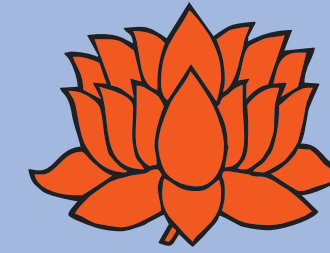
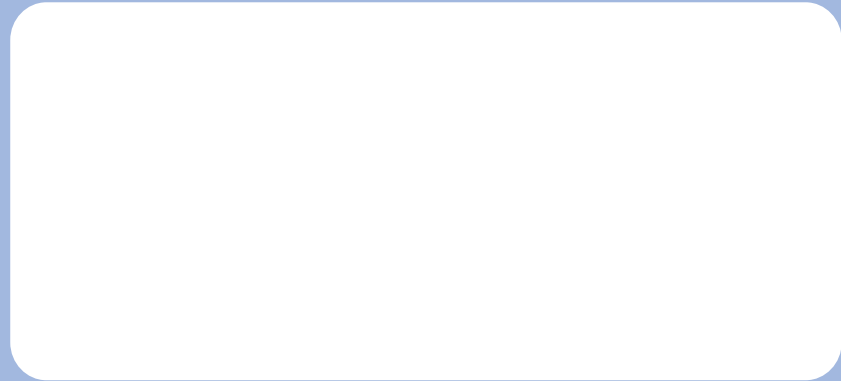


BOOK - POST



KAMAL CEMENT

# SHREE DIGVIJAY CEMENT CO. LTD.

## Annual Cement Capacity 35.5 M ton/year

Countries	Portugal	Spain	Cape Verde	Morocco	Egypt	Tunisia	Turkey	Brazil	South Africa	Mozambique	India	China
Capacity	7,2Mt	3,1Mt	.. Mt	1,3Mt	4,0Mt	1,7Mt	3,0Mt	6,5Mt	1,5Mt	0,7Mt	1,1Mt	5,3Mt



### CIMPOR PRESENCE IN THE WORLD

## 66<sup>th</sup> Annual Report and Accounts 2010



If undelivered, please return to :  
**SHREE DIGVIJAY CEMENT CO. LTD.**  
 Digvijaygram - 361 140  
 Via : Jamnagar (Gujarat)

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## SHREE DIGVIJAY CEMENT CO. LTD.

### BOARD OF DIRECTORS

Mr. Leonard D' Costa - Chairman  
Mr. Jorge Manuel Tavares Salavessa Moura  
(Till 29<sup>th</sup> July 2010)  
Mr. Alvaro Joao Serra Nazare  
Mr. Robert Pavrey  
Mr. Napoleon De la Colina  
Mr. Luis Filipe Sequeira Martins  
Mr. P. A. Nair – CEO & 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  
(Till 29<sup>th</sup> July 2010)

#### 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  
(Till 29<sup>th</sup> July 2010)  
Mr. P. A. Nair

#### COMPANY SECRETARY

Mr. S. N. Malpani

### EXECUTIVES

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

### AUDITORS

M/S Deloitte Haskins & Sells  
Chartered Accountants  
(ICAI Registration No. 117366W)  
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

### 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 Mills Compound  
LBS Marg, Bhandup (West)  
Mumbai 400 078

## SHREE DIGVIJAY CEMENT CO. LTD.

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### NOTICE

**NOTICE** is hereby given that the **Sixty-sixth** Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT COMPANY LIMITED** will be held at the Registered Office of the Company at **DIGVIJAYGRAM** 361 140 Via: Jamnagar, Gujarat on Thursday, the 28<sup>th</sup> day of April 2011 at 04.30 PM (16.30 Hrs.) to transact with or without modifications as may be permissible, the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Profit and Loss Account for the year ended 31<sup>st</sup> December, 2010 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 him self for re-appointment.
3. To appoint a Director in place of Mr. Robert Pavrey, who retires from office by rotation, and being eligible, offers him self for re-appointment.
4. 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: 8<sup>th</sup> February, 2011

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 21<sup>st</sup> April 2011 to 28<sup>th</sup> April 2011 (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: 8<sup>th</sup> February, 2011

S. N. Malpani  
Company Secretary



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 66<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> December, 2010.

### FINANCIAL RESULTS

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

(Rs. In lacs)

	Current Year Ended 31.12.2010 (12 months)	Previous Period Ended 31.12.2009 (9 months)
<b>Gross Turnover</b>	<b>32453</b>	28571
<b>Profit before Interest Depreciation, Exceptional Item &amp; Tax)</b>	<b>2424</b>	4398
Less: Interest	34	176
Less: Depreciation	<b>938</b>	622
<b>Profit after Interest &amp; Depreciation but before Exceptional Item &amp; Tax</b>	<b>1452</b>	3600
Less: Exceptional Item	<b>(1246)</b>	0
<b>Profit from ordinary activities before Tax</b>	<b>206</b>	3600
Provision for Current Tax(MAT)	<b>(106)</b>	(29)
<b>Net Profit for the year/ period</b>	<b>100</b>	3571
Balance brought forward from previous year	<b>(5655)</b>	(9226)
<b>(LOSS) CARRIED OVER</b>	<b>(5555)</b>	(5655)

### FINANCIAL PERFORMANCE

The working results for the year under report show a sharp set back. Turnover is negative by about 15% (on annualized basis) in comparison with previous year. Contribution also squeezed under pressure of rising costs and falling price line, consequent to entry of two new players in the market. Demand was also lower than normal because of abnormally heavy and longer monsoon.

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

### DIVIDEND

In view of accumulated losses, the Board of Directors does not recommend any dividend on Share Capital.

## PRODUCTION AND SALES

Production and Sales during the year under review are as under:

(In lacs MT)

	Current Period ended 31.12.2010 (Jan. 2010 to Dec. 2010)	Corresponding Period of previous year (Jan. 2009 to Dec. 2009)	Previous Year ended 31.12.2009 (Apr. 2009 to Dec. 2009)
<b>Production:</b>			
• Clinker	9.09	9.95	7.54
• Cement	9.05	10.45	7.58
<b>Sales:</b>			
• Clinker	0.47	0.77	0.77
• Cement	9.02	10.50	7.64

Clinker production was lower, mainly because of unprecedented heavy monsoonic rain, disturbing plant operations. Cement production was also circumscribed by limitation on sales front.

Your Company has exported 0.47 lacs MT Clinker (as against 0.77 lacs MT in the corresponding period). There was no Cement export during the year.

### DIRECTORS

Mr. Alvaro Joao Serra Nazare and Mr. Robert Pavrey, directors of the Company 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 above mentioned Directors being appointed are attached to the Notice for the ensuing Annual General Meeting.

Mr. Jorge Manuel Tavares Salavessa Moura resigned from the Board of the Company. The Board records, with appreciation, his advice and guidance.

### 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.

## SHREE DIGVIJAY CEMENT CO. LTD.

### 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 31<sup>st</sup> December 2010. The appointment has been approved by the Central Government.

### PARTICULARS OF EMPLOYEES

The Particulars of employees, required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this Report. However in pursuance of Section 219(1)(b)(iv) of the Act, this report is being sent to all shareholders of the Company, excluding the aforesaid information and the said particulars are available at the Registered Office of the Company. The members interested in obtaining such particulars may write to the Secretarial Department at the Registered Office of the Company.

### ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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 provide 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 as on 31<sup>st</sup> December 2010 and of the profit of the Company for that Year;

- (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

Your Company is regularly working in the areas of Health Care, Education etc in discharging of its social obligations. During the year under report, it has conducted Medical Camps, Rural Education and various awareness programmes benefiting to the residents of nearby areas, 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.

### ACKNOWLEDGEMENT

The Directors take this opportunity to express their appreciation for the support and co-operation received from the State and Central Government 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: 23<sup>rd</sup> February, 2011



## MANAGEMENT DISCUSSIONS & ANALYSIS

### BUSINESS & FINANCIAL PERFORMANCE REVIEW

#### Capacity utilization

	Current year Jan. 2010 to Dec. 2010 (12 Months)	Previous period Apr. 2009 to Dec. 2009 (9 Months)
Installed Capacity (Lac. TPA)*	10.75	8.06
Production (Lac. Ton)		
Clinker	9.09	7.54
Cement	9.05	7.58
Effective Capacity utilization@	88.60%	103.64%
Sales Volume (Lac. Ton)	9.49	8.41
Domestic — Cement	9.02	7.64
Export — Clinker	0.47	0.77
Net Cement Sales Realization (Rs./ MT)	3163	3256

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

@ Effective capacity utilization = Cement Production + Clinker sold

There was heavy rain fall of about 85" as against 20" average rainfall in the region. Adverse effect thereof was felt on consistency of plant operations, particularly during the second half of the year causing impact on capacity utilization of the plant.

