



GUJARAT AMBUJA CEMENTS LTD.

ANNUAL REPORT | 2003-2004

GUJARAT AMBUJA CEMENTS LIMITED

Registered Office : Ambujanagar P.O., Taluka: Kodinar, District: Junagadh, Gujarat - 362715

NOTICE

NOTICE is hereby given that the TWENTYSECOND ANNUAL GENERAL MEETING of the Members of the company will be held on Monday, the 18th October, 2004 at 9.00 a.m. at the Registered Office of the company at Ambujanagar (P.O.), Taluka Kodinar, District Junagadh, Gujarat - 362715, to transact the following business :-

1. To consider and adopt the Profit & Loss Account for the Corporate Financial Year ended 30th June, 2004 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Nimesh Kampani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Harshavardhan Neotia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Pulkit Sekhsaria, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Nasser Munjee, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Mr. P. B. Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
8. To appoint M/s. Dalal and Shah and M/s. S. R. Batliboi & Associates, retiring Auditors as Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the company and to fix their remuneration.

SPECIAL BUSINESS

9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. N. P. Ghuwalewala, who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the Company has received notice in writing from one of the members, pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. N. P. Ghuwalewala for the Office of Director, be and

is hereby appointed a Director of the company liable to retire by rotation."

10. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended from time to time (the "Guidelines") and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities or bodies and subject to such conditions as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which the Board of Directors of the Company (the "Board") (which term shall be deemed to include any committees thereof) be and is hereby authorised to accept, the approval of the Company be and is hereby accorded to the Board to create, offer and grant an aggregate of upto 10,00,000 (Ten lacs) options to the employees (as defined under the Guidelines) of the Company, during the Company's financial year 2004 - 2005, each option convertible into 1 (one) equity share of the face value of Rs.10/- each on payment of such exercise price as may be decided by the Board and as per the terms and conditions framed/ to be framed by the Board with regard to the Employees Stock Option Scheme for the Company's Financial year 2004-2005 ("ESOS 2004 - 2005")."

"RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot equity shares as and when the options are exercised in accordance with the terms and conditions of the said ESOS 2004 - 2005."

"RESOLVED FURTHER that the Board be and is hereby authorised to modify or amend any of the terms and conditions of the ESOS 2004 - 2005 as and when deemed fit, in its absolute discretion, subject to the condition that such modification/ amendment shall always be in accordance with the provisions of the said Guidelines and the provisions of the Companies Act, 1956."

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the grant of options / issue & allotment of shares and

utilisation of the proceeds and to finalise and execute all documents and writings as may be necessary, desirable or expedient."

11. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended from time to time (the "Guidelines") and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities and bodies and subject to such conditions as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which the Board of Directors of the company (the "Board") (which term shall be deemed to include any committee thereof) be and is hereby authorised to accept, the approval of the Company be and is hereby accorded to the Board to create, offer and grant options to employees of Company's subsidiaries under the Employees Stock Option Scheme of the Company for the Company's Financial Year 2004 - 2005 (ESOS 2004 - 2005), in the manner and on such terms as the Board may deem appropriate subject to the condition that the aggregate of the Options granted to all the eligible employees (including the employees of the company) shall be within the overall limit of 10,00,000 (Ten lacs) Options for the year 2004 - 2005 under ESOS 2004 -2005."

"RESOLVED FURTHER that, save as aforesaid, all the features and the terms and conditions framed / to be framed by the Board with regard to ESOS 2004 - 2005 for its own eligible employees shall be applicable for the employees of the subsidiary Companies".

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the grant of the Options, issue & allotment of shares and utilisation of the proceeds and to finalise and execute all documents and writings as may be necessary, desirable or expedient."

12. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended and subject to such permissions, consents and approvals, if any, from

various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorised to accept, the Company hereby accords its consent and approval to the re-appointment of Mr. P. B. Kulkarni as Whole-time Director of the Company for a period of 5 (five) years with effect from 1st February, 2004 on the terms and conditions set out below and incorporated in the Agreement dated 11th May, 2004 entered by the company with the said Whole-time Director and in the draft Supplemental Agreement to be entered into by the Company with the said Whole-time Director:-

I. Remuneration :

a) Salary :

Rs. 2,20,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time, but subject to the maximum salary of Rs. 4,00,000/- per month.

b) Commission :

Payment of commission of such amount for each Corporate Financial Year, as may be decided by the Board of Directors (which includes any committee thereof) in its absolute discretion provided that aggregate commission paid to all the Whole-time Directors in any Corporate Financial Year shall not exceed 1% of the net profits of the Company as appearing in the Audited Annual Accounts.

c) Perquisites :

(i) Housing

- 1) Residential accommodation or house rent allowance @ 60% of the salary.
- 2) Expenses pertaining to electricity will be borne / reimbursed by the Company.
- 3) Company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors (which includes any committee thereof) of the Company from time to time.

