



B K BIRLA GROUP OF COMPANIES



38th Annual Report 2013-14

MANGALAM CEMENT LIMITED

Way forward



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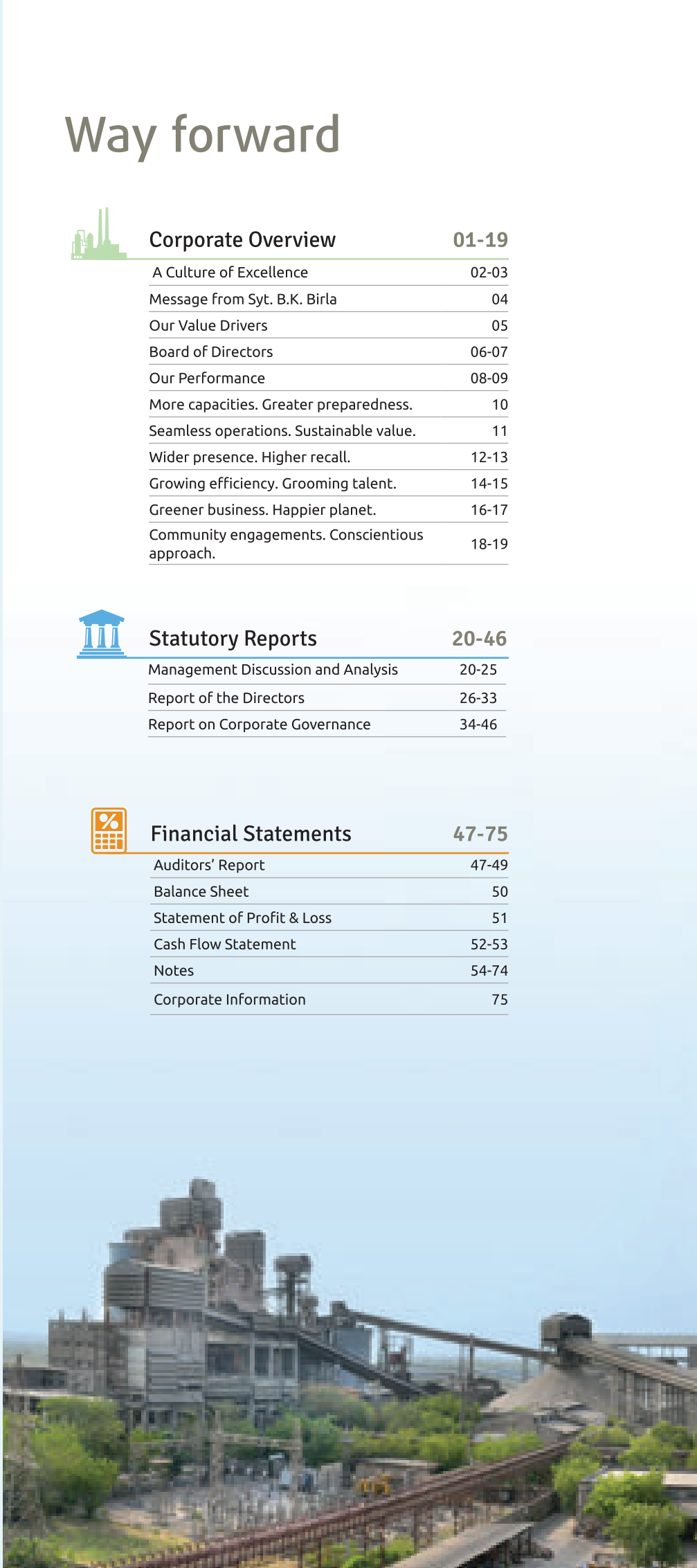


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Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





Equipped for enhanced value creation

At Mangalam Cement, we are suitably positioned to play a more significant role as an industry player and as a value creator for the nation. During 2013-14, we completed our cement and clinker expansion plans, strengthened key raw material sources and widened market reach, emerging stronger and sustainable in the process.