#### Financial Highlights

(In Rs. Lacs)

	Current year Jan. 2010 to Dec. 2010 (12 Months)	Previous Period Apr. 2009 to Dec. 2009 (9 Months)
Net Sales/Income from Operations	29366	26328
Other operating Income	357	227
Total Expenditure	27427	22270
<b>Profit from operations before other income, interest, Depreciation &amp; Exceptional item</b>	2296	4285
Other Income	128	113
<b>Profit before interest, Depreciation &amp; Exceptional item</b>	2424	4398
Interest	34	176
Depreciation	938	622

	Current year Jan. 2010 to Dec. 2010 (12 Months)	Previous Period Apr. 2009 to Dec. 2009 (9 Months)
<b>Profit after interest, Depreciation but before Exceptional item</b>	1452	3600
Less: Exceptional item	(1246)	0
Profit from ordinary activities before Tax	206	3600
Provision for current tax (MAT)	(106)	(29)
<b>Net Profit for the year/period after tax</b>	100	3571

Previous year figures have been regrouped wherever necessary.

#### Turnover, Operating Profit (PBIDT) & Margin

Sales turn over came down both in terms of volume and value. It is lower by about 15% in comparison with previous year (on annualized basis). On the other hand, input costs registered increases all around – particularly in power by about 20%, in Coal by about 11%. The price increase coupled with poorer technical performance, originating increase in unit consumption of power and fuel, together with lower sales at reduced realization have squeezed the profit margin drastically from 17 % in previous year to 8% during the year under report. As referred already, the entry of two new players in the market and the lower than normal demand because of abnormally heavy and longer monsoon were the main causes for reduced realization.

#### Exceptional item

During the year, the Company has provided a sum aggregating Rs. 1245.55 lacs towards interest and penalty on electricity duty claimed by the Collector of Electricity Duty for the period commencing on 1<sup>st</sup> October, 2000 and ending on 31<sup>st</sup> December 2010, on the basis of revised claim notice received during the year.

#### Income Tax

A sum of Rs. 106 lacs has been provided towards Minimum Alternate Tax (MAT) for the year under report.



## SHREE DIGVIJAY CEMENT CO. LTD.

### Cash Flow Analysis

	(In Rs. Lac)	
	Current year Ended 31.12.2010 (12 Months)	Previous Period ended 31.12.2009 (9 Months)
<b>Source of Cash</b>		
Cash from Operation before working capital changes	2327.90	4386.06
Non-operating Cash Flow	132.45	117.82
Investment (Net)	2185.89	(1751.14)
<b>Total</b>	<b>4646.24</b>	<b>2752.74</b>
<b>Use of Cash</b>		
Capital Expenditure (net)	1674.60	1697.94
Repayment of Bank balance as per books	130.73	(61.20)
Decrease in Debt	0.00	10000.00
Interest Paid	0	165.39
Taxes Paid	120.79	173.69
Increase/(Decrease) in Working Capital (Net)	2489.06	(392.25)
Increase/(Decrease) in Cash equivalents	231.06	(8830.83)
<b>Total</b>	<b>4646.24</b>	<b>2752.74</b>

(Previous year figures have been regrouped wherever necessary)

#### Cash from Operations

Cash from operation during the year under report was at Rs. 2327.90 lacs as against Rs. 4386.06 lacs in previous period. The reduction in cash from operation by about 47% was because of decrease in operating profit for lower sales volume, unit realisation and operating margin.

#### Non-operating Cash Flow

Non operating cash flow of Rs. 132.45 lacs includes mainly dividend income of Rs.109.69 lacs, interest income of Rs. 15.99 lacs and sale of fixed assets Rs. 5.51 lacs.

#### Capital Expenditure

During the year under report, the Company has incurred capital expenditure of Rs. 1674.60 lacs for installation of Fly ash handling system, SAP implementation and Waste Heat Recovery Power project.

#### Increase / Decrease in Working Capital

Increase in working capital is on account of higher inventory of Coal, Clinker and other process materials (net of decrease in debtors).

#### Finance

Your Company has not raised any long term finance during the year under report. The Company had raised Rs. 8700 lacs on 8<sup>th</sup> March, 2009 through preferential allotment of 6% Non-cumulative Compulsory Convertible Preference Shares [CCPS] to Cimpor Inversiones S.A, [Cimpor], the Holding Company. The said CCPS were compulsory convertible in to Equity Shares in accordance with the guideline within 18 months from the date of allotment i. e. by 8<sup>th</sup> September, 2010. As Cimpor expressed their unwillingness to exercise its right to convert CCPS in to Equity Shares because it could not under took the steps to enable them to get the CCPS

converted in to Equity Shares without breaching the minimum public share holding threshold. Accordingly, the CCPS lapsed on completion of the specified period with extinguishment of Cimpor's conversion right and the amount of Rs. 8700 Lacs from Preference Share Capital was transferred to Capital Reserve of the Company.

#### SEGMENT REVIEW AND ANALYSIS

It is a single product Company

#### OUTLOOK

In view of good monsoon and ongoing developmental activities in Infrastructural segment, the demand for Cement in the year 2011 is likely register a moderate growth in the State of Gujarat – the home market for your Company. However, new entrants with increased capacities in the State/ adjoining States will have adverse effect on inter regional movement as also on price sentiments.

#### 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 Coal and 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 31<sup>st</sup> December, 2010 was 503 employees. (Previous year as on 31<sup>st</sup> December, 2009 was 537)

#### RISK MANAGEMENT

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing / mitigating the same. 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 been acted upon by your Company are: Securing critical resources; ensuring sustainable plant operations; ensuring cost competitiveness including logistics; completion of CAPEX; maintaining and enhancing customer service standards and resolving environmental and safety related 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, natural calamities, monsoon, economic developments within the country and other factors.





**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 31<sup>st</sup> December, 2010.**

**Particulars**

**A. CONSERVATION OF ENERGY**

- |  |  |
|--|--|
| a. Energy conservation measures taken  | <ol style="list-style-type: none"> <li>1. Replacement of Cooler ESP Inlet Duct to reduce the entry of false air.<br/>Benefits: The loading on cooler ID fan reduced to 110 KW from 160 KW yielding saving of 50 KW power, Rs. 8.31 lacs.</li> <li>2. Replacement /Repairing of Raw mill Six cyclone Structures to avoid false air entry into ESP fan circuit.</li> <li>3. Installation of Additional Capacitors (11KV) on Grid incoming power to improve the Power factor to 0.995 Benefits: Rs. 36.66 lacs.</li> <li>4. Replacement of Kiln tyre no-2 and kiln shell to avoid frequent breakdowns of kiln shell cracking.</li> <li>5. Installation of VFD in place of DC drives at Reclaimer to avoid the frequent feed cut problem of raw mill.</li> <li>6. Installation/Repairs of LT capacitors at KCP and crusher section to maintain power factor to unity.</li> </ol> |
| b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy                                    | Installation of waste heat recovery power plant of capacity 8.25 MW.   |
| c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. | Saving of Rs. 45.97 lacs   |

**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"> <li>1. Installation of Capacitor bank with detuned filters of 800 KVAR (03 Nos) capacity to be installed at PCC of MPSS-1 to maintain DG set power factor to 0.95</li> <li>2. Company is associated with National Council for cement &amp; Building Materials for research and development activities.</li> <li>3. 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.</li> </ol> |
| b. Benefits derived as a result of the above R&D            | <ol style="list-style-type: none"> <li>1. The losses in the System will reduced up to 2 %.</li> <li>2. Enhancement of product quality and enhanced consistency of product quality.</li> <li>3. Manufacturing of special cements as import substitutes and for specific customers requirements.</li> <li>4. Motivation towards technical knowledge and competency development of employees.</li> </ol>   |
| c. Future plan of action                                    | <ol style="list-style-type: none"> <li>1. Commissioning of waste heat recovery power plant.</li> <li>2. Increase in quantity of PPC cement thus consuming more fly-ash and helping in conservation of minerals required for cement production.</li> </ol>   |
| d. Expenditure on R & D                                     | (Rs. In Lacs)   |
|   | 1. Capital Nil  |
|   | 2. Recurring Negligible   |
|   | 3. Total R & D expenditure as a percentage of total turnover Negligible   |

## SHREE DIGVIJAY CEMENT CO. LTD.

### FORM "A"

#### Form for disclosure of particulars with respect to Conservation of Energy

		Current Year 2010 (12 Month )	Previous Year 2009 (9 Month)
<b>A) POWER &amp; FUEL CONSUMPTION:</b>			
<b>1) Electricity:</b>			
<b>(a) Purchased (PGVCL)</b>			
Unit KWH	Lacs	342	32
Total Amount	Rs. Lacs (Including Connection & Demand charges )	2121	278
Rate per Unit	Rs.	6.20	8.64
<b>(b) Own Generation:</b>			
Through Diesel/Furnance Oil Genset			
Units KWH (Gross)	Lacs	703	825
Units per Ltrs of Diesel/Furnance Oil	Kwh	4.35	4.36
Cost per Unit ( Net ) (Furnace oil & Electricity duty)	Rs.	6.24	5.81
<b>2) Coal for Kilns (Various grades)</b>			
Quantity	In Thousand Tonne	132	109
Total Cost	Rs. In lacs	6610	4914
Average Rate	Rs Per tonne	5011	4516
<b>3) Furnance Oil / HSD (For power generation)</b>			
Quantity	K Ltrs	16187	18915
Total Cost	Rs. In lacs	3959	3858
Average Rate	Rs./ Ltr	24.46	20.40
<b>B) CONSUMPTION PER UNIT OF PRODUCTION:</b>			
	Standard (if any)		
a) Electricity / kwh / Tonne of Cement	120	103.81	101.70
b) Coal Clinker (K.Cal/kg Clinker )	800	835	811

