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SHREE DIGVIJAY CEMENT CO. LTD.

BOARD OF DIRECTORS

Mr. Leonard D' Costa - Chairman
(from 19th May, 2008)

Mr. Jorge Manuel Tavares Salavessa Moura
(from 25th March, 2008)

Mr. Alvaro Joao Serra Nazare
(from 7th January, 2008)

Mr. Robert Pavrey
(from 25th March, 2008)

Mr. Napoleon De la Colina
(from 19th May, 2008)

Mr. Luis Filipe Sequeira Martins
(from 19th May, 2008)

Mr. P. A. Nair - Whole-Time Director
(from 25th March, 2008)

Mr. S. K. Maheshwari
(up to 7th January, 2008)

Mr. O. P. Puranmalka
(up to 7th January, 2008)

Mr. K. D. Agrawal
(up to 25th March, 2008)

Mr. R. C. Bhargava
(up to 25th March, 2008)

Mr. G. P. Gupta
(up to 25th March, 2008)

Mr. S. Misra
(up to 25th March, 2008)

Mr. K. C. Birla
(up to 25th March, 2008)

AUDIT COMMITTEE

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

MANAGER AND COMPANY SECRETARY

Mr. S. N. Malpani

EXECUTIVES

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

AUDITORS

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

COST AUDITORS

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

BANKERS

Citi Bank NA

REGISTERED OFFICE AND WORKS

P.O. Digvijaygram – 361 140
Via. Jamnagar (Gujarat)
Telephone : (0288) 234 4272-234 4275
Fax No. : (0288) 234 4092 and 234 4214
Website : www.digvijaycement.com

REGISTRAR AND TRANSFER AGENT

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

SHREE DIGVIJAY CEMENT CO. LTD.

NOTICE

NOTICE is hereby given that the **Sixty-third** Annual General Meeting of the Members of **SHREE DIGVIJAY CEMENT CO. LTD.** will be held at the Registered Office of the Company at **DIGVIJAYGRAM** 361 140 Via: Jamnagar, Gujarat on Monday, the 15th day of September, 2008 at 11:00 AM to transact with or without modifications as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2008 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. 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.

SPECIAL BUSINESS:

3. To appoint Mr. Alvaro Joao Serra Nazare, (who was appointed as an Additional Director by the Board of Directors pursuant to Article 149 of the Company's Articles of Association and who holds office under the said Article and Section 260 of the Companies Act, 1956 only up to the date of this meeting, and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- under Section 257 of the said Act, from a member signifying his intention to propose Mr. Alvaro Joao Serra Nazare, as a candidate for the office of Director) as a Director of the Company and to consider and, if thought fit, to pass the following resolution, which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Alvaro Joao Serra Nazare, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

4. To appoint Mr. Jorge Manuel Tavares Salavessa Moura, (who was appointed as an Additional Director by the Board of Directors pursuant to Article 149 of the Company's Articles of Association and who holds office under the said Article and Section 260 of the Companies Act, 1956 only up to the date of this meeting, and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- under Section 257 of the said Act, from a member signifying his intention to propose Mr. Jorge Manuel Tavares Salavessa Moura, as a candidate for the office of Director) as a Director of the Company and to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Jorge Manuel Tavares Salavessa Moura, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

5. To appoint Mr. Robert Pavrey, (who was appointed as an Additional Director by the Board of Directors pursuant to Article 149 of the Company's Articles of Association and who holds office under the said Article and Section 260 of the Companies Act, 1956 only up to the date of this meeting, and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- under Section 257 of the said Act, from a member signifying his intention to propose Mr. Robert Pavrey, as a candidate for the office of Director) as a Director of the Company and to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Robert Pavrey, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

6. To appoint Mr. Leonard D' Costa, (who was appointed as an Additional Director by the Board of Directors pursuant to Article 149 of the Company's Articles of Association and who holds office under the said Article and Section 260 of the Companies Act, 1956 only up to the date of this meeting, and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- under Section 257 of the said Act, from a member signifying his intention to propose Mr. Leonard D' Costa, as a candidate for the office of Director) as a Director of the Company and to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Leonard D' Costa, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

7. To appoint Mr. Napoleon De la Colina, (who was appointed as an Additional Director by the Board of Directors pursuant to Article 149 of the Company's Articles of Association and who holds office under the said Article and Section 260 of the Companies Act, 1956 only up to the date of this meeting, and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- under Section 257 of the said Act, from a member signifying his intention to propose Mr. Napoleon De la Colina, as a candidate

for the office of Director) as a Director of the Company and to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Napoleon De la Colina, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

8. To appoint Mr. Luis Filipe Sequeira Martins, (who was appointed as an Additional Director by the Board of Directors pursuant to Article 149 of the Company's Articles of Association and who holds office under the said Article and Section 260 of the Companies Act, 1956 only up to the date of this meeting, and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- under Section 257 of the said Act, from a member signifying his intention to propose Mr. Luis Filipe Sequeira Martins, as a candidate for the office of Director) as a Director of the Company and to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Luis Filipe Sequeira Martins, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") read with Schedule XIII thereto as amended up to date and all guidelines issued by the Central Government from time to time and subject to the approval by Shareholders of the Company and such other approvals, as may be necessary, Mr. Penarveetil Achuthan Nair *alias* Mr. P. A. Nair, be and is hereby appointed as the Whole Time Director of the Company for a period of Two years with effect from 25th March, 2008 on remuneration and perquisites as specified in the explanatory statement attached to this Notice and that the said remuneration shall be paid to him as Minimum Remuneration in the event of the Company has no profit or its profits are inadequate in any financial year.

"RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorized to alter amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Nair within such guide

lines or amendments as may be made to the Companies Act, 1956, and subject to such approvals as may be required."

10. To consider, and if thought fit, to pass the following resolution, which will be proposed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company, be and are hereby altered in the following manner:

- (i) The existing Article 150, dealing with the acquiring and holding of qualification shares by the Directors of the Company be and is hereby deleted.
- (ii) The sub clause (a) of Clause 1 of Article 156, dealing with consequential impact of non obtaining and non holding of qualification shares by the Directors, as stipulated under Article 150, being redundant, be and is hereby deleted and be re-numbered accordingly.
- (iii) The existing Article 115 dealing with Chairman's casting vote at general meetings be and is hereby deleted.
- (iv) The existing Article 180 dealing with Chairman's second or casting vote at the proceedings of Directors' meeting be and is hereby deleted.

11. To consider, and if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and any other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, borrowing at any time such sum or sums of money in any manner, as may be required for the purposes of business of the Company, with or without security and upon such terms and conditions as it may think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that, the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 500 crores (Rupees Five Hundred Crores only).

By Order of the Board

Place: Mumbai
Date: 17th June, 2008

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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of items 3 to 11 of the Notice as set out above, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 8th September, 2008 to 15th September, 2008 (both days inclusive).
5. Pursuant to the recommendation of SEBI Committee on Corporate Governance for appointment of the Directors/ re-appointment of the retiring Directors, a statement containing details of concerned directors is attached hereto.

By Order of the Board

Place: Mumbai
Date: 17th June, 2008

S. N. Malpani
Company Secretary

EXPLANATORY STATEMENT:

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 3 to 8

On Cimpor Inversiones S.A. of Spain, acquiring controlling interest in the Company from Grasim Industries Ltd., the Board of the Company was re-constituted with induction of following persons as Additional Directors on the Board with effect from the date mentioned against each:

1. Mr. Alvaro Joao Serra Nazare – 7th January, 2008
2. Mr. Jorge Manuel Tavares Salavessa Moura – 25th March, 2008
3. Mr. Robert Pavrey – 25th March, 2008.
4. Mr. Leonard D' Costa – 19th May, 2008
5. Mr. Napoleon De la Colina – 19th May, 2008
6. Mr. Luis Filipe Sequeira Martins – 19th May, 2008

The appointments were made pursuant to the provisions contained in Article 149 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. According to the provisions of the said Article and Section 260 of the Companies Act, 1956, they hold office up to the date of this Annual General Meeting. As required under Section 257 of the Companies Act, 1956, notices have been received from Members along with a deposit of Rs. 500/- each proposing their candidature for the office of Director of the Company.

Mr. Alvaro Joao Serra Nazare, Mr. Jorge Manuel Tavares Salavessa Moura, Mr. Napoleon De la Colina and Mr. Luis Filipe Sequeira Martins are holding Engineering degree and brings with them vast experience in Cement Industry. They are on the Board of various International Companies of repute.

Mr. Robert Pavrey is a practicing Company Secretary and Mr. Leonard D' Costa is an consultant in Human Resource Management, with rich experience in Corporate Sector.

It is desirable that the Company should continue to avail of the benefit of rich experience of above named persons. Accordingly, the resolutions under item no. 3 to 8 are commended for your acceptance.

As per the requirement of the Listing Agreement with the Stock Exchange, details of Directors seeking appointment/re-appointment at the Annual General Meeting are set out in the Annexure hereto. Except the Directors concerned under each resolution, none of the other Directors is, in any way, concerned or interested in the resolution.

Item No. 9

The Board of Directors have appointed Mr. P. A. Nair, as a Whole-time Director of the Company in their meeting held on 25th March, 2008, for a period of two years with effect from that date, subject to the approval in General Body meeting and other necessary approvals as may be required.

Mr. Nair is of 60 years age and is a qualified Engineer with vast experience in Cement Industry. He has requisite experience and qualifications and is competent to shoulder this responsibility. The resolution is commended for your acceptance.

The remuneration and other terms and conditions of his appointment are as under, and the same is available for inspection by the Members at the registered office of the Company during the business hours on any working day prior to the date of the meeting.

1. Remuneration:

- a) Basic salary: Rs. 1,25,000/- (Rupees One lac twenty five thousand only) per month, with such increase as the Board/Committee of Directors may decide from time to time.
- b) Special Allowance: Rs. 85,000/- (Rupees Eighty five thousand only) per month with such increase as the Board/Committee of Directors may decide from time to time.
- c) Statutory Allowances: Rs. 65,000/- (Rupees Sixty five thousand only) covering personal car pay-out, education, uniform, Leave Travel assistance and retrials, to be bifurcated as per mutual understanding, per month with such increase as the Board/Committee of Directors may decide from time to time.
- d) Performance linked variable pay: Rs. 5,00,000/- (Rupees Five lacs only) per annum, or such higher amount as the Board/Committee of Directors may decide from time to time.

2. Perquisites:

- a) A suitably furnished Residential accommodation shall be provide at Digvijaygram (Sikka), as also a service Car with driver and fuel and the same shall be valued as per Income Tax Rules.
- b) Medical (including hospitalization) and accident coverage through specific insurance policies.

Where in any financial year, the Company has no profit or its profits are inadequate, the foregoing amount of remuneration

and benefits shall be paid or given to Mr. P. A. Nair subject to the applicable provisions of Schedule XIII of the said Act. Further, Mr. Nair shall not be paid any sitting fee to attend Board/Committee meetings of the Directors.

Except Mr. Nair, no other Director is in any way concerned or interested in the proposed resolution.

Information required under Clause (iv) of proviso to paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956

1. General Information

- (i) Nature of Industry.
The Company is engaged in manufacture and sale of Clinker and Cement.
- (ii) Date of commencement of commercial production.
Since 1951.
- (iii) In case of new Companies, expected date of commencement of activities.
Not applicable, as the Company is an existing Company.
- (iv) Financial performance based on given indicators.

	(Rs. in lacs)		
Years	31.03.2006	31.03.2007	31.03.2008
Turnover (Gross)	24806	29596	28851
Profit/(Loss) before Tax	4898	5413	(1372)
Profit/(Loss) after Tax	4879	5404	(1402)

Note: For further details/performance please refer Annual Report.

- (v) Export Performance and foreign exchange collaborations
The FOB value of export was Rs. 3604.75 lacs in 2005-06, Rs. 176.69 lacs in 2006-07 and Rs. 485.85 lacs in 2007-08.
- (vi) Foreign investments or collaborators if any –
NIL

2. Information about appointee

- (i) Background details
Mr. P. A. Nair is of 60 years in age and is a qualified Engineer with vast experience in Cement Industry.
- (ii) Past Remuneration
Mr. P. A. Nair has joined the Company w.e.f. 17th March, 2008 and has been paid Rs. 1.29 lacs as remuneration for the Financial Year 2007-08.
- (iii) Recognition or awards/job profile and his suitability
With requisite experience and qualifications, the Board is of the opinion that he is suited for the position.
- (iv) Remuneration proposed
As set out above.
- (v) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person
The remuneration of Mr. P. A. Nair is not out of tune with the remuneration in similar sized industries in same segment of business.
- (vi) Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any.
Other than the remuneration stated above, Mr. P. A. Nair has no other pecuniary relationship directly or indirectly with the Company.

3. Other Information

Reasons for inadequate profits/steps taken for improvement etc.

Elaborated in the Directors' Report and Management Discussion and Analysis.

Item No. 10

Under Article 150 of the Articles of Association of the Company, it is mandatory for a Director (other than the category of directors exempted from the applicability of the Article), to acquire and hold equity shares of the Company of the aggregate value of Rs. 5,000/- (Rupees five thousand only) as qualification shares. However, such qualification is not mandatory under the Companies Act, 1956, unless, the Articles of the Company content such requirement.

