	1.02
Other Services	8.75	5.53
Total	17.57	13.55

Note : Above figures are excluding service tax as the same has been claimed as input tax credit by the Company.

18 Employee Benefit Obligations :

Defined-Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund, family pension and superannuation fund. Provident fund and family pension fund cover substantially all regular employees while the superannuation fund covers certain executives. Contributions are paid during the year into separate funds under certain fiduciary-type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund, contributions into the family pension fund and the superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

A sum of Rs. 141.15 lacs (Previous Year Rs. 149.04 lacs) has been charged to the revenue account in this respect.

Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) and a Benefit. Benefits under the defined benefits plans are typically based either on years of service and the employee's compensation (generally immediately before retirement.) [Both the Gratuity and benefit substantially covers all regular employees]. In the case of the gratuity scheme, the Company contributes funds to a Gratuity Trust, which is irrevocable, while the leave encashment scheme is not funded. Commitments are actuarially determined at year-end. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the profit and loss account.

The net value of the defined-benefit commitment is details below:

(Rs. In lacs)

Particulars	Gratuity (Funded Plan)	
	31/03/2009	31/03/2008
Present Value of Commitments	805.80	727.97
Fair Value of Plan Assets	(713.21)	(646.69)
Net liability in the balance sheet	92.59	81.28

SHREE DIGVIJAY CEMENT CO. LTD.

Defined benefit commitments : (Rs. In lacs)

Particulars	Gratuity (Funded Plan)	
	2008-09	2007-08
Opening balance as at 1st April, 2008	697.88	479.57
Benefits earned during the year	-	-
Current Service Cost	53.51	49.90
Interest expenses	55.83	38.37
Paid benefits	(57.28)	(45.98)
Actuarial (gain) / loss	19.79	176.02
Closing balance - As per Actuarial Valuer Certificate	769.73	697.88
Add : Unpaid Gratuity as at 31st March, 2009	36.12	30.09
Closing Liability	805.85	727.97

Plan assets: Gratuity : (Rs. In lacs)

Particulars	2008-09		2007-08	
	Opening balance as at 1st April, 2008	616.69	469.58	
Expected return on scheme assets	58.47	44.32		
Contributions by the Company (including cheque in transit)	131.28	158.00		
Paid funds	(57.28)	(45.98)		
Actuarial gain / (loss)	(56.20)	(9.23)		
Balance with the Trust as at 31st March, 2009	692.96	616.69		
Add : Cash & Bank Balance (Incl. Cheques on Hand) as at 31st March, 2009	20.25	30.00		
Closing balance - As per Actuarial Valuer Certificate	713.21	646.69		

Return on plan assets: Gratuity : (Rs. in lacs)

Particulars	2008-09		2007-08	
	Expected return on plan assets	58.47	44.32	
Actuarial gain / (loss)	(56.20)	(9.23)		
Actual return on plan assets	2.27	35.09		

Expenses on defined benefit plan: (Rs. In lacs)

Particulars	Gratuity (Funded Plan)	
	2008-09	2007-08
Current service costs	53.51	49.90
Past service cost	-	-
Interest expense	55.83	38.38
Expected return on investment	(58.47)	(44.32)
Net actuarial (gain) / loss	76.00	185.24
Expenses charged to the profit and loss account	126.87	229.19
Add : Payment made directly by the company	-	14.02
Expense charged to the profit and loss account	126.87	243.21

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which is changed, would affect the defined benefit commitment's size, funding requirements and pension expense.

Particulars	2008-09	2007-08
Rate for discounting liabilities	7.50%	8%
Expected salary increase rate	7%	7%
Expected return on scheme assets	9.35%	8.51%
Mortality rates	LIC 1994-96 ultimate table	LIC 1994-96 ultimate table



Investment Details	% Invested	
	2008-09	2007-08
Government of India Securities	29.86	28.60
Public Sector Unit Bonds	43.22	34.79
State / Central Guaranteed Securities	11.02	17.82
Private Sector Bonds	15.90	11.37
Other (Including bank balances)	-	7.42
	100.00	100.00

Experience adjustment :

(a) Gratuity

	Rs. in lacs	
	2008-09	2007-08
Defined benefit obligation	769.73	697.88
Plan asset	692.96	616.69
Experience adjustment on plan assets	(56.20)	(9.23)
Experience adjustment on plan liabilities	19.79	176.02

* The Company adopted AS - 15 w.e.f 1/4/2007. The figures in respect of earlier periods are not available.