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 28<sup>TH</sup> APRIL 2011

Name of Director	Mr. Alvaro Joao Serra Nazare	Mr. Robert Pavrey
Date of Birth	8th September, 1941	16th March 1962
Date of Appointment	7th January, 2008	25th March 2008
Qualification	Engineering	Company Secretary
Experience in specific functional area	Cement Industry	Company Secretary in practice
List of outside Company Directorship held.	<b>Member of the Board of Directors:</b> 1. New Liu Yuan Cement, China. 2. Nanda Cement, China.	<b>Member of the Board of Directors:</b> 1. Adept Financial & Consultancy Services.Pvt.Ltd 2. AFI India Services P.Ltd. 3. Alliance Bernstein Inv.Research and Management India Pvt.Ltd. 4. BAM India Advisory P.Ltd. 5. Brightlights Support Services India Pvt.Ltd. 6. Cleargrip Hospitality & Entertainment P.Ltd. 7. Deva Capital Management Advisors P.Ltd. 8. Global Development Capital Manage.P.Ltd. 9. JBM Software Development P.Ltd. 10. Premanand Micro Financing (Section 25) 11. PCA Advisors India Pvt.Ltd. 12. Smarteye Systems India Pvt.Ltd. 13. SMI New Quest India Pvt.Ltd. 14. Sun Night Solar Pvt.Ltd. 15. Strategic Human Resource Man.I.P.Ltd. 16. Sevanah Seeds Pvt.Ltd.
Chairman / Member of the Committee of the Board of Directors of the Company.	NIL	<b>Audit Committee - Member</b> <b>Remuneration Committee - Member</b> <b>Share Transfer &amp; Shareholders / Investors Grievance Committee: Chairman</b>
Chairman / Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL	NIL



## 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 6 (Six) 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 AGM \$
		Public	Private	Member	Chairman	held	attended	
Mr. Alvaro Joao Serra Nazare	Non-Executive	2	-	-	-	6	6	Yes
Mr. Robert Pavrey	Independent	-	16	-	-	6	6	Yes
Mr. P. A Nair	Executive	-	-	-	-	6	6	Yes
Mr. Leonard D' Costa	Independent	-	-	-	-	6	6	Yes
Mr. Napoleon De la Colina	Independent	1	1	-	-	6	5	Yes
Mr. Luis Filipe Sequeira Martins	Non-Executive	25	-	-	-	6	1	No
Mr. Jorge Manual Tavares	Non-Executive	N.A.	N.A.	-	-	6	0	No
Salavessa Moura (up to 29th July 2010)								

\$ held on 19<sup>th</sup> April, 2010. @ 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	90,000
Mr. Napoleon De la Colina	75,000
Mr. Robert Pavrey	90,000

*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*

## SHREE DIGVIJAY CEMENT CO. LTD.

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 2010 (January to December) are as follows:

Date of Board Meeting	City	No. of Directors Present
27 <sup>th</sup> January, 2010	Mumbai	5
9 <sup>th</sup> March, 2010	Digvijaygram	5
19 <sup>th</sup> April, 2010	Digvijaygram	5
29 <sup>th</sup> July, 2010	Mumbai	5
2 <sup>nd</sup> September, 2010	Mumbai	4
19 <sup>th</sup> October, 2010	Mumbai	6

### ● 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 CEO.

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 CEO 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](http://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 31<sup>st</sup> December 2010.

Place: Mumbai

P.A. Nair

Date: 23<sup>rd</sup> February 2011

CEO

## 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 overseas the financial reporting process. The Audit Committee has three independent directors as members. 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 Period, the Audit Committee met 5 times to deliberate on various matters. The meetings were held on 27<sup>th</sup> January, 2010; 9<sup>th</sup> March, 2010; 19<sup>th</sup> April, 2010; 29<sup>th</sup> July, 2010 and 19<sup>th</sup> October, 2010. 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	5	5	75,000
Mr. Leonard D' Costa	5	5	75,000
Mr. Robert Pavrey	5	5	75,000

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 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. 13 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.*



## SHREE DIGVIJAY CEMENT CO. LTD.

### (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.

*The Company did not raise any capital during the year under report.*

### (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. 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 Discussions 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](http://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 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
2007-08	Registered Office, Digvijaygram	15 <sup>th</sup> September, 2008 – 11:00 A.M.
2008-09	Registered Office, Digvijaygram	24 <sup>th</sup> June, 2009 – 03:00 P.M.
2009	Registered Office, Digvijaygram	19 <sup>th</sup> April, 2010 - 03:00 P.M.

## SHREE DIGVIJAY CEMENT CO. LTD.

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 Postal 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](http://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 : **28th April 2011 at 4.30 PM**

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

### 2. Financial Calender

- Financial reporting and Limited Review for the quarter ending 31st March 2011  
- By 15th May 2011
- Financial reporting and Limited Review for the quarter ending 30th June 2011  
- By 15th August 2011
- Financial reporting and Limited Review for the quarter ending 30th September 2011  
- By 15th November 2011
- Financial reporting for the Year ending 31st December 2011  
- End February 2012
- Annual General Meeting for the year ending 31st December 2011  
- End April 2012

### 3. Dates of Book Closure

21st April 2011 to 28th April 2011  
(both days inclusive)

### 4. Registered Office & Works

Digvijaygram – 361 140,  
Via. Jamnagar (Gujarat)  
Telephone: (0288) 2344272-2344275  
Fax No.: (0288) 2344092 & 2344214  
Website: [www.digvijaycement.com](http://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.)
January-10	20.45	15.15
February-10	17.10	15.50
March-10	18	15.45
April-10	19.70	16.25
May-10	17.95	13.75
June-10	17.59	14.10
July-10	17.90	15.00
August-10	19.00	15.20
September-10	17.00	14.60
October-10	15.60	13.75
November-10	14.90	10.00
December-10	13.00	11.00

## 7. Registrars and Share Transfer Agents

Link Intime India Pvt. Ltd.  
(Unit :Shree Digvijay Cement Co.Ltd.)  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai 400 078  
Tel No.(022) 2596 3838  
Fax No.(022) 2594 6969  
E.mail [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

## 8 Investors Correspondence

- A) 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. Ltd.  
(Unit :Shree Digvijay Cement Co.Ltd.)  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai 400 078  
Tel No.(022) 2596 3838 Fax No.(022) 2594 6969  
E.mail: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)



B) For General Correspondence:  
The Company Secretary,  
Shree Digvijay Cement Co. Ltd.  
Digvijaygram – 361 140  
Via. Jamnagar, (Gujarat)  
Telephone: (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 December, 2010

Holding	Shareholders		No. of Shares	% of Share holdings
	Nos.	%		
0 - 500	20735	68.03	4456963	3.15
501 - 1000	4384	14.38	3852202	2.72
1001 - 5000	4246	13.93	9911035	7.00
5001 - 10000	639	2.10	4872255	3.45
10001 & above	477	1.56	118281823	83.68
Total	30481	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 December 2010, 140323676 equity shares of the company representing 99.26 % have been dematerialised.

#### 12 Registered Office & Works

Digvijaygram – 361 140  
Via. Jamnagar, (Gujarat)  
Telephone: (0288) 2344272-2344275  
Fax No. (0288) 2344092 & 2344214  
Website: www.digvijaycement.com

#### 13 Categories of Shareholding as on 31.12.2010

Category	No. of shares held	% of Shareholding
Promoters	104091537	73.63
NR & NRIs	1080261	0.76
Fin.Inst.& Banks etc.	31837	0.02
Corporates etc.	4171757	2.95
Public	31998886	22.64
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 period ended 31st December, 2010 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.