The macro-economic scenario also appears to be favourable. India is geared towards an unprecedented infrastructure revival to drive its 2.3-trillion dollar economy to a higher growth trajectory. Besides, the government's reinforced focus on community housing is an added impetus. India's socio-economic development is expected to enhance cement demand considerably, a definite reason for our business optimism.

We bring together rich industry experience and a conscientious approach to the community and the environment to create value that endures. Our vision is to strengthen this culture of value creation through both short-term and long-term strategies.



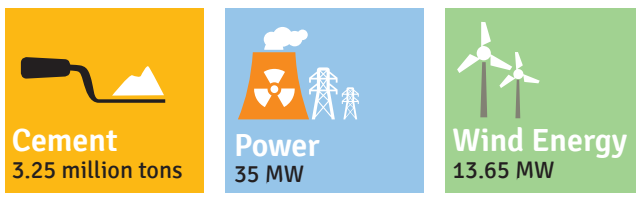
▲ Overview of the plant at Aditya Nagar, Morak, Kota, Rajasthan



A Culture of Excellence

We do our best for our customers, who expect the best from us. This commitment to customer satisfaction is reflected in the manner in which we have scaled capacities to reach more markets, strengthened our processes and quality standards to match global benchmarks and focused on optimal resource utilisation to help protect the environment.

KEY CAPACITIES



Products

- Birla Uttam Cement- Portland Pozzolana Cement (PPC)
- Birla Uttam Cement- 53 Grade
- Birla Uttam Cement- 43 Grade

Certifications

- ISO 9001:2008 for process quality control
- ISO 14001:2004 for environmental management system
- ISO 18001:2007 for occupational health and safety management system

Ratings

- Rated CARE AA- (Double A minus) for long-term facilities
- CARE A1 + (A one Plus)' for short-term facilities by Credit Analysis & Research Ltd (CARE)



Operational Presence

- Headquartered in Kolkata (West Bengal)
- Cement plants and coal-based power plant located at Aditya Nagar, Morak district, Kota (Rajasthan)
- Wind energy at Jaisalmer (Rajasthan)
- Regional offices at Kota, Jaipur and Delhi

For Shareholders

- NSE Ticker: MANGLMCEM
- BSE Ticker: 502157
- Dividend: ₹ 3 per share (Face value: ₹ 10)

Awards

Won multiple awards in the Mines Environmental and Mineral Conservation Week 2013-14 under the aegis of the Indian Bureau of Mines, Government of India, Ajmer.



