



Gujarat Sidhee Cement Limited
Annual Report 2010



Board of Directors

As on 29.7.2010

Mr. M. N. Mehta

Chairman

Mr. Jay M. Mehta

Executive Vice-Chairman

Mr. Sanat M. Mehta

Nominee of The Mehta International Limited

Mr. G. C. Murmu

Nominee of Gilc Limited

Mr. M.S. Gilotra

Managing Director

Mr. Raj. K. Poddar

Deputy Managing Director

Mr. M. L. Tandon

Mr. S. V. S. Raghavan

Mr. P. K. Behl

Mr. Bimal Thakkar

Mr. Hemnabh Khatau

Dr. (Ms) Kala S. Pant

DIRECTOR (LEGAL) & COMPANY SECRETARY

Mr. A. M. Fadia

BANKERS

State Bank of India

State Bank of Bikaner & Jaipur

Union Bank of India

HDFC Bank Ltd

AUDITORS

Messrs. Manubhai & Co.

Chartered Accountants

Ahmedabad

REGISTERED OFFICE & WORKS

“Sidheegram”

Off. Veraval - Kodinar Highway

Pin Code 362 276

District Junagadh

GUJARAT.

CORPORATE OFFICE

N K Mehta International House, 2nd Floor,

178, Backbay Reclamation

Mumbai - 400 020.

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GUJARAT SIDHEE CEMENT LIMITED

Regd. Office : "Sidheegram", Off Veraval-Kodinar Highway
Pin 362 276, Dist. Junagadh, Gujarat.

NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Shareholders of the Company will be held on **Saturday the 4th September, 2010 at 10.45 A.M** at the Registered Office of the Company at "Sidheegram", Off Veraval-Kodinar Highway - Pin Code 362 276, Dist. Junagadh, Gujarat, to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the financial year ended on that date and Director's and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Sanat M. Mehta, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S.V.S. Raghavan, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. M.L. Tandon, who retires by rotation, and being eligible, offers himself for reappointment.
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. Manubhai & Co., Chartered Accountants, the retiring auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company for audit of accounts for the financial year 2010-2011 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.4,25,000/- (Rupees Four Lakhs, Twenty Five Thousand Only) per annum, plus Service Tax and reimbursement of travelling and out of pocket expenses actually incurred."

SPECIAL BUSINESS

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. Manubhai & Co., Chartered Accountants, the Statutory Auditors of the Company be paid pro rata increased remuneration of Rs.1,62,500/- (Rupees one lac sixty two thousand five hundred only) plus service tax and reimbursement of out of pocket expenses for the audit of the accounts of the Company for the extended Six months period of the financial year 2008-10."

By Order of the Board of Directors

A. M. Fadia

Director (Legal) & Co. Secretary

Mumbai : July 29, 2010

Registered Office :

"Sidheegram"
Off Veraval-Kodinar Highway
Pin 362 276.
Dist. Junagadh (Gujarat).

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. Re-appointment of Directors :
Pursuant to Clause 49 of the Listing Agreement relating to code of Corporate Governance, the profile of the directors to be re-appointed at the ensuing Annual General Meeting is given in the Corporate Governance Report annexed to the Director's Report.

3. The Share Transfer Books and Register of Members of the Company shall remain closed from Monday the 30th August, 2010 to Saturday, the 4th September, 2010 (both days inclusive) in connection with AGM.
4. The documents referred in the resolutions and explanatory statement are available for inspection by any member at the Registered Office of the Company during 10.00 a.m. to 12.00 noon on any working day upto the date of the Annual General Meeting.
5. Members who have multiple accounts in identical names or joint accounts in same order are requested to send all the share certificates to the Company for consolidation of all such shareholdings into one account to facilitate better service.
6. (a) Members are requested to notify immediately any change of address :
 - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - (ii) To the Registrar and Transfer Agents at : M/s. Link Intime India Pvt 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 request to kindly inform their PINCODE immediately.
7. Non-resident Indian Shareholders are requested to inform the Registrars immediately of the change in their residential status, if any.
8. 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 Annual General Meeting.

By Order of the Board of Directors

A. M. Fadia

Director (Legal) & Co. Secretary

Mumbai : July 29, 2010

Registered Office :

"Sidheegram"

Off Veraval-Kodinar Highway

Pin 362 276.

Dist. Junagadh (Gujarat).

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

ITEM NO.6

M/s. Manubhai & Co., Chartered Accountants were appointed as Statutory Auditors of the Company for the audit of the accounts for the financial year 2008-09 from the conclusion of last Annual General Meeting till the conclusion of ensuing Annual General Meeting at a remuneration of Rs.3,25,000/- (Rupees three lacs twenty five thousand only) per annum plus service tax and reimbursement of out of pocket expenses.

The Company had changed its financial year ending September to March and accordingly had extended financial year from 30th September, 2009 till 31st March, 2010 (1.10.2008 to 31.3.2010). In view of the above, the Statutory Auditors have requested for pro-rata increase in their remuneration by Rs.1,62,500/- (Rupees one lac sixty two thousand five hundred only) plus service tax and reimbursement of out of pocket expenses. The payment of increased remuneration is recommended by the Audit Committee and approved by the Board. The Board commends the resolution for your approval.

By Order of the Board of Directors

A. M. Fadia

Director (Legal) & Co. Secretary

Mumbai : July 29, 2010

DIRECTORS' REPORT

Dear Members,

The Directors present the 36th Annual Report along with the Audited Accounts and Auditors Report for the financial year (18 months) ended 31st March, 2010.

CHANGE OF FINANCIAL YEAR :

The Company has changed its financial year ending September to end in March each year and consequently the current financial year has been extended upto 31st March 2010 as approved by the Ministry of Corporate Affairs, vide letter dated 10th May 2010 and also approved extension of time for holding Annual General Meeting.

FINANCIAL RESULTS

The highlights of the financial results for the Financial year ended 31st March 2010 (18 months) are given below.

(Rs.in Million)

	Current F.Y. (2008-2010) (18 months)	Previous F.Y. (2007-2008) (18 months)
Sales & Other Receipts (Net of Excise)	6525.22	5815.73
Profit before Interest and Depreciation	1006.59	697.02
Interest	22.58	17.29
Profit before Depreciation	984.01	679.73
Depreciation	73.36	96.08
Profit before Taxation and Exceptional Items	910.65	583.65
Exceptional Item – Interest Written Back	-	287.44
Income Tax / Fringe Benefit Tax / Wealth tax	2.44	5.55
Deferred Tax Adjustment	(335.32)	(377.67)
Profit after tax	572.89	487.87
Carried forward Loss of earlier years	990.20	1478.07
Balance of Loss carried to Balance Sheet	417.31	990.20

DIVIDEND

In view of the carried forward losses, the Directors express their inability to recommend any dividend for the year.

YEAR UNDER REVIEW

During the year under review (18 months; from October, 2008 to March, 2010), cement consumption on All India basis grew by around 12 percent to 290.44 million tons from 248.84 million tons as compared to previous year of 18 months ended 30st September 2008. The installed capacity for the current members of CMA has increased from 164 million tons in September, 2008 to around 216 million tons in March, 2010.

Cement consumption in Gujarat during the year of 18 months ended 31st March, 2010 grew by around 12 percent to 20.71 million tons from 17.32 million tons as compared to previous year of 18 months ended 30st September 2008. Exports of cement and clinker from Gujarat were 5.78 million tons during the year under review, as against 7.1 million tons in the previous year of 18 months ended 30st September 2008.

PERFORMANCE REVIEW

The production of clinker for the year under review was 2.01 million tons as against 1.75 million tons in the previous year of 18 months ended 30st September 2008. Production of Cement during the year under review was 2.05 million tons as compared to 1.75 million tons in the previous year of 18 months ended 30st September 2008.

The total sale of cement and clinker during the year under review was 2.17 million tons as compared to 1.92 million tons in the previous year of 18 months ended 30st September 2008.

The sale of cement & clinker by the company in the domestic market during the year under review was 1.74 million tons as against 1.49 million tons in the previous year of 18 months ended 30st September 2008. The Company exported 0.43 million tons of cement and clinker during the year under review as compared to 0.44 million tons in the previous year of 18 months ended 30st September 2008. Export of cement and clinker was selectively carried out due to the lower price and demand in the Middle East Markets.

Rehabilitation Scheme

Members are aware, the Company's net worth was fully eroded and it was registered with Board of Industrial and Financial Restructuring (BIFR) as required under the provisions of SICA 1985. A Rehabilitation Scheme was sanctioned for Company's revival, hereinafter referred as "SS-02". The scheme envisaged construction of a Jetty with mechanised loading and unloading facilities near the factory to reduce transportation cost, acquisition and setting up of D.G. Sets to reduce cost of power and granting necessary relief and concessions from the Banks / Financial Institutions & Government of Gujarat, equity infusion to be arranged by the promoter group and grant of additional financial assistance by Banks and Financial Institutions.

While the Revival Scheme sanctioned by the Appellate Authority for Industrial & Financial Reconstruction (AAIFR) in November, 2002 is under implementation, the modification in the sanctioned scheme (SS) has become inevitable as the company could not implement the cost saving project as envisaged in the said SS due to the decision of the secured lenders not to disburse the fresh funds to the company as long as the litigation initiated by the Government of Gujarat against the said SS was not resolved. In the meanwhile, most of secured lenders desired One Time Settlement (OTS) of their outstanding dues and the dues have been paid. As directed by BIFR and recommended by the State Bank of India (MA), the Company has submitted MDRS involving reorganisation of existing share capital in the shape of de-rating of the existing equity and allotment of shares at par on preferential basis.

Public Deposits

The company has not invited and / or accepted any deposits, during the year.

Cash Flow Statement

Cash flow statement pursuant to Clause 32 of the listing agreement is attached and forms part of the report.

Directors

Mr. Sanat M. Mehta, Mr. S.V.S.Raghavan and Mr. M. L. Tandon shall retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Listing of Equity Shares

The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The company has paid listing fees as prescribed.

Auditors

M/s. Manubhai & Co, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company, holds office upto the conclusion of the ensuing Annual General Meeting in accordance with the provisions of the Companies Act, 1956. The Company has received letter pursuant to Section 224(1 B) of the Companies Act, 1956 confirming their eligibility to act as auditors if appointed at the annual general meeting.

Cost Auditors

In pursuance to Order No. 52/58/CAB-98 dated 30th October, 1998 issued under Section 233-B of the Companies Act, 1956, M/s. M. Goyal & Co., Cost Auditors, have been appointed by the Board as Cost Auditor of the Company for the financial year 2010-11. Certificate of eligibility under Section 224 (1B) has been received.

Particulars of Employees

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 names and other particulars of the employees are required to be set out in the annexure to this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Report and Annual Accounts of the Company sent to the shareholders do not contain the said annexure. Any shareholders desirous of obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

Industrial Relations

The Company continued to maintain harmonious relations with its workers.

Corporate Governance

A separate report on the compliance with Clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance and the Auditors' Certificate on its compliance forms part of this Report.

Management Discussion and Analysis

The Management Discussion and Analysis Report is provided in a separate section and forms part of this Report.

Directors' Responsibility Statement

Your Directors confirm:

- These statements have been prepared in conformity with generally accepted accounting principles and appropriate accounting standards, judgements and estimates are reasonable and prudent.
- The accounting policies selected and applied consistently give a true and fair view of the financial statements.
- The company has implemented internal controls to provide reasonable assurances of the reliability of its financial records, proper safeguarding and use of its assets and detection of frauds and irregularities. Such controls are based on established policies and procedures and are implemented by trained, skilled and qualified personnel with an appropriate segregation of duties. The company's internal auditors conduct regular internal audits, which complement the internal controls.
- The Directors have prepared the annual accounts on a going concern basis.

