CONTENTS

BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AUDIT COMMITTEE

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

MANAGER AND COMPANY SECRETARY

Mr. S. N. Malpani

EXECUTIVES

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

AUDITORS

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

COST AUDITORS

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

BANKERS

Citi Bank NA

REGISTERED OFFICE AND WORKS

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

REGISTRAR AND TRANSFER AGENT

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

NOTICE

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

ORDINARY BUSINESS:

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

2. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   "RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorized to alter amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Nair within such guide lines or amendments as may be made to the Companies Act, 1956, and subject to such approvals as may be required."

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

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

    (i) The existing Article 150, dealing with the acquiring and holding of qualification shares by the Directors of the Company be and is hereby deleted.

    (ii) The sub clause (a) of Clause 1 of Article 156, dealing with consequential impact of non obtaining and non holding of qualification shares by the Directors, as stipulated under Article 150, being redundant, be and is hereby deleted and be re-numbered accordingly.

    (iii) The existing Article 115 dealing with Chairman's casting vote at general meetings be and is hereby deleted.

    (iv) The existing Article 180 dealing with Chairman's second or casting vote at the proceedings of Directors' meeting be and is hereby deleted.

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

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

By Order of the Board

Place: Mumbai — **S. N. Malpani**
Date: 17th June, 2008 — Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing a proxy should however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of items 3 to 11 of the Notice as set out above, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 8th September, 2008 to 15th September, 2008 (both days inclusive).
5. Pursuant to the recommendation of SEBI Committee on Corporate Governance for appointment of the Directors/ re-appointment of the retiring Directors, a statement containing details of concerned directors is attached hereto.

By Order of the Board

Place: Mumbai
Date: 17th June, 2008

S. N. Malpani
Company Secretary

EXPLANATORY STATEMENT:

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

Item No. 3 to 8

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

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

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

Mr. Alvaro Joao Serra Nazare, Mr. Jorge Manuel Tavares Salavessa Moura, Mr. Napoleon De la Colina and Mr. Luis Filipe Sequeira Martins are holding Engineering degree and brings with them vast experience in Cement Industry. They are on the Board of various International Companies of repute. Mr. Robert Pavrey is a practicing Company Secretary and Mr. Leonard D' Costa is an consultant in Human Resource Management, with rich experience in Corporate Sector.

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

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

Item No. 9

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

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

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

1. Remuneration:

a) Basic salary: Rs. 1,25,000/- (Rupees One lac twenty five thousand only) per month, with such increase as the Board/Committee of Directors may decide from time to time.

b) Special Allowance: Rs. 85,000/- (Rupees Eighty five thousand only) per month with such increase as the Board/Committee of Directors may decide from time to time.

c) Statutory Allowances: Rs. 65,000/- (Rupees Sixty five thousand only) covering personal car pay-out, education, uniform, Leave Travel assistance and retrials, to be bifurcated as per mutual understanding, per month with such increase as the Board/Committee of Directors may decide from time to time.

d) Performance linked variable pay: Rs. 5,00,000/- (Rupees Five lacs only) per annum, or such higher amount as the Board/Committee of Directors may decide from time to time.

2. Perquisites:

a) A suitably furnished Residential accommodation shall be provide at Digvijaygram (Sikka), as also a service Car with driver and fuel and the same shall be valued as per Income Tax Rules.

b) Medical (including hospitalization) and accident coverage through specific insurance policies.

Where in any financial year, the Company has no profit or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid or given to Mr. P. A. Nair subject to the applicable provisions of Schedule XIII of the said Act. Further, Mr. Nair shall not be paid any sitting fee to attend Board/Committee meetings of the Directors.

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

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

1. General Information

(i) Nature of Industry.

The Company is engaged in manufacture and sale of Clinker and Cement.

(ii) Date of commencement of commercial production.

Since 1951.

(iii) In case of new Companies, expected date of commencement of activities.

Not applicable, as the Company is an existing Company.

(iv) Financial performance based on given indicators.

