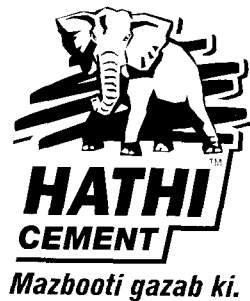


Saurashtra Cement Limited

51st Annual Report 2007-08



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Saurashtra Cement Limited

Board of Directors

As on 29.01.2009

Mr. M. N. Mehta

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. Jayant N. Godbole

Mr. Hemnabh Khatau

Mr. Devang Gandhi

Alternate Director to Mr. H.D. Mehta

Mr. Denys Firth

Mr. Alexander Shaik

Nominee - India Debt Management Pvt. Ltd.

Mr. Anish Modi

Mr. M.S. Gilotra

Managing Director

Mr. R.K. Poddar

Dy. Managing Director

Mr. V.R. Mohnot

Director (Finance) & Company Secretary

BANKERS

Dena Bank

Central Bank of India

Rajkot Nagarik Sahakari Bank Ltd.

AUDITORS

Messrs Bansi S. Mehta & Co.

Chartered Accountants

REGISTERED OFFICE

Near Railway Station

Ranavav 360 560

Gujarat.

CORPORATE OFFICE:

N.K. Mehta International House, 2nd Floor

178, Backbay Reclamation

Mumbai 400 020.

SAURASHTRA CEMENT LIMITED

Registered Office:

Near Railway Station, Ranavav 360 560 (Gujarat)

NOTICE

Notice is hereby given that the 51st Annual General Meeting of the Members of the Company will be held on Thursday, the **19th March, 2009** 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 the audited Balance Sheet as at 31st December, 2008, the Profit & Loss Account for the period ended 31st December, 2008 and Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. S. V. S. Raghavan, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. N. Rao, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Savita Pittie, who retires by rotation, and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Denys Firth, who retires by rotation, and being eligible, offers himself for re-appointment.
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. Banshi S. Mehta & Co., Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company for audit of accounts for the financial year 2009 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 only) 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 M/s. Banshi S. Mehta & Co. Chartered Accountants, the Statutory Auditors of the Company be paid pro rata increased remuneration of Rs. 2,50,000/- (Rupees two lacs, fifty thousand only) plus service tax and reimbursement of out of pocket expenses for the audit of the accounts of the Company for the extended 6 months period of the financial year 2007-08."
8. To consider and if thought fit, to pass with or without modification (s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Jayant N. Godbole who was appointed as an Additional Director of the Company with effect from 28th April, 2008 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 upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company."
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 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 from 1.1.2009 to 31.12.2009 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 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."

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 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 from 1.1.2009 to 31.12.2009 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 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."

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 provisions of Sections 198, 269, 309, 310 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 from 1.1.2009 to 31.12.2009 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 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 : 12th February, 2009.

Registered Office:

Near Railway Station
Ranavav 360 560
Gujarat.

V.R. MOHNOT

Director (Fin.) & Co. Secretary

NOTES:

1. **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.**
2. 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 11 of Special Business is annexed herewith.
3. Re-appointment of Directors.

Pursuant to Clause 49 of the Listing Agreement relating to code of Corporate Governance, the profile of directors proposed to be appointed/ re-appointed at the ensuing Annual General Meeting is given in the Corporate Governance Report annexed to the Directors Report.

4. The documents referred in the resolutions and explanatory statement are available for inspection by the members at the Registered Office of the Company during 10.00 a.m. to 12 noon on any working day till the date of the ensuing Annual General meeting.
5. The Share Transfer Books and Register of Members of the Company shall remain closed from Friday the 13th March, 2009 to Thursday the 19th March, 2009 (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 their 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, M/s. Link Intime India Pvt. Ltd. (formerly '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 PIN CODE immediately.
8. Non-resident Indian Shareholders are requested to inform the Registrars immediately of the change in their residential status, if any.
9. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Annual General 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 compulsorily required to be traded in demat form. If you have not demated your shares, you are requested to get the shares dematted at the earliest.