Energy conservation, Technology Absorption and Foreign Exchange Earnings and Outgo.

As required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors') Rules 1988 the relevant particulars are enclosed herewith in Annexure 1, forming part of the Report.

Acknowledgement

The Directors wish to thank the Hon'ble Board for Industrial & Financial Reconstruction (BIFR), The Hon'ble Appellate Authority for Industrial & Financial Reconstruction (AAIFR), Central Government, Government of Gujarat, Financial Institutions, Bankers, Shareholders, Employees, Stockists, Dealers and all other stakeholders associated with its operations for the co-operation and encouragement extended to the company.

On behalf of the Board of Directors

M. N. MEHTA
Chairman

Mumbai: 29th July 2010

Annexure -1

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Technology absorption & Foreign Exchange earnings & out go as required under Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988 & forming part of report for the year ended 31-03-2010.

A. CONSERVATION OF ENERGY :

a) Energy Conservation Measures Taken :

- I. Optimisation of Drive ratings to reduce no load losses.
- II. Partial replacement of GLS Lamp with CFL Lamps (continuous activity).
- III. Commissioning of SPRS for Raw Mill ESP Fan, VFD's for cooler fan no. 10, 11 & 12.
- IV. Replacement of Raw Mill Booster fan with high efficiency.

b) Additional Investment & Proposal, if any, being implemented for Reduction of Energy.

1. Replacement of top two stages of cyclone in pre-heater & precalciner string with PMT & ATEC Design to reduce pressure drop.
2. Retrofit of pre-heater & precalciner fans impeller with higher efficiency.

c) Impact of the Measurers at (a) & (b) above.

—

d) Total Energy Consumption & Energy consumption per unit of Production as per Form A of the Annexure.

B. TECHNOLOGY ABSORPTION : GIVEN IN PRESCRIBED FORM –B ATTACHED :

C. FOREIGN EXCHANGE EARNING & OUTGO :

Earning : Rs. 4932.14 Lacs.

Used : Rs. 322.82 Lacs.

FORM - A (See rule 2)

(Form of Disclosure of particulars with respect to Conservation of Energy)

Sr.No.	Particulars	2008-2010 18 Months	2007-2008 18 Months
A	POWER & FUEL CONSUMPTION		
1	Electricity		
	a) Purchased		
	Unit (Kwh) -Lacs	1416.95	1315.27
	Total Amount (Rs. in Lacs)	9231.95	7921.93
	Rate / Unit (Rs.)	6.52	6.02
	b) Own Generation		
	i Through Diesel generation	446.95	363.46
	ii Fuel Cost /Electricity Duty	2142.03	2005.55
	iii Through Steam Turbine /Generator	Nil	Nil
2	Coal & Other Fuel Used as Kiln/Fuel		
	Quantity (in Million K.Cal)	1604727	1399051
	Total Cost (Rs.in Lacs)	12437.10	11414.86
	Average rate (Rs. in Million K.Cal)	775.03	815.90
3	H.S.D. / L.D.O		
	Quantity in (K.Ltrs)	200.98	237.67
	Total Cost of (Rs. in lacs)	73.07	83.72
	Average rate (Rs. in K.Ltrs)	36356.31	35225.78
4	Other /Internal Generation	Nil	Nil
B	CONSUMPTION PER UNIT OF PRODUCTION		
	Electricity (KWH/T.of Cement)*	86.62	90.07
	Diesel (Ltr /T.of Clinker)	0.10	0.14
	Coal /Lignite (K.Cal /Kg.of Clinker)	798	801
	Others		

*Net of non productivity of Power

FORM - B (See rule - 2)

(Form for Disclosure of Particulars with respect to Absorption)

A. RESEARCH AND DEVELOPMENT (R&D):

1. RESEARCH AND DEVELOPMENT HAS BEEN CARRIED OUT FOR IMPROVEMENT IN THE FOLLOWING AREAS:

- a. Identification of alternate raw materials / mineralizations

2. FOLLOWING BENEFITS WERE DERIVED OF THE ABOVE R & D:

3. FUTURE PLAN OF ACTION:

4. EXPENDITURE ON R & D:

	(Rs. in Lakhs)
a. Capital	Nil
b. Recurring	190.28
c. Total	190.28
d. Total R & D expenditure as a percentage of total turnover	0.29

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Information regarding technology imported during the last five years:

a. Technology Imported	N. A.
b. Year of Import	N. A.
c. Has Technology been fully absorbed	N. A.
d. If not fully absorbed, areas where this has not been taken place, reason thereof and future plan of action.	N. A.

Annexure to Directors' Report (contd.)

CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

Gujarat Sidhee Cement Limited, (your Company) believes that good Corporate Governance aims at achieving high level of efficiency, transparency, accountability, responsibility and fairness in dealings with all stakeholders.

The company's governance philosophy rests on protection of rights and interests of stakeholders, equality in their treatment, disclosure of timely and accurate information, strategic guidance and effective monitoring by the Board. Your Company continuously strives for excellence by adopting best governance and disclosure practices. In terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details of compliance for the year ended 31st March, 2010 are as follows :

2. BOARD OF DIRECTORS :**(i) Composition (As on 31.3.2010)**

The Board of Directors (the Board), directs and guides the activities of the Management towards setting up of goals and seeks the accountability with a view to create long term sustainable growth that translates itself into progress, prosperity and the fulfilment of stakeholders' aspirations. Your Company's Board comprises of 12 (twelve) Directors, which include 6 (six) Independent Directors. The Executive Vice Chairman, Managing Director and Deputy Managing Director looks after the day-to-day business of the Company under the overall supervision and guidance of the Board. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The composition and attendance at the Board Meetings held during the financial year ended 31st March, 2010 are given below. The attendance at the last Annual General Meeting held on 5th March, 2009 are given in the last column.

Sr. No.	Directors	Executive / Non-Executive	No. of Board Meetings held	No. of Board Meetings Attended	Last AGM Attendance (Yes/No)
1.	Mr. M.N. Mehta	Non-Executive Chairman	6	4	No.
2.	Mr. Jay M. Mehta	Executive Vice Chairman	6	4	No.
3.	Mr. Sanat M. Mehta	Non-Executive Director - TML Nominee	6	3	No.
4.	Mr. G.C. Murmu, IAS	GIIC / GoG Nominee	6	1	No.
5.	Mr. M.L. Tandon	Independent Director	6	2	No.
6.	Mr. S.V.S. Raghavan	Independent Director	6	4	No.
7.	Mr. P.K. Behl	Independent Director	6	6	Yes *
8.	Mr. Bimal Thakkar	Independent Director	6	5	No
9.	Mr. Hemnabh Khatau	Independent Director	6	3	No
10.	Dr. (Ms) Kala S. Pant	Independent Director	6	6	No
11.	Mr. M.S. Gilotra	Managing Director	6	6	No.
12.	Mr. Raj K. Poddar	Deputy Managing Director	6	6	Yes.

* as Alternate Chairman of the Audit Committee.

(ii) Meetings of the Board :

Six Board Meetings were held during the financial year ended 31.3.2010.

Sr.No.	Date of Board Meeting	Total strength of the Board	No. of Directors Present
1.	25.10.2008	12	11
2.	28.01.2009	12	10
3.	29.04.2009	12	09
4.	23.07.2009	12	06
5.	29.10.2009	12	08
6.	28.01.2010	12	06

(iii) Other Directorships

The details of other directorships etc., held by the Directors of the Company are given below :-

Name(s) of Directors	No. of other Directorship* (as on 31.3.2010)	Chairman of the Board	Member of Committees	Chairman of Committees
Mr. M. N. Mehta	6	6	1	1
Mr. Jay M. Mehta	7	-	2	-
Mr. Sanat M. Mehta	1	-	-	-
Mr. G. C. Murmu	1	-	-	-
Mr. S. V. S. Raghavan	1	-	2	1
Mr. M. L. Tandon	14	-	2	-
Mr. P. K. Behl	-	-	2	-
Mr. Bimal Thakkar	3	-	1	-
Mr. Hemnabh Khatau	1	-	-	-
Dr. (Ms) Kala S. Pant	2	-	-	-
Mr. M. S. Gilotra	1	-	2	-
Mr. Raj K. Poddar	1	-	2	-

* excluding directorship in Private / Foreign Cos. & Cos. incorporated u/s 25 of the Companies Act, 1956.

(iv) Information to the Board of Directors.

The information required to be placed before the Board includes:

- Annual revenue budgets and capital expenditure plans, if any.
- Quarterly and annual financial and operational performance.
- Financing Plans of the Company
- Minutes of the Meetings of Audit, Shareholders/ (Investor) Grievance Committee and Remuneration Committee.
- Fatal or serious accidents or dangerous occurrence, any material effluent or pollution problems.
- Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment of goods sold or services rendered, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any Judgement or Order, which may have passed strictures on the conduct of the Company.
- Developments in respect of Human Resources.
- Compliance or Non-compliance of any Regulatory, Statutory or Listing requirements and Investor service such as non-payment of dividend, delay in share transfer etc. if any.

(v) **Appointment / Re-appointment of Directors**

Re-appointment:

1. Mr. Sanat M. Mehta, aged 77 years, was Ex-Chairman of Sardar Sarovar Narmada Nigam Limited and Ex-Finance Minister of Government of Gujarat. He is also Director of R. T. Exports Limited.
He is not holding any shares of the Company.
2. Mr. S. V. S. Raghavan, aged 81 years, joined the Board of the Company on 28.1.2005. Mr. Raghavan is a retired IAS Officer, and has been conferred Padmashri by Government of India for his excellent services. He is the retired Chairman of MMTC, BHEL and STC reputed Government of India undertakings. He is also Director of Saurashtra Cement Limited.
He is not holding any shares of the Company.
3. Mr. M. L. Tandon, aged 69 years, joined the Board of the Company in the year 1987. He is an Industrialist and Director of the following companies.
 - i) Hybrid Agricultural Ltd.
 - ii) Media Electronics Limited.
 - iii) Tandon Consultancy Services Ltd.
 - iv) Tassel Trading Co. Ltd.
 - v) Veema Agro Products Limited.
 - vi) Ebony Agricultural Ltd.
 - vii) Ivory Agricultural Ltd.
 - viii) Media Agricultural Ltd.
 - ix) Tancom Agricultural Limited.
 - x) Vedacom Agricultural Limited.
 - xi) Titus Agricultural Limited
 - xii) Titus Electronics Limited.
 - xiii) Titus Trading & Agencies Ltd.
 - xiv) Tancom Agro Products Ltd.
 He is holding 40,000 shares of the Company.

a. AUDIT COMMITTEE:

The Audit Committee of the Board was formed on 18.12.1989 and was reconstituted from time to time. Mr. Bimal Thakkar was appointed as Additional Member of the Committee w.e.f. 23.7.2009. Presently, it comprises of 4 Non-Executive Directors. Viz. Mr. S. V. S. Raghavan, Mr. M. L. Tandon, Mr. P. K. Behl and Mr. Bimal Thakkar, all independent Directors. Mr. S. V. S. Raghavan is the Chairman of the Audit Committee. Mr. M.S. Gilotra, Managing Director and Mr. R. K. Poddar, Dy. Managing Director are permanent invitees. Mr. A. M. Fadia, Director (Legal) & Company Secretary is Secretary of the Audit Committee.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292 (A) of the Companies Act, 1956. These broadly include reviewing the Company's internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct. It also reviews the quarterly, half yearly and annual financial results before submission to the Board. The Audit Committee effectively acts as a link to the Board of Directors, Statutory Auditor and Internal Audit functions.