Dinesh Kumar Deora  
Company Secretaries in Practice  
Membership No. FCS 5683  
CP No. 4119

Place: Mumbai  
Date: 18<sup>th</sup> January, 2011

## 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 December, 2010, the Profit and Loss Account 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 the 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - (i) 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;
  - (ii) 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;
  - (iii) 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;
- (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- (v) 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:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> December, 2010;
  - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - (c) 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 the written representations received from the Directors as on 31<sup>st</sup> December, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> December, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 117366W)

Sanjiv V. Pilgaonkar  
Partner  
(Membership No.: 39826)

Mumbai,  
23<sup>rd</sup> February, 2011



## 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 the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, 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 inventory:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanation 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 explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed 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 explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and 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 not observed any major weakness 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 maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of cement companies 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. To the best of our knowledge and according to the information and explanations given to us,



## SHREE DIGVIJAY CEMENT CO. LTD.

- the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. Further as explained to us, no dues were payable during the period in respect of the Employees' State Insurance Scheme and Investor Education and Protection Fund.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance Scheme, Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> December, 2010 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Wealth Tax, Custom Duty and Cess which have not been deposited as on 31<sup>st</sup> December, 2010 on account of disputes are given below:

Statute	Nature of dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (net off amount deposited with Court) (Rs. in lacs)
Gujarat Sales Tax Act, 1969	Sales Tax	Deputy Commissioner	1992-1995	2.41
Rajasthan Sales Tax	Sales Tax	High Court - Jodhpur	1995-96 & 1997-98	5.74
Central Excise Act, 1944	Excise Duty	CESTAT Ahmedabad	2002-03	81.30
	Excise Duty	CESTAT Rajkot	2002-03	515.75
	Service Tax	CESTAT Ahmedabad	2005-06	17.63

- (x) The accumulated losses of the Company at the end of the financial year have not exceeded fifty percent of its net worth as at the year end covered by our audit. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (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) According to the information and explanations given to us, the Company has not obtained any term loan. Therefore, the provisions of paragraph 4 (xvi) of the Orders are not applicable to the Company.
- (xvii) According to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, funds raised on short term basis have, *prima facie*, not been used during the period for long term investment.
- (xviii) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act. Therefore, the provisions of paragraph 4(xviii) of the Order is not applicable to the Company.
- (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 (xix) 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 according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 117366W)

Mumbai,  
23<sup>rd</sup> February, 2011

Sanjiv V. Pilgaonkar  
Partner  
(Membership No.: 39826)

## SHREE DIGVIJAY CEMENT CO. LTD.

### BALANCE SHEET AS AT 31ST DECEMBER, 2010

	Schedules	As At 31/12/2010	(Rs. in lacs) As At 31/12/2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	14,137.51	22,837.51
Reserves and Surplus	2	8,842.30	142.30
<b>Loan Funds</b>			
Unsecured Loans	3	-	130.73
<b>TOTAL</b>		<b><u>22,979.81</u></b>	<b><u>23,110.54</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	24,575.85	23,032.32
Less : Depreciation		13,051.45	12,277.69
Net Block		11,524.40	10,754.63
Capital Work-in-Progress (including Capital advances)		1,276.21	1,381.08
		<b><u>12,800.61</u></b>	<b><u>12,135.71</u></b>
<b>Investments</b>	5	<b>1,349.41</b>	3,539.56
<b>Current Assets, Loans and Advances</b>			
Inventories	6	7,861.05	4,481.85
Sundry Debtors	7	270.18	1,689.00
Cash and Bank Balances	8	462.95	232.65
Other Current Assets	8A	7.86	5.64
Loans and Advances	9	1,242.73	1,272.44
		<b><u>9,844.77</u></b>	<b><u>7,681.58</u></b>
Less :			
<b>Current Liabilities and Provisions</b>			
Current Liabilities	10	6,079.13	5,344.05
Provisions	11	490.43	557.09
		<b><u>6,569.56</u></b>	<b><u>5,901.14</u></b>
<b>Net Current Assets</b>		<b><u>3,275.21</u></b>	1,780.44
<b>Balance as per attached Profit and Loss Account</b>		<b><u>5,554.58</u></b>	5,654.83
<b>TOTAL</b>		<b><u>22,979.81</u></b>	<b><u>23,110.54</u></b>
<b>Accounting Policies and Notes to the Financial Statements</b>	19		

In terms of our report attached  
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  
23rd February, 2011

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

S.N. Malpani  
Co.Secretary

Rui Duarte  
Finance Head



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2010

(Rs. in lacs)

	Schedules	January 2010 to December 2010	April 2009 to December 2009
<b>INCOME</b>			
Sales & Services		32,453.39	28,571.48
Less : Excise Duty		3,087.58	2,243.77
Net Sales & Services		<b>29,365.81</b>	26,327.71
Other Income	12	485.20	339.90
		<b>29,851.01</b>	26,667.61
<b>EXPENDITURE</b>			
(Increase) / Decrease in Stocks	13	(1,527.28)	178.16
Raw Materials Consumed	14	2,011.79	1,672.07
Manufacturing Expenses	15	19,256.67	14,513.24
Payments to and Provisions for employees	16	2,169.50	1,597.61
Selling, Distribution, Administration and Other Expenses	17	5,530.81	4,324.60
Interest (Net)	18	33.66	176.29
Depreciation	4	938.05	622.25
		<b>28,413.20</b>	23,084.22
Less: Self Consumption of Cement		14.22	16.40
		<b>28,398.98</b>	23,067.82
<b>Profit before exceptional item</b>		<b>1,452.03</b>	3,599.79
Exceptional item (Refer Note No. 3 of Schedule 19)		(1,245.55)	-
<b>Profit before tax</b>		<b>206.48</b>	3,599.79
<b>Provision for Taxation</b>			
Current Tax		(106.23)	(29.38)
<b>Profit after tax</b>		<b>100.25</b>	3,570.41
<b>Balance brought forward from Previous Period</b>		<b>(5,654.83)</b>	(9,225.24)
<b>Balance Carried to Balance Sheet</b>		<b>(5,554.58)</b>	(5,654.83)
<b>Basic and Diluted Earning Per Share (in Rs.) (Face Value Rs.10)</b>			
Basic Earning Per Share (in Rs.) (Face Value Rs.10)		0.07	2.52
Diluted Earning Per Share (in Rs.) (Face Value Rs.10)		0.05	1.56
<b>Accounting Policies and Notes to the Financial Statements</b>	19		

In terms of our report attached  
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  
23rd February, 2011

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 31/12/2010	As At 31/12/2009
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
150,000,000 (31st December 2009 : 150,000,000) Equity Shares of Rs. 10/- Each	15,000.00	15,000.00
10,000,000 (31st December 2009 : 10,000,000) Compulsory Convertible Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	<u>25,000.00</u>	<u>25,000.00</u>
<b>Issued</b>		
141,643,645 (31st December 2009 : 141,643,645) Equity Shares of Rs. 10/- each	14,164.36	14,164.36
Nil (31st December 2009 : 8,700,000) Compulsory Convertible Preference Shares of Rs. 100/- each	-	8,700.00
	<u>14,164.36</u>	<u>22,864.36</u>
<b>Subscribed &amp; Paid-up</b>		
141,375,398 (31st December 2009 : 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)
	<u>14,137.43</u>	<u>14,137.43</u>
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
	<u>14,137.51</u>	<u>14,137.51</u>
Nil (31st December 2009 : 8,700,000) 6% Non-Cumulative Compulsory Convertible Preference Shares of Rs. 100/- each fully paid.	-	8,700.00
	-	8,700.00
<b>TOTAL</b>	<u>14,137.51</u>	<u>22,837.51</u>

### Foot Notes :

#### A In respect of Equity Share Capital:

- 1) Of the above subscribed & paid up share capital -
  - (i) 997,540 Equity Shares (31st December 2009 : 997,540) were allotted as fully paid-up bonus shares by Capitalisation from General Reserve.
  - (ii) 400,000 Equity Shares (31st December 2009 : 400,000) were allotted pursuant to a contract without payment being received in cash.
  - (iii) 67,855,392 Equity Shares (31st December 2009 : 67,855,392) were allotted as Rights Shares, without payment being received in cash and appropriated against its dues to the shareholders.
  - (iv) 104,091,537 Equity Shares (31st December 2009 : 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.)
- 2) 265,212 Equity Shares (31st December 2009 : 265,212) are kept in abeyance out of the Rights Issue entitlement pending settlement of disputes.

#### B) In respect of Preference Share Capital:

- 1) NIL (31st December 2009 : 8,700,000) 6% Non-cumulative Compulsory Convertible Preference Shares (the "CCPS's") are held by the holding company Cimpor Inversiones S.A. (the ultimate holding company is Cimpor Cimentos De Portugal SGPS, S.A.)
- 2) Also see note no. 19 in Schedule 19.