By Order of the Board of Directors

Place : Mumbai,
Dated : 12th February, 2009
Registered Office:
Near Railway Station
Ranavav 360 560
Gujarat.

V.R. MOHNOT

Director (Fin.) & Co. Secretary

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

Item No. 7

M/s. Bansi S. Mehta & Co., Chartered Accountants were appointed as Statutory Auditors of the Company for the audit of the accounts for the financial year 2007-2008 and hold office from the conclusion of last Annual General Meeting till the conclusion of ensuing Annual General Meeting at a remuneration of Rs. 5,00,000/- (Rupees five lacs only) plus service tax and reimbursement of travelling and out of pocket expenses.

The Company had changed its financial year ending June to December and accordingly had extended current financial year from 30th June, 2008 to 31st December, 2008 (18 months). In view of the above, the Statutory Auditors have requested for pro rata increase in their remuneration by Rs. 2,50,000/- (Rupees two lacs, fifty thousand only) plus service tax and reimbursement of travelling and out of pocket expenses. The payment of increased remuneration is recommended by the Audit Committee and approved by the Board. The Board recommends the resolution for your approval.

Item No.8

Mr. Jayant N. Godbole was appointed as an Additional Director (Independent) by the Board at its meeting held on 28th April, 2008 and pursuant to the provisions of Section 260 of the Companies Act, 1956 he holds office as Director upto the date of ensuing Annual General Meeting and eligible for re-appointment. A notice pursuant to Section 257 of the Companies Act, 1956 has been received from a member alongwith requisite deposit of Rs.500 (Rupees Five hundred) proposing the appointment of Mr. Jayant N. Godbole as a Director of the Company.

The Board commends the resolution for your approval.

Except Mr. Jayant N. Godbole, no other Director is concerned or interested in this resolution.



Item Nos. 9, 10 & 11

Mr. Jay Mehta, Mr. M. S. Gilotra and Mr. R. K. Poddar holds the office of Executive Vice Chairman, Managing Director and Deputy Managing Director respectively upto 31st December, 2008. At the meeting of the Board of Directors of the Company held on 25th October, 2008, the Board subject to the approval of the Shareholders and the Central Government 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 a further period of 1 (one) year i.e. from 1st January, 2009 to 31st December, 2009 and their remuneration.

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

Terms and conditions of appointment and remuneration to Mr. Jay Mehta, Executive Vice Chairman.

Mr. Jay Mehta, aged, 48 years, 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. At present, he is also the Executive Vice Chairman of Gujarat Sidhee Cement Limited (GSCL), an associate company and part of Mehta Group and held such office upto 31st December, 2008. He was re-appointed by the Board of GSCL on existing remuneration of Rs.1,60,000/- per month plus retirement and other benefits for a further period of 1 (one) year w.e.f. 1.1.2009 to 31.12.2009, subject to the approval of the shareholders of GSCL and the Central Government.

As per the provisions of the Companies Act, 1956, a person is eligible to act as Managing Director of two companies. However, the remuneration drawn from both the companies should be within the maximum ceiling limit permissible under Schedule XIII of the Companies Act, 1956.

In view of the ceiling limits applicable in view of inadequacy of profits as computed under Section 349 & 350 of the Act, the remuneration proposed to be paid by the Company and approved by the Remuneration Committee and Board of Directors is as follows:

Remuneration

Salary

Rs.2,40,000/- (Rupees Two lacs, forty thousand) per month.

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

- Contribution to Provident fund/Superannuation fund/ Annuity fund @ 27% of salary,
- Gratuity not exceeding half month's salary for each year of completed service, computed as per Payment of Gratuity Act, 1972.

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

- Reimbursement of entertainment expenses incurred for Company's work, subject to maximum of Rs. 15,000 per month on submission of supporting/declaration.
- 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.
- Payment of sitting fees as applicable to other directors for attending the meeting of the Board and committee thereof.
- Encashment of unavailed leave at the end of the tenure.
- Car with driver and communication facilities at residence.
- Reimbursement of expenses incurred in respect of books and periodicals at actuals against submission of supporting/s.
- Subscription or reimbursement of Club Fees on actual basis.