(Rs. in lacs)

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

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

(v) Export Performance and foreign exchange collaborations

The FOB value of export was Rs. 3604.75 lacs in 2005-06, Rs. 176.69 lacs in 2006-07 and Rs. 485.85 lacs in 2007-08.

(vi) Foreign investments or collaborators if any –

NIL

2. Information about appointee

(i) Background details

Mr. P. A. Nair is of 60 years in age and is a qualified Engineer with vast experience in Cement Industry.

(ii) Past Remuneration

Mr. P. A. Nair has joined the Company w.e.f. 17th March, 2008 and has been paid Rs. 1.29 lacs as remuneration for the Financial Year 2007-08.

(iii) Recognition or awards/job profile and his suitability

With requisite experience and qualifications, the Board is of the opinion that he is suited for the position.

(iv) Remuneration proposed

As set out above.

(v) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration of Mr. P. A. Nair is not out of tune with the remuneration in similar sized industries in same segment of business.

(vi) Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any.

Other than the remuneration stated above, Mr. P. A. Nair has no other pecuniary relationship directly or indirectly with the Company.

3. Other Information

Reasons for inadequate profits/steps taken for improvement etc.

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

Item No. 10

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

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

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

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

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

Item No. 11

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

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

By Order of the Board

Place: Mumbai
Date: 17th June, 2008

S. N. Malpani
Company Secretary

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

Name of Director	Mr. Jorge Manuel Tavares Salavessa Moura	Mr. Alvaro Joao Serra Nazare	Mr. Robert Pavrey	Mr.Napoleon de La Colina	Mr.Leonard D'Costa	Mr.Luis Filipe Sequeira Martins	Mr.Penarveetil Achuthan Nair
Date of Birth	4th December 1950	8th September, 1941	16th March 1962	10th April 1967	24th January 1951	4th June 1947	15th february 1948
Date of Appointment	25th March, 2008	7th January, 2008	25th March 2008	19th May 2008	19th May 2008	19th May 2008	25th March 2008
Qualification	Engineering Degree	Engineering Degree	Company Secretary	Civil Engineering-Structural	B.Sc.Hons,P.G. Diploma Hons, Indu. Rel. & Welfare	Chemical Engineering Human Resource	Engineering Degree
Experience in specific functional area	HR, Legal, PR etc.	Cement Industry	Company Secretary in practice	Management Consultant	Human Resources Leadership & Education	Cement Industries	Cement Industries
List of outside Company Directorship held	**Chairman of the Board of Directors:** 1. Cimpor Portugal, SGPS, S.A. 2. Cimpor Internacional, SGPS, S.A. 3. Cimpor Investimentos, SGPS, S.A. 4. Cimpor Industria de Cementos, S.A. 5. Cimpor Imobiliaria, S.A. 6. Cimpor Inversiones, S.A. 7. Cimpor - Servicos de Apoio a Gestao de Empresas, S.A. 8. Cimpship - Transportes Maritimos, S.A. 9. Asment de Temara, S.A. 10. Betocim, S.A. 11. CTA _Cement Trading Activities-Com. Internacional, S.A. 12. Sacopor - Sociedade De Embalagens de Sacos de Papel, S.A. 13. Geofer - Producao e Comercializacao e Bens e Equipamentos, S.A. 14. Prediana - Sociedade de Pre-Esforcados, S.A. 15. Estabelecimentos Scial do Norte, S.A. 16. Yibitas Holding, A.S. 17. Cimpor Yibitas Cimento Sanayi Ve Ticatet A.S. 18. Yibitas Yozgat ISCI Birligi Insaat Malzemeleri Ticaret Sanayi A.S. 19. Sociedade De Investimento Cimpor Macau, S.A. 20. Asment Du Centre, S.A.	**Member of the Board of Directors:** 1. Amreyah Cement Company, Egypt. 2. Cements Jbel Oust, Tunisia 3. Asment de Temara, Morocco. 4. New Liu Yuan Cement, China. 5. Nanda cement, China.	**Member of the Board of Directors:** 1. Adept Fin.& Cons.Ser.P.Ltd 2. AFI India Services P.Ltd. 3. Ahinsa Realtors Pvt. Ltd. 4. Alliance Bernstein Inv. Research and Management India Pvt.Ltd. 5. Anupama Infra.P.Ltd. 6. Audatex Solutions P.Ltd. 7. BAM India Advisory P.Ltd. 8. Bear Stearns Services I.P.Ltd. 9. Building Data P.Ltd. 10. California Wow Fitness P.Ltd. 11. Carel ACR Systems I P Ltd. 12. Cognos Software P.Ltd. 13. Datacard India P.Ltd. 14. Dayco Engine Systems I.P.Ltd. 15. Deva Capital Management Advisors P.Ltd. 16. Eliokem India P.Ltd. 17. Enpocket Services I.P.Ltd. 18. Europ Assistance I.P.Ltd. 19. Futurestep Recruitment Ser.P.Ltd. 20. Global Develop.Capital Manage.P.Ltd. 21. LMG Loyalty Services India P.Ltd. 22. Marathon Inv.Advisory P.Ltd. 23. Minteq India Pvt.Ltd. 24. Napo India Pvt.Ltd. 25. Navinya Buildcon Pvt.Ltd. 26. PREMA Micro Credit Pvt.Ltd. 27. Prologis Distribution Services I.Pvt.Ltd. 28. Raksha Logistics & Warehousing P.Ltd. 29. RLG Retails Pvt.Ltd.	NIL	NIL	**Chairman of the Board of Directors:** 1. Cimpor Betao,SGPS,S.A (Portugal) 2. Cimpor Tech,S.A (Portugal) 3. Cimpor Egypt S.A.E(Egypt) 4. Cimpor Yibitas Muhendislik Makina Sanayi Ve Ticaret AS, (Turkey) 5. Amreyah Cimpor Cement Co.S.A.E(Egypt) 6. Amreyah Dekheila Terminal Co.S.A.E(Egypt) 7. Cement Services Company S.A.E(Egypt) 8. Amreyah Cement Co. S.A.E(Egypt) 9. Cimpor Sacs Manufacture Co.S.A.E(Egypt) **Vice Chairman** Cimpor Inversiones, S.A (Spain) **Director and Chairman of the Ex.Committee** Corporacion Noroesta, S.A (Spain) **Member of the Board of Directors:** 1. Cimpor Portugal SGPS, S.A (Portugal) 2. Cimpor Internacional, SGPS,S.A (Portugal) 3. Cimpor Investimentos, SGPS,S.A(Portugal) 4. Cimpor -Industria de Cimentos, S. A.(Portugal) 5. Asment de Temara, S.A(Morocco) 6. Asment du Centre, S.A(Morocco)	NIL