To bring the provisions of Article 150 of the Articles of Association in line with the provisions of the Companies Act, 1956, it is proposed to delete the said Article. Consequentially, sub clause (a) of clause (1) of the Article 156 of the Articles of Association (vacation of office by Directors for not holding qualification shares in terms of Article 150) is proposed to be deleted and re-numbered.

Similarly Article 115 and Article 180 of the Articles of Association of the Company conferring rights of Casting/second vote on the Chairman of the meetings, being not mandatory under the provisions of the Companies Act, 1956 are proposed to be deleted.

As required under Section 31 of the Companies Act, 1956 the amendment is proposed by way of a special resolution for approval by members. Copy of the existing Article 150, 156, 115 and 180 of the Articles of Association is available for inspection by the Members at the registered office of the Company during the business hours on any working day prior to the date of the meeting.

None of the Directors are concerned or interested in the resolution.

Item No. 11

Under Section 293(1) (d) of the Companies Act, 1956, the Board of Directors can, with the consent of the Company in General Meeting, borrow moneys apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

The Company is in the process of liquidating the long outstanding heavy interest bearing liabilities. To meet out this and other financial requirement for ongoing capital expenditures and general business purposes, the Company may require to borrow funds in excess of Rs. 300 crores (Rupees Three hundred crores only), the limit conferred upon the Board of Directors in the 60th Annual General Meeting of the Company held on 21st July, 2005 at any given point of time. Hence, a fresh increased limit is being fixed for the purpose up to an extent of Rs. 500 crores (Rupees Five hundred crores only) as mentioned in the resolution set out in this item of the Notice.

By Order of the Board

Place: Mumbai
Date: 17th June, 2008

S. N. Malpani
Company Secretary

Details of Directors seeking Appointment/Re-appointment in Annual General Meeting fixed for 15th September, 2008

Name of Director	Mr. Jorge Manuel Tavares Sobassa Moura	Mr. Alvaro Joao Serra Nazare	Mr. Robert Pavrey	Mr. Napoleon de La Collina	Mr. Leonard D'Costa	Mr. Luis Filipe Sequeira Martins	Mr. Penarvesell Achuthan Nair
Date of Birth	4th December 1930	8th September, 1941	16th March 1962	10th April 1967	24th January 1951	4th June 1947	15th February 1948
Date of Appointment	25th March, 2008	7th January, 2008	25th March 2008	19th May 2008	19th May 2008	19th May 2008	25th March 2008
Qualification	Engineering Degree	Engineering Degree	Company Secretary	Civil Engineering-Structural	B.Sc.-Hons.PG. Diploma Hons. Indu. Rel. & Welfare	Chemical Engineering Human Resource	Engineering Degree
Experience in specific functional area	HR, Legal, PR etc.	Cement Industry	Company Secretary in practice	Management Consultant	Human Resources Leadership & Education	Cement Industries	Cement Industries
List of outside Company Directorship held	<p>Chairman of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Cimpor Portugal, SGPS, S.A. 2. Cimpor Internacional, SGPS, S.A. 3. Cimpor Investimentos, SGPS, S.A. 4. Cimpor Industria de Cimentos, S.A. 5. Cimpor Imobiliaria, S.A. 6. Cimpor Inversoes, S.A. 7. Cimpor - Servicos de Apoio a Gestao de Empresas, S.A. 8. Cimship - Transportes Maritimos, S.A. 9. Asment de Temara, S.A. 10. Betocim, S.A. 11. CTA - Cement Trading Activities-Com. Internacional, S.A. 12. Scopar - Sociedade De Embolagens de Sacos de Papel, S.A. 13. Geditel - Producao e Comercializacao e Bens e Equipamentos, S.A. 14. Prediana - Sociedade de Pre-Estarcados, S.A. 15. Estabelecimentos Social do Norte, S.A. 16. Yibitos Holding, A.S. 17. Cimpor Yibitos Cimento Sanayi Ve Ticaret A.S. 18. Yibitos Yazgati ISI Birliji Insaat Malzemeleri Ticaret Sanayi A.S. 19. Sociedade De Investimento Cimpor Mocau, S.A. 20. Asment Du Centre, S.A. 	<p>Member of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Ameyah Cement Company Egypt. 2. Cements Jbel Oust, Tunisia 3. Asment de Temara, Morocco. 4. New Liu Yuan Cement, China 5. Nanda cement, China. 	<p>Member of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Adepr Fin & Cons.Ser.P.Ltd 2. AFI India Services P.Ltd. 3. Ahinsa Realtors Pvt. Ltd. 4. Alliance Bernstein Inv. Research and Management India Pvt.Ltd. 5. Anupama Infra P.Ltd. 6. Audotex Solutions P.Ltd. 7. BAW India Advisory P.Ltd. 8. Bear Stearns Services I.P.Ltd. 9. Building Data P.Ltd. 10. California Wow Fitness P.Ltd. 11. Carel ACR Systems I P Ltd 12. Cognos Software P.Ltd. 13. Datacard India P.Ltd. 14. Deyco Engine Systems I.P.Ltd. 15. Deva Capital Management Advisors P.Ltd. 16. Elokem India P.Ltd. 17. Enpocket Services I.P.Ltd. 18. Europ Assistance I.P.Ltd. 19. Futurestep Recruitment Ser.P.Ltd. 20. Global Develop.Capital Manage.P.Ltd. 21. LMG Loyalty Services India P.Ltd. 22. Marathon Inv.Advisory P.Ltd. 23. Minteq India Pvt.Ltd. 24. Nepo India Pvt.Ltd. 25. Navinyo Buildcon Pvt.Ltd. 26. PREMA - Micro Credit Pvt.Ltd. 27. Prologis Distribution Services I.P.Ltd. 28. Raksha Logistics & Warehousing P.Ltd. 29. RLG Retailis Pvt.Ltd. 	<p>Chairman of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Cimpor Betao,SGPS,S.A (Portugal) 2. Cimpor Tech,S.A. (Portugal) 3. Cimpor Egypt S.A. El Egypt 4. Cimpor Yibitos Muhendislik Makina Sanayi Ve Ticaret AS. (Turkey) 5. Ameyah Cimpor Cement Co.S.A.Egypt 6. Ameyah Dekheila Terminal Co.S.A.Egypt 7. Cement Services Company S.A.Egypt 8. Ameyah Cement Co. S.A.Egypt 9. Cimpor Sacos Manufacture Co.S.A.Egypt <p>Vice Chairman Cimpor Inversoes, S.A (Spain)</p> <p>Director and Chairman of the Ex.Committee Corporacion Noresta, S.A (Spain)</p> <p>Member of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Cimpor Portugal SGPS, S.A (Portugal) 2. Cimpor Internacional, SGPS,S.A. (Portugal) 3. Cimpor Investimentos, SGPS S.A(Portugal) 4. Cimpor -Industria de Cimentos, S. A.(Portugal) 5. Asment de Temara, S.A(Morocco) 6. Asment du Centre, S.A(Morocco) 	<p>NIL</p>		

Name of Director	Mr. Jorge Manuel Tavares Salavessa Moura	Mr. Alvaro Joao Serra Nazare	Mr. Robert Pavvey	Mr. Napoleon de La Colina	Mr. Leonard D Costa	Mr. Luis Filipe Sequeira Martins	Mr. Penarveell Achuthan Nair
Chairman/Member of the Committee of the Board of Directors of the Company.	<p>21. ATIC - Associacao Technica Da Industria Do Cimento</p> <p>22. Cimpor Chergton Cement Corporation Ltd</p> <p>23. Scanning Trading Activities- ESPANA, S.A</p> <p>24. Cectisa - Comercio Internacional, S.A.</p> <p>Member of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Cimpor - Cementos de Portugal, SGPS,S.A. 2. Ameyah Cement Company, S.A.E 3. Ameyah Cimpor Cement Company, S.A.E. 4. CJO - Sociedade Cimentos de Ibel Oust. 5. Cimpor Sacs Manufacture Company, S.A.E. 6. Ameyah Bekheila Terminal Company S.A.E. 7. Cimor Egypt for Cement Company S.A.E. 8. NPC - Cimpor (Pty) Limited. 9. Natal Portland Cement Company (Proprietory), Limited. 10. MECAN - Manufatura De Elementos De Casas De Construcçao Normalizada, LDA. 11. KANDIMAD, SGPS, LDA 12. NORDICAVE Trading Industrial 13. Scanning SGPS, Unipessoal LDA. 14. CAXALP, SGPS, LDA 15. Corporacion Noroeste,S.A. 16. Cement Services Company S.A.E <ol style="list-style-type: none"> 1. Audit Committee - Member 2. Share Transfer and Shareholders/Investors Grievance Committee - Chairman 	<p>30. Soviçha Logistics & Warehousing Pvt.Ltd.</p> <p>31. Shaina Properties Pvt.Ltd.</p> <p>32. Showdft Worldwide Pvt.Ltd.</p> <p>33. Sportal India Pvt.Ltd.</p> <p>34. Strategic Human Resource Man/PLtd.</p> <p>35. SV India Opportunities Advisors Pvt.Ltd.</p> <p>36. Tobena India Pvt.Ltd.</p> <p>37. TRIF Gandhinagar Projects Pvt.Ltd.</p> <p>38. TRIF Hyderabad Projects Pvt.Ltd.</p> <p>39. TRIF Infrastructure Pvt.Ltd.</p> <p>40. TRIF Kochi Projects Pvt.Ltd.</p> <p>41. TRIF Property Development. Pvt.Ltd.</p> <p>42. TRIF Real Estate & Development P.Ltd.</p> <p>43. TRIF Realty Projects Pvt.Ltd.</p> <p>44. TRIF Trivendrum Projects Pvt.Ltd.</p> <p>45. Veolia Transport India Pvt.Ltd.</p> <p>46. Walton Street Capital Adv. VI India P.Ltd.</p> <p>47. WL RossIndiaPvt.Ltd.</p> <p>Alternate Director</p> <ol style="list-style-type: none"> 1. Fitch Ratings I.P.Ltd. 2. Grey Worldwide (India) P.Ltd. 3. KU Education Digital India P.Ltd. 4. Palain India Pvt.Ltd. 5. Renfro India Pvt.Ltd. 6. TSI Business Park (Hyderabad) P.Ltd. <ol style="list-style-type: none"> 1. Audit Committee - Member 2. Share Transfer and Shareholders/Investors Grievance Committee -Member 	<p>7. CJO-Societe Les Ciments de Ibel Oust. S.AITunisia</p> <p>8. Natal Portland Cement Co. (Pty) Ltd. South Africa</p> <p>9. NPC-Cimpor(Pty)Ltd. South Africa</p> <p>10. Yobias Holding, A.S(Turkey)</p> <p>11. Cimpor Yobias Cimento Sanayi ve Ticaret(A.S(Turkey)</p> <p>Chairman of the Committee</p> <p>Liaison Committee of CEMBUREAU-Eurpolean Cement Association.</p> <p>Member of the Committee</p> <ol style="list-style-type: none"> 1. Advisory Committee of the Luso Carbon Fund 2. Management Board of BSCD Portugal 3. Executive Committee of ATIC - Associação Tecnica da Industria do Cimento 	<p>Audit Committee - Chairman</p>	<p>Audit Committee - Member</p>	<p>Share Transfer and Shareholders/Investors Grievance Committee - Member</p>	<p>Share Transfer and Shareholders/Investors Grievance Committee - Member</p>
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

SHREE DIGVIJAY CEMENT CO. LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 63rd Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2008

ACQUISITION OF CONTROLLING INTEREST BY CIMPOR INVERSIONES S.A.

Before addressing on financial results and operating analysis, your Directors wish to inform you about an important development took place in your Company during the year under report.

As you all are aware, Cimpor Inversiones S.A. of Spain (Cimpor) have acquired 75816681 nos. equity shares (representing 53.63% of the Company's out standing voting Equity Share Capital) from Grasim Industries Limited (Grasim). The acquisition was made under a Share Purchase Agreement dated 4th December, 2007 entered in to between Grasim and Cimpor. Further, in compliance of SEBI guidelines under Takeover Regulations, Cimpor has also acquired 28274856 nos. of equity shares (representing 20% of the Company's out standing voting Equity Share Capital). In aggregate, Cimpor has acquired 104091537 nos. of equity shares (representing 73.63% of Company's outstanding voting Equity Share Capital) @ Rs. 42.50 per shares. The entire process of acquisition was completed on 25th March, 2008. Consequentially, your Company has ceased to be a subsidiary of Grasim and has become subsidiary of Cimpor with effect from that date.

The process for transfer of controlling interest from erstwhile Promoters to Cimpor was concluded just few days before the close of financial year 2007-08 i.e. on 25th March 2008. Therefore, the report on the statement of affairs of the Company for the year ended 31st March, 2008 by the re-constituted Board of Directors to the Shareholders is based on the facts and figures of the Audited records of the Company.

ABOUT CIMPOR:

Cimpor is the largest Portuguese cement group, operating in Portugal, Spain, Mozambique, Morocco, Brazil, Tunisia, Egypt, Cape Verde, South Africa, Turkey, China, Peru and now in India too. It is involved in manufacturing and marketing cement, hydraulic lime, concrete and aggregates, precast concrete and dry mortars. It has Cement production capacity of 29.5 million tones per year with own clinker.

Now, the Directors present financial results and

performance analysis of your Company during the year 2007-08.