In addition to the above, Mr. Jay Mehta will be entitled to the following benefits / facilities or by way of reimbursement, as per Company's rules.

- Rent free furnished accommodation or house rent in lieu thereof.
- Reimbursement for gas, electricity, water charges etc.
- Personal Accident Insurance and Mediciclaim insurance for self and family.
- Medical reimbursement for self and family.
- Reimbursement of Leave Travel Expenses for self and family.

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

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

Mr. M. N. Mehta being related to Mr. Jay Mehta, is deemed to be concerned or interested in re-appointment of Mr. Jay Mehta as Executive Vice Chairman. Save and except these directors, no other director is deemed to be interested or concerned in this resolution.

Terms and conditions of appointment and remuneration to Mr. M. S. Gilotra, Managing Director

Mr. M.S.Gilotra, aged 58 years, is B.E. (Hons.) and having nearly 34 years of experience in cement industry. He is also Managing Director of Gujarat Sidhee Cement Ltd (GSCL), an associate company and part of Mehta Group and held such office upto 31st December, 2008. He was re-appointed by the Board of GSCL on existing remuneration of Rs.1,50,000/- per month plus retirement and other benefits for a further period of 1 (one) year w.e.f. 1.1.2009 to 31.12.2009, subject to the approval of the shareholders of GSCL and the Central Government.

As per the provisions of the Companies Act, 1956, a person is eligible to act as Managing Director of two companies. However, the remuneration drawn from both the Companies should be within the maximum ceiling limit permissible under Schedule XIII of the Companies Act, 1956.

In view of the ceiling limits applicable in view of inadequacy of profits as computed under Section 349 & 350 of the Act, the remuneration proposed to be paid by the Company and approved by the Remuneration Committee and Board of Directors is as follows:-

Remuneration

Salary

Rs.2,50,000/- (Rupees Two lacs, fifty thousand) per month.

In addition to the above, he shall be entitled to the following perquisites, which will 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, computed as per Payment of Gratuity Act, 1972.

Further 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. Encashment of unavailed leave at the end of his tenure.
5. Car with driver and communication facilities at the residence.
6. Reimbursement of expenses incurred in respect of books and periodicals at actuals against submission of supporting/s.
7. Subscription or reimbursement of Club Fees on actual basis.

In addition to the above, Mr. Gilotra will be entitled to the following benefits / facilities or by way of reimbursement, as per Company's rules.

1. Rent free furnished accommodation or house rent in lieu thereof.
2. Reimbursement for gas, electricity, water charges etc.
3. Personal Accident Insurance and Mediclaim insurance for self and family.
4. Medical reimbursement for self and family.
5. Reimbursement of Leave Travel Expenses for self and family.

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

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

Terms and conditions of appointment and remuneration to Mr. R. K. Poddar, Deputy Managing Director

Mr. R.K. Poddar, aged 56 years, is an experienced Chartered Accountant. He has worked with reputed business houses for over 34 years and has good and varied exposure in Finance and Commercial functions. He has also held various positions at the Senior Management level. He is also Deputy Managing Director of Gujarat Sidhee Cement Ltd (GSCL), an associate company and part of Mehta Group and held such office upto 31st December, 2008. He was re-appointed by the Board of GSCL on existing remuneration of Rs.2,20,000/- per month plus retirement, housing and other benefits for a further period of 1 (one) year w.e.f. 1.1.2009 to 31.12.2009 on the same terms and conditions and remuneration, subject to the approval of the shareholders of GSCL and the Central Government.



As per the provisions of the Companies Act, 1956, a person is eligible to act as Managing Director of two companies. However, the remuneration drawn from both the companies should be within the maximum ceiling limit permissible under Schedule XIII of the Companies Act, 1956.

In view of the ceiling limits applicable in view of inadequacy of profits as computed under Section 349 & 350 of the Act, the remuneration proposed to be paid by the Company and approved by the Remuneration Committee and Board of Directors is as follows:-

Remuneration

Salary

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 will not form part of above limit of salary.