Name of Director	Mr. Jorge Manuel Tavares Salavessa Moura	Mr. Alvaro Joao Serra Nazare	Mr. Robert Pavrey	Mr.Napoleon de La Colina	Mr.Leonard D'Costa	Mr.Luis Filipe Sequeira Martins	Mr.Penarveetil Achuthan Nair
	21. ATIC - Associacao Technica Da Industria Do Cimento 22. Cimpor Chengton Cement Corporation Ltd 23. Scanang Trading Activities- ESPANA, S.A 24. Cecisa - Comercio Internacionalv, S.A. **Member of the Board of Directors:** 1. Cimpor - Cementos de Portugal, SGPS,S.A. 2. Amreyah Cement Company, S.A.E. 3. Amreyah Cimpor Cement Company, S.A.E. 4. CJO - Societe les Ciments de Jbel Oust. 5. Cimpor Sacs Manufacture Company, S.A.E. 6. Amreyah Dekheila Terminal Company S.A.E. 7. Cimor Egypt for Cement Company S.A.E. 8. NPC - Cimpor (Pty) Limited. 9. Natal Portland Cement Company (Properietory), Limited. 10. MECAN - Manufactura De Elementos De Casas De Construcao Normalizada, LDA. 11. KANDMAD, SGPS,LDA 12. NORDICAVE Trading Industrial 13. Scanang SGPS, Unipessoal LDA. 14. CAXALP, SGPS, LDA 15. Corporocion Noroeste,S.A. 16. Cement Services Company S.A.E		30. Savicha Logistics & Warehousing Pvt.Ltd. 31. Shaiina Prpoerties Pvt.Ltd. 32. Showdiff Worldwide Pvt.Ltd. 33. Sportal India Pvt.Ltd. 34. Strategic Human Resource Man.I.P.Ltd. 35. SV India Opportunities Advisors Pvt.Ltd. 36. Tobena India Pvt.Ltd. 37. TRIF Gandhinagar Projects Pvt.Ltd. 38. TRIF Hyderabad Projects Pvt.Ltd. 39. TRIF Infrastructure Pvt.Ltd. 40. TRIF Kochi Projects Pvt.Ltd. 41. TRIF Prpoerty Development. Pvt.Ltd. 42. TRIF Real Estate & Development P.Ltd. 43. TRIF Realty Projects Pvt.Ltd. 44. TRIF Trivendrum Projects Pvt.Ltd. 45. Veolia Transport India Pvt.Ltd. 46. Walton Street Capital Adv. VI India P.Ltd. 47. WL Ross(India)Pvt.Ltd. **Alternate Director** 1. Fitch Ratings I.P.Ltd. 2. Grey Worlwide (India) P.Ltd. 3. KU Education Digital India P.Ltd. 4. Potain India Pvt.Ltd. 5. Renfro India Pvt.Ltd. 6. TSI Business Park (Hyderabad) P.Ltd.			7. CIO-Societe Les Ciments de Jbel Oust, S.A(Tunisia) 8. Natal Portland Cement Co. (Pty) Ltd. (South Africa) 9. NPC-Cimpor(Pty)Ltd. (South Africa) 10. Yibitas Holding, A.S(Turkey) 11. Cimpor Yibitas Cimento Sanayi ve Ticaret,A.S(Turkey) **Chairman of the Committee** Laison Committee of CEMBUREAU-Eurpoian Cement Association. **Member of the Committee** 1. Advisory Committee of the Luso Carbon Fund 2. Management Board of BSCD Portugal 3. Executive Committee of ATIC - Associacao Tecnica da Industria do Cimento	
Chairman/Member of the Committee of the Board of Directors of the Company.	1. Audit Committee - Member 2. Share Transfer and Shareholders/Investors Grievance Committee - Chairman		1. Audit Committee - Member 2. Share Transfer and Shareholders/Investors Grievance Committee - Member	Audit Committee - Chairman	Audit Committee - Member		Share Transfer and Shareholders/Investors Grievance Committee - Member
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