(ii) Medical Reimbursement

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for himself and family.

(iii) Leave/ Holiday Travel Expenses

Reimbursement of Leave/Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two years.

(iv) Club Fees

Reimbursement of membership fee for one club in India including admission and life membership fees.

(v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount as may be decided by the Managing Director, the premium of which shall not exceed Rs. 10,000/- per annum.

(vi) Contribution to Provident Fund, Superannuation and Annuity Fund

The Company's contribution to Provident Fund and Superannuation or Annuity Fund not exceeding 30% of salary in aggregate.

(vii) Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

(viii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

(ix) Other perquisites

Subject to overall ceiling on remuneration mentioned hereinbelow, the Whole-time Director may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

d) Amenities :**(i) Conveyance facilities**

The Company shall provide suitable conveyance facilities as may be required by the Whole-time Director and approved by the Managing Director.

(ii) Communication facilities

The Company shall provide telephone, telefax and other communication facilities at the Whole-time Director's residence.

Explanation :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II. Overall Remuneration :

The aggregate of salary, commission and perquisites in any one financial year shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service

of the Whole-time Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 with authority to the Board to pay the salary, commission and perquisites as specified above subject to the requisite approvals.

"RESOLVED that the Whole-time Director shall be entitled to be paid/reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company."

"RESOLVED FURTHER that the Agreement dated 11th May, 2004 re-appointing the Whole-time Director and setting out the remuneration and other terms and conditions entered with Mr. P. B. Kulkarni, submitted to this meeting be and is hereby specifically approved, with liberty to the Board to alter and vary the terms and conditions thereof as may be agreed by Mr. P. B. Kulkarni."

13. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended and subject to such permissions, consents and approvals, if any, from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorised to accept, the Company hereby accords its consent and approval to the re-appointment of Mr. A. L. Kapur as Whole-time Director of the Company for a period of 5 (five) years with effect from 1st May, 2004 on the terms and conditions set out below and incorporated in the Agreement dated 14th May, 2004 entered by the company with the said Whole-time Director and in the draft Supplemental Agreement to be entered into by the Company with the said Whole-time Director :-

I. Remuneration :**a) Salary :**

Rs. 2,40,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time, but subject to the maximum salary of Rs. 4,00,000/- per month.

b) Commission :

Payment of commission of such amount for each Corporate Financial Year, as may be decided by the Board of Directors (which includes any committee thereof) in its absolute discretion provided that aggregate commission paid to all the Whole-time Directors in any Corporate Financial Year shall not exceed 1% of the net profits of the Company as appearing in the Audited Annual Accounts.

c) Perquisites :**(i) Housing**

- 1) Residential accommodation or house rent allowance @ 60% of the salary.
- 2) Expenses pertaining to electricity will be borne/ reimbursed by the Company.
- 3) Company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors (which includes any committee thereof) of the Company from time to time.

(ii) Medical Reimbursement

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for himself and family.

(iii) Leave / Holiday Travel Expenses

Reimbursement of Leave/Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two years.

(iv) Club Fees

Reimbursement of membership fee for one club in India including admission and life membership fees.

(v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount as may be decided by the Managing Director, the premium of which shall not exceed Rs. 10,000/- per annum.

(vi) Contribution to Provident Fund, Superannuation and Annuity Fund

The company's contribution to Provident Fund and Superannuation or Annuity Fund not exceeding 30% of salary in aggregate.

(vii) Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

(viii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

(ix) Other perquisites

Subject to overall ceiling on remuneration mentioned hereinbelow, the Whole-time Director may be given any other allowances, benefits and perquisites as the Board of Directors (which

includes any committee thereof) may from time to time decide.

d) Amenities :**(i) Conveyance facilities**

The Company shall provide suitable conveyance facilities as may be required by the Whole-time Director and approved by the Managing Director.

(ii) Communication facilities

The Company shall provide telephone, telefax and other communication facilities at the Whole-time Director's residence.