The estimates of future salary increases, considered in the actuarial valuation, taken into account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

The contributions expected to be made by the Company during the financial year 2009-10 amounts to Rs. 106.46 lacs.

- 19 The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below. Amounts receivable in foreign currency on account of the following :

Particulars	As at			
	31.03.2009		31.03.2008	
	Rupees lacs	Fx lacs	Rupees lacs	Fx lacs
Export of goods and services	821.31	USD 16.12	-	-

Amounts payable in foreign currency on account of the following :

Particulars	As at			
	31.03.2009		31.03.2008	
	Rupees lacs	Fx lacs	Rupees lacs	Fx lacs
Internet Services	5.19	EUR 0.08	-	-
Purchase of Software	41.90	EUR 0.62	-	-

Note : Fx = Foreign Currency; USD = US Dollar; EUR = Euro

20. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the classification of the current year.

Signature to Schedules 1 to 19

Leonard D' Costa	}	Directors
Napoleon De la Colina		
Robert Pavrey		
Alvaro Joao Serra Nazare		

P. A. Nair - CEO & Whole time Director

Mumbai
12th May, 2009

G.D. Gupta
AVP (Comm & Finan.)

S.N. Malpani
Co.Secretary

Rui Duarte
Finance Head

SHREE DIGVIJAY CEMENT CO. LTD.

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2009

	(Rs. in lacs)	
	2008-09	2007-08
(A) Cash flow from Operating Activities		
a. Net Profit /(Loss) before tax and exceptional items:	2,185.08	3,402.29
Adjustment for:		
Depreciation	671.11	631.76
Interest	1,094.85	74.90
Provisions/write off for doubtful bad debts and advances	0.90	-
Liabilities no longer required w/back	(54.46)	(114.46)
Excess/(short) provisions (Net)	(6.80)	(0.06)
Exchange (Gain)/Loss	(2.90)	(2.70)
(Profit)/Loss on sale/discard of fixed assets/ Stock (Net)	20.04	1.86
Interest/Dividend Income	(75.82)	(0.61)
Provisions for doubtful debts written back	(12.63)	(18.05)
b. Operating profit before working capital changes	<u>3,819.37</u>	<u>3,974.93</u>
Adjustment for:		
Trade and other receivables	(398.75)	2,693.82
Inventories	(424.86)	(521.76)
Trade payables	477.73	105.59
c. Cash generated from operations	<u>3,473.49</u>	<u>6,252.58</u>
Direct taxes paid	(17.09)	(14.04)
Fringe Benefit Tax Paid	(20.63)	(31.69)
Cash from operating activities before exceptional items	<u>3,435.77</u>	<u>6,206.85</u>
d. Exceptional item	-	(441.48)
Net cash flow from operating activities	3,435.77	5,765.37
(B) Cash flow from Investing Activities		
Fixed Deposits (created)/matured placed as Margin Money/having maturity of more than 3 months	(2.22)	(65.56)
Sale of Fixed Assets	14.05	6.87
Interest received	27.28	0.51
Dividend received	38.54	-
Purchase of Investment	(1,786.77)	-
Purchase of fixed assets	(2,015.45)	(2,672.05)
Net Cash used in Investing Activities	(3,724.57)	(2,730.23)
(C) Cash flow from Financing Activities		
Issue of Shares	8,700.00	3.87
Proceeds from borrowings	-	12,650.00
Repayment for borrowings	-	(9,921.21)
Interest paid - Exceptional item	-	(4,332.68)
Interest paid	(1,094.94)	(54.67)
Net Cash flow from Financing Activities	7,605.06	(1,654.69)