Dear Shareholders,

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

ACQUISITION OF CONTROLLING INTEREST BY CIMPOR INVERSIONES S.A.

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

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

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

ABOUT CIMPOR:

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

Now, the Directors present financial results and performance analysis of your Company during the year 2007-08.

FINANCIAL RESULTS

(Rs. In lacs)

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

PERFORMANCE:

Performance during the year under report was not encouraging. In spite of buoyancy exhibited in the sectorial consumption, the working result for the year under report has suffered a sharp set back. With stagnant turnover, the gross profit has fallen down by about 33% over the previous year, with substantial drop in over all productivity.

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

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

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

REVIEW OF OPERATIONS

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

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

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

BIFR REFERENCE

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

As reported under "financial results", a sum of Rs. 4333 lacs has been provided towards arrears of interest on Debentures and other borrowings from earst while holding Company for the period 1st April 2004 to 24th March, 2008 under extra ordinary items. Consequentially, the accumulated losses of the Company have exceeded fifty per cent of its peak net worth as at the end of the financial year under report, which might be taken as so your Company has become a potential sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. Considering, though, that the causes of said negative financial results refer to non recurrent spot events, most of them transferred from previous 3 financial years and that prospects for next year's are of positive results for the Company's activity, your Company will adequately report to BIFR, requesting not to be considered a potential sick company.

DIRECTORS

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

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

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

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

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

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

AUDITORS' REPORT

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

AUDITORS

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