Explanation :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II. Overall Remuneration :

The aggregate of salary, commission and perquisites in any one financial year shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Whole-time Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 with authority to the Board to pay the salary, commission and perquisites as specified above subject to the requisite approvals.

"RESOLVED that the Whole-time Director shall be entitled to be paid/reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company."

"RESOLVED FURTHER that the Agreement dated 14th May, 2004 re-appointing the Whole-time Director and setting out the remuneration and other terms and conditions entered with Mr. A. L. Kapur, submitted to this meeting be and is hereby specifically approved, with liberty to the Board to alter and vary the terms and conditions thereof as may be agreed by Mr. A. L. Kapur."

14. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended and subject to such permissions, consents and approvals, if any, from

various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorised to accept, the Company hereby accords its consent and approval to the re-appointment of Mr. B. L. Taparia as Whole-time Director of the Company for a period of 5 (five) years with effect from 1st May, 2004 on the terms and conditions set out below and incorporated in the Agreement dated 14th May, 2004 entered by the company with the said Whole-time Director and in the draft Supplemental Agreement to be entered into by the Company with the said Whole-time Director:-

I. Remuneration :

a) Salary :

Rs. 2,10,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time, subject to the maximum salary of Rs. 4,00,000/- per month.

b) Commission :

Payment of commission of such amount for each Corporate Financial Year, as may be decided by the Board of Directors (which includes any committee thereof) in its absolute discretion provided that aggregate commission paid to all the Whole-time Directors in any Corporate Financial Year shall not exceed 1% of the net profits of the Company as appearing in the Audited Annual Accounts.

c) Perquisites :

(i) Housing

- 1) Residential accommodation or house rent allowance @ 60% of the salary.
- 2) Expenses pertaining to electricity will be borne/reimbursed by the Company.
- 3) Company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors (which includes any committee thereof) of the Company from time to time.

(ii) Medical Reimbursement

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for himself and family.

(iii) Leave / Holiday Travel Expenses

Reimbursement of Leave/Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one month's basic salary per

annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two years.

(iv) Club Fees

Reimbursement of membership fee for one club in India including admission and life membership fees.

(v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount as may be decided by the Managing Director, the premium of which shall not exceed Rs. 10,000/- per annum.

(vi) Contribution to Provident Fund, Superannuation and Annuity Fund

The company's contribution to Provident Fund and Superannuation or Annuity Fund not exceeding 30% of salary in aggregate.

(vii) Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

(viii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

(ix) Other perquisites

Subject to overall ceiling on remuneration mentioned hereinbelow, the Whole-time Director may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

d) Amenities :

(i) Conveyance facilities

The Company shall provide suitable conveyance facilities as may be required by the Whole-time Director and approved by the Managing Director.

(ii) Communication facilities

The Company shall provide telephone, telefax and other communication facilities at the Whole-time Director's residence.

Explanation :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II. Overall Remuneration :

The aggregate of salary, commission and perquisites in any one financial year shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Whole-time Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 with authority to the Board to pay the salary, commission and perquisites as specified above subject to the requisite approvals.

"RESOLVED that the Whole-time Director shall be entitled to be paid / reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company."

"RESOLVED FURTHER that the Agreement dated 14th May, 2004 re-appointing the Whole-time Director and setting out the remuneration and other terms and conditions entered with Mr. B. L. Taparia, submitted to this meeting be and is hereby specifically approved, with liberty to the Board to alter and vary the terms and conditions thereof as may be agreed by Mr. B. L. Taparia."

15. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended and subject to such permissions, consents and approvals, if any, from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorised to accept, the Company hereby accords its consent and approval to the re-appointment of Mr. A. C. Singhvi as Whole-time Director of the company for a period of 5 (five) years with effect from 1st May, 2004 on the terms and conditions set out below and incorporated in the Agreement dated 14th May, 2004 entered by the company with the said Whole-time Director and in the draft Supplemental Agreement to be entered into by the Company with the said Whole-time Director:-

I. Remuneration :**a) Salary :**

Rs. 2,10,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time, subject to the maximum salary of Rs. 4,00,000/- per month.

b) Commission :

Payment of commission of such amount for each Corporate Financial Year, as may be decided by the Board of Directors (which includes any committee thereof) in its absolute discretion provided that aggregate commission paid to all the Whole-time

Directors in any Corporate Financial Year shall not exceed 1% of the net profits of the Company as appearing in the Audited Annual Accounts.

c) Perquisites :**(i) Housing**

- 1) Residential accommodation or house rent allowance @ 60% of the salary.
- 2) Expenses pertaining to electricity will be borne / reimbursed by the Company.
- 3) Company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors (which includes any committee thereof) of the Company from time to time.