During the financial year ended 31st March 2010, six Audit Committee Meetings were held on 25.10.2008, 28.01.2009, 28.04.2009, 23.07.2009, 26.10.2009 and 28.01.2010. The attendance at the Audit Committee Meetings was as under :

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. S. V. S. Raghavan, Chairman	6	5
Mr. M. L. Tandon, Member	6	3
Mr. P. K. Behl, Member	6	6
Mr. Bimal Thakkar, Member	6	1

The Statutory Auditors and Internal Auditors also attended Audit committee Meetings held during the year. The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

Mr. P. K. Behl was appointed as Alternate Chairman to Mr. S. V. S. Raghavan, Chairman of the Audit Committee and attended the Annual General Meeting of the Company held on 5th March 2009.

b. REMUNERATION COMMITTEE :

(i) COMPOSITION

The Remuneration Committee comprises of three Independent Directors viz. Mr. S. V. S. Raghavan, Mr. P. K. Behl and Mr. M.L. Tandon. Mr S. V. S. Raghavan is the Chairman of the Remuneration Committee.

The Remuneration Committee's functions inter-alia includes (a) review and recommend remuneration of Managing / Whole-time Director (b) periodically review of the remuneration package of Managing / Whole-time Director and recommend suitable revision therein to the Board of Directors.

During the year, two meetings were held on 25th October 2008 and 26th October 2009. The Attendance at the Remuneration Committee meetings was as under :

Name of the Director	No. of meetings held	No. of Meetings attended
Mr. S. V. S. Raghavan, Chairman	2	2
Mr. M. L. Tandon	2	1
Mr. P. K. Behl	2	2

(ii) DETAILS OF REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR 2008-10 (18 Months)

Executive Directors :

Name	Salary & Allowances (Rs)	Perquisite (Rs)	Contribution to PF/Super-annuation	Others (Sitting Fees)	Total (Rs)
Mr. Jay M Mehta, Executive Vice Chairman	28,80,000	-	7,77,600	-	36,57,600
Mr. M.S.Gilotra, Managing Director	27,00,000	-	7,29,000	-	34,29,000
Mr. Raj K Poddar, Deputy Managing Director	39,60,000	4,41,517	10,69,200	-	54,70,717

At the Extra-ordinary General Meeting of the Members held on 11th May 2010, subject to approval of the Central Government, the Members had approved reappointment and remuneration of Mr. Jay Mehta as Executive Vice Chairman and Mr. M. S. Gilotra as Managing Director for the period from 1.1.2010 to 31.12.2012 and Mr. R. K. Poddar as Deputy Managing Director for a period from 1.1.2010 to 31.12.2010.

Non-Executive Directors :

The Directors were paid sitting fees of Rs.20,000/- per meeting of the Board, Audit Committee, Remuneration Committee and Shareholders / (Investor) Grievance Committee attended by them.

Director	No. of Board Meetings attended	No. of Committee meetings attended	Total	Amount of sitting fees paid Rs.
Mr. M. N. Mehta, Chairman	4	-	4	80,000
Mr. Sanat M. Mehta, Non-Executive Director, TMIL Nominee	3	-	3	60,000
Mr. G. C. Murmu, IAS. GILC/GoG Nominee	1	-	1	20,000
Mr. M. L. Tandon	2	4	6	1,20,000
Mr. S. V. S. Raghavan	4	7	11	2,20,000
Mr. P. K. Behl	6	8	14	2,80,000
Mr. Bimal Thakkar	5	1	6	1,20,000
Mr. Hemnabh Khatau	3	-	3	60,000
Dr. (Ms) Kala S. Pant	6	-	6	1,20,000
Total				10,80,000

Note : The Company has not issued any stock options to any Directors.

c. SHAREHOLDERS / INVESTORS' GRIEVANCES COMMITTEE :

The Company has a Share Transfer / Investors' Grievances Committee of Directors (to approve, transfer etc above 1 lakh shares) as well as a Sub-Committee of Working Directors. The scope of the Committee is to approve transfers / transmissions of shares held in physical form / issuance of duplicate certificates, new certificates after split / consolidation and review redressal of investor complaints.

During the year, the Sub-Committee held six meetings on 25.10.2008, 28.1.2009, 29.4.2009, 23.7.2009, 26.10.2009 and 28.1.2010.

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Jay Mehta, Executive Vice Chairman	6	6
Mr. M. S. Gilotra, Managing Director	6	6
Mr. Raj K. Poddar, Deputy Managing Director	6	6

During the year under report, the Company has received 42 complaints / letters from the shareholders which were attended to / resolved satisfactorily. All requests for transfer of shares have been processed normally within the prescribed time.

Mr. A. M. Fadia, Director (Legal) & Company Secretary, was appointed as Compliance Officer w.e.f 29th April, 2009.

The Minutes of the Shareholders / (Investor) Grievances Committee are noted by the Board of Directors at the subsequent Board Meeting.

d. (i) GENERAL BODY MEETINGS:

Location and time where last three Annual General Meetings / Extra ordinary General meetings were held:

Financial Year	Date	Time	Venue	Dividend declared
2007-08	5.3.2009	10.00 AM	Registered Office at "Sidheeogram" Off Veraval-Kodinar Highway, Pin Code 362 276, Dist. Junagadh	Nil
2006-07	14.9.2007	10.00 AM	- do -	Nil
2005-06	28.9.2006	9.30 AM	- do -	Nil

No special resolutions were required to be put through postal ballot.

(ii) EXTRAORDINARY GENERAL MEETINGS:

Financial Year	Date	Time	Venue
18 months period ended 31.3.2010	11.5.2010	4.45. PM	Registered Office at "Sidheeogram" Off Veraval- Kodinar Highway, Pin Code 362 276, Dist. Junagadh
2007-08	28.03.2008	10.00 A.M.	-do-

(iii) SPECIAL RESOLUTIONS:

Special Resolutions for the following matters were passed at the above Extraordinary General Meeting:

S.No.	Date	Subject matter of Special Resolution
1.	EGM held on 28.03.2008	a) Reappointment & Remuneration of Mr. Jay Mehta as Executive Vice-Chairman for a further period one year w.e.f. 1.1.2008 to 31.12.2008. b) Reappointment & Remuneration of Mr. M.S. Gilotra, as Managing Director for a further period of one year w.e.f. 1.1.2008 to 31.12.2008. c) Reappointment & Remuneration of Mr. R.K. Poddar, as Dy. Managing Director for a further period of one year w.e.f. 1.1.2008 to 31.12.2008 and payment of remuneration.
2.	EGM held on 11.05.2010	a) Reappointment & Remuneration of Mr. Jay Mehta as Executive Vice-Chairman for a further period of three years w.e.f. 1.1.2010 to 31.12.2012. b) Reappointment & Remuneration of Mr. M.S. Gilotra, as Managing Director for a further period of three years w.e.f. 1.1.2010 to 31.12.2012. c) Reappointment & Remuneration of Mr. Raj K. Poddar, as Dy. Managing Director for a further period of one year w.e.f. 1.1.2010 to 31.12.2010. d) Offer and grant an aggregate of upto 70,00,000 (Seventy Lacs) options to the employees (as defined under the Guidelines) of the Company, over a period of time, in one or more tranches, each option convertible into one equity share of the face value of Rs.10/- each on payment of such exercise price at par and as per the terms and conditions framed / to be framed by the Board with regard to the Employees Stock Option Scheme ("hereinafter referred as ESOS 2010").

Note : No special resolutions were required to be put through postal ballot.

(iv) DISCLOSURES:

i) Related Party Transactions.

During the year there were no transactions of material nature with the Promoters, the Directors, Management or their subsidiaries or relatives of the Directors that had potential conflict with the Company. Suitable disclosures as required by the Accounting Standards (AS 18) has been made in the Annual Report.

ii) Penalties, Strictures by Stock Exchange (s) / SEBI

No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

3. DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of financial statements, the Company has followed the Accounting Standards as notified under Companies (Accounting Standards), Rules 2006, as applicable.

4. DISCLOSURE ON RISK MANAGEMENT:

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed.

5. CODE OF CONDUCT:

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. The Board members and senior management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Directors and Senior Executives of the Company was placed before the Board.

6. CEO/CFO Certification:

A CEO/CFO certificate on the audited / unaudited financial statements of the Company for each quarter and annual financial results was placed before the Board.

7. GROUP :

The Company is part of Mehta Group. As these Companies exercise control over the company, they constitute the Group as defined under section 2(e) of the Monopolies and Restrictive Trade Practices Act, 1969 :-

- | | |
|------------------------------|--|
| 1. Pranay Holdings Limited | 8. Villa Trading Co. Pvt.Ltd. |
| 2. Prachit Holdings Limited | 9. The Mehta International Ltd. |
| 3. Ria Holdings Limited | 10. Euro India Investments Ltd. |
| 4. Reeti Investments Limited | 11. Exchange Management Ltd. |
| 5. Sameta Exports Pvt.Ltd. | 12. Hopgood Investments Limited |
| 6. Sumaraj Holdings Pvt.Ltd. | 13. Shree Anandeya Investments Pvt. Ltd. |
| 7. Sunnidhi Trading Pvt.Ltd. | 14. Pallor Trading Co. Pvt. Ltd. |

Apart from the above, the following Companies being holding / or subsidiary companies of one or more of the above shareholders, may be treated as indirectly holding the equity shares of Gujarat Sidhee Cement Ltd., and may be considered as part of 'Group'.

- | | |
|----------------------------------|---------------------------------|
| 1. Saurashtra Cement Limited | 6. Treasurer's Trading Limited |
| 2. Industrial Constructions Ltd. | 7. The Arj Investments Limited |
| 3. Sampson Limited | 8. Clarence Investments Limited |
| 4. Beverley Investment Inc. | 9. Glenn Investments Limited |
| 5. Monza Limited | 10. Aber Investments Limited |

8. MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These results are published in Jaihind in Rajkot and in Financial Express, in Ahmedabad and Mumbai. The Company has not sent the reports to each household of shareholders. The Company has not made any presentation to the Institutional Investors or Analysts. These results are simultaneously posted on the website of the company at <http://www.mehtagroup.com> and Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI.

9. GENERAL SHAREHOLDERS INFORMATION:

i)	Audited results for the current Financial period ended 31 st March 2010.	Thursday, the 29 th July 2010	
ii)	Board Meeting for consideration of unaudited results for	Quarter I (ended 31.12.08) Quarter II (ending 31.3.09) Quarter III (ending 30.6.09) Quarter IV (ending 30.9.09) Quarter V (ending 31.12.09) Quarter VI (ending 31.3.10)	28.1.2009 Within the period stipulated under the listing agreement with the stock exchanges from time to time.
iii)	Annual General Meeting is proposed to be held	Saturday, the 4th September, 2010	
iv)	Date of Book closure	Monday, the 30 th August, 2010 to Saturday, 4 th September, 2010 (both days inclusive)	

- v) Listing of equity shares on Stock Exchange at:

S.No.	Name(s) of the Stock Exchange	Stock Code
a)	The Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001.	518029
b)	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai 400 051.	GUJSIDHCEM

vi) **Listing Fees:**

The Company has paid Listing Fees for the financial years 2008-09 and 2009-2010 to the Bombay Stock Exchange Ltd., (BSE) and National Stock Exchange of India Ltd (NSE), where the company's shares are listed.

vii) **Registrar & Share Transfer Agent:**

The Company has appointed 'M/s. Link Intime India Pvt Ltd.' as Registrar and Transfer Agent for transfer of physical shares and connectivity lines for demat of shares. The Registrar also accepts and attends to complaints of Investors. Investors complaints are given top priority by them and are replied promptly.

