

Saurashtra Cement Limited

BOARD OF DIRECTORS

(As on 20-11-2007)

Mr. M. N. Mehta

Chairman

Mr. D. N. Mehta

Dy. Chairman

Mr. Jay Mehta

Executive Vice Chairman

Mr. H. D. Mehta

Mr. M. N. Rao

Mr. S. V. S. Raghavan

Mrs. Savita V. Pittie

Mr. K. N. Bhandari

Mr. B. P. Deshmukh

Mr. Denys Firth

Mr. Alexander Shaik

Mr. Anish Modi

Mr. Chetan Jain

Mr. G.J. Prasad

Mr. M. S. Gilotra

Mr. R. K. Poddar

Nominee - India Debt Management Ltd.

Nominee - IFCI Limited (Nomination since withdrawn)

Managing Director

Dy. Managing Director

Mr. V. R. Mohnot

Director (Finance) & Company Secretary

Bankers

Central Bank of India

Dena Bank

Rajkot Nagarik Sahakari Bank Ltd.

The Saraswat Co-operative Bank Ltd.

Auditors

Messrs Bansi S. Mehta & Co.

Chartered Accountants

Registered Office

Near Railway Station

Ranavav 360 560

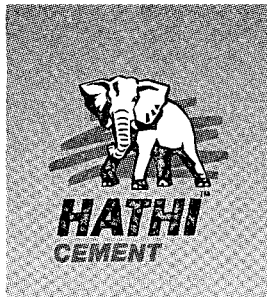
(Gujarat)

Corporate Office

2nd Floor, N. K. Mehta International House

178, Backbay Reclamation

Mumbai 400020



SAURASHTRA CEMENT LIMITED

Registered Office:
Near Railway Station, Ranavav 360 560 (Gujarat)

NOTICE

Notice is hereby given that the 50th Annual General Meeting of the Members of the Company will be held on **Friday the 21st December, 2007 at 10.30 a.m.** at the Registered Office of the Company, near Railway Station, Ranavav 360 560 (Gujarat), to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt Audited Profit & Loss Account for the year ended 30th June, 2007 and Balance Sheet as on that date and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. D. N. Mehta, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. H. D. Mehta, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K. N. Bhandari, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Anish Modi, who retires by rotation, and being eligible, offers himself for reappointment.
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT M/s. Bansil S. Mehta & Co., Chartered Accountants be and are hereby reappointed as Auditors of the Company for audit of accounts for the financial year 2007-08 and they shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs.5,00,000/- (Rupees five lacs) plus service tax and reimbursement of travelling and out of pocket expenses actually incurred."

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. B. P. Deshmukh who was appointed as an Additional Director of the Company with effect from 31st January, 2007 pursuant to Section 260 of the Companies Act, 1956 and Article 97A of the Articles of Association of the Company and who holds such office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310, 311 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time and subject to approval of the Central Government and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, approval of the Company be and is hereby given for the re-appointment of Mr. Jay M Mehta as 'Executive Vice Chairman' of the Company for the period commencing from 15.10.2007 to 31.12.2008 and payment of remuneration for the aforesaid period on the terms and conditions as specified in the explanatory statement attached to this Notice and the aforesaid remuneration shall be paid to him as Minimum Remuneration in the event of loss or inadequacy of profits in relevant year during his tenure."

"RESOLVED FURTHER THAT pursuant to Article 130(a) of Articles of Association of the Company, he shall not be liable to retire by rotation till he continues as Executive Vice Chairman of the Company."

"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 appointment and remuneration as may be agreed to between the Board of Directors and Mr. Jay M Mehta and within such guidelines or amendments as may be made to the Companies Act, 1956 or subject to approval of the Central Government or such other authority and do all such acts, deeds and things as may be necessary or expedient."

