



KAMAL CEMENT

SHREE DIGVIJAY CEMENT CO. LTD.

(A CIMPOR GROUP COMPANY)

Global Presence of Cimpor



65th Annual Report and Accounts 2009



CIMPOR GROUP

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SHREE DIGVIJAY CEMENT CO. LTD.**BOARD OF DIRECTORS****Mr. Leonard D' Costa** - Chairman**Mr. Jorge Manuel Tavares Salavessa Moura****Mr. Alvaro Joao Serra Nazare****Mr. Robert Pavrey****Mr. Napoleon De la Colina****Mr. Luis Filipe Sequeira Martins****Mr. P. A. Nair** – C.E.O & Whole-Time Director**COMPANY SECRETARY**

Mr. S. N. Malpani

EXECUTIVES

Mr. Rui Duarte – Finance Head
 Mr. C. S. Jasol – Sr. 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)

BOARD COMMITTEES**AUDIT COMMITTEE**

Mr. Napoleon De la Colina – Chairman

Mr. Leonard D' Costa

Mr. Robert Pavrey

Mr. Jorge Manuel Tavares Salavessa Moura

AUDITORS

M/S Deloitte Haskins & Sells
 Chartered Accountants
 (ICAI Registration No. 117366W)
 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

REMUNERATION COMMITTEE

Mr. Napoleon De la Colina – Chairman

Mr. Leonard D' Costa

Mr. Robert Pavrey

REGISTERED OFFICE AND WORKS

P.O. Digvijaygram – 361 140
 Via. Jamnagar (Gujarat)

SHARE TRANSFER AND SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Mr. Robert Pavrey - Chairman

Mr. Jorge Manuel Tavares Salavessa Moura

Mr. P. A. Nair

REGISTRAR AND TRANSFER AGENT

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

SHREE DIGVIJAY CEMENT CO. LTD.

NOTICE

NOTICE is hereby given that the **Sixty-fifth** 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 19th day of April, 2010 at 03:00 PM (15:00 Hrs.) to transact with or without modifications as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Profit and Loss Account for the year ended 31st December, 2009 and the Audited Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Leonard D' Costa, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Napoleon De la Colina, who retires from office by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Luis Filipe Sequeira Martins, who retires from office by rotation, and being eligible, offers himself for re-appointment.
5. 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:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") read with Schedule XIII thereto as amended up to date and all guidelines issued by the Central Government from time to time and subject to the approval by Shareholders of the Company and such other approvals, as may be necessary, Mr. Penarveetil Achuthan Nair *alias* Mr. P. A. Nair, be and is hereby appointed as the **Whole Time Director** of the Company for a period of **Two years** with effect from 25th March, 2010 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 guidelines or amendments as may be made to the Companies Act, 1956, and subject to such approvals as may be required."

By Order of the Board

Place: Digvijaygram,
Date: 9th March, 2010

S. N. Malpani
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing a proxy should however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 12th April 2010 to 19th April 2010 (both days inclusive).
4. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in one folio.
5. Members can avail facility of nomination in respect of shares held by them and may send their Nomination form duly filled in to the Company.
6. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is attached hereto.

By Order of the Board

Place: Digvijaygram,
Date: 9th March, 2010

S. N. Malpani
Company Secretary



EXPLANATORY STATEMENT

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

Item no. 6

The Board of Directors have re-appointed Mr. P. A. Nair, as a Whole-time Director of the Company in their meeting held on 9th March, 2010, for a period of two years with effect from 25th March, 2010 subject to the approval in General Body meeting and other necessary approvals as may be required.

Mr. Nair is of 62 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:

- Basic salary: Rs. 1,75,000/- (Rupees One lac seventy five thousand only) per month, with such annual increase as the Board/Committee of Directors may decide from time to time.
- 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.
- Statutory Allowances: Rs. 71,000/- (Rupees Seventy one thousand only) covering personal allowance, conveyance allowance, education, uniform, medical, leave travel assistance and retentions, to be bifurcated as per mutual understanding, per month with such increase as the Board/Committee of Directors may decide from time to time.
- 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 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.
- 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

- Nature of Industry**
The Company is engaged in manufacture and sale of Clinker and Cement
- Date of commencement of commercial production.**
Since 1951
- 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	31.03.2007	31.03.2008	31.03.2009
Turnover (Gross)	29596	28851	34192
Profit/(Loss) before Tax	5413	(1372)	2185
Profit/(Loss) after Tax	5404	(1402)	2166

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

(v) Export Performance and foreign exchange collaborations

The FOB value of export was Rs. 176.69 lacs in 2006-07 and Rs. 485.85 lacs in 2007-08 and Rs. 2039.59 lacs in 2008-09.