- Contribution to Provident fund @ 12% of basic salary,
- Superannuation fund/Annuity fund @15% of basic salary,
- Gratuity not exceeding half month's salary for each year of completed service, computed as per Payment of Gratuity Act, 1972.

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

- 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.
- Payment of sitting fees as applicable to other directors for attending the meeting of the Board and committee thereof.
- Encashment of unavailed leave at the end of his tenure.
- Car with driver and communication facilities at the residence.
- Reimbursement of expenses incurred in respect of books and periodicals at actuals against submission of supporting/s.
- Subscription or reimbursement of Club Fees on actual basis.

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

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

The above may be treated as Memorandum of abstract of the terms and conditions of reappointment as required under Section 302 of the Companies Act, 1956 in respect of Mr. Jay Mehta, Mr. M. S. Gilotra and Mr. R. K. Poddar.

Your Directors recommend the aforesaid resolutions 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:	June 1956.		
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:			
	2005-06 (12 M)	2006-07 (12 M)	2007-08 (18 M)
	Rs./lacs	Rs./lacs	Rs./lacs
Turnover (Net of Excise)	26012.38	40812.47	71133.49
Profit/Loss before tax	2611.87	2470.71	(5442.94)
Profit/Loss after tax	1397.40	2229.08	(4815.29)
5. Export performance and net foreign exchange collaborations:			
Export of Goods (FOB basis)	13503.32	12855.80	19064.89
6. Foreign investments or collaborators, if any:			
No. of Equity Shares	Nil	Nil	Nil
Equity shareholding (%)	Nil	Nil	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 34 years experience in Cement Industry, and has 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 34 years. He is also Dy. Managing Director of Gujarat Sidhee Cement Limited.

2. Past remuneration from this Company:
(2007-08) (18M) Rs.56.16 lacs

Rs. 53.87 lacs

Rs.15.46 lacs

3. Recognition or award:

-

-

All India Merit list of The Institute of Chartered Accountants of India

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 *interalia* consisting of Salary, Retirement benefits consisting of PF, Superannuation/Annuity and Gratuity and Reimbursements as applicable as per Company's Rules and other benefits in discharge of day-to-day duties.

Rs. 2,50,000/- per month *interalia* consisting of Salary, Retirement benefits consisting of PF, Superannuation and Gratuity, and Reimbursements as applicable as per Company's Rules and other benefits in discharge of day-to-day duties.

Rs. 1,80,000/- per month consisting of Salary, Retirement benefits consisting of PF, Superannuation and Gratuity and other benefits in discharge of day-to-day duties.

Tenure: 1st January, 2009 to 31st December, 2009.

Tenure: 1st January, 2009 to 31st December, 2009.

Tenure: 1st January, 2009 to 31st December, 2009.

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

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

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 (2007-08)	1925	43.23
(ii) Prism Cement Limited (2007-08)	876	156.00

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 and
is related to Mr. M.N. Mehta, Chairman

Mr. M.S. Gilotra – Nil

Mr. R.K. Poddar – Nil.

III. Other information:

1. Reasons of loss or inadequate profits.

Due to stagnation of cement demand and natural calamities occurring in Gujarat in the past, there was mismatch in the demand supply conditions and situation of over supply. This resulted in losses in the past.

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

- The Company has set up Captive Thermal Power Plant of 25 MW at its plant to reduce cost of power and this would increase productivity.
- The Company has restructured its debts under CDR scheme.
- The Company is setting up shed cover for raw materials and fuels.

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

- Reduction in cost of energy through procurement of coal/petcoke by 10-15%.
- Reduction in cost of electricity by higher production of Captive Power from Thermal Power Plant by 15-20%.

By Order of the Board of Directors

Place : Mumbai,
Dated : 12th February, 2009.

V.R. MOHNOT

Director (Fin.) & Co. Secretary

Registered Office:
Near Railway Station
Ranavav 360 560
Gujarat.