(ii) Medical Reimbursement

Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for himself and family.

(iii) Leave / Holiday Travel Expenses

Reimbursement of Leave/Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two years.

(iv) Club Fees

Reimbursement of membership fee for one club in India including admission and life membership fees.

(v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount as may be decided by the Managing Director, the premium of which shall not exceed Rs. 10,000/- per annum.

(vi) Contribution to Provident Fund, Superannuation and Annuity Fund

The company's contribution to Provident Fund and Superannuation or Annuity Fund not exceeding 30% of salary in aggregate.

(vii) Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

(viii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

(ix) Other perquisites

Subject to overall ceiling on remuneration

mentioned hereinbelow, the Whole-time Director may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

d) Amenities :

(i) Conveyance facilities

The Company shall provide suitable conveyance facilities as may be required by the Whole-time Director and approved by the Managing Director.

(ii) Communication facilities

The Company shall provide telephone, telefax and other communication facilities at the Whole-time Director's residence.

Explanation :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II. Overall Remuneration :

The aggregate of salary, commission and perquisites in any one financial year shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Whole-time Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 with authority to the Board to pay the salary, commission and perquisites as specified above subject to the requisite approvals.

"RESOLVED that the Whole-time Director shall be entitled to be paid/reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company."

"RESOLVED FURTHER that the Agreement dated 14th May, 2004 re-appointing the Whole-time Director and setting out the remuneration and other terms and conditions entered with Mr. A. C. Singhvi, submitted to this meeting be and is hereby specifically approved, with liberty to the Board to alter and vary the terms and conditions thereof as may be agreed by Mr. A. C. Singhvi."

16. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any,

of the Companies Act, 1956, read with Schedule XIII to the said Act as amended and subject to such permissions, consents and approvals, if any, from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorised to accept, the Company hereby accords its consent and approval to the appointment of Mr. N. P. Ghuwalewala as Whole-time Director of the Company for a period of 5 (five) years with effect from 28th June, 2004 on the terms and conditions set out below and incorporated in the Agreement dated 29th June, 2004 entered by the company with the said Whole-time Director and in the draft Supplemental Agreement to be entered into by the Company with the said Whole-time Director:-

I. Remuneration :

a) Salary :

Rs. 2,10,000/- per month with such increments as may be decided by the Board of Directors (which includes any committee thereof) from time to time, subject to the maximum salary of Rs. 4,00,000/- per month.

b) Commission :

Payment of commission of such amount for each Corporate Financial Year, as may be decided by the Board of Directors (which includes any committee thereof) in its absolute discretion provided that aggregate commission paid to all the Whole-time Directors in any Corporate Financial Year shall not exceed 1% of the net profits of the Company as appearing in the Audited Annual Accounts.

c) Perquisites :

(i) Housing

- 1) Residential accommodation or house rent allowance @ 60% of the salary.
- 2) Expenses pertaining to electricity will be borne / reimbursed by the Company.
- 3) Company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors (which includes any committee thereof) of the Company from time to time.

(ii) Medical Reimbursement

Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalisation, nursing home and surgical charges for himself and family.

(iii) Leave / Holiday Travel Expenses

Reimbursement of Leave / Holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses)

incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated upto next two years.

(iv) Club Fees

Reimbursement of membership fee for one club in India including admission and life membership fees.

(v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount as may be decided by the Managing Director, the premium of which shall not exceed Rs. 10,000/- per annum.

(vi) Contribution to Provident Fund, Superannuation and Annuity Fund

The Company's contribution to Provident Fund and Superannuation or Annuity Fund not exceeding 30% of salary in aggregate.

(vii) Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

(viii) Leave

Leave with full pay or encashment thereof as per the Rules of the Company.

(ix) Other perquisites

Subject to overall ceiling on remuneration mentioned hereinbelow, the Whole-time Director may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

d) Amenities :

(i) Conveyance facilities

The Company shall provide suitable conveyance facilities as may be required by the Whole-time Director and approved by the Managing Director.

(ii) Communication facilities

The Company shall provide telephone, telefax and other communication facilities at the Whole-time Director's residence.

Explanation :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

II. Overall Remuneration :

The aggregate of salary, commission and perquisites in any one financial year shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Whole-time Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 with authority to the Board to pay the salary, commission and perquisites as specified above subject to the requisite approvals.