▲ View of the plant lit up at night

Our Brand – Birla Uttam

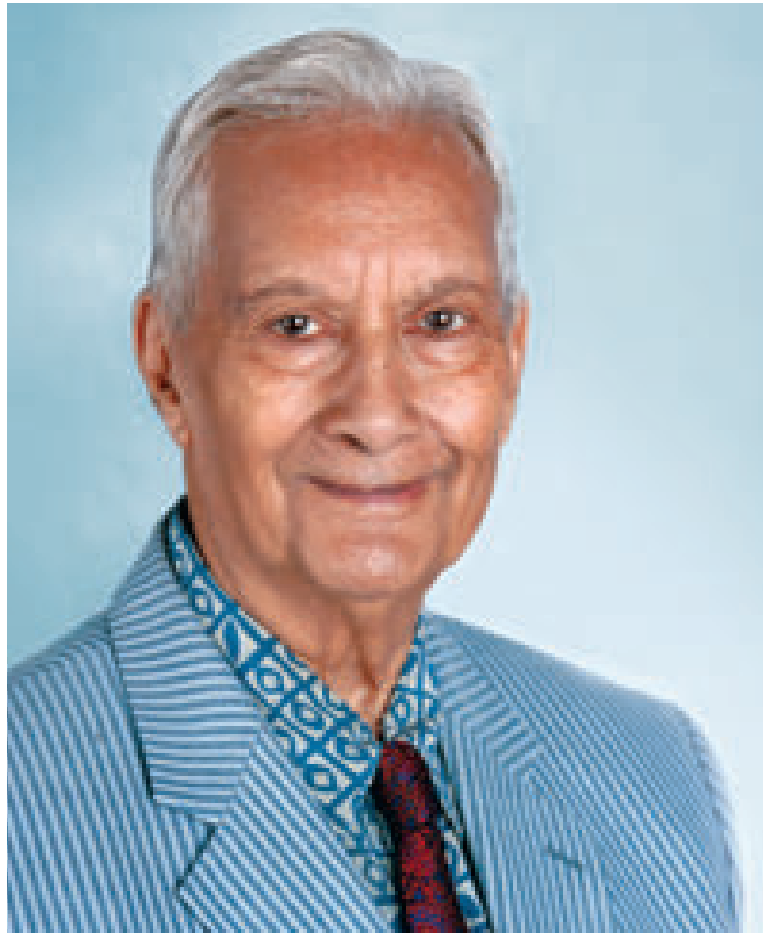




Message from Syt. B.K. Birla



Mangalam Cement is implementing relevant strategies to strengthen its business model and emerge as a key industry player. Throughout its journey, the Group has always guided the Company with its value, expertise and experience.



As India's industrial and economic scenario becomes more favourable, Mangalam Cement is implementing relevant strategies to strengthen its business model and emerge as a key industry player. Throughout its journey, the Group has always guided the Company with its value, expertise and experience. I believe that Mangalam Cement will emerge stronger with considerable presence in the cement industry.

I also congratulate the Mangalam team on successful completion of the projects and to have increased capacity by 1.25 MTPA. With the renewed thrust on infrastructure development and much needed reforms coming in, cement demand should increase. Mangalam Cement is now better equipped to enhance value creation in the coming years.

With best wishes
Basant Kumar Birla



Our Value Drivers

Our business model is geared towards achieving long-term value for all stakeholders. The creation of value is driven by our core strengths.

Illustrious Group

Belongs to the renowned B.K. Birla Group, which has created value for the nation for decades.



30+ years

Rich industry experience (incorporated in 1976, and having commenced cement production in 1981).



Cost-Efficiency

One of the most cost-efficient Indian cement manufacturers owing to modern technology, seamless raw material management and captive power facility.



Birla Uttam

A trusted, prominent and preferred cement brand in Northern and Central India.

Quality Focus

Conforms to international quality standards and adheres to industry-leading processes and practices.

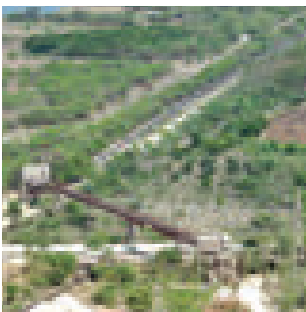


4000+

Touch points through dealers and retailers across core operating regions, including Delhi NCR, Rajasthan, Madhya Pradesh, Haryana and Uttar Pradesh.

963+

Team of motivated family of Mangalam employees.



Go-Green

We have planted over 31,000+ saplings during FY 2013-14 in the vicinity of our plant and mines as a part of our green initiatives.



Community Care

We undertake multiple initiatives (education, healthcare, women's empowerment, among many others) in the areas where we operate.



Board of Directors



Shri K.K. Mudgil

Shri K.K. Mudgil is B.A. (Hons.) in Economics and also pursued an advanced course in Organisation, Management and Financing of Small Scale Village Industries. He rose to the position of Chief General Manager of the Reserve Bank of India (RBI). On November 30, 1997, he retired as the Executive Director (on deputation from RBI) of the National Housing Bank. Till 2012, he was holding the position of Secretary General, Council of State Industrial Development and Investment Corporations of India, New Delhi.