No complaint is pending as on 31.3.2010 from the shareholders / investors relating to transfer of shares.

viii) **Share Transfer System**

The share transfer in physical form are processed by the Registrars and Transfer Agents and duly transferred share certificates are returned within a period of 15 to 20 days from the date of receipt provided that the documents are found to be in order.

The shares held in demat form are transferred electronically through the depositories, CDSL & NSDL.

ix) **Distribution of Shareholding as on 31st March, 2010 :**

No. of equity shares held	No. of shareholders	%	No. of shares held	%
1 – 500	68161	76.93	15018891	10.39
501 – 1000	11336	12.79	10071275	6.96
1001 – 2000	4590	5.18	7522786	5.20
2001 – 3000	1503	1.70	3991621	2.76
3001 – 4000	626	0.70	2307058	1.60
4001 - 5000	794	0.90	3852281	2.66
5001 - 10000	865	0.98	6591622	4.56
10001 – above*	725	0.82	95259874	65.87
TOTAL	88600	100.00	144615408	100.00

* 200317 forfeited shares pending to be re-issued.

x) **Shareholders Profile as on 31st March 2010:**

Category	No. of shareholders	%	No. of shares held	%
Promoter Group Companies	22	0.03	46568515	32.20
Bodies Corporate	1075	1.22	13361401	9.24
NRIs	730	0.82	1308850	0.91
FIs	13	0.01	184054	0.13
Financial Institutions	2	0.00	2500	0.00
Banks	9	0.01	3318008	2.29
Mutual Fund	7	0.01	128525	0.09
Foreign Company	1	0.00	12500000	8.64
Overseas Corporate Bodies	2	0.00	44200	0.03
Indian Public	86739	97.90	67199355	46.47
Total	88600	100.00	144615408	100.00

xi) Dematerialization of shares:

As on 31st March 2010, 13,27,55,438 equity shares constituting 91.79% of the Company's total paid-up share capital were held in dematerialized form with NSDL and CDSL.

xii) Outstanding GDR or Warrants or any Convertible Instruments, Convertible Debentures etc.

The Company's capital comprises only of Equity shares and the Company does not have any outstanding ADRs, GDRs, Warrants or any Convertible instruments. No stock option has been issued by the Company.

xiii) Stock Market price data for the period 2008 – 2010 (18 months) :

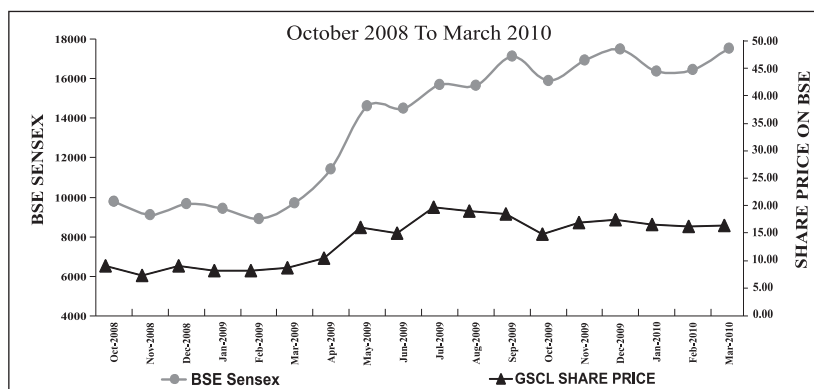
GSCL Price on BSE & NSE

(Rupees)

Month	BSE		NSE	
	High	Low	High	Low
October 2008	15.70	7.54	16.40	7.65
November 2008	9.50	6.16	9.35	6.25
December 2008	9.40	5.99	9.50	5.90
January 2009	10.19	7.21	10.20	7.20
February 2009	9.05	7.41	9.05	7.50
March 2009	8.45	6.06	8.50	6.10
April 2009	11.21	8.15	11.25	8.05
May 2009	15.75	9.07	15.90	9.60
June 2009	19.70	13.60	19.90	13.55
July 2009	20.95	13.65	21.30	13.65
August 2009	20.40	17.05	20.20	16.95
September 2009	19.50	17.50	19.55	17.50
October 2009	19.50	14.20	19.00	14.35
November 2009	19.15	13.05	19.50	13.00
December 2009	18.10	16.15	18.05	16.20
January 2010	19.40	15.00	19.45	15.10
February 2010	17.70	15.00	17.50	13.50
March 2010	17.20	15.50	17.15	15.50

xiv) Stock Performance (Index)

The performance of the Company's shares in relation to Bombay Stock Exchange Sensex is given in the chart below :-



Plant Location :

"Sidheegram" Off Veraval – Kodinar Highway, Dist. Junagadh, Pin Code 362 276.

xiv) Address for correspondence :

1. Registered Office is situated at "Sidheegram", off Veraval-Kodinar Highway, Pin Code 362 276, Dist. Junagadh, Gujarat.
Email id : sidhee-mum@mehtagroup.com

2. Corporate Office : N. K. Mehta International House, 2nd Floor,
178 Backbay Reclamation, Mumbai 400 020.
E-mail id : sidhee-mum@mehtagroup.com

Shareholder correspondence should be addressed to Registrars & Transfer Agent :

M/s. Link Intime India Pvt Ltd,
(formerly M/s. Intime Spectrum Registry Limited)
(Unit) Gujarat Sidhee Cement Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai 400 078. Tel.: 022-25963838, Fax: 022-2596969
Contact Person : Mr. Sharad Patkar

A separate E-mail ID : gsclinvestorquery@mehtagroup.com has been created specifically for investor query / complaints.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP) regarding change of address, change of Bank Account / Bank nomination etc.

A) NON MANDATORY REQUIREMENTS :

(a) Chairman's Office :

The Corporate Office of the Company supports the Chairman in discharging the responsibilities.

(b) Shareholders Rights.

As the Company's financial results are published in English Newspaper having circulation all over India and in a Gujarati Newspaper widely circulated in Gujarat, the same are not sent to each Shareholder.

(c) Audit Qualifications.

The company did not have qualifications in the Auditors Report for the financial year ended 31st March 2010. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

(d) Training of Board Members :

The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They endeavour to keep themselves abreast with changes in global economy and various legislations.

(e) Postal Ballot

The provisions relating to Postal Ballot will be complied with in respect of matters, where applicable.

(f) Mechanism for evaluation non-executive Board Members :

The Company does not have a mechanism to evaluate the performance of the Non-Executive Directors of the Company.

(g) Whistle Blower Policy :

The Company, at present, has not adopted any Whistle Blower Policy.

On behalf of the Board of Directors

M. N. MEHTA
Chairman

Mumbai: 29th July 2010

Declaration of Compliance with the code of conduct.

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31st March 2010.

M. N. MEHTA
Chairman

Mumbai: 29th July 2010

Auditor's Report on Corporate Governance

TO,
THE MEMBERS OF
GUJARAT SIDHEE CEMENT LIMITED

We have examined the relevant records of Gujarat Sidhee Cement Limited (the Company) for the year ended 31st March, 2010 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we state that the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted affairs of the Company.

For **MANUBHAI & CO.**
Chartered Accountants
Registration No.: 106041W

(K.C. PATEL)
Partner
Membership No. 30083

PLACE: Mumbai
DATED: July 29, 2010

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

Industry Structure & Development

The extended financial year ended on 31st March, 2010 closed under challenging circumstances. Rising energy and commodity prices drove the inflation which was further impacted by the global financial turmoil. The Central Government initiated various steps to minimize the impact of global crisis.

India is the second largest producer of cement in the world with a capacity of 216 million tons as on March 2010. To arrest the sudden financial crisis and liquidity crunch and to revive the Indian economy, the Government has taken several measures by announcing various fiscal stimulus measures, cut in excise rates, increased investment in infrastructure projects.

Future Outlook

Growth in domestic cement demand is expected to remain strong, given the revival in the housing markets, continued Government spending on the rural sector, and the gradual increase in the number of infrastructure projects being executed by the private sector and good monsoon throughout the country. Thus, the trend in demand growth seen during the last five years is expected to continue over the medium term. Also, with Government targeting an over 8% GDP growth rate, cement demand should grow at 8-10% over the next few years.

Cement production capacity is estimated to grow by 130-135 million tonnes by 2012-13.

Opportunities & Threats

The Governments emphasis on infrastructure spending and the housing needs of the growing population will ensure growth in consumption of cement. Gujarat state in particular has been attracting large investments in Industry, which will help the overall economic growth and therefore increased cement consumption. The Global economic meltdown, in particular the real estate and infrastructure projects in the Middle East has substantially affected the export markets of cement. Therefore, newer markets are being explored to protect our plant utilization. Capacity additions in the region can also result in temporary surplus of cement production over demand thereby adversely affecting capacity utilization and selling price. However, expected strong demand in view of likely high GDP growth, shall ensure absorption of large cement production capacities. The rationalization of taxes by the Government shall further ensure growth of industry.

Global Economic Situation

In view of the recessionary trends around the globe and specially some of the countries where your company exports its products, there is a down turn in growth. Your Company has chalked out its strategy to find alternate markets and efforts to reduce the cost of manufacture, transportation and other overheads. These efforts are expected to help your company to partly off set the tight economic conditions in the recessionary environment.

Segment Review and Analysis

It is a single product company.

Risks and concerns

Government's policy for taxes on cement and major input costs would directly impact cost of sales and would remain a risk for the cement industry. The regional imbalance in supply and demand due to increase in capacities in the area where the raw material is available coupled with inadequate infrastructure to transport the cement at economical price needs to be addressed as a great concern.

Internal Control Systems and their adequacy

Your company has adequate internal control system and procedures commensurate with the size of its operation and nature of its business. The independent Internal Auditors continuously reviews the adequacy and effectiveness of the internal control systems on the on-going operations of the company, which provides reasonable assurance of adequacy and effectiveness, control, governance and risk management procedures to the Audit Committee. The recommendations of the Internal Auditors and the Audit Committee are followed up effectively for implementation. Following objectives of the internal audit is forming part of the audit plan as approved by the Audit Committee.

- Adherence to the operating system and manual.
- Performance of operating activities in efficient and effective manner.
- Compliance with the risk management procedures.
- Compliance with the legislative and regulatory provisions.

The Audit Committee reviews the audit reports and also hold discussions with the Statutory Auditors.

Human Resource Development / Industrial Relations

The Company continues to maintain constructive relationship with its employees with a positive environment so as to improve efficiency. The Company continues to invest in upgrading the knowledge and skills of the employees. The Industrial relations at the plant were cordial. Schemes like performance linked incentives and other benefits have been introduced.

The Company has subscribed to the code of affirmative action for SC / ST as the Company believes that equal opportunity for all sections of the society is component for growth and competitiveness.

The Management places on record the contribution of employees at all levels during the year and their whole-hearted co-operation, which has resulted in improved results.

The Company had 276 permanent employees as on 31.3.2010.