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

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310, 311 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time, and subject to approval of the Central Government and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, approval of the Company be and is hereby given for the re-appointment of Mr. M. S. Gilotra as 'Managing Director' of the Company for the period commencing from 15.10.2007 to 31.12.2008 and payment of remuneration for the aforesaid period on the terms and conditions as specified in the explanatory statement attached to this Notice and the aforesaid remuneration shall be paid to him as Minimum Remuneration in the event of loss or inadequacy of profits in relevant year during his tenure."

"RESOLVED FURTHER THAT pursuant to Article 130(a) of Articles of Association of the Company, he shall not be liable to retire by rotation till he continues as Managing Director of the Company."

"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 appointment and remuneration as may be agreed to between the Board of Directors and Mr. M. S. Gilotra and within such guidelines or amendments as may be made to the Companies Act, 1956 or subject to approval of the Central Government or such other authority and do all such acts, deeds and things as may be necessary or expedient."

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 provisions of Sections 198, 269, 309, 310, 311 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time, and subject to approval of the Central Government and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, approval of the Company be and is hereby given for the re-appointment of Mr. R. K. Poddar as 'Deputy Managing Director' of the Company for the period commencing from 15.10.2007 to 31.12.2008 and payment of remuneration for the aforesaid period on the terms and conditions as specified in the explanatory statement attached to this Notice and the aforesaid remuneration shall be paid to him as Minimum Remuneration in the event of loss or inadequacy of profits in relevant year during his tenure."

"RESOLVED FURTHER THAT pursuant to Article 130(a) of Articles of Association of the Company, he shall not be liable to retire by rotation till he continues as Deputy Managing Director of the Company."

"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 appointment and remuneration as may be agreed to between the Board of Directors and Mr. R. K. Poddar and within such guidelines or amendments as may be made to the Companies Act, 1956 or subject to approval of the Central Government or such other authority and do all such acts, deeds and things as may be necessary or expedient."

By Order of the Board of Directors

Place : Mumbai
Dated : November 20, 2007.

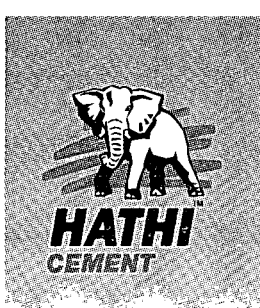
V.R. MOHNOT
Director (Finance) & Co. Secretary

Registered Office:

Near Railway Station
Ranavav 360 560
Gujarat.

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- The Explanatory statement as required under Section 173 of the Companies Act, 1956 setting out material facts in respect of the business under item Nos. 7 to 10 of Special Business is annexed herewith.



3. Re-appointment of Directors.

At the ensuing Annual General meeting, Mr. D.N Mehta, Mr. H.D Mehta, Mr.K.N Bhandari and Mr. Anish Modi shall retire by rotation and being eligible, offer themselves for re-appointment. Mr. Jay Mehta was re- appointed as Executive Vice Chairman, Mr. M.S Gilotra as Managing Director and Mr. R.K Poddar as Deputy Managing Director by the Board subject to the approval of the shareholders..As required under Clause 49 of the Listing Agreement the Profile of these directors is given in Corporate Governance Report annexed to the Directors' Report.

4. The documents referred in the resolutions are available for inspection at the Registered Office of the Company during 10.00 a.m. to 12 noon on any working day till the date of the Annual General meeting.
5. The Share Transfer Books and Register of Members of the Company shall remain closed from Tuesday, 18th December, 2007 to Friday, 21st December, 2007 (both days inclusive) in connection with the annual general meeting.
6. Members who have multiple account in identical names or joint accounts in same order are requested to send all the share certificates to the Registrar and Transfer Agents for consolidation of all such shareholdings into one account to facilitate better service.
7. (a) Members are requested to notify immediately any change of address:
 - i. To their Depository Participants (DPs) in respect of their electronic share accounts; and
 - ii. To the Registrar and Transfer Agents at 'M/s. Intime Spectrum Registry Ltd, C-13 Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078' in respect of their physical share folios, if any.
 (b) In case the mailing address mentioned on this Annual Report is without the Pin code, Members are requested to kindly inform the Registrars their PINCODE immediately.
8. Non-resident Indian Shareholders are requested to inform the Registrars immediately the change in the residential status.
9. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready and replies will be provided only at the meeting.
- 10 **Shares of the company are traded in demat form. If you have not demated your shares, you are requested to get the shares dematted at the earliest.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:

Item No.7

Mr. B. P. Deshmukh was appointed as an Additional Director by the Board at its meeting held on 31st January 2007 and pursuant to the provisions of Section 260 of the Companies Act, 1956. He holds office as Director up to the date of ensuing Annual General Meeting. A notice pursuant to Section 257 of the Companies Act, 1956 has been received from a member along with requisite deposit of Rs.500 (Rupees Five hundred) proposing the appointment of Mr. B. P. Deshmukh as a Director of the Company.

The Board commends the resolution for your approval.

Except Mr. B. P. Deshmukh, no other Director is concerned or interested in this resolution.

Item No. 8, 9 & 10:

Mr. Jay Mehta, Mr. M. S. Gilotra and Mr. R. K. Poddar are presently holding the office of Executive Vice Chairman, Managing Director and Deputy Managing Director respectively and their present term ended on 14th October 2007. At the meetings of the Board of Directors of the Company held on 16th August, 2007 and 30th October, 2007, the Board have approved re-appointment of Mr. Jay Mehta, Mr. M. S. Gilotra and Mr. R. K. Poddar as Executive Vice Chairman, Managing Director and Deputy Managing Director respectively for the period 15th October, 2007 to 31st December, 2008.

The Remuneration Committee & the Board of Directors have resolved that subject to such approvals as may be necessary to pay revised remuneration to Mr. Jay Mehta, Mr. M. S. Gilotra and Mr. R. K. Poddar as detailed hereunder.

(i) Terms and conditions of appointment and Remuneration to Mr. Jay Mehta, Executive Vice-Chairman.

Mr. Jay Mehta, has done B.S. (Industrial Engineering) from Columbia University, New York, U.S.A and has completed his MBA, IMD from Lausanne, Switzerland in 1991. Mr. Jay Mehta was earlier Vice President (Technical) of Saurashtra

Cement Limited and thereafter from 1987 to 1989, he was Executive Director of associate company, 'Gujarat Sidhee Cement Limited' (GSCL). At present he is also the Executive Vice Chairman of Gujarat Sidhee Cement Limited, and drawing remuneration w.e.f 01.04.2006 upto 31.12.2007 as approved by the shareholders and the Central Government. He shall be paid remuneration from both the Companies. However, the remuneration proposed to be paid from Saurashtra Cement Ltd together with remuneration from Gujarat Sidhee Cement Limited is within the maximum ceiling limit permissible under Schedule XIII of the Companies Act, 1956.

Remuneration

Salary and Perquisites.

Rs.2,40,000/- (Rupees Two lacs, forty thousand) per month inter-alia includes furnished accommodation or house rent allowance thereof, furnishings, re-imbursement for gas, electricity, water (perquisite value will be actual or 6.25% of salary, whichever is less), personal accident insurance and mediclaim insurance for self and family, medical re-imbursement, leave travel concession for self and family, etc) and aforesaid remuneration shall be paid to him as Minimum Remuneration in the event of loss or inadequacy of profits in relevant year during his tenure.

In addition to the above, he shall be entitled to the following perquisites, which does not form part of above limit of salary.

- a) Contribution to Provident fund/Superannuation fund/Annuity fund @ 27% of basic salary,
- b) Gratuity not exceeding half month's salary for each year of completed service.

Further over and above the above remuneration, Mr. Jay Mehta will be entitled to the following benefits in course of discharging the duties and responsibilities.

1. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of Rs 15,000 per month on submission of supporting/ declaration.
2. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
3. Payment of sitting fees as applicable to other directors for attending the meeting of the Board and committee thereof.
4. Earned/ Privilege Leave as per rules of the Company. Leave accumulated and not availed during his tenure shall be allowed to be encashed at the end of his tenure.
5. Car with driver and other communication facilities at the residence.
6. Reimbursement of expenses incurred in respect of books and periodicals at actual against submission of supporting/s.
7. Subscription or Reimbursement of Club Fees on actual basis.

Mr. Jay Mehta is interested in his own re-appointment and remuneration.

Mr. M. N. Mehta being related to Mr. Jay Mehta, may be deemed to be concerned or interested in re-appointment of Mr. Jay Mehta as Executive Vice Chairman.

(ii) Terms and conditions of appointment and Remuneration to Mr. M. S. Gilotra, Managing Director

Mr. M.S.Gilotra is B.E. (Hons.) and having over 33 years of experience in cement industry. He is also Managing Director of Gujarat Sidhee Cement Ltd, an associate company and draws remuneration w.e.f 01.04.2006 upto 31.12.2007 as approved by the Shareholders and the Central Government. He shall be paid remuneration from both the Companies. However, the remuneration proposed to be paid from Saurashtra Cement Ltd together with remuneration from Gujarat Sidhee Cement Limited is within the maximum ceiling limit permissible under Schedule XIII of the Companies Act, 1956.

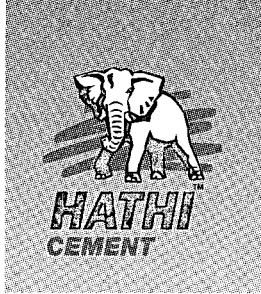
Remuneration

Salary and Perquisites.

Rs.2,50,000/- (Rupees Two lacs fifty thousand) per month inter-alia includes furnished accommodation or house rent allowance thereof, furnishings, re-imbursement for gas, electricity, water (perquisite value will be actual or 6.25% of salary, whichever is less), personal accident insurance and mediclaim insurance for self and family, medical re-imbursement, leave travel concession for self and family, etc) and aforesaid remuneration shall be paid to him as Minimum Remuneration in the event of loss or inadequacy of profits in relevant year during his tenure.

In addition to the above, he shall be entitled to the following perquisites, which does not form part of above limit of salary.

- a) Contribution to Provident fund @ 12% of basic salary,
- b) Superannuation fund/Annuity fund @15% of basic salary,
- c) Gratuity not exceeding half month's salary for each year of completed service.



Further over and above the above remuneration, Mr. M. S. Gilotra will be entitled to the following benefits in course of discharging the duties and responsibilities.

1. Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of Rs 15,000 per month on submission of supporting/ declaration.
2. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
3. Payment of sitting fees as applicable to other directors for attending the meeting of the Board and committee thereof.
4. Earned/ Privilege Leave as per rules of the Company. Leave accumulated and not availed during his tenure shall be allowed to be encashed at the end of his tenure.
5. Car with driver and other communication facilities at the residence.
6. Reimbursement of expenses incurred in respect of books and periodicals at actual against submission of supporting/s".
7. Subscription or Reimbursement of Club Fees on actual basis.

Except Mr. M. S. Gilotra, no other Director is concerned or interested in this resolution.

(iii) Terms and conditions of appointment and Remuneration to Mr. R. K. Poddar, Deputy Managing Director

Mr. R.K.Poddar is an experienced Chartered Accountant. He has worked with reputed business houses for over 30 years and has good and varied exposure in Finance and Commercial function. He has also held various positions at the Senior Management level. He is also Deputy Managing Director of Gujarat Sidhee Cement Ltd, an associate company and draws remuneration w.e.f 01.04.2006 upto 31.12.2007 as approved by the Shareholders and Central Government. He shall be paid remuneration from both the Companies. However, the remuneration proposed to be paid from Saurashtra Cement Ltd together with remuneration from Gujarat Sidhee Cement Limited is within the maximum ceiling limit permissible under Schedule XIII of the Companies Act, 1956.