(vi) Foreign investments or collaborators if any

NIL

2. Information about appointee

(i) Background details

Mr. P. A. Nair is of 62 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 remuneration of Rs. 1.29 lacs for the Financial Year 2007-08, Rs. 46.67 lacs for the Financial Year 2008-09 and Rs. 35.91 lacs for the 9 months period of Financial Year ended on 31st December 2009.

(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.

The remuneration and other terms and conditions of his appointment as are setout under the explanatory statement should also be considered as the relevant abstract required to be circulated to the members under Section 302 of the Companies Act, 1956.

By Order of the Board

Place: Digvijaygram,
Date: 9th March, 2010

S. N. Malpani
Company Secretary

SHREE DIGVIJAY CEMENT CO. LTD.**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the 65th Annual Report together with the Audited Accounts of the Company for the year ended 31st December, 2009.

FINANCIAL RESULTS

The financial results for the year under report are as under:

(Rs. In lacs)

	Current Year Ended 31.12.2009 (9 months)	Previous Year Ended 31.03.2009 (12 months)
Gross Turnover	28571	34192
PBIDT (Profit before Interest, Depreciation and Tax)	4397	3951
Less: Interest	176	1095
Gross Profit	4221	2856
Less: Depreciation	622	671
Profit before Tax	3599	2185
Fringe Benefit Tax/MAT	(29)	(19)
Net Profit during the year	3570	2166
Balance brought forward from previous year	(9225)	(11391)
(LOSS) CARRIED OVER	(5655)	(9225)

CHANGE IN ACCOUNTING YEAR:

Accounting year of the Company for the period under report consists of nine months, ended on 31st December 2009 [1st April 2009 to 31st December 2009]. Hereafter, the accounting year will be for 12 months period ending on 31st December every year, to coincide with the accounting year of Cimpor Inversiones S. A., the Holding Company. For this change, the financial results for the period under report are not comparable with the previous year.

DIVIDEND:

In view of accumulated losses, the Board of Directors does not recommend any dividend on Preference and Equity Share Capital.

FINANCIAL PERFORMANCE:

The turnover and working result show improvement over previous year. But for pressure on unit realization in the last quarter of the year, the profitability would have further contributed to the strength of the Company.

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

PRODUCTION AND SALES

Production and Sales during the year under review are as under:

(In lacs MT)

	Current period ended 31.12.2009 (Apr. 09 to Dec. 09)	Corresponding Period of previous year	Previous Year ended 31.03.2009 (Apr. 08 to Mar. 09)
Production:			
● Clinker	7.54	6.46	8.87
● Cement	7.58	6.12	8.98
Sales:			
● Clinker	0.77	0.49	0.49
● Cement	7.64	6.14	8.99

Plant operations present performance improvement. Cement demand in the State of Gujarat (home market for your Company) has registered growth by about 16.12% during the period under review. Your Company has achieved growth in cement sales by about 24% over corresponding period. Consequentially, Cement production was also at higher side i.e. by about 23% over corresponding period.

Your Company has exported 0.77 lacs MT clinker (as against 0.48 lacs MT in the corresponding period) registering an increase of 60% over corresponding period. There was no Cement export during the period. (Previous year 0.26 lacs MT)

DIRECTORS

Mr. Leonard D' Costa, Mr. Napoleon De la Colina and Mr. Luis Filipe Sequeira Martins, who retire by rotation under Article 167 of the Articles of Association of the Company, being eligible, offer themselves for re-appointment.

A brief resume of the above mentioned 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. M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the existing



Auditors of the Company retiring at the ensuing Annual General Meeting are available for a fresh term and have furnished certificate of their eligibility for re-appointment.

COST AUDITORS

Pursuant to Section 233B of the Companies Act, 1956, your Directors have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the Cost Audit for the year ended 31st December 2009. The appointment has been approved by the Central Government.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The Particulars of employees, required under section 217(2A) of the Companies Act, 1956, and Information relating to conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, required under Section 217(1) (e) of the Companies Act, 1956 are annexed and form part of this report.

HUMAN RESOURCES

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

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company as on 31st December 2009 and of the profit of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting

records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

SOCIAL REPORT

Your Company is regularly working in the areas of Health Care, Education etc in discharging of its social obligations. During the year under report, it has conducted various Medical Camps, awareness programme on HIV, Swine Flue etc, benefiting to the residents of nearby areas, from time to time in partnership with the District Authorities, Village Panchayat etc.