KAMAL CEMENT

(Rs. in lacs)

<b>SCHEDULE - 2</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	86.87	86.87
Capital Reserve on extinguishment of Compulsory Convertible Preference Shares (See note no. 19 in Schedule 19)	8,700.00	-
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	35.00	35.00
<b>Securities Premium</b>		
As per last Balance Sheet	20.43	20.43
<b>TOTAL</b>	<b>8,842.30</b>	<b>142.30</b>

(Rs. in lacs)

<b>SCHEDULE - 3</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>
<b>UNSECURED LOANS</b>		
<b>Short Term</b>		
Overdraft from Banks (per books of accounts)	-	130.73
<b>TOTAL</b>	<b>-</b>	<b>130.73</b>

#### SCHEDULE - 4 FIXED ASSETS

(Rs. in lacs)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01/01/2010	Addition	Adjustments/ Deductions	As at 31/12/2010	Upto 31/12/2009	For the Year	Adjustments/ Deduction	Upto 31/12/2010	As at 31/12/2010	As at 31/12/2009
<b>INTANGIBLE ASSETS</b>											
1	COMPUTER SOFTWARE	168.43	190.49	99.51	259.41	54.17	46.66	35.13	65.70	193.71	114.26
	<b>SUB TOTAL - A</b>	<b>168.43</b>	<b>190.49</b>	<b>99.51</b>	<b>259.41</b>	<b>54.17</b>	<b>46.66</b>	<b>35.13</b>	<b>65.70</b>	<b>193.71</b>	<b>114.26</b>
<b>TANGIBLE ASSETS</b>											
1	FREEHOLD LAND (See Footnote 1)	34.33	-	-	34.33	-	-	-	-	34.33	34.33
2	BUILDINGS	758.60	0.50	0.02	759.08	400.75	18.40	0.01	419.14	339.94	357.85
3	RAILWAY SIDINGS	167.07	-	-	167.07	157.48	0.23	-	157.71	9.36	9.59
4	PLANT AND MACHINERY	20,072.27	1,558.85	124.51	21,506.61	10,626.64	791.48	121.94	11,296.18	10,210.43	9,445.63
5	ELECTRIC INSTALLATIONS	737.85	16.29	-	754.14	454.33	19.57	-	473.90	280.24	283.52
6	ROLLING STOCKS AND LOCOMOTIVES	74.79	-	-	74.79	71.10	-	-	71.10	3.69	3.69
7	FURNITURE, FIXTURES & OFFICE EQUIPMENTS	414.45	13.33	1.19	426.59	241.00	29.79	1.03	269.76	156.83	173.45
8	VEHICLES ETC.	57.09	-	10.70	46.39	27.55	5.86	6.18	27.23	19.16	29.54
9	JETTY & WHARF (See Footnote 2)	547.44	-	-	547.44	244.67	26.06	-	270.73	276.71	302.77
	<b>SUB TOTAL - B</b>	<b>22,863.89</b>	<b>1,588.97</b>	<b>136.42</b>	<b>24,316.44</b>	<b>12,223.52</b>	<b>891.39</b>	<b>129.16</b>	<b>12,985.75</b>	<b>11,330.69</b>	<b>10,640.37</b>
	<b>TOTAL :- ( A + B )</b>	<b>23,032.32</b>	<b>1,779.46</b>	<b>235.93</b>	<b>24,575.85</b>	<b>12,277.69</b>	<b>938.05</b>	<b>164.29</b>	<b>13,051.45</b>	<b>11,524.40</b>	<b>10,754.63</b>
	Capital Work-in-Progress (including advances)				1,276.21					1,276.21	1,381.08
	<b>GRAND TOTAL</b>	<b>23,032.32</b>	<b>1,779.46</b>	<b>235.93</b>	<b>25,852.06</b>	<b>12,277.69</b>	<b>938.05</b>	<b>164.29</b>	<b>13,051.45</b>	<b>12,800.61</b>	<b>12,135.71</b>
	Previous Period	19,378.88	3,783.08	129.64	23,032.32	11,771.87	622.25	119.33	12,277.69	12,135.71	-

## Footnotes :

- 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)	
<b>SCHEDULE - 5</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>	
<b>INVESTMENTS</b>			
<b>Long Term (At Cost)</b>			
Government and Trust Securities			
Government Securities			
<b>Unquoted -</b>			
Securities deposited with Government Departments	-	0.62	
<b>Quoted -</b>			
Securities deposited with Government Departments (Rs. Nil - 31st December 2009 : Rs. 300)	-	0.00	
	-	0.62	
<b>CURRENT</b>			
Units of Mutual fund (see note no. 9 in schedule 19)	1,349.41	3,538.94	
<b>TOTAL :-</b>	<b>1,349.41</b>	<b>3,539.56</b>	
Aggregate Book Value of :			
a) Quoted Investments	-	0.00	
b) Unquoted Investments	1,349.41	3,539.56	
	1,349.41	3,539.56	
Aggregate Market Value of Quoted Investments	-	-	
Net Asset Value of units in mutual funds	1,349.41	3,539.56	

		(Rs. in lacs)	
<b>SCHEDULE - 6</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>	
<b>INVENTORIES</b>			
(At lower of cost and net realisable value unless otherwise stated)			
Stores and Spare parts, Packing Materials and Fuel	4,114.54	2,121.37	
Raw materials	279.97	441.02	
Process Stock	2,884.97	1,169.47	
Own Mines Process Stock	254.61	518.56	
Finished Goods - including in transit Rs. 6.82 lacs (31st December 2009 : Rs. 6.91 lacs)	326.96	214.59	
Waste / Scrap (at net realisable value)	-	16.84	
<b>TOTAL</b>	<b>7,861.05</b>	<b>4,481.85</b>	

		(Rs. in lacs)	
<b>SCHEDULE - 7</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>	
<b>SUNDRY DEBTORS</b>			
<b>Exceeding six months</b>			
Doubtful and Unsecured	274.71	324.14	
Less: Provision for Doubtful Debts	(274.71)	(324.14)	
	-	-	
<b>Others</b>			
Good and Secured	47.28	39.79	
Good and Unsecured	222.90	1,649.21	
	270.18	1,689.00	
<b>TOTAL</b>	<b>270.18</b>	<b>1,689.00</b>	





(Rs. in lacs)

<b>SCHEDULE - 8</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>
<b>CASH AND BANK BALANCES</b>		
Cash balance on hand (Cheques on hand Rs. 0.30 lacs, 31st December 2009 : Rs. 1.47 lacs)	2.09	3.73
Bank Balances :		
With Scheduled Banks :		
In Current accounts	311.69	78.99
In Fixed deposit (FD) accounts (See Footnote)	149.17	149.93
<b>TOTAL</b>	<b><u>462.95</u></b>	<b><u>232.65</u></b>

**Footnote :** Include FDR of Rs. 148.66 lacs (31st December 2009 : Rs. 148.15 lacs) Pledged with Bank for guarantees.

(Rs. in lacs)

<b>SCHEDULE - 8A</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on term deposits	7.86	5.64
<b>TOTAL</b>	<b><u>7.86</u></b>	<b><u>5.64</u></b>

(Rs. in lacs)

<b>SCHEDULE - 9</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>
<b>LOANS AND ADVANCES (Unsecured, considered good except stated otherwise )</b>		
Deposits and Balances with Government and other Authorities	682.33	685.72
<b>Advance recoverable in cash or in kind or for value to be received.</b>		
Considered Good	344.65	385.53
Considered Doubtful	18.14	18.14
Less: Provision for Doubtful advances	(18.14)	(18.14)
Tax Deducted at Source	66.57	65.76
Advance Payment of MAT/ Fringe Benefit / Wealth Tax (Net)	149.18	135.43
<b>TOTAL</b>	<b><u>1,242.73</u></b>	<b><u>1,272.44</u></b>

## SHREE DIGVIJAY CEMENT CO. LTD.

Rs. in lacs)		
<b>SCHEDULE - 10</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>
<b>CURRENT LIABILITIES</b>		
Sundry creditors :		
a) Dues of Micro and Small enterprise (See note no. 8 in Schedule 19)	-	-
b) Others	3,422.75	2,878.03
Security and Other Deposits	1,064.38	892.48
Advances from customers	824.17	740.20
Other Liabilities	767.83	833.34
<b>TOTAL</b>	<b><u>6,079.13</u></b>	<b><u>5,344.05</u></b>

(Rs. in lacs)		
<b>SCHEDULE - 11</b>	<b>As At 31/12/2010</b>	<b>As At 31/12/2009</b>
<b>PROVISIONS</b>		
Provision for Gratuity	33.47	132.74
Provision for Compensated Absences	429.71	399.51
Provision for Mines Reclamation	27.25	24.84
<b>TOTAL</b>	<b><u>490.43</u></b>	<b><u>557.09</u></b>

(Rs. in lacs)		
<b>SCHEDULE - 12</b>	<b>Jan. 2010 to Dec. 2010</b>	<b>Apr. 2009 to Dec. 2009</b>
<b>OTHER INCOME</b>		
Others		
Dividend From Others	109.69	101.14
Bank and Other Accounts	18.21	12.10
(Tax Deducted at Source is Rs. 1.63 lacs; Previous period Rs. 1.59 lacs)		
Provision for doubtful debts written back	5.09	6.05
Liability/ Provisions no longer required written back	75.67	51.79
Insurance Claims	1.16	8.94
Scrap Sales	155.84	112.58
Miscellaneous Receipts	119.54	47.30
<b>TOTAL</b>	<b><u>485.20</u></b>	<b><u>339.90</u></b>



KAMAL CEMENT

(Rs. in lacs)