Corporate Social Responsibility (CSR)

The Company continuously carries afforestation at the plant site to improve the environment. During the year further new saplings were planted at the company's plant as a continuous desire to have greenery and maintain ecological balance. Besides, the Company supports other educational, social and philanthropic causes for society at large.

Corporate Social Responsibility.**Social Accountability**

The Company believes that in providing basic Health care facilities and Education would bring about general upliftment in the lives of the people.

Health Care

GSCL plant has a health care center providing medical aid to the Company's employees and the family members, workers as well as patients from the nearby areas. The Plant conduct various Immunization programmes, family welfare education, health care, safety as well as various periodical health check up and first aid training programmes for employees and workers.

Education:

The Company's plant has a full-fledged secondary school for the children of the employees and local people staying in nearby areas. In order to enable the children studying in English medium schools or Colleges in Veraval and nearby areas, the company provides school bus facility.

Afforestation

The Company is committed to the protection of environment and maintenance of bio diversity. A green belt has been developed in the plant and nearby areas. Many saplings were planted at various places in the plant and mines area. The plant has also carried out rain water harvesting and this has increased ground water resources besides providing greenery.

Cautionary Statement:

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. The Statements are based on certain assumptions and expectation of future events. Actual results could however differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply position, raw material cost and availability, changes in Government regulations and tax structure, economic development in India.

The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information or events.

On behalf of the Board of Directors

M. N. MEHTA
Chairman

Mumbai : 29th July 2010

AUDITORS' REPORT

TO,
THE MEMBERS OF
GUJARAT SIDHEE CEMENT LIMITED

1. We have audited the attached Balance Sheet of GUJARAT SIDHEE CEMENT LIMITED as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the eighteen months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - II. In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books.
 - III. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with books of account.
 - IV. In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - V. On the basis of written representations received from the directors, as on 31st March, 2010, and having regard to clarification issued by Ministry of Law, Justice and Company affairs vide General Circular No. 8/2002 dated 22/03/2002 exempting nominee directors appointed by public financial institutions, central and state governments as well as banks, we report that none of directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Clause (g) of sub Section (1) of Section 274 of the Companies Act, 1956;
 - VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon more particularly note no. 1 (a) and 1 (b) in Schedule 13 regarding rehabilitation scheme sanctioned by Hon'ble AAIIR being under implementation and non-provision of interest of Rs. 346.02 crores claimed by Government of Gujarat with Hon'ble High Court for the reasons stated in the said note, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of Profit & Loss Account of the Profit for the eighteen months period ended on that date; and
 - (c) in case of cash flow statement, of the cash flows for the eighteen months period ended on that date.

For **MANUBHAI & CO.**
Chartered Accountants
Registration No.: 106041W

(K.C. PATEL)
Partner

Membership No. 30083

Mumbai : July 29, 2010

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph (3) of our report of even date)

1. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year. According to the information and explanation given to us no material discrepancies were noticed on such verification;
- (c) There has not been any significant disposal of fixed assets during the year.

2. In respect of its inventories:

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification as compared to book records.

3. i) In respect of loans granted to parties covered in the register maintained u/s 301 of the Companies Act, 1956.

The Company has not granted any loans or advances to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, reporting requirements as per clauses (iii) (a) to (iii) (d) of paragraph 4 of the Order are not applicable in case of the company.

ii) In respect of loans taken from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

The Company has not taken any loans or advances in the nature of loans, from parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore reporting requirements as per clauses (iii) (e) to (iii) (g) of paragraph 4 of the Order are not applicable in case of company.

4. In respect of internal control

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In respect of transactions need to be entered into a register maintained u/s 301 of the Companies Act, 1956.

In our opinion and as explained to us, there were no contracts and arrangements referred in Section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section .

6. In respect of deposits from public

The Company has not accepted deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the Rules framed there under. We are informed that no order has been passed by the Company Law Board ('the CLB') or National Company Law Tribunal ('the NCLT') or Reserve Bank of India ('the RBI') or any Court or any other Tribunal.

7. In respect of internal audit system

Internal Audit has been carried out by a firm of chartered accountants. On the basis of reports of internal auditors, in our opinion the internal audit system is commensurate with the size of the Company and nature of its business.

8. In respect of maintenance of cost records

We have broadly reviewed the books of accounts maintained by the Company pursuant to the Order made by the Central Government for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, and are of the opinion that *prima facie* the prescribed accounts and records has been made and maintained. We have not, however, made a detailed examination of the records.

9. In respect of statutory dues:

(a) In our opinion and according to the information and explanation given to us, the company is generally regular in depositing undisputed statutory dues with the appropriate authorities in respect of provident fund, employees' state insurance, income tax, wealth tax, sales tax, investor education and protection fund, profession tax, royalty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax, royalty and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.

In terms of sanctioned rehabilitation scheme, in respect of payment of Deferred Sales Tax, Electricity Duty and Tax thereon, Turnover Tax and Royalty, the Company has made repayments in accordance with the rehabilitation scheme. Consequently the issue of reporting arrears, of such dues as on 31st March, 2010, remaining outstanding for a period of more than six months is not applicable.

(c) According to the information and explanations given to us, there are no dues of income tax, wealth tax and cess which have not been deposited on account of any dispute. In respect of excise duty, customs duty and sales tax, details of disputed dues not deposited are given hereunder:

Name of the Statute	Nature of the Dues	Amount (Rs. Lacs)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	36.42	1992-93	Customs, Excise & Gold (Control) Appellate Tribunal
Customs Act, 1962	Custom Duty	35.85	1995-96	Customs, Excise & Gold (Control) Appellate Tribunal
Customs Act, 1962	Custom Duty	1.24	2008-09	Commissioner (Appeal), Custom
Central Excise / CENVAT Credit Rules, 2004	Service Tax	68.12	2005-06	Custom, Excise & Service Tax Appellate Tribunal
Central Excise / CENVAT Credit Rules, 2004	Service Tax	64.35	2005-06	Commissioner of Central Excise
Central Excise / CENVAT Credit Rules, 2004	Service Tax	407.84	2006-07	Commissioner ate Level at Central Excise
Central Excise / CENVAT Credit Rules, 2004	Service Tax	180.57	2007-08	Commissioner, Central Excise
Central Excise / CENVAT Credit Rules, 2004	Service Tax	188.42	2008-09	Commissioner, Central Excise
Central Excise / CENVAT Credit Rules, 2004	Service Tax	84.62	2009-10	Commissioner, Central Excise

10. In respect of accumulated losses and cash losses

The accumulated losses of the Company as at the end of the year are not more than fifty percent of its net worth. The Company has not incurred cash loss during the period as well as in the immediately preceding financial year.

11. In respect of dues to financial institution / banks / debentures

In accordance with the sanctioned rehabilitation scheme (scheme) approved by Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) the repayment schedule of dues to Banks and Financial Institutions has been revised/ rescheduled.

The Company's proposal to Banks and Financial Institutions (Lenders) for One Time Settlement (OTS) of their dues has been accepted by the lenders except New India Assurance Company Limited (NIAC). In case of lenders who have approved OTS, the company has made repayment of dues as per terms of OTS. In respect of NIAC, according to the company, in terms of Scheme, the dues are repayable over a period of seven years beginning from 1.4.2004, the balance of which is under reconciliation. The company has so far not made any repayment of dues of NIAC. The amount of Rs. 31.02 Lacs towards principal and interest was outstanding as on 31st March, 2010.

12. In respect of loans and advances granted on the basis of security.

The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of guarantee given for loans taken by others

According to the information and explanation given to us, the company has not provided guarantees for loans taken by others from banks and financial institutions.

14. In respect of application of term loans

The Company has not obtained any term loans during the year.

15. In respect of fund used

According to records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have not, prima facie, been used during the year for long term investment.

16. In respect of preferential allotment of shares

During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

17. In respect of securities created for debentures

There are no debentures issued and outstanding during the year.

18. In respect of end use of money raised by public issues

During the year, the Company has not raised money by public issue(s).

19. In respect of fraud

To the best of our knowledge and belief, and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.

20. General

The nature of the Company's activities is such that the requirements of clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable.

For **MANUBHAI & CO.**
Chartered Accountants
Registration No.: 106041W

(K.C. PATEL)
Partner
Membership No. 30083

Mumbai : July 29, 2010

BALANCE SHEET as at March 31, 2010

	Schedule	As at March 31, 2010 Rs. in lacs	As at September 30, 2008 Rs. in lacs
I. SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	14,466.84	14,466.84
Reserves & Surplus	2	26.95	26.95
		14,493.79	14,493.79
Loan Funds :			
Secured Loans	3	357.47	2,058.46
Unsecured Loans	4	1,399.73	5,200.61
		1,757.20	7,259.07
Total ...		16,250.99	21,752.86
II. APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	5	23,539.84	22,750.78
Less: Depreciation		16,956.15	16,284.73
Net Block		6,583.69	6,466.05
Capital Work-in-Progress		287.37	334.86
		6,871.06	6,800.91
Investments (At cost- Unquoted)			
6 Years National Savings Certificates (kept as Security Deposit with Government Authorities)		0.49	0.49
Deferred Tax Assets	13 (12)	1,619.99	4,973.16
Current Assets, Loans & Advances :	6		
Inventories		4,898.12	3,558.92
Sundry Debtors		3,927.01	1,895.21
Cash & Bank Balances		2,011.61	413.83
Loans & Advances		2,157.59	2,157.70
		12,994.33	8,025.66
Less :Current Liabilities & Provisions	7	9,407.96	7,949.39
Net Current Assets		3,586.37	76.27
Profit & loss Account		4,173.07	9,902.03
Total ...		16,250.99	21,752.86
Statement of Significant Accounting Policies	12		
Notes forming part of the Accounts	13		

As per our attached Report of even date

For **MANUBHAI & CO.**
Chartered Accountants
Registration No.: 106041W

K.C.PATEL
Partner
Membership No. 30083

Place : Mumbai
Dated : July 29, 2010

For and on behalf of Board of Directors

Mr. M. N. Mehta *Chairman*
Mr. Jay M. Mehta *Executive Vice-Chairman*

Mr. Sanat M. Mehta } *Director*
Mr. P. K. Behl }
Mr. Bimal Thakkar } *Managing Director*
Mr. M.S. Gilotra } *Deputy Managing Director*
Mr. Raj. K. Poddar } *Director (Legal) & Co. Secretary*

Mr. A. M. Fadia

Place : Mumbai
Dated : July 29, 2010

PROFIT AND LOSS ACCOUNT for the Eighteen months period ended on March 31, 2010

	Schedule	For the 18 months ended March 31, 2010 Rs. in lacs	For the 18 months ended September 30, 2008 Rs. in lacs
INCOME :			
Sales		69,911.83	63,951.47
Less :Excise Duty		5,333.57	6,936.12
Net Sales		64,578.26	57,015.35
Other Income	8	673.97	1,141.99
Total ...		65,252.23	58,157.34
EXPENDITURE :			
Manufacturing and Other Expenses	9	55,748.39	50,584.29
(Increase) / Decrease in Stocks	10	(562.09)	602.83
Interest	11	225.83	172.91
Total ...		55,412.13	51,360.04
Profit before Depreciation, Taxation and Exceptional Item		9,840.10	6,797.31
Depreciation		733.59	960.84
Profit before Taxation and Exceptional item		9,106.51	5,836.47
Exceptional item - Interest written back		-	2,874.42
		9,106.51	8,710.89
Provision for Wealth tax		6.21	2.11
Deferred Tax Adjustment	13 (12)	3,353.17	3,776.68
Fringe Benefit Tax		18.17	53.42
Net profit for the period		5,728.96	4,878.68
Loss brought forward from previous year		9,902.03	14,780.71
Balance of Loss carried to Balance Sheet		4,173.07	9,902.03
Basic and Diluted Earning per share	13 (13)	3.96	3.37
Statement of Significant Accounting Policies	12		
Notes forming part of the Accounts	13		