ENVIRONMENT REPORT

Environment conservation – A way of life

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

Your Company is ISO 14001 Environment Management system Certified and adhere to OHSAS 18001 standards of Safety and Occupational Health. Professional Environment Auditors such as Det Norske Veritas, the State Pollution Board's certified auditors and Environmental System Auditors conduct periodic in-depth environmental audit on our plant. The Audit Reports validate our commitment to environmental conservation.

Large scale plantations in the mines, plant, colonies and surrounding areas provide a lush green cover and are reflection of our respect for the environment.

ACKNOWLEDGEMENT

The Directors take this opportunity to express their appreciation for the support and co-operation received from the State and Central Government and Lenders. The Directors also recognize the commitment and dedication of the Company's employees.

For and on behalf of the Board

(Alvaro Joao Serra Nazare)

Director

(P. A. Nair)

Whole Time Director

Place : Digvijaygram,
Date : 9th March, 2010

SHREE DIGVIJAY CEMENT CO. LTD.**MANAGEMENT DISCUSSIONS & ANALYSIS****BUSINESS & FINANCIAL PERFORMANCE REVIEW****Capacity utilization**

	Current year (9 Months)	Previous year (12 Months)
Installed Capacity (Lac. TPA)*	8.06	10.75
Production (Lac. TPA)		
Clinker	7.54	8.87
Cement	7.58	8.98
Effective Capacity utilization@	103.64%	88%
Sales Volume (Lac. Ton)	8.41	9.48
Domestic — Cement	7.64	8.73
Export — Cement	0.00	0.26
— Clinker	0.77	0.49
Net Sales Realization excluding Excise Duty (Rs./ MT)	3256	3269

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

@ Effective capacity utilization = Cement Production + Clinker sold

Financial Highlights

(In Rs. Lacs)

	Current year (9 Months)	Previous year (12 Months)
Net Turnover	26328	30626
Other Income	340	308
Total Expenditure	22271	26983
Operating Profit (PBITD)	4397	3951
Operating Margin (%)	17	13
Interest	176	1095
Gross Profit (PBDT)	4221	2856
Depreciation	622	671
Profit before tax	3599	2185
Fringe Benefit tax/MAT	(29)	(19)
Net Profit after tax	3570	2166

Previous year figures have been regrouped wherever necessary.

Net Turnover

Effective capacity utilization stood at 103.64% (previous year 88%). Net turnover has registered an increase by about 15% (on annualized base) as compared with previous year.

Operating Profit (PBITD) & Margin

Operating margin was higher by about 4% during the year under report, as compared with previous year. Increase in sales volume coupled with higher operating margin has resulted in to higher operating profit. Benefits derived from Fuel cost and volume rise could not be retained fully, and have substantially eaten in to with unremunerative Clinker export (consequent to international market price weakening), and unabated rise in input cost of raw material and other overheads.

Income Tax

A sum of Rs. 29 lacs has been provided towards Minimum Alternate Tax (MAT) for the year under report.

Cash Flow Analysis

(In Rs. Lac)

	Current year (9 Months)	Previous year (12 Months)
Source of Cash		
Cash from Operations	4229.89	3819.37
Non-operating Cash flow	117.81	65.83
Issue of Preferential Share Capital	0	8700.00
(Increase)/Decrease in Working Capital (net)	720.83	(345.88)
Decrease in cash equivalents	8750.68	(7318.49)
Total	13819.21	4920.83
Use of Cash		
Capital Expenditure (net)	1697.95	2001.40
Decrease in Debt	10000.00	0
Interest Paid	196.43	1094.94
Taxes Paid	173.69	37.72
Investment (net)	1751.14	1786.77
Total	13819.21	4920.83

Cash from Operations

Cash from operation during the period under report was at Rs. 4229.89 lacs as against Rs. 3819.37 lacs in previous year represents higher volume of turnover.

Non-operating Cash Flow

Non operating cash flow of Rs. 117.81 lacs includes miscellaneous interest income (Rs.16.67 lacs) and Dividend Income on short term investment (Rs.101.14 lacs).



Capital Expenditure

During the year under report, the Company has incurred a sum of Rs. 1697.95 lacs towards capital expenditures on construction of Clinker Storage Silo and Fly ash feeding/handling systems etc.

Finance

The Company had raised Rs. 8700 lacs in the previous year through preferential allotment of 6% Non-cumulative Compulsory Convertible Preference Shares to Cimpor Inversiones S.A, the Holding Company. The proceeds were fully utilized in pre-payment of working capital loan to Citi Bank NA from whom the Company had availed working capital loan of Rs. 10000 lacs. Balance amount was generated through internal accruals. This has resulted in substantial reduction in interest cost.