SCHEDULE - 13	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
<b>(INCREASE) / DECREASE IN STOCKS</b>		
<b>Closing Stock</b>		
Process Stock	2,884.97	1,169.47
Own Mines process stock	254.61	518.56
Finished Goods	326.96	214.59
Waste / Scrap	-	16.84
	<u>3,466.54</u>	<u>1,919.46</u>
Less : Excise Duty on Finished Goods	43.85	24.05
	<u><b>3,422.69</b></u>	<u>1,895.41</u>
<b>Opening Stock</b>		
Process Stock	1,169.47	1,017.94
Own Mines process stock	518.56	708.43
Finished Goods	214.59	384.96
Waste / Scrap	16.84	12.33
	<u>1,919.46</u>	<u>2,123.66</u>
Less : Excise Duty on Finished Goods	24.05	50.09
	<u><b>1,895.41</b></u>	<u>2,073.57</u>
<b>TOTAL</b>	<u><b>(1,527.28)</b></u>	<u>178.16</u>

(Rs. in lacs)

SCHEDULE - 14	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
<b>RAW MATERIALS CONSUMED</b>		
<b>Opening Stock</b>		
	441.02	369.05
Add: Purchases and Incidental Expenses	<u>1,850.74</u>	<u>1,744.04</u>
	2,291.76	2,113.09
Less : Closing Stock	<u>279.97</u>	<u>441.02</u>
<b>TOTAL</b>	<u><b>2,011.79</b></u>	<u>1,672.07</u>

(Rs. in lacs)

SCHEDULE - 15	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
<b>MANUFACTURING EXPENSES</b>		
Consumption of Stores, Spare Parts and Components and Packing Materials	2,369.19	2,233.49
Lime Stone Mine Cost	3,210.44	2,287.00
Power and Fuel	13,117.51	9,413.91
Repairs to Building	82.35	86.80
Repairs to Machinery	456.91	484.42
Other Repairs	20.27	7.62
<b>TOTAL</b>	<u><b>19,256.67</b></u>	<u>14,513.24</u>

(Rs. in lacs)

SCHEDULE - 16	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries, Wages, Bonus, etc.	1,861.21	1,383.87
Contribution to Provident and Other funds	194.23	157.42
Employees welfare expenses	114.06	56.32
<b>TOTAL</b>	<u><b>2,169.50</b></u>	<u>1,597.61</u>

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(Rs. in lacs)

<b>SCHEDULE - 17</b>	<b>Jan. 2010 to Dec. 2010</b>	<b>Apr. 2009 to Dec. 2009</b>
<b>SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES</b>		
Sales Expenses including service charges	375.13	240.20
Cash Discount	254.37	166.39
Freight, handling and other expenses	4,032.59	3,296.05
Advertisement and Publicity	67.53	29.76
Insurance	114.90	75.74
Rent (including Lease Rent)	50.97	36.85
Rates and Taxes	18.05	40.65
Stationery, Printing, Postage & Telephone Expenses	71.67	62.62
Travelling & Conveyance	138.99	70.51
Legal & Professional Charges	88.58	53.01
Bad Debts/Advances/Deposit Written off	47.49	11.50
Provisions for doubtful debts no longer required	(44.34)	(7.45)
Research Contribution (including Expenses)	6.79	5.68
Donation	0.32	1.00
Loss on Sale/Discarded of Fixed Assets	66.13	6.22
Loss on Sale of Investment	4.26	-
Financial Charges	22.67	18.18
Exchange Loss (Net)	9.29	14.46
Provisions for doubtful debts and advances	-	5.56
Miscellaneous Expenses (See note no. 16 in Schedule 19)	205.42	197.67
<b>TOTAL</b>	<b><u>5,530.81</u></b>	<b><u>4,324.60</u></b>

(Rs. in lacs)

<b>SCHEDULE - 18</b>	<b>Jan. 2010 to Dec. 2010</b>	<b>Apr. 2009 to Dec. 2009</b>
<b>INTEREST</b>		
On loan for fixed period	-	145.16
On Other Accounts	33.66	31.13
<b>TOTAL</b>	<b><u>33.66</u></b>	<b><u>176.29</u></b>



## 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, referred in section 211(3C) of Companies Act, 1956. All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

##### (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 licenses 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 unit is 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.

##### (f) Inventory

Finished goods and process stock are valued at the lower of the cost and the net realisable value. 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

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finished goods. Net realisable value is estimated at the expected selling price less estimated completion and selling costs.

Raw material and packing material are value at the lower of cost and net realisable value. Stores and spare parts and fuel are carried at cost. Necessary provision is made and charged to revenue in the case of identified obsolete and non - moving items. In the case of raw materials, packing materials and fuels, cost is determined on the basis of weighted average. In the case of stores and spare parts, cost is determined on a 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, Minimum alternate tax (MAT), 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 (AS-3) on Cash Flow Statements.

**(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.

**(iii) Other Employee Benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which employee perform the services that the benefit covers and liabilities are recorded at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefits or where the availment or encashment is otherwise not expected to wholly occur in next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

**(p) Segment Reporting**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. The Company is engaged mainly in the business of manufacture of cement. This, in the context of Accounting Standard 17 on Segment Reporting are considered to constitute a single primary segment. Further, the sales of the Company are made primarily in a domestic market and a small proportion is exported. The geographical segments identified on this basis have been reported as the secondary segment.

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### 2 Contingent Liabilities :

		(Rs. in lacs)	
		As at	
		31st Dec. 2010	31st Dec. 2009
(a)	Demand contested by the Company		
	- Sales tax	25.81	31.97
	- Excise duty	607.06	349.18
	- Service tax	17.63	17.63
	- Labour cases	248.25	209.90
	- Other Cases	166.25	257.26
	- Electricity Duty (Refer Note 3)	-	948.85
(b)	Rent on water pipe lines levied by Panchayat and Irrigation Department, Government of Gujarat.	737.34	738.46
(c)	A sum of Rs. 309.84 lacs ( <i>previous period 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 period 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. 586.77 lacs ( <i>previous period Rs. 875.56 lacs</i> ). The Company does not expect any liability to devolve on it in respect of the above.		
3	During the year the Company has provided a sum aggregating Rs. 1,245.55 lacs towards interest on electricity duty and penalty on outstanding interest claimed by the Collector of Electricity Duty for the period commencing on 1st October, 2000 and ending on 31st December, 2010 on the basis of its reassessment of the likelihood of devolvement of liability in respect of the revised claim raised by the Collector of Electricity Duty and the same has been paid subsequently.		
4	Estimated amount of contracts remaining to be executed on capital account is Rs. 6,417.46 lacs ( <i>previous period Rs. 452.32 lacs</i> ), against which advances paid aggregate Rs. 1,022.69 lacs ( <i>previous period Rs. 35.22 lacs</i> ).		
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. 15.05 lacs ( <i>previous period Rs. 32.69 lacs</i> ). Maximum amount outstanding during the year aggregated Rs. 24.74 lacs ( <i>previous period Rs. 35.89 lacs</i> ).		
6	In compliance of High Court's 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 year includes Rs. 6.80 lacs ( <i>previous period Rs. 4.85 lacs</i> ) 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	Power and Fuel	Raw material consumed	Misc. expenses	Travelling and conveyance expenses
	<b>Jan. 2010 to Dec. 2010</b>							
a)	Salaries, Wages and Bonus etc.	-	-	-	-	-	-	-
b)	Stores & spares Consumed	-	-	-	-	-	-	-
c)	Royalty and Cess Charges	-	-	-	-	-	-	-
d)	Power and Fuel	-	-	-	-	-	-	-
e)	Repair and maintenance	-	-	-	-	-	-	-
f)	Rates & taxes / Insurance/ Rent paid/Lease Rent	-	-	-	-	-	-	-
g)	Miscellaneous expenses	-	-	-	-	-	-	-



Sr. No.	Classified as Expenses	Total	Employees welfare expenses	Repairs to Building	Power and Fuel	Raw material consumed	Misc. expenses	Travelling and conveyance expenses
	<b>Apr. 2009 to Dec. 2009</b>							
a)	Salaries , Wages and Bonus etc.	43.07	43.07	-	-	-	-	-
b)	Stores & spares Consumed	594.98	8.33	51.53	428.33	106.22	0.42	0.15
c)	Royalty and Cess Charges	486.51	-	-	-	486.51	-	-
d)	Power and Fuel	12.20	-	-	-	12.20	-	-
e)	Repair and maintenance	6.05	-	-	-	6.05	-	-
f)	Rates & taxes / Insurance/ Rent paid/Lease Rent	0.43	-	-	-	0.43	-	-
g)	Miscellaneous expenses	15.55	-	-	-	15.55	-	-

- 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	Jan. 2010 to Dec. 2010		Apr. 2009 to Dec. 2009	
	No. of Units	Cost	No. of Units	Cost
<b>a) Acquired and sold during the year</b>				
HDFC CMF - Treasury Advantage Plan - Wholesale - DDR	76,705,113	7,694.67	77,882,510	7,813.00
HDFC CMF - Saving Plan - DDR	200,011,491	21,274.02	174,085,104	18,515.97
HDFC CMF - High Interest Fund Short Term Plan Div	19,112,178	2,027.08	-	-
<b>b) Acquired during the year and retained as at the year end</b>				
HDFC CMF - Treasury Advantage Plan - Wholesale - DDR	3,946,941	395.94	27,797,460	2,788.50
HDFC CMF - Saving Plan - DDR	8,964,271	953.48	7,055,352	750.44
<b>c) Sold out of acquisition of an earlier year</b>				
HDFC CMF - Treasury Advantage Plan - Wholesale - DDR	27,797,460	2,788.50	15,323,890	1,537.22
HDFC CMF - Saving Plan - DDR	7,055,352	750.44	2,355,881	250.58