As per our attached Report of even date

For **MANUBHAI & CO.**
Chartered Accountants
Registration No.: 106041W

K.C.PATEL
Partner
Membership No. 30083

Place : Mumbai
Dated : July 29, 2010

For and on behalf of Board of Directors

Mr. M. N. Mehta *Chairman*
Mr. Jay M. Mehta *Executive Vice-Chairman*
Mr. Sanat M. Mehta } *Director*
Mr. P. K. Behl }
Mr. Bimal Thakkar } *Managing Director*
Mr. M.S. Gilotra } *Deputy Managing Director*
Mr. Raj. K. Poddar } *Director (Legal) & Co. Secretary*
Mr. A. M. Fadia

Place : Mumbai
Dated : July 29, 2010



CASH FLOW STATEMENT for the Eighteen months period ended on March 31, 2010

	For the Eighteen Months ended March 31, 2010 Rs.in Lacs	For the Eighteen Months ended September 30, 2008 Rs.in Lacs
A. Cash Flow from operating activities :		
Net Profit / (Loss) before tax	9,106.51	5,836.47
Adjustments for :		
Depreciation	733.59	960.84
Interest	225.83	172.91
Loss on sale / discard of fixed assets	46.90	425.65
Profit on sale of assets	(6.49)	(1.54)
Provision for doubtful debtors and advances (net)	(35.47)	33.90
Operating profit before working capital changes	10,070.86	7,428.23
Adjustments for :		
Trade and other receivables	(1,531.24)	(217.01)
Inventories	(1,339.20)	(364.11)
Trade payable	1,440.89	1,881.49
Cash generated from operations	8,641.30	8,728.60
Interest paid	142.36	103.46
Direct taxes - wealth tax & fringe benefit tax	6.69	34.77
Net cash flow from operating activities	8,492.25	8,590.37
B. Cash flow from investing activities :		
Purchase of fixed assets	(866.71)	(1,218.32)
Advance to parties for capital expenditure	(464.96)	97.66
Sale of fixed / discarded assets	22.54	12.64
Net cash flow in investing activities	(1,309.13)	(1,108.02)
C. Cash flow from financing activities		
Long term borrowings (net)	(1,784.46)	(5,433.58)
Increase/(decrease) in unsecured loans	(3,800.88)	(4,553.52)
Working capital facilities from banks	-	(59.92)
Net cash flow in financing activities	(5,585.34)	(10,047.02)
Net increase in cash and cash equivalents	1,597.78	(2,564.67)
Cash and cash equivalents as on 01.10.2008	413.83	2,978.50
Cash and cash equivalents as on 31.03.2010	2,011.61	413.83
(Cash equivalents include bank balances and fixed deposits with banks)		

As per our attached Report of even date

For **MANUBHAI & CO.**
Chartered Accountants
Registration No.: 106041W

K.C.PATEL
Partner
Membership No. 30083

Place : Mumbai
Dated : July 29, 2010

For and on behalf of Board of Directors

Mr. M. N. Mehta *Chairman*
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Mr. A. M. Fadia *Director (Legal) & Co. Secretary*

Place : Mumbai
Dated : July 29, 2010

Schedules to the Accounts

SCHEDULE 1 - SHARE CAPITAL

	As at March 31, 2010 Rs. in lacs	As at September 30, 2008 Rs. in lacs
AUTHORISED		
50,00,00,000 Equity Shares (Previous year 50,00,00,000 Equity Shares) of Rs. 10 each	<u>50,000.00</u>	<u>50,000.00</u>
ISSUED		
14,48,16,075 (Previous Year 14,48,16,075) Equity Shares of Rs. 10 each	<u>14,481.61</u>	<u>14,481.61</u>
SUBSCRIBED		
14,48,15,725 (Previous Year 14,48,15,725) Equity Shares of Rs. 10 each	<u>14,481.57</u>	<u>14,481.57</u>
PAID UP		
14,46,15,408 (Previous Year 14,46,15,408) Equity Shares of Rs. 10 each	<u>14,461.54</u>	<u>14,461.54</u>
Add : Shares forfeiture Account	<u>5.30</u>	<u>5.30</u>
Total...	<u><u>14,466.84</u></u>	<u><u>14,466.84</u></u>

SCHEDULE 2 - RESERVES & SURPLUS

	As at March 31, 2010 Rs. in lacs	As at September 30, 2008 Rs. in lacs
CAPITAL RESERVES :		
State Capital Subsidy	<u>12.75</u>	<u>12.75</u>
State Subsidy for Road	<u>4.20</u>	<u>4.20</u>
Central Capital Subsidy	<u>10.00</u>	<u>10.00</u>
Total...	<u><u>26.95</u></u>	<u><u>26.95</u></u>

SCHEDULE 3 - SECURED LOANS

	As at March 31, 2010 Rs. in lacs	As at September 30, 2008 Rs. in lacs
Term Loans :		
a. From Banks	-	1,751.90
b. From Banks (for purchase of Vehicles)	325.78	126.13
c. Financial Institutions	31.02	26.43
d. Over draft from Bank (Against pledge of FDRs)	0.67	-
	<u>357.47</u>	<u>1,904.46</u>
Infrastructural development loan from GILC Ltd.	-	154.00
Total	<u>357.47</u>	<u>2,058.46</u>

Notes :

- a) Term Loan from Financial Institution is secured by first mortgage on all movable and immovable assets of the Company, both present and future.
- b) Term Loan from Banks in respect of finance availed for purchase of vehicles are secured by hypothecation of vehicle financed by them.

SCHEDULE 4 - UNSECURED LOANS

	As at March 31, 2010 Rs. in lacs	As at September 30, 2008 Rs. in lacs
Interest Free Deferment as per Sanctioned Rehabilitation Scheme :		
I) Sales Tax	394.25	2,595.95
ii) Turnover Tax	162.64	420.74
III) Royalty	70.85	176.93
iv) Electricity Duty & Sales tax thereon	771.99	2,006.99
Total...	<u>1,399.73</u>	<u>5,200.61</u>

SCHEDULE 5 - FIXED ASSETS

(Rs.in lacs)

Sr. No.	Description	Gross Block at Cost			Depreciation			Net Block			
		As at October 1, 2008	Addition	Adjustment/ Deduction	As at March 31, 2010	Up to October 1, 2008	For the year	Adjustment/ Deduction	Up to March 31, 2010	As at March 31, 2010	As at September 30, 2008
1	Land										
	Free Hold	201.78	20.81	-	222.59	-	-	-	-	222.59	201.78
	Lease Hold	5.45	-	-	5.45	-	-	-	-	5.45	5.45
2	Buildings	3,476.37	50.05	-	3,526.42	1,614.48	-	1,761.82	-	1,764.60	1,861.89
3	Plant & Machinery	17,061.85	422.75	7.50	17,477.10	13,769.56	1.85	14,161.05	1.85	3,316.05	3,292.29
4	Furniture, Fixtures & Office Equipment	1,364.11	104.04	10.54	1,457.61	685.71	2.25	792.73	2.25	664.88	678.41
5	Vehicles	570.61	316.55	107.10	780.06	147.19	58.07	169.96	58.07	610.10	423.41
6	Railway Siding	70.61	-	-	70.61	67.79	-	70.59	-	0.02	2.82
	Total	22,750.78	914.20	125.14	23,539.84	16,284.73	62.17	16,956.15	62.17	6,583.69	6,466.05
	Previous Year	21,576.21	1,218.90	44.33	22,750.78	15,349.65	25.76	16,284.73	25.76	6,466.05	6,226.56

Capital Work-in-Progress :

Current Year	334.86	55.46	102.95	287.37
Previous Year	815.55	256.21	736.90	334.86

SCHEDULE 6 - CURRENT ASSETS, LOANS AND ADVANCES :

	As at March 31, 2010 Rs. in lacs	As at September 30, 2008 Rs. in lacs
CURRENT ASSETS :		
Inventories (At cost or net realisable value, whichever is lower)		
Stores & Spares, Coal and Fuel	3,316.14	2,683.45
Stock in Trade		
Raw Materials	299.15	154.73
Materials-in-Process	863.69	310.58
Finished Goods	419.14	410.16
	4,898.12	3,558.92
Sundry Debtors (Unsecured) :		
Exceeding six months : Considered good	590.85	401.23
Considered doubtful	272.51	306.06
Others : Considered good	3,336.16	1,493.98
	4,199.52	2,201.27
Less : Provision for doubtful debts	272.51	306.06
	3,927.01	1,895.21
Cash And Bank Balances :		
Cash and cheques on hand and in transit	1.87	1.05
Balance with Scheduled Banks :		
Current Accounts	1,252.72	369.70
Fixed Deposit Accounts (including Rs. 16.44 lacs Interest accrued thereon, previous year Rs. 2.03 lacs)	757.03	43.08
	2,011.61	413.83
Loans & Advances (Unsecured) :		
Advances against Stores, Capital Expenditure, etc.	915.77	450.81
Advances Recoverable in cash or in kind or for value to be received :		
i) Considered good	489.26	964.87
ii) Considered doubtful	328.34	330.27
	1,733.38	1,745.95
Less : Provision for doubtful Advances	328.34	330.27
	1,405.04	1,415.68
Taxes paid in advances	201.10	178.33
Deposits	551.24	563.48
Balances with Central Excise in Current Account	0.21	0.21
	2,157.59	2,157.70
Total...	12,994.33	8,025.66

SCHEDULE 7 - CURRENT LIABILITIES & PROVISIONS

	As at March 31, 2010 Rs. in lacs	As at September 30, 2008 Rs. in lacs
CURRENT LIABILITIES :		
Sundry Creditors	6,686.79	5,862.25
Due to Banks in current account	-	5.44
Other Liabilities	1,596.62	1,115.16
Security Deposits	493.84	471.00
	8,777.25	7,453.85
PROVISIONS :		
Wealth tax	3.50	-
Fringe Benefit Tax	67.53	53.35
Retirement Benefits (Gratuity & Leave)	559.68	442.19
	630.71	495.54
Total...	9,407.96	7,949.39

SCHEDULE 8 - OTHER INCOME

	For the 18 months ended March 31, 2010 Rs. in lacs	For the 18 months ended September 30, 2008 Rs. in lacs
Interest (TDS Rs.10.60 lacs; previous year Rs.45.17 lacs)	54.06	236.86
Miscellaneous Income	245.98	244.02
Profit on sale of Fixed Assets	6.49	1.54
Export Incentive	107.24	405.70
Exchange Rate Fluctuation	26.49	77.64
Insurance Claims	91.31	26.58
Provisions no longer required, written back	142.40	149.65
Total...	<u>673.97</u>	<u>1,141.99</u>