Remuneration

Salary and Perquisites.

Rs.1,80,000/- (Rupees One lac eighty thousand) per month

In addition to the above, he shall be entitled to the following perquisites, which does not form part of above limit of salary.

- a) Contribution to Provident fund @ 12% of basic salary ,
- b) Superannuation fund/Annuity fund @15% of basic salary,
- c) Gratuity not exceeding half month's salary for each year of completed service.

Further, over and above the above remuneration, Mr. R.K Poddar will be entitled to the following benefits in course of discharging the duties and responsibilities.

1. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses for himself and spouse, incurred in India and abroad.
2. Payment of sitting fees as applicable to other directors for attending the meeting of the Board and committee thereof.
3. Earned/ Privilege Leave as per rules of the Company. Leave accumulated and not availed during his tenure shall be allowed to be encashed at the end of his tenure.
4. Car with driver and other communication facilities at the residence.
5. Reimbursement of expenses incurred in respect of books and periodicals at actual against submission of supporting/s.
6. Subscription or Reimbursement of Club Fees on actual basis.

Except Mr. R. K. Poddar, no other Director is concerned or interested in this resolution.

The above appointments can be terminated by either side by giving three months' notice in writing or paying three month's salary in lieu thereof.

Your Directors recommend the resolution for the approval of the Members.

I. General Information :

1. Nature of Industry :
Manufacturers of Ordinary Portland Cement, Portland Pozzalona Cement and Cement Clinker.
2. Date of commencement of commercial production: October 1960.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable.
4. Financial performance based on given indicators :

	2003-04 Rs/Lacs	2004-05 Rs/Lacs	2005-06 Rs/Lacs
Turnover (Net of Excise)	17251.30	19854.49	26012.38
Profit /Loss before tax	(7100.43)	(4987.80)	2611.87
Profit /Loss after tax	(5092.40)	(5151.70)	1397.40
Net worth	(396.99)	(4810.70)	(2354.17)

5. Export performance and net foreign exchange collaborations :

	2003-04 Rs/Lacs	2004-05 Rs/Lacs	2005-06 Rs/Lacs
Export of Goods (FOB basis)	5225.67	13503.32	12855.80

6. Foreign investments or collaborators, if any.

No. of Equity Shares.	Nil
Equity shareholding (%)	Nil

II. Information about the appointee :

1. Background details :

Mr. Jay Mehta, EVC

Mr. Jay Mehta, is B.S. in Industrial Engg. USA, MBA from IMD, Lausanne, Switzerland. He is having vast experience in Cement Industry. He is also Executive Vice Chairman of Gujarat Sidhee Cement Limited

Mr. M.S. Gilotra, MD

Mr. M.S. Gilotra, is B.E. (Hons) in Mech. Engineering. A technocrat having over 33 years experience in Cement Industry, held senior management positions, a large part of which (17 years) was with ACC Ltd. He is also Managing Director of Gujarat Sidhee Cement Limited.

Mr. R.K. Poddar, DMD

Mr. R.K. Poddar is a Chartered Accountant and has worked in various positions at Senior Management level with reputed business houses for over 32 years. He is also Dy. Managing Director of Gujarat Sidhee Cement Limited.

2. Past remuneration from this Company: (2006-07)

Remuneration - Rs. 33.25 lacs
Director sitting fees - Rs. 0.40 lacs

Remuneration - Rs. 26.32 lacs
Director sitting fees - Rs. 0.60 lacs

Remuneration - NIL
Director sitting fees - Rs. 0.60 lacs

3. Recognition or award:

Nil

Nil

Nil

4. Job profile & his suitability:

Mr. Jay Mehta, as Executive Vice Chairman is responsible for overall management of the company and is a promoter director.