SEGMENT REVIEW AND ANALYSIS

It is a single product Company

OUTLOOK

Gujarat has an installed capacity of 20 million mt. with an average demand of about 14 million mt. With the export volume decreasing substantially and the prices no longer remaining lucrative, the domestic cement market is full of surplus capacity. This has built up pressure on manufacturers for evacuation.

While demand continues to grow, new capacities in adjoining States will have adverse effect on inter regional movement as also on price sentiments.

RISK AND CONCERN

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

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

Industrial relations during the year under report

remained cordial. Variable pay scheme is in place to reward employees for their performance, linked with the performance of the Company.

The total number of employees in the Company as on 31st December, 2009 was 537 employees. (Previous year as on 31st March 2009 was 549)

RISK MANAGEMENT

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

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

INTERNAL CONTROL SYSTEM

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

CAUTIONARY STATEMENTS

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

SHREE DIGVIJAY CEMENT CO. LTD.

Information Under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st December, 2009

Particulars**A. CONSERVATION OF ENERGY**

- | | |
|---|---|
| a. Energy conservation measures taken | <ol style="list-style-type: none"> 1 Revival of SPRS in PH and Raw Mill Ex. Fan. 2 Replacement of Raw mill six Cyclone structure. 3 Replacement of inlet and out let Cone Area of the Raw Mill ESP. 4 Strict control on the running hours of Coal Belts, avoiding idle running. 5 Replacement of HT motor of cooler ID fan by DC motor for smooth Speed control of RPM. 6 Took the Stacker No Material tripping into Circuit to avoid idle running of Stacker. 7 Provision of stepped chute for clinker feeding to PG so as to remove the belt conveyor. 8 Omission of two RAL from PG BH discharge 9 Commissioning of VFD for Fly ASH hopper bag filter Fan. 10 Repaired the LT Capacitor Banks of 400 KVAR of KCP section.
Benefit: Improved the Power Factor from 0.89 to 0.92 11 Repaired the 200 KVAR LT Capacitor in crusher section.
Benefit : Improved the Power Factor from 0.67 to 0.92 12 Erection and commissioning of mechanized Fly Ash Feeding System and Clinker Storage Silo.
Benefit: reduction in idle running of KCP Mill due to break down in Cranes. Reduction in Kiln down times due to problems in clinker belts. |
| b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy | Installation of Waste Heat Recovery Power Plant |
| c. Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods | <p>Reduction in electrical load of around 251.2 KW (1.88 units/ton of Cement)</p> <p>Generation of 7 MW electricity from Waste Heat of Plant.</p> |

B. TECHNOLOGY ABSORPTION:**Research & Development (R&D)**

- | | | | | | | | | | |
|---|---|--|---------------|-----------|-----|-------------|------------|---|------------|
| a. Specific areas in which R & D carried out by the Company | <ol style="list-style-type: none"> 1 Company is associated with National Council for Cement & Building Materials for research and development activities. 2 In co-operation with Regional Training Centre, technical employees are being trained in various fields where latest technology is being taught and employees are trained in their application. | | | | | | | | |
| b. Benefits derived as a result of the above R&D | <ol style="list-style-type: none"> 1 Enhancement of product quality & enhanced consistency of quality. 2 Manufacturing of Special Cements as import substitutes & for specific customer requirement. 3 Motivation towards technical knowledge & competency development of employees. | | | | | | | | |
| c. Future plan of action | <ol style="list-style-type: none"> 1 Fly ash transporting system from Near by Thermal power station to cement mill fly ash silo is under construction. 2 Installation of Oil Well Clinker Silo & Reject Quality Clinker Silo in process, nearing completion. | | | | | | | | |
| d. Expenditure on R & D | <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: right;">(Rs. In Lacs)</td> </tr> <tr> <td>1 Capital</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>2 Recurring</td> <td style="text-align: right;">Negligible</td> </tr> <tr> <td>3 Total R & D expenditure As a percentage of total turnover</td> <td style="text-align: right;">Negligible</td> </tr> </table> | | (Rs. In Lacs) | 1 Capital | Nil | 2 Recurring | Negligible | 3 Total R & D expenditure As a percentage of total turnover | Negligible |
| | (Rs. In Lacs) | | | | | | | | |
| 1 Capital | Nil | | | | | | | | |
| 2 Recurring | Negligible | | | | | | | | |
| 3 Total R & D expenditure As a percentage of total turnover | Negligible | | | | | | | | |