FINANCIAL RESULTS

(Rs. In lacs)

	Current Year Ended 31.03.2008	Previous year Ended 31.03.2007
Gross Turnover	28851	29596
Gross Profit	4034	5980
Less: Depreciation	632	627
Profit before extra ordinary items	3402	5353
Extra ordinary items:		
• Impact of financial re-structuring & prior period adjustments (Net)	0	60
• Replacement cost (net of Insurance claim) of Capital equipment (DG Set)	(441)	0
• Interest paid to erstwhile holding Company on Debentures and other loans	(4333)	0
Profit/(Loss) before Tax	(1372)	5413
Fringe Benefit Tax	(30)	(22)
Income Tax refund of earlier years	0	13
Profit/(Loss) after Tax	(1402)	5404
Transition provision of Employees benefits (AS-15)	(59)	0
Net Profit/(Loss) during the year	(1461)	5404
Balance brought forward from previous year	(9931)	(15335)
(LOSS) CARRIED OVER	(11392)	(9931)

PERFORMANCE:

Performance during the year under report was not encouraging. In spite of buoyancy exhibited in the sectorial consumption, the working result for the year under report has suffered a sharp set back. With stagnant turnover, the gross profit has fallen down by

about 33% over the previous year, with substantial drop in over all productivity.

Your Company earned revenue of Rs. 28851 lacs (Rs. 29596 lacs in previous year), lower by about 3% over previous year. After providing for depreciation of Rs. 632 lacs (Rs. 627 lacs in previous year), your Company earned an operating profit of Rs. 3402 lacs (Rs. 5353 lacs in previous year), lower by about 36% over previous year.

After providing for extraordinary items, your Company has suffered a net loss of Rs. 1461 lacs against profit of Rs. 5404 lacs during previous year.

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

REVIEW OF OPERATIONS

During the year under review, Cement production was lower at 8.05 lacs MT as against 9.28 lacs MT in previous year – down by about 13% in comparison with previous year. Similarly, Clinker production was also lower at 7.64 lacs MT as against 8.58 lacs MT in previous year – down by about 11%.

One of the DG Set (Captive generating set) was damaged in the middle of the June 2007, disturbing consistency in power supply. The power supply was restored during the month of August 2007 through temporary Grid connection from State Electricity Board. During the said period of about two months, the plant was operated at lower efficiency.

Your Company has exported 0.32 lac MT clinker during the year under report. (Previous year NIL).

BIFR REFERENCE

As reported earlier, with widening of Capital base of your Company (through Rights Issue), supported with improved working results, the net worth of your Company became positive at the end of previous financial year ended on 31st March, 2007. Accordingly, BIFR vide order dated 29th November, 2007 has discharged the Company from the purview of the Sick Industrial Companies (Special Provisions) Act, 1985.

As reported under “financial results”, a sum of Rs. 4333 lacs has been provided towards arrears of interest on Debentures and other borrowings from earst while holding Company for the period 1st April 2004 to 24th March, 2008 under extra ordinary items. Consequentially, the accumulated losses of the Company have exceeded fifty per cent of its peak net worth as at the end of the financial year under report, which might be taken as so your Company has become a potential sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. Considering, though, that the causes of said negative

financial results refer to non recurrent spot events, most of them transferred from previous 3 financial years and that prospects for next year’s are of positive results for the Company’s activity, your Company will adequately report to BIFR, requesting not to be considered a potential sick company.

DIRECTORS

On Cimpor’s acquiring controlling interest in the Company as stated under earlier paras of this report, the Board of the Company was re-constituted and Mr. S. K. Maheshwari, Mr. O. P. Puranmalka, Mr. S. Misra, Mr. K. C. Birla, Mr. K. D. Agrawal, Mr. R. C. Bhargava and Mr. G. P. Gupta tendered their resignations from the Directorship of the Company.

The Board appointed Mr. Joao Sande e Castro Salgado, Mr. Alvaro Joao Serra Nazare, Mr. Jorge Manuel Tavares Salavessa Moura, Mr. Luis Da Silva Fernandes, Mr. Robert Pavrey, Mr. Leonard D’ Costa, Mr. Napoleon De la Colina and Mr. Luis Filipe Sequeira Martins as Additional Directors on the Board. Mr. Joao Sande e Castro Salgado and Mr. Luis Da Silva Fernandes resigned from the directorship of the Company w.e.f. 26th March, 2008 and 19th May, 2008 respectively and ceased to be Directors from the respective dates.

The aforesaid Directors hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. Notices have been received under section 257 of the Companies Act, 1956 from Members of your Company proposing the appointment of above persons as Director.

The Board places on record their appreciation of matured advice and guidance of the out going Directors during their association with the Company.

Mr. P. A. Nair was appointed as an Additional Director of the Company as from 25th March, 2008. He was also appointed as a Whole Time Director of the Company subject to approval of shareholders in general meeting, for a period of two years effective from 25th March, 2008. An abstract of the terms and conditions governing his appointment was circulated to the members under section 302 of the Companies Act, 1956.

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

AUDITORS’ REPORT

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

AUDITORS

Your Directors request you to appoint Auditors for current accounting year and fix up their remuneration.

SHREE DIGVIJAY CEMENT CO. LTD.

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the existing Auditors of the Company retiring at the ensuing Annual General Meeting are available for a fresh term and have furnished certificate of their eligibility for re-appointment.

COST AUDITORS

Pursuant to Section 233B of the Companies Act, 1956, your Directors have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the Cost Audit for the year ended 31st March 2008. The appointment has been approved by the Central Government.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The Particulars of employees, required under section 217(2A) of the Companies Act, 1956, and

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

HUMAN RESOURCES

Your Company encourages and provides regular training to employees to improve skills. Your Company has performance appraisal system for senior employees and junior management staff. In-house news letters provides forum for information sharing. Rewarding individuals for their contribution is part of motivation towards Excellencies.

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at 31st March 2008 and of the profit of the Company for that period;

- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the annual accounts of the Company are prepared on a going concern basis.

SOCIAL REPORT

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

ENVIRONMENT REPORT

Environment conservation – A way of life

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

Your Company is ISO 14001 Environment Management system Certified and adhere to OHSAS 18001 standards. Professional Environment Auditors such as Det Norske Veritas, the State Pollution Board's certified auditors and Environmental System Auditors conduct an 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, the Financial Institutions and Lenders. The Directors also recognize the commitment and dedication of the Company's employees.

For and on behalf of the Board

Alvaro Joao Serra Nazare
Director

P. A. Nair
Whole Time Director

Place: Mumbai
Date: 17th June, 2008

MANAGEMENT DISCUSSIONS & ANALYSIS

BUSINESS & FINANCIAL PERFORMANCE REVIEW

Capacity utilization

	FY 08	FY 07	% Change over corresponding period
Installed Capacity (Lac. TPA)*	10.75	10.75	—
Production (Lac. TPA)			
Clinker	7.64	8.58	- 11
Cement	8.05	9.28	- 13
Effective Capacity utilization @	78%	86%	
Sales Volume (Lac. Ton)	8.29	9.27	- 11
Domestic — Cement	7.97	9.21	-13
Export — Cement	0.00	0.06	
— Clinker	0.32	—	
Average Gross Realization (Rs./ MT)	2652	2305	15

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

@ Effective capacity utilization = Cement Production + Clinker sold

FINANCIAL HIGHLIGHTS

(In Rs. Lacs)

	FY 08	FY 07	% Change over corresponding period
Net Turnover	25408	26177	- 3
Other Income	424	460	
Total Expenditure	21724	20540	- 6
Operating Profit (PBIDT)	4109	6097	- 33
Operating Margin (%)	16	24	
Interest	75	117	- 36
Gross Profit (PBDT)	4034	5980	- 33
Depreciation	632	627	
Profit before tax and Exceptional Items	3402	5353	-36
Exceptional Items	(4774)	60	
Fringe Benefit tax	(30)	(22)	
Tax refund of earlier years	0	13	
profit /(Loss) after tax	(1402)	5404	
Transition provision of AS – 15 Employees Benefits	(58)	0	
Net Profit/(Loss)	(1460)	5404	

Net Turnover

The net turnover was lower by 3% over previous year as a result of lower volume of sale.

Operating Profit (PBIDT) & Margin

In spite of increase in unit realisation (Rs.2652/- PMT as against Rs. 2305/- PMT in previous year) the operating profit was reduced by 33% from Rs. 6097 lacs to Rs. 4109 lacs in FY 08. Main factors attributable for substantial reduction in operating profit are:

Lower Productivity has resulted in volume loss of 1.26 lac MT of Cement during the year under report. This factor alone has adversely affected working result in substance.

Increase in over all variable cost by about 28% over previous year has more than neutralized the per unit contribution. Followings are main contributories in cost escalation:

Power Cost increased by 29% on account of mix effect of higher price of Furnace Oil required for operation of DG Sets for captive generation of power and high cost of grid power used till restoration of power from captive DG Set.

Fuel Cost increased by 21% on account of increased cost of imported Coal.

Raw material cost was higher by 25% on account of increased cost and freight.

Employees cost were higher on account of revision in compensation structure followed with booking of retrial benefits under revised AS-15.

Additional cost in the form of Demand Charge for power purchased through Grid connection from State Electricity Board.

Exceptional Charges:

a. Interest

Arrears of interest on borrowings from Grasim Industries Limited (the erstwhile holding Company) for the period 1st April 2004 onwards was appearing under contingent liability till previous year. Consequent on recall of the dues by Grasim (after ceasing to be holding Company on change of Management), the liability up to the period 24th March 2008 aggregating Rs. 4332.68 lacs was paid and charged to profit & loss account during the year under report.

b. Replacement Cost of DG Set Engine:

As reported in earlier discussions, the replacement cost of damaged DG Set (net of Insurance claim received by the Company) aggregating Rs. 441.48 lacs has been charged to profit and Loss Account of the Company during the year under report.

Exceptional charges aggregating Rs. 4774.16 lacs has converted operating profit of Rs. 3402.29 lacs to Net Loss.

Income Tax

No provision for Deferred Tax has been considered because of unabsorbed depreciation and carried

SHREE DIGVIJAY CEMENT CO. LTD.

forward accumulated tax losses under Income Tax. Your Company has provided Rs. 30.27 lacs towards Fringe Benefit Tax.

Cash Flow Analysis

(In Rs. Lac)

	FY 08
Source of Cash	
Cash from Operations	3533.45
Non-operating Cash flow	4.38
Increase in Debts (Net)	2728.79
Decrease in Receivables (net)	2277.65
Total	8544.27
Use of Cash	
Capital Expenditure (net)	2665.19
Interest Paid – (including Rs.4332.68 lacs to erstwhile Promoters)	4387.35
Taxes paid	45.73
Increase in Cash Equivalent (net)	1446.00
Total	8544.27

Cash from Operations

Cash from operation in FY 08 was at Rs. 3533.45 lacs as against Rs. 6138.98 lacs in FY 07 – down by 58% in comparison with previous year. The operating profit for the year under report was adversely affected because of inconsistency in plant performance, lower sales volume coupled with hefty increase in cost of production at all operating fronts. The benefit on increase in unit realisation could not be registered and was more than neutralized due to above factors.

Non-operating Cash Flow

Non operating cash flow of Rs. 4.38 lacs includes miscellaneous interest income (Rs. 0.51 lacs) and equity shares allotment money (Rs. 3.87 lacs) received on allotment of 38700 equity shares. The said shares were kept in abeyance during the Rights Issue under taken by the Company in the year 2006, pending settlement of disputes. On settlement of the dispute, the shares have been allotted to respective shareholders during the year under report.

Increase in Debts:

Fresh un-secured borrowing was raised to meet out paying off the dues aggregating Rs. 8332.68 lacs (Debentures Rs. 4000 lacs and interest on Debentures and other borrowings Rs. 4332.68 lacs) of erstwhile Promoters M/s. Grasim Industries Limited.

Capital Expenditure

As reported in previous year, the Company had earmarked an amount of Rs. 3000 lacs for capital expenditures from the proceeds of Rights Issue. During the year under report, the Company has incurred a sum of Rs. 2716 lacs towards capital expenditures as committed in offer documents of Rights issue.

SEGMENT REVIEW AND ANALYSIS

It is a single product Company

OUTLOOK:

Cement demand is expected to grow by 8-9% linked to GDP. The availability and rising prices of Coal and furnace oil (for captive generation of electricity) is a concern area. The addition of new capacities is likely to result in a surplus scenario in coming years.

RISK AND CONCERN

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

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

Industrial relations during the year under report remained cordial. Variable pay scheme is in place to reward employees for their performance, linked with the performance of the Company.