- 10 Managerial Remuneration

(Remuneration paid to Whole time Director)

(Rs. in lacs)

Name of Account	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Salary	23.00	15.00
Contribution to Provident & other funds	2.76	1.80
Other benefits in cash and kind*	34.71	22.44
<b>Total</b>	<b>60.47</b>	<b>39.24</b>

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

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### 11 Deferred tax :

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

(Rs. in lacs)

Deferred Tax arising from	(Liabilities) / Assets as at 31st Dec. 2010	(Liabilities) / Assets as at 31st Dec. 2009
<b>Deferred Tax Liabilities</b>		
Timing differences on account of Depreciation	2,278.76	1,190.23
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation restricted upto the amount of Deferred Tax Liabilities	2,278.76	1,190.23
<b>Net Deferred Tax Liabilities</b>	<b>NIL</b>	<b>NIL</b>

Deferred tax asset in respect of unabsorbed depreciation is recognised considering the deferred tax liability in respect of timing differences arising in respect of depreciation, the reversal of which is virtually certain. Additional deferred tax assets have not been recognised in the absence of virtual certainty of future profits against which such assets could be offset.

### 12 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:

(Rs. in lacs)

	Jan. 2010 to Dec. 2010		Apr. 2009 to Dec. 2009	
	In India	Outside India	In India	Outside India
Revenue *	31,626.59	826.80	27,127.76	1,443.72
Assets (Debtors)	270.19	-	242.76	1,446.24
Capital Expenditure	1,674.58	-	1,381.08	-

\* Excludes self consumption for capital and revenue jobs Rs. 14.22 lacs (Previous period Rs. 22.17 lacs)

### 13 "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)
Cimpor Trading S.A. Vigo (Spain)	Fellow Subsidiary (From March 25, 2008)
Cimpor Services S. A. Lisboa Portugal	Fellow Subsidiary (From March 25, 2008)
Mr. P.A.Nair	Whole Time Director

b) Details of Transactions:

(Rs. in lacs)

Nature of Transactions	Cimpor Inversiones S. A.	Cimpor Trading S. A. Vigo (Spain)	Key Management Personnel	Cimpor Services S.A. Lisboa (Portugal)	Total
Sales of Goods	-	826.80	-	-	826.80
	-	1,443.72	-	-	1,443.72
Information Services	-	-	-	16.68	16.68
	-	-	-	14.39	14.39
Remuneration Paid (Refer note 10)	-	-	60.47	-	60.47
	-	-	39.24	-	39.24
Receivables as at the year end	-	-	0.21	-	0.21
	-	1,446.24	-	-	1,446.24
Payables as at the year end	-	-	-	3.71	3.71
	-	-	-	4.69	4.69
Extinguishment of Compulsory Convertible Preference Shares	8,700.00	-	-	-	8,700.00
	-	-	-	-	-

Figures in italics relate to the previous period.



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

a) Licensed and installed capacity and production :

	Jan. 2010 to Dec. 2010		Apr. 2009 to Dec. 2009	
	Installed*	Production	Installed*	Production
Cement (Tonnes) Dry Process Unit	875,000	905,220	656,250	757,915
Cement (Tonnes) Wet Process Unit	200,000	-	150,000	-
Total	<u>1,075,000</u>	<u>905,220</u>	<u>806,250</u>	<u>757,915</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.
- The installed capacity reported above for the period Apr. '09 to Dec. '09 has been prorated for 9 months.

b) Sales:

	Jan. 2010 to Dec. 2010		Apr. 2009 to Dec. 2009	
	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)
Cement *	902,151	31,626.15	764,147	27,127.76
Clinker	47,274	827.24	77,455	1,443.72
Total	<u>949,425</u>	<u>32,453.39</u>	<u>841,602</u>	<u>28,571.48</u>

\* Excludes Cement Samples, Transit loss, damages/shortages 1 MT (Previous period 2 MT) and Clinker 355 MT (Previous period 1004 MT).

\* Excludes self consumption for internal consumption 551 MT (Previous period 931 MT).

c) Stock:

	Opening Stock				Closing Stock			
	01.01.2010		01.04.2009		31.12.2010		31.12.2009	
	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	8,844	214.59	16,009	384.96	11,361	326.96	8,844	214.59
Clinker	*	*	*	*	*	*	*	*
Total		<u>214.59</u>		<u>384.96</u>		<u>326.96</u>		<u>214.59</u>

\* held as stock in trade for captive consumption.

d) Raw materials consumed:

	Jan. 2010 to Dec. 2010		Apr. 2009 to Dec. 2009	
	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)
Lime Stone ( Outside purchase)	173,289	499.11	130,008	375.72
Sand stone	75,139	272.76	79,037	280.78
Iron Ore	14,659	295.08	12,388	253.53
Gypsum	56,835	503.34	49,280	413.28
Pozollona material	57,457	366.60	41,695	244.57
Others	*	74.91	*	104.17
Total		<u>2,011.79</u>		<u>1,672.06</u>

\*Comprise dissimilar items which cannot be practicably aggregated.

Own Mines Lime stone consumption 1,078,209 MT (Previous period 877,785 MT)

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

	Jan. 2010 to Dec. 2010				Apr. 2009 to Dec. 2009			
	Raw Material (Outside Parties)		Stores, Spare Parts & Components etc.		Raw Material (Outside Parties)		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	-	-	173.30	7.31	-	-	133.55	5.75
Indigenous	2,011.79	100.00	2,195.88	92.69	1,672.06	100.00	2,187.84	94.25
<b>Total</b>	<b>2,011.79</b>	<b>100.00</b>	<b>2,369.19</b>	<b>100.00</b>	<b>1,672.06</b>	<b>100.00</b>	<b>2,321.39</b>	<b>100.00</b>

f) C.I.F. Value of Imports: (Rs. in lacs)

	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Coal	7,810.85	4,983.08
Components & Spare parts	157.07	326.21

g) Expenditure in foreign currencies (in rupee equivalent): (Rs. in lacs)

	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Travelling Expenses	43.31	12.08
Information Services	18.18	16.56

h) Earnings in foreign currency:

F.O.B. value of Exports Rs. 826.80 lacs (Previous period Rs. 1,443.72 lacs)

15 Earnings per Share:

(Rs. in lacs)

	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Profit/(loss) attributable to Equity Shareholders	100.25	3,570.41
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 Earning Per Share (in Rs.)	0.07	2.52
Profit/(loss) attributable to Equity Shareholders	100.25	3,570.41
Weighted average No. of Potential Equity Share for Diluted EPS (Nos) (Also see Note No. 19)	200,037,870	228,640,610
Nominal Value of Equity Per Share (in Rs.)	10	10
Diluted Earning Per Share (in Rs.)	0.05	1.56

16 Auditors' Remuneration

(Rs. in lacs)

Particulars	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Audit Fees	8.00	6.00
Tax Audit Fees	1.25	-
Reimbursement of expenses	1.81	0.69
Other Services	8.25	7.00
<b>Total</b>	<b>19.31</b>	<b>13.69</b>

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



## 17 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. 160.76 lacs (Previous period Rs. 120.28 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). Benefits under the defined benefits plans are typically based either on years of service and the employee's compensation (generally immediately before retirement.) Gratuity substantially covers all regular employees. The Company contributes funds to a Gratuity Trust, which is irrevocable. Commitments are actuarially determined at year-end. On adoption of revised Accounting Standard (AS)-15 on "Employee Benefits" 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)	
	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Present Value of Commitments	956.46	886.39
Fair Value of Plan Assets	(922.99)	(753.65)
Net liability in the balance sheet	33.47	132.74

### Defined benefit commitments :

(Rs. In lacs)

Particulars	Gratuity (Funded Plan)	
	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Opening balance as at 1st Jan, 2010	869.99	769.73
Current Service Cost	58.60	44.34
Interest expenses	64.93	43.30
Paid benefits	(39.27)	(28.47)
Actuarial (gain) / loss	(29.55)	41.09
Closing balance - As per Acturial Valuer Certificate	924.70	869.99
Add : Unpaid Gratuity as at 31st December, 2010	31.76	16.40
Closing Liability	956.46	886.39

### Plan assets: Gratuity

(Rs. In lacs)

Particulars	Gratuity (Funded Plan)	
	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Opening balance as at 1 <sup>st</sup> Jan, 2010	753.65	692.96
Expected return on scheme assets	78.02	49.36
Contributions by the Company	132.74	-
Paid funds	(39.27)	(28.48)
Actuarial gain / (loss)	(2.15)	39.81
Closing balance - As per Acturial Valuer Certificate	922.99	753.65



## SHREE DIGVIJAY CEMENT CO. LTD.

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

Particulars	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Expected return on plan assets	78.02	49.36
Actuarial gain / (loss)	(2.15)	39.81
Actual return on plan assets	75.87	89.17

Investment Details % Invested

Particulars	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Government of India Securities	23.35	27.56
Public Sector Unit Bonds	31.42	39.88
State / Central Guaranteed Securities	5.96	13.47
Private Sector Bonds	11.92	14.67
Other (including balances with bank and Life Insurance Corporation of India)	27.35	4.42
	100.00	100.00

Details of investments made by the Life Insurance Corporation of India have not been received.