(D) Net increase/(decrease) in Cash & Cash equivalents	7,316.26	1,380.45
<u>Cash & Cash equivalents at beginning of the year</u>		
Cash balance & Cheque on hand	22.06	3.11
Bank balance in current account	1,575.23	212.11
Bank balance in Fixed Deposit account	-	1.62
	1,597.29	216.84
<u>Cash & Cash equivalents at end of the year</u>		
Cash balance & Cheque on hand	2.53	22.06
Bank balance in current account	211.02	1,575.23
Bank balance in Fixed Deposit account	8,700.00	-
	8,913.55	1,597.29
Net Increase in Cash & Cash equivalents	7,316.26	1,380.45
Cash and cash equivalents as above	8,913.55	1,597.29
Balances with Schedule Banks :		
In Fixed Deposit Accounts (over three months maturity)	1.78	1.78
In Fixed Deposit Accounts as Margin Money against Bank Guarantees	68.00	65.78
CASH AND BANK BALANCE AS PER SCHEDULE 8	8,983.33	1,664.85

Footnote : Previous year figures have been regrouped /rearranged wherever necessary.

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Leonard D' Costa

Napoleon De la Colina

Robert Pavrey

Alvaro Joao Serra Nazare

Directors

P. A. Nair - CEO & Whole time Director

Mumbai
12th May, 2009

G.D. Gupta
AVP (Comm & Finan.)

S.N. Malpani
Co.Secretary

Rui Duarte
Finance Head

SHREE DIGVIJAY CEMENT CO. LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	749/TA	State Code	04
Balance Sheet Date	31.03.2009		

II. Capital Raised during the period (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	870000**

** Preference Share allotment under Section 81(1A) of the Companies Act.1956

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	3297981	Total Assets	3297981
Sources of Funds			
Paid up Capital	2283751	Reserves & Surplus	14230
Secured Loans	Nil	Unsecured Loans	1000000
Application of Funds			
Net Fixed Assets	1106622	Investments	178842
Net Current Assets	1089993	Misc. Expenditure	Nil
Deferred Tax Assets (Net)	Nil	Accumulated Losses	922524

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	3419171	Total Expenditure	3200663
Profit/Loss before Tax	218508	Profit/(Loss) after Tax	216645
Earning Per Share (in Rs.)	1.53	Dividend Rate %	Nil

V. Generic Names of three Principal Products of the Company

Item Code No. (ITC Code)	Products Description
1. 252329.01	Grey Portland Cement
2. 252310.00	Cement, Clinker

Leonard D' Costa	}	Directors
Napoleon De la Colina		
Robert Pavrey		
Alvaro Joao Serra Nazare		

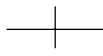
P. A. Nair - CEO & Whole time Director

Place : Mumbai
Date : 12th May, 2009

G.D. Gupta
AVP (Comm & Finan.)

S.N. Malpani
Co.Secretary

Rui Duarte
Finance Head



KAMAL CEMENT



SHREE DIGVIJAY CEMENT CO. LTD.

Registered Office: Digvijaygram 361 140
Via: Jamnagar (Gujarat)

ATTENDANCE SLIP

[To be handed over at the entrance of the Meeting Hall]

Name of the Attending Member

Name of the Proxy

[To be filled in, if the Proxy attends the meeting instead of the member]

I/We hereby record my/our presence at the 64th Annual general Meeting of the Company to be held on Wednesday, the 24th June, 2009 at 03:00 PM at Digvijaygram, Via: Jamnagar (Gujarat)

Member's Folio No. / Client ID No. /DP ID No.....

Number of Shares held

(Member's / Proxy's Signature)

Note: Members are requested to bring their copy of the Annual Report at the meeting.



SHREE DIGVIJAY CEMENT CO. LTD.

Registered Office: Digvijaygram 361 140
Via: Jamnagar (Gujarat)

FORM OF PROXY

I / We of being a member / members of Shree Digvijay Cement Co. Ltd., hereby appointof or failing him of as my / our proxy to vote for me / us on my / our behalf at the 64th Annual General Meeting of the Company to be held on Wednesday, the 24th June, 2009 at 03:00 PM or on any adjournment thereof.

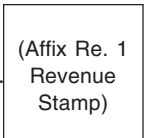
Signed this day of 2009

Proxy No.

Member's Folio No. / Client ID No. /DP ID No.....

Number of Shares held

Signature.....



Note:

The Proxy duly completed must be returned so as to reach at the Registered Office of the Company not less than 48 hours before the time of holding of the aforesaid meeting. The Proxy need not be a member of the Company.