The total number of employees in the Company as on 31st March, 2008 was 552 employees. (Previous year 573)

RISK MANAGEMENT

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

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

INTERNAL CONTROL SYSTEM

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

CAUTIONARY STATEMENTS

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

Information Under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2008

A. CONSERVATION OF ENERGY

- | | |
|--|--|
| a. Energy conservation measures taken | <ol style="list-style-type: none"> 1. Installation of Electronic Packer of 6 spouts to increase packer output & specific power of Packer. 2. Replace HE Separator motor of 132 KW 1000 rpm by new mobs of 132 KW, 750 KW. 3. Reuse of HT capacitor in MPSS-1 to reduce losses. 4. Replace old Motor of pre-grinder sealing air fan motor by new high efficiency motor 5. 2 nos. of existing vibro feeders (30KW) of secondary crusher to be replaced by 22 KW Apron feeders with new motors. 6. Push feeder motor of 15 KW of 3rd Truck unloader to be replaced by high efficiency of 11 KW 7. Belt conveyor no. 2 of 15 KW to be replaced by new motor of 11 KW motor of high efficiency. |
| b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy. | <ol style="list-style-type: none"> 1. Mechanized Fly ash unloading, storage & feeding system at KCP Cement Mill. 2. Modification of grinding circuit of Coal Mill 5 by incorporating HE separator & Close Circuiting. 3. Up gradation of HE separator of KCP Cement Mill with latest generation & design equipment. |
| c. Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. | Reduction in electrical power consumption by around 2 units/ tone of cement and thermal energy consumption up to 3 kCal/Kg of Clinker. |

B. TECHNOLOGY ABSORPTION:

Research & Development (R&D)

- | | | | | | | | | | |
|--|--|--|---------------|------------|-----|--------------|------------|--|------------|
| a. Specific areas in which R & D carried out by the Company | <ol style="list-style-type: none"> 1. Company is associated with National Council for Cement & Building Materials for research and development activities. 2. In co-operation with Regional Training Centre, technical employees are being trained in various fields where latest technology is being taught and employees are trained to be utilized. | | | | | | | | |
| b. Benefits derived as a result of the above R&D | <ol style="list-style-type: none"> 1. Enhancement of product quality & enhanced consistency of quality. 2. Manufacturing of Special Cements as import substitutes & for specific customer requirement. 3. Motivation towards technical knowledge & competency development of employees. | | | | | | | | |
| c. Future plan of action | <ol style="list-style-type: none"> 1. Further improvement in quality & compressive strength of Clinker and Cement. 2. Deep bucket conveyor for clinker transport. 3. 50,000 MT capacity clinker storage Silo along with Feeding & Extraction Equipment System. | | | | | | | | |
| d. Expenditure on R & D | <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: right;">(Rs. In Lacs)</td> </tr> <tr> <td>1. Capital</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>2. Recurring</td> <td style="text-align: right;">Negligible</td> </tr> <tr> <td>3. Total R & D expenditure as a percentage of total turnover</td> <td style="text-align: right;">Negligible</td> </tr> </table> | | (Rs. In Lacs) | 1. Capital | Nil | 2. Recurring | Negligible | 3. Total R & D expenditure as a percentage of total turnover | Negligible |
| | (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

			2007-08	2006-07
A) POWER & FUEL CONSUMPTION:				
1) Electricity:				
(a) Purchased (PGVCL)				
Unit KWH	Lacs		155	Nil
Total Amount	Rs. Lacs		1444	Nil
Rate per Unit	Rs		9.30	Nil
(b) Own Generation:				
Through Diesel/Furnance Oil Genset				
Units KWH (Gross)	Lacs		784	1020
Units per Ltrs of Diesel/Furnance Oil	Kwh		4.29	4.34
Cost per Unit (Net)	Rs.		5.70	4.69
2) Coal for Kilns (Various grades)				
Quantity	In Thousand Tonne		107	118
Total Cost	Rs. In lacs		4232	3871
Average Rate	Rs Per tonne		3956	3294
3) HSD/ Furnance Oil				
Quantity	K Ltrs		18277	23519
Total Cost	Rs. In lacs		3370	3676
Average Rate	Rs./ Ltr		18.44	15.63
B) CONSUMPTION PER UNIT OF PRODUCTION:				
	Standard (if any)			
a) Electricity / kwh / Tonne of Cement	120		111	104
b) Coal				
Cement (K.Cal/kg Clinker)	800		792	781

INFORMATION UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 (AS AMENDED) AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2008

[A] EMPLOYED THROUGHOUT THE FINANCIAL YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION FOR THE FINANCIAL YEAR IN AGGREGATE OF NOT LESS THAN RS. 24,00,000/- P.A.

Sl. No.	Name	Age (Yrs)	Qualification	Designation	Date of Commencement of Employment	Experience as on 31.03.2008 No. of Years.	Gross Remuneration (Rs.)	Particulars of Last Employment, Employer, Last Post, No. of Years.
1	Mr. B. B. Joshi	47	B.E. (Production)	Jt. Executive President & Unit Head	1st August 2006	24	42,46,327	UltraTech Cement Ltd. 22 Years
2	Mr. S. K. Sen	55	B.Tech (Chem)	VP (Tech)	01.04.2007	28	27,75,700	Jt. Executive President Grasim Ind. Ltd. 4 Years
3	Mr. C. S. Jasol	52	B.A.(Hons.), M.A., Diploma in Business Management	Vice President (P.A. & Mines)	16.06.1983	25	25,55,994	AVP (Tech) Shree Cement Ltd. Establishment Assistant 1 Year

[B] EMPLOYED FOR PART OF THE FINANCIAL YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION AT THE RATE WHICH, IN THE AGGREGATE, WAS NOT LESS THAN RS. 2,00,000/- PER MONTH.

Sl. No.	Name	Age (Yrs)	Qualification	Designation	Date of Commencement of Employment	Experience as on 31.03.2008 No. of Years.	Gross Remuneration (Rs.)	Particulars of Last Employment, Employer, Last Post,
1	Mr. P. A. Nair	60	B.Sc.(Engg.) D.M.M., F.I.E. (India), C. Engr.	Whole time Director	17.03.2008	36.5 years	1,29,124	Grasim Industries Ltd. Birla Plus Cement, Bhatinda Unit Head 11.5 years
2	Mr. K. Jaisalmeria	53	M. Com., C.A	V. P. (Comm.)	07.04.1983	25 Years	27,85,019	Hindustan National Industries Limited - Executive Officer

Notes:

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

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. 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 (after re-constitution) comprises of 7 (Seven) directors. Of these, 3 (three) are independent directors and one is executive 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	
Shri K. D. Agrawal (up to 25 th March, 2008)	Independent	-	1	-	-	8	7	Yes
Shri R. C. Bhargava (up to 25 th March, 2008)	Independent	12	2	6	3	8	4	No
Shri G. P. Gupta (up to 25 th March, 2008)	Independent	13	-	5	4	8	6	Yes
Shri S. Misra (up to 25 th March, 2008)	Non-Executive	2	-	-	-	8	7	Yes
Shri O. P. Puranmalka (up to 7 th Jan. 2008)	Non-Executive	-	-	-	-	6	3	No
Shri S.K.Maheshwari (up to 7 th Jan. 2008)	Non-Executive	-	-	-	-	6	3	No
Shri K. C. Birla (up to 25 th March, 2008)	Non-Executive	1	-	-	-	8	7	No
*Mr. Joao Sande e Castro Salgado (from 7 th Jan. 2008 to 25 th Mar. 2008)	Non-Executive	-	-	-	-	3	2	N.A.
*Mr. Alvaro Joao Serra Nazare (from 7 th Jan. 2008)	Non-Executive	2	-	-	-	3	1	N.A.
*Mr. Jorge Manual Salavessa Moura (from 25 th March 2008)	Non-Executive	40	-	-	-	1	-	N.A.
*Mr. Luis Da Silva Fernandes (from 25 th March 2008 to 19 th May, 2008)	Independent	Nil	-	-	-	1	-	N.A.
*Mr. Robert Pavrey (from 25 th March 2008)	Independent	Nil	53	-	-	1	-	N.A.
*Mr. P. A Nair (from 25 th March, 2008)	Whole-Time Director	Nil	-	-	-	1	1	N.A.
* Mr. Leonard D Costa (from 19 th May, 2008)	Independent	Nil	-	-	-	-	-	N.A.
*Mr. Napoleon De la Colina (from 19 th May, 2008)	Independent	Nil	-	-	-	-	-	N.A.
*Mr. Luis Filipe Sequeira Martins (from 19 th May, 2008)	Non-Executive	24	-	-	-	-	-	N.A.

* were appointed Additional Directors in the Board Meeting held on respective dates.

\$ Annual general Meeting (AGM) was held on 29th August, 2007 at Digvijaygram.

@ including foreign Companies.

SHREE DIGVIJAY CEMENT CO. LTD.

- **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. K. D. Agrawal	70,000
Mr. R. C. Bhargava	40,000
Mr. G. P. Gupta	60,000
Mr. O. P. Puranmalka	30,000
Mr. S. K. Maheshwari	30,000
Mr. K. C. Birla.	70,000

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. S. Misra, Mr. Salgado and Mr. Nazare are not accepting any sitting fee for attending Board/Committee meetings.

- **Other provisions of the Board and Committees**

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

Your Company's Board plays a primary role in ensuing good governance and functioning of the Company. The Board consists of professionals from diverse fields and has vast experience in their respective areas. The Boards' 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 2007-08 are as follows:

Date of Board Meeting	City	No. of directors Present
20 th April, 2007	Mumbai	4
21 st July, 2007	Mumbai	5
29 th August, 2007	Digvijaygram	3
19 th October, 2007	Mumbai	6
12 th December, 2007	Mumbai	6
7 th January, 2008	Mumbai	6
19 th January, 2008	Mumbai	6
25 th March, 2008	Mumbai	5

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

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2008.

Mumbai
Date: 17th June, 2008

P.A. Nair
C. E. O

II. AUDIT COMMITTEE

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

Your Company has an Audit Committee at the Board level which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors and oversees the financial reporting process. The Audit Committee has four directors as members out of which three are independent directors. All the Members of the Audit Committee are financially literate. Shri K. D. Agrawal is the Chairman of the Committee and was present at Annual General Meeting of the Company. During the Year, the Audit Committee met 4 times to deliberate on various matters. The meetings were held on 20th April, 2007; 21st July 2007; 19th October 2007; and 19th January 2008. 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	
Shri K. D. Agrawal*	4	4	40,000
Shri R. C. Bhargava*	4	2	20,000
Shri G. P. Gupta*	4	4	40,000
Shri S. Misra*	4	4	—

* ceased to be a Member of the Audit Committee with effect from 25th March, 2008.

The Audit Committee of Directors was re-constituted with Mr. Napoleon De la Colina (Independent Director), Mr. Leonard D Costa (Independent Director), Mr. Jorge Salavessa Moura (Non-executive Director) and Mr. Robert Pavrey (Independent Director) as its Members. Mr. Napoleon is the Chairman of the Audit Committee.

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 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 arms 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. 16 of Schedule 22. However, all these transactions are on normal commercial arms length basis.

(B) Disclosure of Accounting treatment

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

(C) Risk Management

The Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be reviewed to ensure that executive management controls risk through means of properly defined framework.

Your Company is aware of the risks associated with the business. It regularly analysis the risks and takes corrective actions for managing/mitigating the same. Your Company has developed risk management policy.

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

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

During the previous year ended 31st March 2007, your Company had raised Rs. 133.86 crores through rights issue. The entire fund was utilized for the purpose stated in the offer document. The statement of utilization is placed before the Audit Committee regularly. The statement of utilization has been certified by the Statutory Auditors

(E) Remuneration of Directors and details of Directors shareholding

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

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

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

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

Name of Director	No. of shares
<i>(up to 7th January, 2008)</i>	
Mr. O. P. Puranmalka	9500
Mr. S. K. Maheshwari	10056
<i>(up to 25th March, 2008)</i>	
Mr. K. D. Agrawal	10056
Mr. R. C. Bhargava	900
Mr. G. P. Gupta	1000
Mr. S. Misra	500
Mr. K. C. Birla	500
Mr. Jao Sande e Castro Salgado	500
<i>(from 7th January 2008 to 25th March, 2008)</i>	
Mr. Alvaro Joao Serra Nazare	500
Mr. Robert Pavrey	500
Mr. Jorge Manual Salavessa Moura	500
Mr. P. A. Nair	500

(F) Management

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

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

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

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

(G) Shareholders

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

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

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

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

- Share Transfer and Shareholder / Investor 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 / debenture holders, including transfer/transmission of shares/debentures, issue of duplicate share/debenture certificates, non receipt of dividend, 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 and debentures as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. During the year the Committee met on 1st July, 2008 and 24th March, 2008.

*The Companys 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/debentures, consolidation, sub-division, split of share/debenture 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

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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. Rajeev Gupta, in charge of Finance 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 Companys 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 Companys 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 Companys Auditors and Audit Committee of the Companys 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 Companys 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 Companys internal control system over financial reporting.

V. GENERAL BODY MEETINGS

Details of Annual General Meetings;

Location and time, where last three Annual General Meetings (AGMs) were held:

Financial Year	Location of the Meeting	Date & Time
2004-05	Registered Office, Digvijaygram.	21 st July 2005 3.30 P.M
2005-06	Registered Office, Digvijaygram.	12 th September 2006 2.30 P.M.
2006-07	Registered Office, Digvijaygram	29 th August, 2007 11.30 A. M.