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

Particular	Gratuity (Funded Plan)	Gratuity (Funded Plan)
	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Current service costs	58.60	44.34
Past service cost	-	-
Interest expense	64.93	43.30
Expected return on investment	(78.02)	(49.36)
Net actuarial (gain) / loss	(27.40)	1.28
Expenses charged to the profit and loss account	18.11	39.56
Add : Change in unpaid gratuity liability of Trust	15.36	2.31
Expense charged to the profit and loss account	33.47	41.87

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

Particulars	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009
Rate for discounting liabilities	8.00%	7.50%
Expected salary increase rate	7%	7%
Expected return on scheme assets	9.12%	9.11%
Mortality rates	LIC 1994-96 ultimate table	LIC 1994-96 ultimate table

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




**Experience adjustment :**
**(a) Gratuity**

Particulars	Jan. 2010 to Dec. 2010	Apr. 2009 to Dec. 2009	Apr. 2008 to Mar. 2009	Apr. 2007 to Mar. 2008
Defined benefit obligation	956.46	886.39	769.73	697.88
Plan asset	922.99	753.65	692.96	616.69
Experience adjustment on plan assets	(2.15)	39.81	(56.20)	(9.23)
Experience adjustment on plan liabilities	(29.55)	41.09	19.79	176.02

The contributions expected to be made by the Company during the financial year ending 31st December, 2011 amounts to Rs. 131.31 lacs.

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

Particulars	As at			
	31.12.2010		31.12.2009	
	Rupees lacs	Fx lacs	Rupees lacs	Fx lacs
Export of goods and services	3.71	EUR 0.07	4.69	EUR 0.07

Note : Fx = Foreign Currency; EUR = Euro

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to receivables from debtors. The Company does not use forward contracts for speculative purposes.

The following forward contracts entered into by the Company to hedge its foreign exchange receivables are outstanding at the period end:

Foreign Currency	As at					
	31.12.2010			31.12.2009		
	No. of Contracts	Us Dollar Equivalent (lacs)	Equivalent Rs. In lacs	No. of Contracts	US Dollar Equivalent (lacs)	Equivalent Rs. in lacs
U. S. Dollar	-	-	-	2	31.00	1,451.25

- 19 The 8,700,000 6% Non-Cumulative Compulsory Convertible Preference Shares of Rs. 100 each ("CCPS"), which were allotted to the promoters viz. Cimpor Inversiones S.A., on a preferential basis, were due for conversion on 8th of September, 2010. To prevent a reduction in the proportion of public shareholding below the minimum threshold specified under the provisions of the Listing Agreement, the promoters allowed their conversion right to lapse. Consequently, the sum of Rs. 8,700 lacs has been transferred to Capital Reserve on Extinguishment of 6% Non-Cumulative Compulsory Convertible Preference Shares of Rs. 100 each.
- 20 Previous period's figures relate to a period of nine months while those of the current year relate to a period of 12 months. Therefore the two sets of figures may not be comparable.
- 21 Previous period'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  
23rd February, 2011

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 DECEMBER 2010

(Rs. in lacs)

	January 2010 to December 2010	April 2009 to December 2009	
<b>(A) Cash flow from Operating Activities</b>			
a Net Profit before tax:	206.48	3,599.79	
Adjustment for:			
Depreciation	938.05	622.25	
Interest	-	145.25	
Provisions/write off for doubtful bad debts and advances	3.14	9.61	
Liabilities no longer required w/back	(75.67)	(51.79)	
Exchange (Gain)/Loss	9.29	(7.62)	
(Profit)/Loss on sale/discard of fixed assets/ Stock (Net)	66.13	6.22	
(Profit)/Loss on sale of Investment	4.26	-	
Interest/Dividend Income	(127.90)	(113.25)	
Provisions for doubtful debts written back	(5.09)	(6.05)	
Provision for Employee Benefits	63.66	181.65	
Provision for Interest and Penalty on Electricity Duty	1,245.55	-	
b. Operating profit before working capital changes	2,327.90	4,386.06	
Adjustment for:			
Trade and other receivables	1,465.05	(260.75)	
Inventories	(3,379.20)	(178.47)	
Trade payables	(574.41)	911.62	
Fixed Deposits (created)/matured placed as Margin Money to bank guarantees	(0.51)	(80.16)	
c. Cash generated from operations	(161.17)	4,778.30	
Direct taxes paid	(120.79)	(173.69)	
<b>Net cash flow from operating activities</b>	<b>(281.96)</b>		4,604.61
<b>(B) Cash flow from Investing Activities</b>			
Sale of fixed assets	5.51	0.02	
Interest received	15.99	16.67	
Dividend received	109.69	101.14	
Purchase of mutual funds	(32,345.19)	(29,867.91)	
Proceeds from mutual funds	34,531.08	28,116.77	
Purchase of fixed assets	(1,674.60)	(1,697.94)	
Fixed Deposits (created)/matured having original maturity of more than 3 months	1.27	-	
<b>Net Cash used in Investing Activities</b>	<b>643.75</b>		(3,331.25)
<b>(C) Cash flow from Financing Activities</b>			
Repayment for borrowings	-	(10,000.00)	
Increase/(Decrease) in overdrawn bank balance as per books	(130.73)	61.20	
Interest paid	-	(165.39)	
<b>Net Cash flow from Financing Activities</b>	<b>(130.73)</b>		(10,104.19)



<b>(D) Net increase/(decrease) in Cash &amp; Cash equivalents</b>		<b>231.06</b>	<b>(8,830.83)</b>
<u>Cash &amp; Cash equivalents at beginning of the year</u>			
Cash balance & Cheque on hand	3.73		2.53
Bank balance in current account	78.99		211.02
Bank balance in Fixed Deposit account	-	<b>82.72</b>	<u>8,700.00</u> 8,913.55
<u>Cash &amp; Cash equivalents at end of the year</u>			
Cash balance & Cheque on hand	2.09		3.73
Bank balance in current account	<u>311.69</u>	<b>313.78</b>	<u>78.99</u> 82.72
<b>Net Increase/ (decrease) in Cash &amp; Cash equivalents during the year/period</b>		<b>231.06</b>	<b>(8,830.83)</b>
Cash and cash equivalents as above		<b>313.78</b>	82.72
Balances with Scheduled Banks :			
In Fixed Deposit Accounts (with original maturity exceeding three months)		<b>0.51</b>	1.78
In Fixed Deposit Accounts as Margin Money against Bank Guarantees		<b>148.66</b>	<u>148.15</u>
<b>CASH AND BANK BALANCE AS PER SCHEDULE 8</b>		<b>462.95</b>	<u>232.65</u>

Accounting Policies and Notes to the Financial Statements, see Schedule 19.

As per our separate report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

Sanjiv V. Pilgaonkar  
Partner

Mumbai  
23rd February, 2011

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

} Directors

P. A. Nair - CEO & Whole time Director

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

<b>I. Registration Details</b>			
Registration No.	749/TA	State Code	04
Balance Sheet Date	31.12.2010		
<b>II. Capital Raised during the period (Amount in Rs. Thousands)</b>			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>			
Total Liabilities	2297981	Total Assets	2297981
<b>Sources of Funds</b>			
Paid up Capital	1413751	Reserves & Surplus	884230
Secured Loans	Nil	Unsecured Loans	Nil
<b>Application of Funds</b>			
Net Fixed Assets	1280061	Investments	134941
Net Current Assets	327521	Misc. Expenditure	Nil
Deferred Tax Assets (Net)	Nil	Accumulated Losses	555458
<b>IV. Performance of Company (Amount in Rs. Thousands)</b>			
Turnover	3245339	Total Expenditure	3224691
Profit/Loss before Tax	20648	Profit/Loss after Tax	10025
Earning Per Share (in Rs.)	0.07	Dividend Rate %	Nil
<b>V. Generic Names of three Principal Products of the Company</b>			
<u>Item Code No. (ITC Code)</u>	<u>Products Description</u>		
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		

Mumbai  
23rd February, 2011

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

S.N. Malpani  
Co.Secretary

Rui Duarte  
Finance Head

+

**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 66<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 28<sup>th</sup> April 2011 at 04:30 PM at Digvijaygram, Via: Jamnagar (Gujarat)

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

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**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 appoint .....of ..... or failing him ..... of ..... as my / our proxy to vote for me / us on my / our behalf at the 66<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 28<sup>th</sup> April, 2011 at 04:30 PM or on any adjournment thereof.

Signed this ..... day of ..... 2011

Proxy No. ....

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

Number of Shares held .....

(Affix Re. 1  
Revenue  
Stamp)

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.

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