SCHEDULE 9 - MANUFACTURING AND OTHER EXPENSES

	For the 18 months ended March 31, 2010 Rs. in lacs	For the 18 months ended September 30, 2008 Rs. in lacs
Cement / Clinker purchase for Resale	881.26	810.21
Consumption of Raw Materials	2,276.99	1,681.49
Royalty, Cess & Limestone Raising Cost.	2,638.68	1,866.25
Stores and Spares consumed	2,643.98	2,383.28
Packing Material consumed	1,969.11	1,832.45
Power and Fuel	23,811.08	21,342.34
Employees' Remuneration & Benefits :		
Salaries, Wages, Bonus & Gratuity	2,245.51	1,969.05
Contribution to Provident and Other Funds	184.91	157.02
Employees' Welfare Expenses	80.93	94.87
Repair & Maintenance :	<u>2,511.35</u>	<u>2,220.94</u>
Plants and Machinery	643.51	743.70
Buildings	37.53	27.67
Other	309.20	231.24
	<u>990.24</u>	<u>1,002.61</u>
Rent	147.63	210.29
Rates and Taxes	69.02	44.76
Insurance Premium	132.35	131.21
Commission and Discount on Sales	766.52	656.29
Freight outward	13,507.70	13,521.95
Directors' Sitting Fees	11.60	13.20
Business Promotion & Advertisement Expenses	1,401.04	1,035.77
Selling expense - Others	393.35	17.76
Auditor's Remuneration	7.04	6.47
Miscellaneous Expenses	1,541.20	1,343.35
Loss on sale / discard of Fixed assets	46.90	425.65
Provision for doubtful debts / advances	1.33	38.05
Total...	<u>55,748.39</u>	<u>50,584.29</u>

SCHEDULE 10 - (INCREASE) / DECREASE IN STOCK

	For the 18 months ended March 31, 2010 Rs. in lacs	For the 18 months ended September 30, 2008 Rs. in lacs
Closing Stocks :		
a) Process Stock	863.69	310.58
b) Finished Goods	419.14	410.16
	<u>1,282.83</u>	<u>720.74</u>
Less : Opening Stocks		
a) Process Stock	310.58	336.60
b) Finished Goods	410.16	986.97
	<u>720.74</u>	<u>1,323.57</u>
(Increase) / Decrease in Stock	<u>(562.09)</u>	<u>602.83</u>

SCHEDULE 11 - INTEREST

	For the 18 months ended March 31, 2010 Rs. in lacs	For the 18 months ended September 30, 2008 Rs. in lacs
Interest on Term Loans	83.47	69.46
Other Interest	142.36	103.45
	<u>225.83</u>	<u>172.91</u>

SCHEDULE - 12 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Historical Cost Basis:

The Financial statements are prepared under the historical cost convention and in accordance with applicable mandatory Accounting Standards.

2. Revenue Recognition:

The Company generally follows accrual system of accounting as required under Section 209(3) (b) of the Companies Act, 1956. However, considering uncertainties and / or difficulties involved in estimation of liabilities and / or final determination of refund claims filed by the Company, the following items are considered to be accrued and accounted only when settled or agreed to with the party and / or receipts of necessary amount.

- i) Claim against Railways for shortages / damages for cement in transit.
- ii) Insurance Claims, and
- iii) Scrap Sales
- iv) Octroi Refund Claims

3. Fixed Asset and Depreciation:

- a) Fixed assets include all expenditure of capital nature and are stated at cost (net of Cenvat, wherever applicable) less accumulated depreciation.
- b) Depreciation on fixed assets is provided on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- c) In respect of addition and sales of assets during the period, depreciation is provided on prorata monthly basis.

4. Impairment of Fixed Assets:

- a) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

- b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exists or have decreased.

5. Inventories:

- a) Inventories are stated at cost or net realizable value, whichever is lower. For this purpose cost has been arrived at on the basis of moving weighted average. Cost of finished goods include all direct cost, other related factory overheads and excise duty.
- b) Provision for obsolescence is made wherever considered necessary.

6. Sales:

- a) Sales figures are inclusive of excise duty, but are net of sales tax, sales returns, and rate difference adjustment.
- b) Export sales are accounted on the basis of the rate of foreign exchange prevailing on dates of bills of lading.
- c) Export benefits on account of entitlement to import duty free materials are recognized in the year of export.

7. Foreign Exchange Transaction:

Transactions of foreign currency are recorded at the exchange rate as applicable at the date of transaction. Monetary Assets / liabilities outstanding at the close of the financial year are stated at the contracted and / or appropriate exchange rate at the close of the year and the gain / loss is credited / charged to Profit & Loss Account.

8. Employee Benefits :

- a) Short term employee benefits are charged off in the year in which the related service is rendered.
- b) Post employment employee benefits under defined contribution plans are charged off in the year in which the employee has rendered services. In respect of Defined Benefit Plans, the amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit & Loss Account.

9. Provisions, Contingent Liabilities and Contingent Assets:

- a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.
- b) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date in accordance with the Accounting Standard AS-29 on "Provisions, Contingent Liabilities And Contingent Assets" notified under the Companies Accounting Standard Rules, 2006.

10. Borrowing Cost:

Borrowing costs, attributable to the acquisition / construction of qualifying assets, are capitalized. Other borrowing costs are charged to profit and loss account.

11. Taxation:

- a) Income tax charge or credit comprises current tax and deferred tax charge or credit.
- b) Current Income tax and Fringe Benefit tax are measured at the amount expected to be paid to Tax authorities in accordance with the Income Tax Act.
- c) Deferred tax asset or liability on timing difference are recognised using current rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised to the extent there exists a virtual certainty that these assets can be realised in future. Net deferred tax asset is recognised based on the principles of prudence. Deferred tax assets and liabilities are reviewed at each Balance Sheet date.

12. General:

Accounting policies not specifically referred to are consistent with generally accepted accounting practice.

SCHEDULE - 13 : NOTES TO ACCOUNTS

1. a The Company is registered as a sick company with The Board for Industrial & Financial Reconstruction (BIFR) under The Sick Industrial Companies (Special Provisions) Act, 1985. The Hon'ble Appellate Authority for Industrial & Financial Reconstruction (AAIFR) has sanctioned a rehabilitation scheme resting with its order dated 21st November, 2002 envisaging various reliefs and concessions from Government of Gujarat, Financial Institutions and Consortium of banks, which is still under implementation.
- b The Government of Gujarat filed the Letters Patent Appeal before the Hon'ble High Court of Gujarat and also filed a claim of Rs. 346.02 crores in respect of interest and penal interest on dues to them with the Hon'ble High court. The decision is still pending and no interim relief has been granted by the Hon'ble High Court. In view of this, no provision has been made in respect thereof. In case the matter is decided against the Company, the net worth of the Company would be lower by the said amount.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) **Rs. 87.30 lacs** (Previous year Rs. 155.60 lacs).
3. Contingent liabilities not provided for in respect of:
 - a Demand of Excise & Customs and Cenvat Credit of **Rs. 1069.01 lacs** (Previous year Rs. 845.61 lacs).
 - b Claims against the company not acknowledged as debt **Rs. 1046.06 lacs** (Previous years Rs. 900.18 lacs).
 - c Demand of Rajasthan Sales Tax of **Rs. 24.73 lacs** (Previous year Rs. 24.73 lacs).
 - d Demand of Gujarat Sales Tax of **Rs. 138.55 lacs** (Previous year Rs. 116.89 lacs).
4. Local Gram Panchayat in earlier years had raised demands for octroi duty aggregating to **Rs.51.90 lacs**. The Company has deposited an amount of **Rs. 43.85 lacs** as per the order of the Hon'ble High Court. No provision has been made for this demand for octroi duty as the Company has preferred appeals.
5. a Sundry creditors in Schedule 7 to the Accounts include Rs. 0.59 lacs due to creditors registered with the Micro, Small and Medium Enterprises Development Act, 2006 (MSME).
- b No interest is paid / payable during the year to Micro, Small and Medium Enterprises.
- c The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.
6. The Company has been advised that in view of carried forward losses under the Income Tax Act, 1961, no provision is required to be made for Income Tax and also the Company is not liable for payment of Minimum Alternate Tax (MAT) under Section 115 JB of the Income tax Act, 1961 in view of the deduction available of amount of profits of a sick company under Section 115JB2(viii).
7. Profit & Loss Account includes Auditors Remuneration as under :

	2008-10	2007-08
	18 Months	18 Months
	Rs in lacs	Rs in lacs
As Auditors	4.88	4.88
In Other Capacity (for certification etc.)	2.03	1.55
Reimbursement of Expenses	0.13	0.04
Total	7.04	6.47

8. Remuneration paid / payable to whole time directors :

	2008-10	2007-08
	18 Months	18 Months
	Rs in lacs	Rs in lacs
Salary & Allowances	95.40	96.14
Contribution to PF and other funds	25.76	24.66
Perquisites (Valued as per IT Rules, wherever applicable)	0.46	2.60
Total	121.62	123.40

- b) The remuneration includes payment to Mr. Jay Mehta, Executive Vice Chairman, Mr. M S Gilotra, Managing Director and Mr. R K Poddar, Dy. Managing Director for the period from 1st January, 2009 to 31st December, 2009 in terms of the resolution passed by shareholders in the Annual General held on 5th March, 2009 as well as for the period from 1st January, 2010 to 31st March, 2010 in terms of resolution passed by the shareholders in the Extra Ordinary General Meeting held on 11th May, 2010. The approval of Central Government is awaited for remuneration.
- c) Provision of incremental gratuity liability for the current year in respect of the above directors has not been considered above, since the provision is based on an actuarial valuation for the Company as a whole.
9. Information pursuant to provisions of para 3,4 (C) and 4 (D) of part II of schedule VI to the Companies Act, 1956.
- a) Licence and installed capacity and production.

	2008-10 18 Months MT	2007-08 18 Months MT
Class of Goods – Cement :		
Licence capacity *		
Installed capacity (MT / PA) **	1,200,000	1,200,000
Production		
Cement (MT) (including reprocessed 805 MT, Previous Year 7844 MT)	2,034,190	1,748,722
Clinker (MT) to the extent of quantity dispatched	144,996	170,313

* The Company's product is exempt from Licensing requirements under Industrial Policy in terms of Notification No. S.O. 477 (E) dated 25th July, 1991.

** As certified by the management and relied upon by Auditors, being technical matter.

- b) Purchase, Sales and Stocks :

	2008-10 (18 Months)		2007-08 (18 Months)	
	Quantity MT	Amount Rs. in lacs	Quantity MT	Amount Rs. in lacs
i) Opening Stock				
Cement	10,073	195.61	40,065	887.80
Clinker	22,053	214.55	11,975	99.17
		410.16		986.97
ii) Purchases				
Cement	830	21.39	11,238	247.33
Clinker	40,304	859.87	26,591	562.88
		881.26		810.21
iii) Sales (net of Excise Duty) :				
Cement including 187 MT self consumption & excluding 19 MT samples (Previous year 359 MT self consumption excluding 19 MT samples)	2,023,408	60,198.90	1,781,808	52,827.02
Clinker	198,495	4379.36	185,972	4188.33
		64,578.26		57,015.35
iv) Closing Stock				
Cement (after considering, transit loss and other shortage 1103 MT (Previous year 281 MT)	19,758	419.14	10,073	195.61
Clinker at Port (after considering transit loss of 8858 MT, Previous Year NIL MT)	-	-	22,053	214.55
		419.14		410.16

c) Raw Material Consumed :
(Indigenous)

	2008-10 (18 Months)		2007-08 (18 Months)	
	Quantity MT	Amount Rs. in lacs	Quantity MT	Amount Rs. in lacs
i) Limestone & Marl Excavated by the Company	2,819,116	-	2,436,634	-
ii) Limestone purchased	26,830	51.99	31,350	62.27
iii) Gypsum, etc.	110,616	987.78	84,437	741.83
iv) Fly Ash	87,023	822.95	71,960	555.35
v) Others	-	414.27	-	322.04
Total		<u>2,276.99</u>		<u>1,681.49</u>

d) Value of imported and indigenous spares and components consumed.