Whether special resolution passed in the previous 3 AGMs? No

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

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

SHARE HOLDER INFORMATION

1. Annual General Meeting

Date & Time - 15th September 2008 at 11.00 AM
Venue - Digvijaygram-361140, Via. Jamnagar (Gujarat)

2. Financial Calender

- Financial reporting and Limited Review for the quarter ending 30th June 2008
- End July 2008
- Financial reporting and Limited Review for the quarter ending 30th September 2008
- End October 2008
- Financial reporting and Limited Review for the quarter ending 31st December 2008
- End January 2009
- Financial reporting for the Year ending 31st March 2009
- End April 2009
- Annual General Meeting for the year ending 31st March 2009
- End August 2009

3. Dates of Book Closure

8th September 2008 to 15th September 2008 (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

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.)
April-07	23.15	18.25
May-07	21.5	18.50
June-07	24.5	17.55
July-07	25.70	19.70
August-07	26.75	21.00
September-07	39.10	25.00
October-07	38.00	26.65
November-07	45.25	28.00
December-07	42.70	37.00
January-08	42.25	28.35
February-08	39.40	31.55
March-08	31.90	16.10

7. Registrars and Transfer Agents

Intime Spectrum Registry Limited
(Unit :Shree Digvijay Cement Co.Ltd.)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai 400 078
Tel No.(022) 2596 3838
Fax No.(022) 2594 6969
E.mail isrl@intimespectrum.com

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 :

Intime Spectrum Registry Limited
(Unit :Shree Digvijay Cement Co.Ltd.)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg,Bhandup (West), Mumbai - 78

Tel No.(022) 2596 3838
Fax No.(022) 2594 6969
E.mail isrl@intimespectrum.com

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

C) E-mail ID of the grievance redressal for the purpose of registering complaints by investors:

rajendramaheshwari@cimpor.com

9. Share Transfer System

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

10. Distribution of Shareholding as on 31st March, 2008

Holding	Shareholders		No. of Shares	% of age Share holdings
	Nos.	%age		
0 - 500	22429	71.60	4646769	3.29
501 - 1000	4061	12.97	3548321	2.51
1001 - 5000	3922	12.52	8913471	6.30
5001 - 10000	492	1.57	3718417	2.63
10001 & above	420	1.34	120547300	85.27
TOTAL	31324	100.00	141374278	100.00

SHREE DIGVIJAY CEMENT CO. LTD.

11. Dematerialisation of Shares & Liquidity

The shares of the company are in compulsory demat sagement, and are available for demat both with the NSDL & CDSL International Securities Identification Number (ISIN) allotted to the equity shares of the company is INE232A01011. As on 31st March 2008, 140081031 equity shares of the company representing 99.09% 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. Category of Shareholding as on March 31, 2008

Category	No. of shares	Percentage
Promoter	104091537	73.63
Foreign	793981	0.56
Fin.Inst.& Banks	44703	0.03
Mutual Funds	723698	0.51
FI	603552	0.43
Corporates	6870737	4.86
Public	28246070	19.98
Total	141374278	100.00

14. Nomination facility

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

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SHREE DIGVIJAY CEMENT COMPANY LIMITED

We have examined the compliance conditions of Corporate Governance by Shree Digvijay Cement Company Limited ("the Company") for the year ended 31st March 2008 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

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

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

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

For DSU & Associates
Company Secretaries

Dinesh Kumar Deora
Partner
Membership No. 10169
CP No. 4119

Place: Mumbai
Date: 26th April, 2008

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** as at 31st March 2008, the Profit and Loss Account of the Company and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Department of Company Affairs under sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order to the extent applicable to the Company.
 4. Further to our comments in the Annexure referred to in paragraph 3 above:-
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Accounts 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; and
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.
5. On the basis of written representations received from the directors of the Company as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai
17th June, 2008

Membership No.: 39826

ANNEXURE TO THE AUDITORS' REPORT

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

The nature of the Company's business/activities during the year ended 31st March, 2008 was such that the provisions of clauses 4(xiii) and 4(xiv) of the Companies (Auditor's Report) Order, 2003 (the Order) are not applicable to the Company.

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a programme for physical verification of fixed assets in a phased manner designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per the programme some part of the fixed assets have been physically verified during the year. No. material discrepancies were noticed on such verification.
- (c) In our opinion the fixed assets disposed off during the year, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the "going concern" status of the Company.

(ii) In respect of its inventories:

- (a) As explained to us, inventories of the Company were physically verified by the Management at reasonable intervals during the year and as at the year end.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory. The differences noticed on verification between physical stocks and book records were not material.

(iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956. Accordingly, clause (iii) of paragraph 4 of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative

sources do not exist for obtaining comparable quotations, the Company has internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. According to the information and explanations given to us, the Company does not sell services in the normal course of business. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in such internal control system.

(v) According to the information and explanations given to us, there were no contracts or arrangements of the kind referred to in Section 301 of the Companies Act, 1956, that were required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956. Accordingly clause (v) of paragraph 4 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 had an adequate internal audit system commensurate with the size and the nature of its business

(viii) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of the cement, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(ix) In respect of statutory dues:

- (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Sales Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other material statutory dues with the appropriate authorities. *However delays were noticed in the payment of income tax and wealth tax.* Further, as explained to us, no dues were payable during the year in

respect of the Employees State Insurance Scheme and Investors Education and Protection Fund.

- (b) According to the information and explanations given to us, there were no undisputed statutory dues outstanding for more than six months as at the Balance Sheet date from the date they became payable.

- (c) According to the information and explanations given to us, there were no dues in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty and Cess which were not deposited on account of disputes; the details of sales tax and excise duty which have not been deposited as at 31st March, 2008 on account of disputes are given below:

Name of statute	Nature of the dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Gujarat Sales Tax Act, 1969	Sales Tax / Purchase Tax / Turnover Tax	1.66	1999-2000	Assessing Officer
	Sales Tax	2.41	1992-1995	Deputy Commissioner
Rajasthan Sales Tax	Sales Tax	5.74	1995-96 1997-98	High Court – Jodhpur
Central Excise Act, 1944	Excise Duty	2.05	2002-03	Joint Commissioner
		43.60	2002-2003	Additional Commissioner.
	Service Tax	1.62	2002-2003	CESTAT, Mumbai
		17.52	2005-06	Additional Commissioner.

- (x) The accumulated losses of the Company have exceeded fifty per cent of its net worth as at the end of the year covered by our audit. The Company has incurred cash losses during the financial year covered by our audit. It has not incurred cash losses in the immediately preceding financial year.
- (xi) Having regard to the revised terms in respect of payment of dues on debentures between the Company and Grasim Industries Limited, explained in footnote 1 in Schedule 3 to the financial statements and according to the explanations given to us the Company has not defaulted in the repayment of its dues to on debentures. According to the information and explanations given to us, the Company has not defaulted in the payment of its dues to banks and there were no amounts payable to any financial institution during the year.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- (xiii) 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.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company *prima facie* applied the amounts of the term loans for the purposes for which such loans were obtained.
- (xv) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- (xvi) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) According to the information and explanations given to us and the records examined by us, securities charges were created in respect of the debentures issued. On repayment of the debentures during the year, the charges have been cleared.
- (xviii) We have verified the end use of money raised by the Rights issue as disclosed in Note no. 21 in Schedule 22 to the financial statements.
- (xix) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period covered by our audit.

For **Deloitte Haskins & Sells**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Membership No.: 39826

Mumbai
17th June, 2008

SHREE DIGVIJAY CEMENT CO. LTD.

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedules	As At 31/03/2008	(Rs. in lacs) As At 31/03/2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	14,137.51	14,133.64
Reserves and Surplus	2	142.30	142.30
		<u>14,279.81</u>	<u>14,275.94</u>
Loan Funds			
Secured Loans	3	-	7,085.61
Unsecured Loans	4	10,103.90	289.49
		<u>10,103.90</u>	<u>7,375.10</u>
TOTAL		<u>24,383.71</u>	<u>21,651.04</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	18,176.01	18,036.14
Less : Depreciation		11,153.48	10,527.79
Net Block		<u>7,022.53</u>	<u>7,508.35</u>
Capital Work-in-Progress		2,716.37	198.71
		<u>9,738.90</u>	<u>7,707.06</u>
Investments	6	1.65	1.75
Current Assets, Loans and Advances			
Inventories	7	3,895.60	3,374.03
Sundry Debtors	8	782.83	1,075.16
Cash and Bank Balances	9	1,664.85	218.84
Other Current Assets	9A	0.21	0.11
Loans and Advances	10	1,347.57	3,716.52
		<u>7,691.06</u>	<u>8,384.66</u>
Less :			
Current Liabilities and Provisions			
Current Liabilities	11	4,029.70	4,188.33
Provisions	12	409.89	185.29
		<u>4,439.59</u>	<u>4,373.62</u>
Net Current Assets		<u>3,251.47</u>	<u>4,011.04</u>
Balance as per attached Profit and Loss Account		<u>11,391.69</u>	<u>9,931.19</u>
TOTAL		<u>24,383.71</u>	<u>21,651.04</u>
Accounting Policies and Notes on Accounts	22		

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

Napoleon De la Colina
Luis Filipe Sequeira Martins
Alvaro Joao Serra Nazare } Directors

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

P.A. Nair - CEO & Whole Time Director

Mumbai
17 June 2008

G.D. Gupta
F.H. (Comm.)

S.N. Malpani
Co.Secretary & Manager

Rui Duarte
Finance Head

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedules	2007-2008	(Rs. in lacs) 2006-2007
INCOME			
Sales & Services	13	28,851.19	29,596.41
Less : Excise Duty		3,442.75	3,419.07
Net Sales & Services		25,408.44	26,177.34
Interest and Dividend Income	14	0.61	16.17
Other Income	15	423.55	444.25
		25,832.60	26,637.76
EXPENDITURE			
(Increase) / Decrease in Stocks	16	(146.05)	(423.20)
Raw Materials Consumed	17	3,915.54	3,654.15
Manufacturing Expenses	18	12,047.61	10,819.48
Purchase of Clinker		-	35.42
Payments to and Provisions for employees	19	2,151.20	1,578.71
Selling, Distribution, Administration and Other Expenses	20	3,855.59	4,878.34
Interest (Net)	21	74.90	117.15
Depreciation	5	631.76	627.28
		22,530.55	21,287.33
Less: Self Consumption of Cement (net of excise duty Rs.15.59 lacs; Previous year Rs.1.18 lacs).		100.24	2.83
		22,430.31	21,284.50
Profit/(Loss) before exceptional item		3,402.29	5,353.26
Exceptional item (See note no. 4 in Schedule 22)		(4,774.16)	59.78
Profit/(Loss) before tax		(1,371.87)	5,413.04
Income Tax Refund of earlier years		-	13.34
Provision for Taxation			
Current Tax		-	-
Deferred Tax (See note no. 14 in Schedule 22)		-	-
Fringe Benefit Tax		(30.27)	(22.00)
Profit/(Loss) after tax		(1,402.14)	5,404.38
Balance brought forward from Previous Year		(9,931.19)	(15,335.57)
Transition Provision of AS - 15 "Employee Benefits" (See note no. 20 in Schedule 22)		(58.36)	-
Balance Carried to Balance Sheet		(11,391.69)	(9,931.19)
Basic and Diluted Earning Per Share (in Rs.) (Face Value Rs.10) (See note no. 18 in Schedule 22)		(0.99)	5.25
Accounting Policies and Notes on Accounts	22		

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

Napoleon De la Colina

Luis Filipe Sequeira Martins } Directors

Alvaro Joao Serra Nazare }

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

P.A. Nair - CEO & Whole Time Director

Mumbai
17 June 2008

G.D. Gupta
F.H. (Comm.)

S.N. Malpani
Co.Secretary & Manager

Rui Duarte
Finance Head

SHREE DIGVIJAY CEMENT CO. LTD.

SCHEDULES FORMING PART OF ACCOUNTS

(Rs. in lacs)

SCHEDULE - 1	As At 31/03/2008	As At 31/03/2007
SHARE CAPITAL		
Authorised		
150,000,000 (Previous year 150,000,000) Equity Shares of Rs.10/- each	15,000.00	15,000.00
	15,000.00	15,000.00
Issued		
141,643,645 (Previous year 141,643,645) Equity Shares of Rs.10/- each	14,164.36	14,164.36
Subscribed & Paid-up		
141,375,398 (Previous year 141,336,698) Equity Shares of Rs.10/- each fully paid	14,137.54	14,133.67
Less : 1,120 Equity Shares of Rs.10/- each forfeited	(0.11)	(0.11)
	14,137.43	14,133.56
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
TOTAL	14,137.51	14,133.64

Foot Notes

- 1) Of the above subscribed & paid up share capital -
 - (i) 997,540 Equity Shares (Previous Year 997,540) were allotted as fully paid-up bonus shares by capitalisation from General Reserve.
 - (ii) 400,000 Equity Shares (Previous Year 400,000) were allotted pursuant to a contract without payment being received in cash.
 - (iii) 67,855,392 Equity Shares (Previous Year 67,855,392) were allotted to M/s. Grasim Industries Ltd. against Rights Issue, without payment being received in cash and appropriated against its dues.
 - (iv) 104,091,537 Equity Shares are held by holding company Cimpor Inversioes SA (the ultimate holding company is Cimpor Cimentos De Portugal SGPS, S.A.) (Previous Year 75,816,681 were held by M/s. Grasim Industries Ltd.)
- 2) 265,212 Equity Shares (Previous Year 303,912) are kept in abeyance out of the Right Issue entitlement pending settlement of disputes.