Mr. M.S. Gilotra, is responsible for Production, Marketing and Overall management.

Mr. R.K. Poddar is responsible for general management, finance & commercial management.

5. Remuneration proposed :

Rs.2,40,000/- per month inter-alia consisting of salary & perquisites plus Retirement benefits consisting of PF, Superannuation/Annuity, and Gratuity as applicable as per Company's Rules and other benefits in discharge of day-to-day duties.
Tenure: 15th October, 2007 to 31st December, 2008.

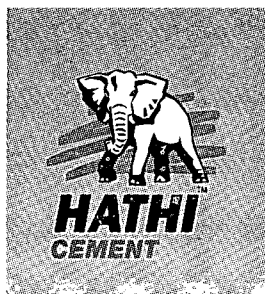
The aforesaid remuneration shall be paid as Minimum Remuneration in case of loss or inadequacy of profits in relevant year during his tenure.

Rs.2,50,000/- per month inter-alia consisting of salary & perquisites plus Retirement benefits consisting of PF, Superannuation, and Gratuity as applicable as per Company's Rules and other benefits in discharge of day-to-day duties.
Tenure: 15th October, 2007 to 31st December, 2008.

The aforesaid remuneration shall be paid as Minimum Remuneration in case of loss or inadequacy of profits in relevant year during his tenure.

Rs 1,80,000/- per month plus Retirement benefits consisting of PF, Superannuation, and Gratuity as applicable as per Company's Rules and other benefits in discharge of day-to-day duties.
Tenure: 15th October, 2007 to 31st December, 2008.

The aforesaid remuneration shall be paid as Minimum Remuneration in case of loss or inadequacy of profits in relevant year during his tenure.



- 6 Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person. (In case of expatriates the relevant details would be with reference to the country of origin.)
Comparative remuneration profile with respect to industry:

Comparative figures of remuneration to Managing Directors / Executive Directors paid by Companies in India of similar size are given below:

Name of the Company	Turnover Rs. in Crores	Salary (Excluding Commission) Rs. in lacs per annum
i) Madras Cements Limited	1530	31.95
ii) J.K. Cement Limited	843	258.98 (3 ED)
iii) Mysore Cement Limited	414	49.06

The appointees are all residents of India.

- 7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.

Mr. Jay Mehta - Promoter Director Mr. M.S. Gilotra - Nil Mr. R.K. Poddar - Nil.
and is related to Mr. M.N. Mehta,
Chairman.

III Other information.

1. Reasons of loss or inadequate profits.

Due to past losses the Company has inadequacy of profits pursuant to the Section 198 of the Companies Act, 1956. Further, the Company does not fulfill all the conditions specified in Part C of Section II of Schedule XIII, hence the permission of Central Government is sought.

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

- The Company has plans to augment its cement capacity.
- In order to improve realization from products, the company has concentrated in making more sales in domestic market.
- To augment overall capacity, the Company has produced and sold more pozzolana cement.
- In order to achieve better power and fuel efficiency, the Company has improved the raw mix design and productivity.
- The Company is setting up of Captive Thermal Power Plant of 25MW at its plant to reduce cost of power which is major component of cost of manufacturing.
- The Company has restructured its debts under CDR scheme.

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

Long-term prospects of the cement industry in India as well as in Gujarat continue to remain bright. The growth in infrastructure sector especially roads and irrigation, is expected to result in demand growing up over 8% per annum. The Company has made a turn around and turn over of the Company for 2005-06 was Rs.26,012.38 lacs as compared to previous year of Rs.21,355.30 lacs and Profit after Tax for 2005-06 was Rs.1,397.40 lacs as compared to Loss of Rs.5,151.70 lacs in previous year.

By Order of the Board of Directors

V.R. Mohnot

Director (Finance) & Co. Secretary

Mumbai: 20th November 2007

Registered Office:

Near Railway Station

Ranavav 360 560

Gujarat.