	2008-10 (18 Months)		2007-08 (18 Months)	
	Amount Rs. in lacs	Percentage	Amount Rs. in lacs	Percentage
Imported	360.88	14	447.74	19
Indigenous	2,283.10	86	1,935.54	81
	<u>2,643.98</u>	<u>100</u>	<u>2,383.28</u>	<u>100</u>

e) CIF Value of imports :

	2008-10 18 Months Rs. in lacs	2007-08 18 Months Rs. in lacs
Capital Goods	66.26	21.55
Stores and spares	418.29	539.64
Coal	-	350.78

f) Expenditure in Foreign Currency :

	2008-10 18 Months Rs. in lacs	2007-08 18 Months Rs. in lacs
Foreign Travel	97.60	112.75
Commission on Sales	75.52	104.55
Others	39.53	57.77

g) Earnings in Foreign Currency :

	2008-10 18 Months Rs. in lacs	2007-08 18 Months Rs. in lacs
FOB value of Exports	4,932.14	4,727.12

10. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given hereunder.

The Company's gratuity plan and PL Encashment are not funded. The following table sets out the status of the gratuity plan and PL Encashment as required under AS 15 and the reconciliation of opening balances of the present value of the defined benefit obligation.

I. Changes in Present Value of Obligations:

Particulars	2008-10		2007-08	
	Gratuity	PL	Gratuity	PL
	Rs. In lacs	Encashment Rs. In lacs	Rs. In lacs	Encashment Rs. In lacs
Present Value of Obligation as at the beginning of the year	323.21	118.98	265.40	99.75
Current Service Cost	88.80	52.75	41.51	30.72
Interest Cost	66.14	26.85	35.29	13.59
Actuarial (gain) / Loss on obligations	-52.80	4.51	17.23	(6.98)
Benefits paid	-32.30	(36.46)	-36.22	(18.10)
Present value of Obligation as at the end of the year	393.05	166.63	323.21	118.98

II. The amount recognised in balance sheet:

Particulars	2008-10		2007-08	
	Gratuity	PL	Gratuity	PL
	Rs. In lacs	Encashment Rs. In lacs	Rs. In lacs	Encashment Rs. In lacs
Present value of Obligation as at the end of the year	393.05	166.63	323.21	118.98
Fair Value of Plan Assets at the end of the year	-	-	-	-
Net Asset / (Liability) recognised in Balance sheet	393.05	166.63	323.21	118.98

III. Amount recognised in Profit and Loss Account:

Particulars	2008-10		2007-08	
	Gratuity	PL	Gratuity	PL
	Rs. In lacs	Encashment Rs. In lacs	Rs. In lacs	Encashment Rs. In lacs
Current Service Cost	88.80	52.75	41.51	30.72
Interest Cost	66.14	26.85	35.29	13.59
Net Actuarial (gain) / Loss recognised in the year	-52.80	4.51	17.23	(6.98)
Expenses Recognized in the statement of Profit & Loss	102.14	84.11	94.03	37.33

IV. Assumptions:

Particulars	2008-10		2007-08	
	Gratuity	PL	Gratuity	PL
	Rs. In lacs	Encashment Rs. In lacs	Rs. In lacs	Encashment Rs. In lacs
Mortality Table	1994-96	1994-96	1994-96	1994-96
Discount Rate	8.00%	8.00%	8.50%	8.50%
Rate of increase in compensation levels	5.50%	5.50%	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Amount of Gratuity has been provided but not funded as on 31.03.2010.

11. **Related Parties Disclosure:**

- a) Promoter companies together with its subsidiaries and associate companies holding more than 20% of the Equity Capital :

1. Ria Holdings Ltd.*	13. Euro India Investments Ltd.
2. Pranay Holdings Ltd.*	14. Exchange Management Ltd.
3. Reeti Investments Ltd.*	15. Hopgood Investments Ltd.
4. Prachit Holdings Ltd.*	16. Treasurer's Trading Limited
5. Sumaraj Holding Pvt. Ltd.*	17. Gujarat Industrial Investment Corp. Ltd.
6. Villa Trading Company Pvt. Ltd.	18. Saurashtra Cement Limited (holding company of Sr. No. 1 to 4)
7. Sunnidhi Trading Pvt. Ltd.	19. Industrial Construction Limited (holding company of Sr. No. 9)
8. Shree Anandeya Investment Pvt. Ltd.	20. Sampson Limited (holding company of Sr. No. 6)
9. Sameta Export Pvt. Ltd.	21. Clarence Investments Limited (subsidiary of Sr. No. 11)
10. Pallor Trading Company Pvt. Ltd.	22. Glenn Investments Limited (subsidiary of Sr. No. 11)
11. The Mehta International Ltd.	23. Aber Investment Limited (subsidiary of Sr. No. 11)
12. The Arj Investments Limited	24. Monza Limited (subsidiary of Sr. No. 11)

*41,43,650 shares held as security by a bank for financial assistance granted.

- b) Name of Key Management Personnel :

1	Mr. Jay Mehta	Executive Vice Chairman
2	Mr. M. S. Gilotra	Managing Director
3	Mr. Raj K. Poddar	Dy. Managing Director

- c) Particulars of remuneration paid to all Key Management Personnel are given in note No. 8.

- d) (i) Name of the transacting related party : **Saurashtra Cement Limited**
(ii) Description of the relationship between the parties : **Common Key Management Personnel**
(iii) Particulars of transactions are disclosed in aggregate value for the period / year

Particulars	2008-10	2007-08
	18 Months	18 Months
	Rs. in lacs	Rs. in lacs
Purchase of Goods & materials	1,212.83	1,082.58
Sale of Goods & materials	7,177.80	5,631.49
Services received / rendered (Net)	81.89	42.14
Outstanding Receivable	1,376.49	313.50

12. In accordance with Accounting Standard 22 "Accounting for Taxes on Income" notified under the Companies Accounting Standard Rules, 2006, the company has reviewed its Deferred Tax Assets (DTA) recognized upto 31st March, 2010 and has also, in terms of paragraph 15 to 18 of AS 22, examined the issue of recognizing DTA arising during the year on account of unabsorbed depreciation and carry forward losses. The financial projections of the company have been evaluated by State Bank of India, the Operating Agency. Having regard to this and also considering the present market scenario of the Company's products as well as profits earned during the period, the Management expects that the Company will have sufficient taxable income as envisaged in the Financial projections against which aggregate DTA recognized as on balance sheet date would be realised.

Accordingly the Company has computed Deferred Tax Assets of Rs. 2497.58 Lacs and Deferred Tax Liabilities of Rs. 877.59 Lacs as on 31st March, 2010 on the following items of timing differences :

	As at 31-03-10	As at 30-09-08
	Rs. In lacs	Rs. In lacs
a. Deferred Tax Assets :		
Accrued Expenses deductible on cash basis	853.70	2,056.59
Provision for Doubtful debts & advances	204.23	216.29
Unabsorbed Depreciation	1,416.41	3,554.64
Deduction u/s 35D	23.24	-
Total	<u>2,497.58</u>	<u>5,827.52</u>
b. Deferred Tax Liabilities:		
Difference between WDV of fixed assets as per the Income-tax Act, 1961 and the Companies Act, 1956	877.59	854.36
Total	<u>877.59</u>	<u>854.36</u>
c. Net Deferred Tax Assets (a – b)	<u>1,619.99</u>	<u>4,973.16</u>

	2008-10	2007-08
	18 Months	18 Months
	Rs. in lacs	Rs. in lacs
13. Earning Per Share:		
a) Net Profit after Tax (Rs. in lacs)	5,728.96	4,878.68
b) Total Weighted Average Number of Shares for Basic & Diluted Earning	144,615,408	144,615,408
c) Basic and Diluted Earning per share in rupees	3.96	3.37

14. The Company has only one business segment 'Cement / Clinker' as primary segment. The secondary segment is geographical segment which is given below:

	2008-10	2007-08
	18 Months	18 Months
	Rs. in lacs	Rs. in lacs
Revenue – Sales		
a. Domestic (India)	59,646.12	52,288.23
b. Export	4,932.14	4,727.12
Total	<u>64,578.26</u>	<u>57,015.35</u>

All Fixed assets of the Company are in India only.

15. a. The Current Accounting Period has been extended from September ending to March ending consisting of 18 months period.
- b. Previous year's figures have been regrouped and / or rearranged wherever necessary to make them conform with current year classification.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Advance Call Money

Share Application Money

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net current Assets

Misc. Expenditure

Deferred Tax Assets

Accumulated Losses

IV. Performance of Company (Amount in Rs.Thousands)

Turnover

Total Expenditure

Profit before tax

Profit after tax

Basic Earning Per Share (Rs.)

Dividend rate %

V. Generic Names of Three Principal Products / Services of Company

(as per monetary terms)

Items Code No.

(ITC Code)

Product Description

Item Code No.

(ITC Code)

Product Description

As per our attached Report of even date

For **MANUBHAI & CO.**

Chartered Accountants

Registration No.: 106041W

K.C.PATEL

Partner

Membership No. 30083

Place : Mumbai

Dated : July 29, 2010

For and on behalf of Board of Directors

Mr. M. N. Mehta

Mr. Jay M. Mehta

Chairman

Executive Vice-Chairman

Mr. Sanat M. Mehta

Mr. P. K. Behl

Mr. Bimal Thakkar

Mr. M.S. Gilotra

Mr. Raj. K. Poddar

Director

Managing Director

Deputy Managing Director

Mr. A. M. Fadia

Director (Legal) & Co. Secretary

Place : Mumbai

Dated : July 29, 2010



GUJARAT SIDHEE CEMENT LIMITED

Regd. Office : "Sidheeegram", Off Veraval-Kodinar Highway-362276
Dist. Junagadh (Gujarat)

D.P. Id.*	
Client Id.*	

L.F. No.	
No. of Shares	

ATTENDANCE SLIP

I / We hereby record my / our presence at the Thirty Sixth Annual General Meeting of the Company held at the Registered Office of the Company at "Sidheeegram", Off Veraval-Kodinar Highway, Dist. Junagadh (Gujarat) at 10.45 a.m on **Saturday the 4th September, 2010** and at any adjournment thereof.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

* Applicable for investors holding shares in Electronic form.

NOTE :

1. You are requested to sign and hand over this slip at the entrance to the Meeting Venue.
2. If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

----- (Tear here) -----



GUJARAT SIDHEE CEMENT LIMITED

Regd. Office : "Sidheeegram", Off Veraval-Kodinar Highway-362276
Dist. Junagadh (Gujarat)

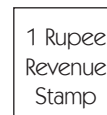
D.P. Id.*	
Client Id.*	

L.F. No.	
No. of Shares	

FORM OF PROXY

I / Weof..... in the district of .
..... being a Member / Members of Gujarat Sidhee Cement Limited hereby appoint
..... of in the district of or
failing him of in the district of
as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirty Sixth Annual General Meeting of the Company to be held at 10.45 a.m. on **Saturday the 4th September, 2010** and at any adjournment thereof.

Signed this day of2010.



Signature

* Applicable for investors holding shares in Electronic Form.

BOOK - POST

If undelivered, please return to:
Gujarat Sidhee Cement Limited

Registered office:
"Sidheegram", Off Veraval-Kodinar Highway
Dist. Junagadh, Gujarat
Pin Code 362 276