(Rs. in lacs)

SCHEDULE - 2	As At 31/03/2008	As At 31/03/2007
RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	86.87	86.87
Capital Redemption Reserve		
As per last Balance Sheet	35.00	35.00
Share Premium		
As per last Balance Sheet	20.43	20.43
TOTAL	142.30	142.30

		(Rs. in lacs)	
SCHEDULE - 3	As At 31/03/2008	As At 31/03/2007	
SECURED LOANS			
1. Debentures			
(a) 500,000 8% Non-convertible debentures of Rs.100/- each	-	500.00	
(b) 1,500,000 8% Non-convertible debentures of Rs.100/- each	-	1,500.00	
(c) 2,000,000 8% Non-convertible debentures of Rs.100/- each	-	2,000.00	
2. Loans from a Bank			
Cash / Packing credit facilities (See Footnote 2)	-	734.15	
3. Loans from Others			
Term Loan	-	2,351.46	
TOTAL	-	7,085.61	

Foot Notes

- (1) The original terms debentures were as under :
- (a) 500,000 debentures were redeemable in 16 quarterly instalments of Rs.31.25 lacs each beginning June 2007 and ending March 2011.
 - (b) 1,500,000 debentures were redeemable in 16 quarterly instalments of Rs.93.75 lacs each beginning June 2007 and ending March 2011.
 - (c) 20,00,000 debentures were redeemable in 16 quarterly instalments of Rs.125.00 lacs each beginning June 2007 and ending March 2011.
- The Debentures were secured by first mortgage on certain fixed assets of the Company. The debentures referred to in 1(a) above were secured by a residual charge on fixed assets of the Company.
- Based on the revised terms agreed with the erstwhile holding company, the repayment of the principal amount and interest on term loan, and redemption of debentures which were entirely held by erstwhile holding company, were to be worked out based on the Company's cash flow and were to be agreed between the Company and the erstwhile holding company on a year to year basis. The interest terms were revised to 8 % per annum. Upon receipt of the claims from the erstwhile holding company consequent to the sale of its holdings, all dues including interest have been repaid.
- (2) The cash / packing credit facilities from a Bank are secured by hypothecation of inventories and book debts of the Company.

		(Rs. in lacs)	
SCHEDULE - 4	As At 31/03/2008	As At 31/03/2007	
UNSECURED LOANS			
Short Term			
Overdraft from Banks	103.90	289.49	
Other Loans			
Term Loan from Banks	10,000.00	-	
TOTAL	10,103.90	289.49	

SHREE DIGVIJAY CEMENT CO. LTD.

SCHEDULE : 5

FIXED ASSETS

(Rs. in lacs)

Sr. Particulars No.	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01/04/2007	Additions	Adjustments/ Deductions	As at 31/03/2008	Upto 31/03/2007	For the Year	Adjustments/ Deductions	Upto 31/03/2008	As at 31/03/2008	As at 31/03/2007
1 FREEHOLD LAND (See Footnote 1)	34.33	-	-	34.33	-	-	-	-	34.33	34.33
2 BUILDINGS	759.27	-	-	759.27	351.07	18.36	-	369.43	389.84	408.20
3 RAILWAY SIDINGS	167.07	-	-	167.07	156.87	0.22	-	157.09	9.98	10.20
4 PLANT AND MACHINERY	15,354.93	77.21	-	15,432.14	9,042.17	538.00	-	9,580.17	5,851.97	6,312.76
5 ELECTRIC INSTALLATIONS	622.65	16.18	-	638.83	415.24	13.98	-	429.22	209.61	207.41
6 ROLLING STOCKS AND LOCOMOTIVES	74.79	-	-	74.79	71.10	-	-	71.10	3.69	3.69
7 FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	425.52	41.89	2.82	464.59	297.79	28.74	2.46	324.07	140.52	127.73
8 VEHICLES	50.14	19.12	11.71	57.55	20.38	6.46	3.61	23.23	34.32	29.76
9 JETTY AND WHARF (See Footnote 2)	547.44	-	-	547.44	173.17	26.00	-	199.17	348.27	374.27
TOTAL :-	18,036.14	154.40	14.53	18,176.01	10,527.79	631.76	6.07	11,153.48	7,022.53	7,508.35
Capital Work-in-Progress (including advances and preoperative expenses)	198.71	2,517.66	-	2,716.37	-	-	-	-	2,716.37	198.71
GRAND TOTAL :-	18,234.85	2,672.06	14.53	20,892.38	10,527.79	631.76	6.07	11,153.48	9,738.90	7,707.06
Previous Year	18,138.54	311.07	214.76	18,234.85	10,068.91	627.28	168.40	10,527.79	7,707.06	

Foot Notes:

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

(Rs. in lacs)

SCHEDULE - 6

As At
31/03/2008

As At
31/03/2007

INVESTMENTS

Long Term (At Cost)

1. Government and Trust Securities		
i) Government Securities		
Unquoted -	0.67	0.67
Securities deposited with Government Departments		
Quoted -	-	-
Securities deposited with Government Departments (Rs.300 - previous year Rs.300)		
ii) Trust Securities		
Quoted -	0.97	0.97
Securities deposited with Government Departments 968 Bonds of Rs. 100 each in 6.75% Tax Free US 64 Bonds		
2. Shares, Bonds and Debentures		
Unquoted - Fully paid		
Debentures (Non Trade)		
20 2% Bharat Chamber of commerce of Rs.500 each. (Redeemed during the year)	-	0.10
12 8% Indian Chamber of commerce of Rs.100 each.	0.01	0.01
2 8% Indian Chamber of commerce of Rs. 25 each. (Rs.50 - previous year Rs.50)	-	-
	1.65	1.75
Short Term (see note no.9 in schedule 22)	-	-
TOTAL :-	1.65	1.75
Aggregate Book Value of :		
a) Quoted Investments	0.97	0.97
b) Unquoted Investments	0.68	0.78
	1.65	1.75
Aggregate Market Value of Quoted Investments	0.97	0.97

(Rs. in lacs)		
SCHEDULE - 7	As At 31/03/2008	As At 31/03/2007
INVENTORIES (As valued and certified by the Management)		
(At lower of cost and net realisable value unless otherwise stated)		
Stores and Spare parts, Packing Materials and Fuels	1,776.57	1,927.64
Raw materials	901.69	406.22
Process Stock	633.20	683.01
Finished Goods - including in transit Rs.18.09 lacs (Previous Year Rs.22.54 lacs)	574.50	346.17
Waste / Scrap (at net realisable value)	9.64	10.99
TOTAL	3,895.60	3,374.03

(Rs. in lacs)		
SCHEDULE - 8	As At 31/03/2008	As At 31/03/2007
SUNDRY DEBTORS		
Exceeding six months		
Good and Secured	1.22	1.22
Good and Unsecured	-	0.57
Doubtful and Unsecured	348.62	441.02
Less: Provision for Doubtful Debts	(348.62)	(441.02)
	1.22	1.79
Others		
Good and Secured	100.84	37.35
Good and Unsecured	680.77	1,036.02
	781.61	1,073.37
TOTAL	782.83	1,075.16

(Rs. in lacs)		
SCHEDULE - 9	As At 31/03/2008	As At 31/03/2007
CASH AND BANK BALANCES		
Cash balance on hand (including cheques under collection Rs.20.60 lacs, previous year Rs. Nil)	22.06	3.11
Bank Balances :		
With Scheduled Banks :		
In Current accounts	1,575.23	212.11
In Fixed deposit accounts (See Footnote)	67.56	3.62
TOTAL	1,664.85	218.84

Footnote : Include FDR of Rs. 65.78 lacs (previous year Rs. 2.00 lacs) pledged with Bank for guarantees.

(Rs. in lacs)		
SCHEDULE - 9A	As At 31/03/2008	As At 31/03/2007
OTHER CURRENT ASSETS		
Interest accrued on term deposits	0.21	0.11
TOTAL	0.21	0.11

SHREE DIGVIJAY CEMENT CO. LTD.

(Rs. in lacs)		
SCHEDULE - 10	As At 31/03/2008	As At 31/03/2007
LOANS AND ADVANCES		
(Unsecured, considered good except stated otherwise)		
Deposits and Balances with Government and other Authorities	903.78	315.75
Other Deposits	63.44	3,080.52
Advance recoverable in cash or in kind or for value to be received.		
Considered Good	346.29	300.71
Considered Doubtful	23.58	23.58
Less: Provision for Doubtful advances	(23.58)	(23.58)
Tax Deducted at Source	33.59	19.54
Advance Payment of Fringe Benefit Tax (Net)	0.47	-
TOTAL	1,347.57	3,716.52

(Rs. in lacs)		
SCHEDULE - 11	As At 31/03/2008	As At 31/03/2007
CURRENT LIABILITIES		
Sundry creditors :		
a) Total outstanding dues of Micro and Small enterprises (see note no 8 in schedule 22)	0.09	-
b) Others	773.77	1,083.21
Security and Other Deposits	718.20	558.79
Advances from customers	176.43	297.85
Other Liabilities	2,340.98	2,248.48
Interest Accrued but not due on borrowings	20.23	-
TOTAL	4,029.70	4,188.33

(Rs. in lacs)		
SCHEDULE - 12	As At 31/03/2008	As At 31/03/2007
PROVISIONS		
Provision for Gratuity	81.28	30.21
Provision for Leave Encashment	318.54	153.01
Provision for Fringe Benefit Tax (net)	-	0.95
Provision for Mines Reclamation	10.07	1.12
TOTAL	409.89	185.29

(Rs. in lacs)		
SCHEDULE - 13	2007 - 2008	2006 - 2007
SALES		
Sales	28,851.19	29,596.41
TOTAL	28,851.19	29,596.41

		(Rs. in lacs)	
SCHEDULE - 14	2007 - 2008	2006 - 2007	
INTEREST INCOME			
i) On Long Term Investments			
Interest (Gross) on :			
Investment other than Government Securities	0.07	0.07	
ii) Others			
Interest (Gross) on :			
Refund of Income Tax for earlier years	-	2.94	
Dividend From Others	0.13	-	
Bank and Other Accounts (TDS Rs. Nil, Previous year Rs.0.34 lacs)	0.41	13.16	
TOTAL	0.61	16.17	

		(Rs. in lacs)	
SCHEDULE - 15	2007 - 2008	2006 - 2007	
OTHER INCOME			
Provision for doubtful debts written back	18.05	-	
Liability no Longer required written back	114.46	205.00	
Excess / Short Provisions (Net)	0.06	1.68	
Insurance Claims	42.83	36.59	
Gain / (Loss) on foreign currency translations	14.92	30.18	
Profit / (Loss) on Sale of Investment	3.58	-	
Scrap Sales	100.73	28.50	
Miscellaneous Receipts	128.92	142.30	
TOTAL	423.55	444.25	

		(Rs. in lacs)	
SCHEDULE - 16	2007 - 2008	2006 - 2007	
INCREASE/(DECREASE) IN STOCKS			
Closing Stock			
Process Stock	633.20	683.01	
Finished Goods	574.50	346.16	
Waste / Scrap	9.64	10.99	
	1,217.34	1,040.16	
Less : Excise Duty on Finished Goods	113.06	81.94	
	1,104.28	958.22	
Opening Stock			
Process Stock	683.01	312.00	
Finished Goods	346.17	258.60	
Waste / Scrap	10.99	14.47	
	1,040.17	585.07	
Less : Excise Duty on Finished Goods	81.94	50.05	
	958.23	535.02	
Increase / (Decrease) in Stocks	(146.05)	(423.20)	

SHREE DIGVIJAY CEMENT CO. LTD.

(Rs. in lacs)		
SCHEDULE - 17	2007 - 2008	2006 - 2007
RAW MATERIALS CONSUMED		
Opening Stock	406.22	181.16
Add: Purchases and Incidental Expenses (includes cost of Lime Stone raised)	4,411.01	3,879.20
	<u>4,817.23</u>	<u>4,060.36</u>
Less: Closing Stock	901.69	406.21
TOTAL	<u>3,915.54</u>	<u>3,654.15</u>

(Rs. in lacs)		
SCHEDULE - 18	2007 - 2008	2006 - 2007
MANUFACTURING EXPENSES		
Consumption of Stores, Spare Parts and Components and Packing Materials	1,475.80	1,724.51
Power and Fuel	10,027.27	8,503.88
Repairs to Building	133.22	98.39
Repairs to Machinery	402.29	481.70
Other Repairs	9.03	11.00
TOTAL	<u>12,047.61</u>	<u>10,819.48</u>

(Rs. in lacs)		
SCHEDULE - 19	2007 - 2008	2006 - 2007
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages, Bonus, Gratuity etc.	1,918.20	1,366.37
Contribution to Provident and Other funds	152.83	139.61
Employees welfare expenses	80.17	72.73
TOTAL	<u>2,151.20</u>	<u>1,578.71</u>

(Rs. in lacs)		
SCHEDULE - 20	2007 - 2008	2006 - 2007
SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
Sales Expenses including service charges	206.22	219.75
Discount	406.99	654.29
Freight, handling and other expenses	2,592.13	3,308.25
Advertisement and Publicity	21.57	53.96
Insurance	87.59	86.42
Rent (including Lease Rent)	80.01	45.45
Rates and Taxes	2.96	4.74
Stationery, Printing, Postage & Telephone Expenses	64.91	58.40
Travelling & Conveyance	132.47	131.22
Legal & Professional Charges	60.96	45.07
Right Issue Expenses	-	106.68
Bad Debts/Advances/Deposit Written off	74.35	128.50
Less: Provisions for doubtful debts no longer required	(74.35)	(126.88)
Research Contribution (including Expenses)	6.04	7.16
Donation	0.19	0.78
Loss on Sale of Fixed Assets	1.86	2.96
Loss on Sale of Scrap	-	3.15
Financial Charges	32.33	24.93
Auditors' remuneration (See note no. 19 in Schedule 22)	14.34	12.40
Miscellaneous Expenses	145.02	107.11
Provisions for doubtful debts and advances	-	4.00
TOTAL	<u>3,855.59</u>	<u>4,878.34</u>

	(Rs. in lacs)	
SCHEDULE - 21	2007 - 2008	2006 - 2007
INTEREST		
On loan (including debentures) for fixed period (See note no. 4 of Schedule 22)	20.23	-
On Other Accounts	54.67	117.15
TOTAL	74.90	117.15

SCHEDULE - 22

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

1 Significant Accounting Policies:-

(a) Basis of Accounting

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

(b) Use of Estimates

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

(c) Fixed Assets and Depreciation / Amortisation

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.