"RESOLVED that the Whole-time Director shall be entitled to be paid / reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company."

"RESOLVED FURTHER that the Agreement dated 29th June, 2004 appointing the Whole-time Director and setting out the remuneration and other terms and conditions entered with Mr. N. P. Ghuwalewala, submitted to this meeting be and is hereby specifically approved, with liberty to the Board to alter and vary the terms and conditions thereof as may be agreed by Mr. N. P. Ghuwalewala."

"RESOLVED FURTHER that Mr. Ghuwalewala shall be eligible for all the unutilised / unpaid perquisites and benefits (viz. Leave, Leave Travel Concession, Medical, Gratuity etc.) lying to his credit with erstwhile Ambuja Cement Rajasthan Ltd. (ACRL) and the same shall be carried forward in the company and a draft Supplementary Agreement for the said purpose and also incorporating revised terms of payment of commission, placed before this meeting be and is hereby specifically approved and the same may be executed with the said Whole-time Director."

17. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED that in partial modification of the Resolution passed at the Nineteenth Annual General Meeting held on 5th October, 2001 in respect of re-appointment of Mr. Pulkit Sekhsaria as Whole-time Director and payment of remuneration to him, and pursuant to Sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956, the company hereby approves payment of commission to Mr. Pulkit Sekhsaria for his remaining term, of such amount for each Corporate Financial Year, as may be decided by the Board of Directors (which includes any committee thereof) in its absolute discretion provided that aggregate commission

paid to all the Whole-time Directors in any Corporate Financial Year shall not exceed 1% of the net profits of the company as appearing in the Audited Annual Accounts which as per earlier Resolution could be paid upto 24 months' basic salary and that except the above, all the other terms and conditions of the earlier resolution as referred above and passed by the shareholders shall remain unchanged."

"RESOLVED FURTHER that the draft Supplementary Agreement proposed to be entered into with Mr Pulkit Sekhsaria, as initialled by the Chairman for the purpose of identification, providing for revised terms of payment of commission as aforesaid, and submitted to this meeting be and is hereby specifically approved."

18. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by deleting the existing Article 125 and substituting it with the following Article:

'Article 125: The Board of Directors shall have the right from time to time to appoint any person or persons or designate any of the existing executives as Technical Director or Marketing Director or any other functional Director, without such a director being a member of the Board of Directors and to withdraw such designation without assigning any reasons whatsoever.' "

By Order of the Board of Directors

B. L. Taparia

Whole-time Director &
Company Secretary

Place : Mumbai
Date : 19th August, 2004

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the company shall remain closed from 20th August, 2004 to 30th August, 2004 (both days inclusive) for payment of dividend.
3. Final dividend in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on 20th August, 2004 as per the downloads furnished to the company by Depositories for this purpose.

In case of shares held in physical form, dividend will be paid to the shareholders whose names shall appear on the Register of Members as on 30th August, 2004.

4. Disclosure pursuant to Clause 49 of the Listing agreement with respect to Directors seeking appointment & re-appointment at forthcoming Annual General Meeting is given in the annexure.

5. Members are requested to furnish their Permanent Account Number, Bank Account details, change of address etc. to the Registrars and Transfer Agents in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).

Members are requested to note that submission of Permanent Account Number (PAN) is mandatory (except non-residents) and non-compliance of the same attracts penal consequences under provisions of Income Tax Act, 1961.

6. a) Members holding the shares in electronic mode may please note that their dividend would be paid through Electronic Clearing Services (ECS) wherever available. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the company will be printed on their dividend warrants as per the applicable regulations.
b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment.

7. Members are requested to send all communications relating to shares and bonds to the Share Transfer Agents at the following address:

SHAREPRO SERVICES
(Unit : Gujarat Ambuja Cements Ltd.)
Satam Estate, 3rd Floor,
(Above Bank of Baroda)
Cardinal Gracious Road, Chakala,
Andheri (East), Mumbai - 400099
Tel. No.(022) 28215168 / 28348218

8. Members are informed that the dividend amount remaining unclaimed relating to the year ended 30th June, 1997 shall become due for transfer to the Investor Education and Protection Fund established by Central Government in terms of Section 205C(2)(a) of the Companies Act, 1956 on expiry of seven years from the date of its declaration. Members are requested to note that the amount of dividend once transferred to the Investor Education and Protection Fund cannot be claimed back and hence are requested to lodge their claims with the Company before 15th October, 2004.