(d) Impairment of assets

The carrying values of assets of the Company's cash-generating units 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 valued at cost, less provision for diminution other than temporary, in value, if any. Current investments are valued 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. Raw materials, packing material and fuels are valued at or below cost. Stores and spare parts are carried at or below cost. Cost of finished goods and process stock are determined using the absorption costing principles. Costs include the cost of materials consumed, labour and a systematic allocation of variable and fixed production overheads. Excise duties at the applicable rates are also included in the cost of finished goods.

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

(g) Revenue Recognition

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

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

(h) Financial Income and Borrowing Cost

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

Borrowing cost 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.

(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 (except those arising on acquisition of certain fixed assets) 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.

Exchange differences relating to foreign currency liabilities, relating to fixed assets acquired from outside India are capitalised and depreciated over the balance useful lives of such assets.

Investments in foreign currency (non monetary items) are reported using the exchange rate at the date of the transaction.

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

(j) Taxes on Income

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

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

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

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

(k) Provisions and Contingencies

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

(l) Cash Flow Statements

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

Schedule 22 ... Contd.
(m) Cash and Cash Equivalents

Cash and bank balances and current investments that have insignificant risk of change in value, which have durations 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 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 year.

(o) Employee Benefits
(i) 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.

(ii) 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.

(iii) Defined-benefit plans

Expenses for defined-benefit gratuity and leave encashment plans are 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.

(iv) Other Long term employee benefits

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

NOTES ON ACCOUNTS:
2 Contingent Liabilities: -

	(Rs. in lacs)	
	As at	
	31st Mar 2008	31st Mar 2007
(a) Demand contested by the Company		
- Sales tax	26.62	20.94
- Excise duty	47.27	47.27
- Service tax	17.52	170.70
- Labour cases	229.55	253.55
- Other Cases	296.37	154.28
- Electricity Duty	948.85	-
(b) Rent on water pipe lines levied by Panchayat and Irrigation Department, Government of Gujarat.	585.34	525.87
(c) A sum of Rs.309.84 Lacs (<i>previous year Rs.222.88 lacs</i>) determined as payable on account of arrears, rent, service charges, way leave fees payable in respect of certain leasehold property, consequent to the Order of the Estate Officer of Mumbai Port Trust (MPT) dated 28th February 2007, has not been provided for as the said property was assigned in an earlier year to M/s Dinbandhu Estate Pvt. Ltd. (the Assignee). (<i>In the previous years a sum of Rs. 1,071.21 lacs was claimed by Mumbai Port Trust</i>). The assignment was subject to the approval of MPT which was to be arranged by the Assignee. The Company is in the process of contesting the said Order and does not expect any liability to devolve on it.		
(d) Outstanding Bank Guarantees Rs.65.78 lacs (<i>previous year Rs. 115.00 lacs</i>).		
The Company does not expect any liability to devolve on it in respect of the above.		
3 Estimated amount of contracts remaining to be executed on capital account is Rs.2,119.88 lacs (previous year Rs. 1,216.21 lacs) (against which advances paid aggregate Rs.149.27 lacs, previous year Rs. Nil).		

SHREE DIGVIJAY CEMENT CO. LTD.

Schedule 22 ... Contd.

4 Exceptional items comprise the following : (Rs. in lacs)

Items	2007-08	2006-07
Income		
Reversal of liability/provision for interest held in respect of borrowing	-	293.52
	-	293.52
Expenses		
Claim by Mumbai port Trust	-	(202.45)
Royalty claims relating to an earlier year	-	(31.29)
Replacement cost (net of insurance claim) of component of Capital equipment	(441.48)	-
Interest paid to erstwhile holding company on debentures	(1,138.01)	-
Interest paid to erstwhile holding company on Other Loans	(3,194.67)	-
	(4,774.16)	(233.74)
Net income / (expenditure)	(4,774.16)	59.78

Foot Notes

- (a) During the year, the Company had to replace a damaged engine of one of the diesel generator sets. The Company has received an insurance claim for the damaged engine. The replacement cost net of insurance claim amount is debited to the profit and loss account as a part of "Exceptional Items".
- (b) Consequent to a recall of its dues by Grasim Industries Ltd. after its ceased to be the Company's holding company, the Company has repaid the outstanding dues relating to debentures and other loans of Grasim Industries Ltd. The interest was paid at the rate and from the period as stipulated in the Memorandum of Understanding dated April 18, 2006 entered into between the Company and Grasim Industries Ltd. Based on the same the Company has paid Rs.1,138.01 lacs (Rs.374.79 lacs pertaining to the year 2007-08) towards interest on Debentures and Rs.3,194.67 lacs (Rs.165.65 lacs pertaining to the year 2007-08) towards interest on Other Loans for the period from April 1, 2004 to March 24, 2008, after adjusting for deposits placed out of proceeds of Rights Issue. These amount have been debited to Profit and Loss Account as a part of Exceptional Items.
- 5 Advances recoverable in cash or in kind includes loans and advances given to officers free of interest or at concessional rates of interest aggregate Rs.30.39 lacs (*previous year Rs.30.84 lacs*) and the maximum amount outstanding during the year aggregated Rs.38.52 lacs (*previous year Rs. 33.64 lacs*).
- 6 In compliance of High Court orders and pursuant to scheme of arrangement between the Company and Gujarat Composite Ltd, loss incurred from transfer of units was adjusted against the Reserve on Revaluation of Fixed Assets in an earlier year. Consequently, depreciation for the current year includes Rs.6.34 lacs (*previous year Rs. 6.34 lacs*) pertaining to depreciation on revalued portion of fixed assets.
- 7 The following expenses are classified under various other heads of expenditure in the Profit and Loss Account:

Sr. No.	Classified as Expenses	Total	Employees welfare expenses	Repairs to Building	Stationery, Printing, Postage and Telephone Expenses	Power and Fuel	Raw material consumed	Misc. expenses	Travelling and conveyance expenses
2007 - 2008									
a)	Salaries, Wages and Bonus etc.	52.57	52.57	-	-	-	-	-	-
b)	Stores & spares Consumed	813.57	4.73	58.70	3.83	607.38	136.43	2.23	0.27
c)	Royalty and Cess Charges	449.27	-	-	-	-	449.27	-	-
d)	Power and Fuel	12.72	-	-	-	-	12.72	-	-
e)	Repair and maintenance	8.28	-	-	-	-	8.28	-	-
f)	Rates & taxes / Insurance/ Rent paid/Lease Rent	0.99	-	-	-	-	0.99	-	-
g)	Miscellaneous expenses	34.72	-	-	-	-	34.72	-	-
2006 - 2007									
a)	Salaries, Wages and Bonus etc.	41.85	41.85	-	-	-	-	-	-
b)	Stores & spares Consumed	703.65	10.57	38.40	1.97	521.95	125.49	4.14	1.13
c)	Royalty and Cess Charges	374.17	-	-	-	-	374.17	-	-
d)	Power and Fuel	10.51	-	-	-	-	10.51	-	-
e)	Repair and maintenance	6.08	-	-	-	-	6.08	-	-
f)	Rates & taxes / Insurance/ Rent paid/Lease Rent	0.35	-	-	-	-	0.35	-	-
g)	Miscellaneous expenses	14.90	-	-	-	-	14.90	-	-

Schedule 22 ... Contd.

- 8 There were no dues payable to vendors covered under Micro, Small and Medium Enterprises Development Act, 2006 for more than 30 days.

The above information and that given Schedule 11 " Current Liabilities " regarding micro, small and medium 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

Acquired and disposed off during the year

(Rs. In lacs)

Particulars of Investment	2007-08		2006-07	
	No. of Units	Cost	No. of Units	Cost
Birla Cash Plus - Instl. - Daily Dividend - Reinvestment	3,832,517	414	-	-
Birla Cash Plus - Instl. Prem. - Growth	14,970,561	1910	-	-

- 10 Tax deducted at source from Rent was Rs.2.03 lacs (*previous year Rs. 0.65 lacs*) and from Other Income was Rs.1.91 lacs (*Previous year Rs. 3.23 lacs*).

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

(Rs. In lacs)

Name of Account	2007 - 2008	2006 - 2007
Repairs to machinery	0.14	-
Miscellaneous Expenses	14.90	13.47
Salaries, Wages, Bonus, Gratuity etc.	24.08	-
Miscellaneous Receipt	-	(1.00)
Total	39.12	12.47

Had these items been accounted for in earlier financial years the loss for the year would have been lower by Rs. 39.12 lacs (*profit for the previous year would have been higher by Rs. 12.47 lacs*).

- 12 Secured Loans :-

- a) Debentures were secured by a first charge by way of floating charge on certain fixed assets of the Company and all its other assets (other than specifically mortgaged asset).
- b) Bank loan has been secured by a first charge by way of hypothecation of stocks and receivables.

13 Managerial Remuneration *

(Remuneration paid to Manager and Whole time Director)

(Rs. in lacs)

Name of Account	2007 - 2008	2006 - 2007
Salary*	7.13	4.76
Contribution to Provident & other funds	1.83	1.29
Other benefits in cash and kind	10.64	8.60
Total	19.60	14.65

* excluding Gratuity provision

- 14 Deferred tax:-

In view of absence of "virtual certainty" of availability of sufficient future taxable income against which deferred tax assets (net of liability in respect of depreciation) arising from carried forward business losses and other timing differences can be realised, the same have not been recognised.

- 15 Segment information:-

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

SHREE DIGVIJAY CEMENT CO. LTD.

Schedule 22 ... Contd.

In respect of Geographical segments:

	2007 - 2008		2006 - 2007	
	Outside India	In India	Outside India	In India
Revenue *	485.85	28,365.34	192.87	29,403.54
Assets (Debtors)	Nil	782.83	Nil	1,075.16
Capital Expenditure	Nil	2,716.37	Nil	198.71

* Excludes self consumption for capital and revenue jobs Rs.115.83 lacs (Previous Year Rs. 4.01 lacs)

16 "Related Party Disclosures" is as follows:

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

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

b) Details of Transactions: (Rs. in lacs)

Nature of Transactions	Erstwhile Holding Company (Grasim Industries Ltd.)	Manager / Whole time Director	Fellow Subsidiary Companies (UltraTech Cement Ltd.)	Total
Purchase of Goods	- <i>1.70</i>	- -	5.26 <i>37.28</i>	5.26 <i>38.98</i>
Sales of Goods	1,628.52 <i>1,034.70</i>	- -	291.21 <i>725.87</i>	1,919.73 <i>1,760.57</i>
Purchase of Fixed Assets	0.02 <i>3.41</i>	- -	- <i>3.63</i>	0.02 <i>7.04</i>
Sale of Fixed Assets	- -	- -	- <i>0.24</i>	- <i>0.24</i>
Rental and Maintenance Charges	2.33 <i>2.11</i>	- -	21.13 <i>12.34</i>	23.46 <i>14.45</i>
Inter corporate deposit / loan taken	2,650.00 <i>3,425.00</i>	- -	- -	2,650.00 <i>3,425.00</i>
Inter corporate deposit / loan and debentures repaid	17,334.13 <i>16,751.99</i>	- -	- -	17,334.13 <i>16,751.99</i>
Deposits placed	- <i>3,020.00</i>	- -	- -	- <i>3,020.00</i>
Remuneration Paid (Refer note 13)	- -	19.60 <i>14.65</i>	- -	19.60 <i>14.65</i>
Interest (See note 4 above)	4,332.68 -	- -	- -	4,332.68 -
Other Receivables as at the year end	3.73 -	0.08 <i>0.12</i>	0.01 <i>0.77</i>	3.82 <i>0.89</i>
Other Payables as at the year end	6.25 <i>8.68</i>	- -	- <i>0.07</i>	6.25 <i>8.75</i>
ICD / Loans outstanding as at the year end (Secured)	- <i>2,351.46</i>	- -	- -	- <i>2,351.46</i>
Debentures as at the year end	- <i>4,000.00</i>	- -	- -	- <i>4,000.00</i>

Figures in italics relate to the previous year.

Schedule 22 ... Contd.

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

a) Licensed and installed capacity and production :

	2007 - 2008		2006 - 2007	
	Installed*	Production	Installed*	Production
Cement (Tonnes) Dry Process Unit	875,000	805,347	875,000	927,861
Cement (Tonnes) Wet Process Unit	200,000	-	200,000	-
Total	1,075,000	805,347	1,075,000	927,861

Notes:

1 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.

2 * As certified by the Management and accepted by the Auditors without verification as it is a technical matter.

b) Sales :

	2007 - 2008		2006 - 2007	
	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)
Cement *	797,414	28,365.34	926,620	29,596.41
Clinker	31,500	485.85	-	-
Total	828,914	28,851.19	926,620	29,596.41

* Excludes Samples, Transit loss, damages/shortages 5.45 MT (Previous year 275.70 MT).

* Excludes self consumption for Capital and Revenue Jobs 4,009.41 MT (Previous Year 265.40 MT).

c) Stock :

	Opening Stock				Closing Stock			
	01.04.2007		01.04.2006		31.03.2008		31.03.2007	
	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	14476	346.17	13,745	258.61	18394	574.50	14,476	346.17
Clinker	*	*	*	*	*	*	*	*
Total		346.17		258.61		574.50		346.17

* held as stock in trade for captive consumption.

d) Raw materials consumed :

	2007 - 2008		2006 - 2007	
	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)
Lime Stone	1,042,370	2,968.93	1,170,660	2,721.95
Gypsum	49,107	373.33	50,934	412.83
Others	*	573.28	*	519.37
Total		3,915.54		3,654.15

* comprise dissimilar items which cannot be practicably aggregated.

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

	2007 - 2008				2006 - 2007			
	Raw Material		Stores, Spare Parts & Components etc.*		Raw Material		Stores, Spare Parts & Components etc.*	
	Value (Rs. in lacs)	% of total Consumption	Value (Rs. in lacs)	% of total Consumption	Value (Rs. in lacs)	% of total Consumption	Value (Rs. in lacs)	% of total Consumption
Imported	-	-	29.35	1.28	-	-	49.05	2.02
Indegenous	3,915.54	100.00	2,260.02	98.72	3,654.15	100.00	2,379.11	97.98
Total	3,915.54	100.00	2,289.37	100.00	3,654.15	100.00	2,428.16	100.00

SHREE DIGVIJAY CEMENT CO. LTD.

Schedule 22 ... Contd.

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

	2007 - 2008	2006 - 2007
Coal	3,728.55	4,314.07
Components & Spare parts	951.66	279.14

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

	2007 - 2008	2006 - 2007
Travelling Expenses	1.14	0.24
Others	0.13	0.12

h) Earnings in foreign currency :

F.O.B. value of Exports Rs.485.85 lacs *(Previous year Rs.176.69 lacs)*

18 Earnings per Share :

	2007 - 2008	2006 - 2007
Profit attributable to Equity Shareholders	(1,402.14)	5,404.38
Weighted average No. of Equity Share for Basic/Diluted EPS (Nos)	1,41,358,013	102,973,841
Nominal Value of Equity Per Share (in Rs.)	10	10
Basic/Diluted Earning Per Share (in Rs.)	-0.99	5.25

19 Auditors' Remuneration :

(Rs. in lacs)

	2007 - 2008	2006 - 2007
Statutory Auditors		
Audit Fees (excluding service tax Rs 0.74 lacs <i>(previous year Rs. 0.73 lacs)</i>)	6.00	6.00
Tax Audit Fees (excluding service tax Rs.0.12 lacs <i>(previous year Rs. 0.12 lacs)</i>)	1.00	1.00
Reimbursement of expenses	1.16	1.65
Other Certification work (required to be done by Statutory auditors) <i>(excluding service tax Rs.0.68Lacs (previous year Rs.0.46 lacs)</i>)	5.50	3.75
Total	13.66	12.40

20 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.136.39 lacs *(Previous Year Rs.126.18 lacs)* has been charged to the revenue account in this respect.

Defined-Benefits Plans :

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) and a Leave encashment Benefit. Benefits under the defined benefits plans are typically based either on years of service and the employee's compensation (generally immediately before retirement.) [Both the Gratuity and Leave encashment Benefit substantially covers all regular employees]. In the case of the gratuity scheme, the Company contributes funds to a Gratuity Trust, which is irrevocable, while the Leave encashment scheme is not funded. Commitments are actuarially determined at year-end. On adoption of the 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.

Schedule 22 ... Contd.

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

Gratuity (Funded Plan) : (Rs. in lacs)

	31st Mar 2008
Present Value of Commitments	727.97
Fair Value of Plans	646.69
Net Liability in the balance sheet	81.28

	Amount in Rs.	(Rs. in lacs)
Present value of Defined gratuity obligation as per actuarial valuation certificate	69,787,664	697.88
Add: Unclaimed gratuity	3,009,323	30.09
Total	72,796,987	727.97

	Amount in Rs.	(Rs. in lacs)
Fair value of plan assets		
Present value of Defined gratuity obligation as per actuarial valuation certificate	61,669,344	616.69
Add: Cheques in hand	3,000,000	30.00
Total	64,669,344	646.69

Defined benefit commitments : (Rs. in lacs)

	31st Mar 2008
Opening balance as at 01.04.2007	509.66
Past Service Cost	-
Current Service Cost	49.90
Interest expenses	38.37
Benefits paid during the period	(45.98)
Actuarial (gain) / loss	176.01
Closing balance as at 31.03.2008	727.97

Plan assets: Gratuity : (Rs. in lacs)

	31st Mar 2008
Opening balance as at 01.04.2007	469.58
Expected return on scheme assets	44.32
Contribution by the Company (including cheque in transit)	188.00
Paid funds	(45.98)
Actuarial gain / (loss)	(9.23)
Closing balance as at 31.03.2008	646.69

Return on plan assets : (Rs. in lacs)

	31st Mar 2008
Expected return on plan assets	44.32
Actuarial gain / (loss)	(9.23)
Actual return on plan assets	35.09

Investment Details : % Invested

	31st Mar 2008
Government of India Securities	28.60%
Public Sector Unit Bonds	34.79%
State / Central Gurenteed Securities	17.82%
Private Sector Bonds	11.37%
Others (including bank balance)	7.42%
Total	100.00%

SHREE DIGVIJAY CEMENT CO. LTD.

Schedule 22 ... Contd.

Expenses on defined benefit plan:	(Rs. in lacs)
	31st Mar 2008
Current service costs	49.90
Past service cost	-
Interest expenses	38.37
Expected return on investment	(44.32)
Net actuarial (gain) / loss	185.24
Plan amendment / curtailment / settlement	-
Expenses charged to the profit and loss account (As per Actuarial Certificate)	229.19
Add : Payment made directly by the Company	14.02
Expenses charged to the profit and loss account	243.21

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

Discount rate	8% p.a.
Salary escalation rate	7% p.a.
Withdrawal rate	1%
Mortality experience	LIC (1994-96) ultimate Mortality Rates.
Retirement Age	60 years
Expected return on plan assets	Rs. 4,431,892

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors. This being the first year of implementation of the revised AS - 15, previous year's figures have not been given. Also, the amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the previous four annual periods have not been furnished as the revised AS - 15 was adopted by the company in to current financial year. Consequent to the adoption of the revised AS-15 by the Company: In respect of defined benefit plan, the difference between the liability as at 31st March, 2007 recomputed as above and the liability as on that date that would have resulted had the accounting policy of the previous year been followed, amounting to Rs. 58.36 lacs, has been adjusted against the opening balance of the Profit and Loss Account.

- 21 The money raised by way of the "Right Issue" during the year ended 31st March 2008 (Net of Rs. 6,785.54 lacs adjusted against borrowing from the holding company), was utilised as follows.

Particulars	31st Mar 2008	31st Mar 2007
Repaid the dues of the Company	3,580.00	3,581.64
Balance deposited with Grasim Industries Ltd.	-	3,020.00
Replacement of engine of DG	562.75	-
Capital Expenditure	2,463.67	0.91
Total	6,606.42	6,602.55

- 22 Previous year's figures have been regrouped / restated wherever necessary to conform to the classification of the current year.

Signature to Schedules 1 to 22

Napoleon De la Colina
Luis Filipe Sequeira Martins
Alvaro Joao Serra Nazare
P.A. Nair - CEO & Whole Time Director

Directors

Mumbai
17 June 2008

G.D. Gupta
F.H. (Comm.)

S.N. Malpani
Co.Secretary & Manager

Rui Duarte
Finance Head



CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE PERIOD ENDED 31ST MARCH 2008

(Rs. in lacs)

	2007 - 2008	2006 - 2007
(A) Cash flow from Operating Activities		
a. Net Profit /(Loss) before tax and exceptional items:	3,402.29	5,353.26
Adjustment for:		
Depreciation	631.76	627.29
Interest	74.90	117.15
Provisions/write off for doubtful bad debts and advances	-	5.62
Liabilities no longer required w/back	(114.46)	(205.00)
Excess/(short) provisions (Net)	(0.06)	(1.68)
Exchange (Gain)/Loss	(2.70)	(6.48)
(Profit)/Loss on sale/discard of fixed assets/ Stock (Net)	1.86	2.75
Interest Income	(0.61)	(16.16)
Provisions for doubtful debts written back	(18.05)	-
b. Operating profit before working capital changes	3,974.93	5,876.75
Adjustment for:		
Trade and other receivables	2,693.82	(3,515.62)
Inventories	(521.76)	(1,771.04)
Trade payables	105.59	763.39
c. Cash generated from operations	6,252.58	1,353.48
Direct taxes paid	(14.04)	(6.64)
Fringe Benefit Tax Paid	(31.69)	(18.81)
Income tax refund received	-	13.34
Cash from operating activities before exceptional items	6,206.85	1,341.37
d. Exceptional item (Refer Footnote 2)	(441.48)	262.23
Net cash flow from operating activities	5,765.37	1,603.60
(B) Cash flow from Investing Activities		
Fixed Deposits (created)/matured having maturity of more than 3 months	(65.56)	80.73
Sale of Fixed Assets	6.86	1.20
Interest received	0.51	20.02
Purchase of fixed assets	(2,672.05)	(311.07)
Net Cash used in Investing Activities	(2,730.24)	(209.12)
(C) Cash flow from Financing Activities		
Issue of Shares	3.87	13,388.10
Proceeds from borrowings	12,650.00	3,425.00
Repayment for borrowings	(9,921.21)	(17,867.52)
Interest paid - Exceptional item	(4,332.68)	-
Interest paid	(54.67)	(278.21)
Net Cash flow from Financing Activities	(1,654.69)	(1,332.63)
(D) Net increase/(decrease) in Cash & Cash equivalents	1,380.44	61.85
Cash & Cash equivalents at beginning of the year		
Cash balance & Cheque on hand	3.11	3.21
Bank balance in current account	212.11	151.78
Bank balance in Fixed Deposit account	1.62	-
	216.84	154.99
Cash & Cash equivalents at end of the year		
Cash balance & Cheque on hand	1.45	3.11
Bank balance in current account	1,595.83	212.11
Bank balance in Fixed Deposit account	-	1.62
	1,597.28	216.84
Net Increase in Cash & Cash equivalents	1,380.44	61.85

Foot Note : 1. Previous year figures have been regrouped / recasted wherever necessary.

2. Exceptional Items are net of Non Cash Items Rs. Nil (previous year Rs. 202.45 lacs)

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Mumbai
17 June 2008

G.D. Gupta
F.H. (Comm.)

S.N. Malpani
Co.Secretary & Manager

Rui Duarte
Finance Head

Napoleon De la Colina
Luis Filipe Sequeira Martins
Alvaro Joao Serra Nazare
P.A. Nair - CEO & Whole Time Director

} Directors

SHREE DIGVIJAY CEMENT CO. LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	749/TA	State Code	04
Balance Sheet Date	31.03.2008		

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

Public Issue	Nil	Right Issue	3.88
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	2438371	Total Assets	2438371
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Sources of Funds

Paid up Capital	1413751	Reserves & Surplus	14230
Secured Loans	Nil	Unsecured Loans	1010390

Application of Funds

Net Fixed Assets	973890	Investments	165
Net Current Assets	325147	Misc. Expenditure	Nil
Deferred Tax Assets (Net)	Nil	Accumulated Losses	1139169

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

Turnover	2885119	Total Expenditure	3022306
Profit/Loss before Tax	(137187)	Profit/(Loss) after Tax	(140214)
Earning Per Share (in Rs.)	(0.99)	Dividend Rate %	Nil

V. Generic Names of three Principal Products of the Company

Item Code No. (ITC Code)

- 252329.01
- 252310.00

Products Description

Grey Portland Cement
Cement, Clinker

Napoleon De la Colina	} Directors
Luis Filipe Sequeira Martins	
Alvaro Joao Serra Nazare	
P.A. Nair - CEO & Whole Time Director	

Mumbai
17 June 2008

G.D. Gupta
F.H. (Comm.)

S.N. Malpani
Co.Secretary & Manager

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 instead of the Member)

I/We hereby record my presence at the 63rd Annual General Meeting of the Company to be held on Monday, the 15th September, 2008 at 11 a.m. at Digvijaygram, Via : Jamnagar (Gujarat).

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

No. of Shares held

(Member's /Proxy's Signature)

Note: Members are requested to bring their copy of the Annual Report at the meeting since further copy will not be available.

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 63rd Annual General Meeting of the Company to be held on Monday, 15th September 2008 at 11 a.m. or on any adjournment thereof.

Signed this day of2008

Proxy No.....

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

No. of Shares held

Signature.....

Affix
Re. 1
Revenue
Stamp

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