Shir Amal Ganguli

Shri Amal Ganguli is a fellow member of The Institute of Chartered Accountants of India and the Institute of Chartered Accountant in England and Wales. He is also a member of the New Delhi Chapter of The Institute of Internal Auditors, Florida, USA. Shri Ganguli spent 40 years of his professional career in Price Waterhouse/Price Waterhome Coopers, UK/India. He served as the Chairman and Senior Partner of Price Waterhouse Coopers (PwC), India, for seven years before retiring in 2003. Subsequent to his retirement, Shri Ganguli's membership in boards of various companies as an Independent Director has helped him gain board-level experience.



Smt. Aruna Makhan

Smt. Aruna Makhan joined the Indian Audit & Accounts Service in 1967 and held the prestigious position of Controller General of Accounts before retirement. During her 38 years of service, Smt. Makhan attained a rich and versatile experience in the field of public financial management. She held various senior level positions in different departments.



Shri N.G. Khaitan

Shri N G Khaitan is a Senior Partner of Khaitan & Co. based in Kolkata. He passed his Attorneyship Examination from the Calcutta High Court in the year 1974 and stood first in the Preliminary, Intermediate and Final Examinations and was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, High Court, Calcutta. He is a Notary Public appointed by the Govt. of India. He has rich experience in all aspects of law and more particularly, Real Estate, Corporate laws and has handled important litigations covering different branches of law including Mergers & Acquisition, Restructuring and De-mergers. He has advised several large industrial houses and multinational corporations on multifarious legal matters. He is a Director in the Company since 23rd October, 2000.



Shri Gaurav Goel

Shri Gaurav Goel is the Managing Director and Promoter Director of Dhampur Sugar Mills Ltd., one of the premier integrated sugarcane processing companies in India. His academic credentials include a business management graduation degree from the United Kingdom.

He has been associated with Dhampur Sugar Mills since 1994 and is responsible for the smooth functioning of its financial aspects. He was the President of Entrepreneurs Organisation (EO), Delhi chapter, for 2006-2007.



Shri K.C. Jain

Shri K.C. Jain, a qualified Chartered Accountant, is the Whole-time Director of Kesoram Industries Ltd. He has a rich 48 years experience in the cement industry. He has been a member of the Managing Committee of Cement Manufacturers' Association (CMA) for the past 35 years.

He was the Managing Director of the Company from 1996 to March 31, 2012.



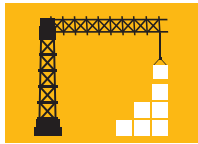
Smt. Vidula Jalan

Smt. Vidula Jalan is an Executive Director of the Company. She is an MBA in Strategic Marketing and Leadership and Change Management from the Indian School of Business, Hyderabad. Moreover, she also has an Accounting and Finance degree from The University of Manchester, U.K. She is also managing the affairs of reputed schools and charitable trusts of the Group.



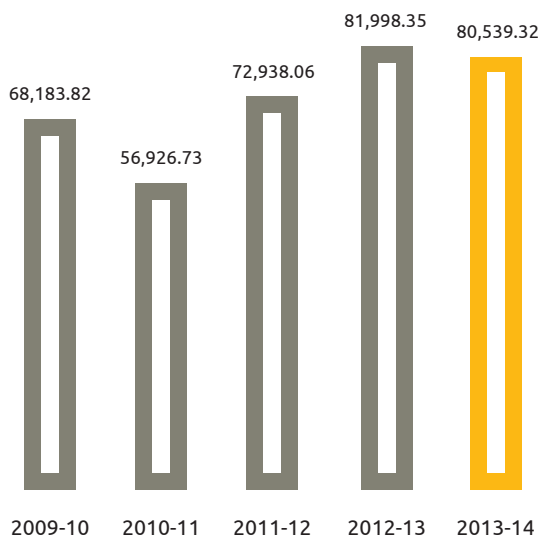
Shri Anshuman Vikram Jalan

Shri A.V. Jalan is an Executive Director of the Company. He is a B.Com (Hons.) from St. Xavier's College, Kolkata. Besides, he has completed a management course in marketing and corporate finance from the London School of Economics, UK. Being involved in the management of manufacturing companies since 1998, he has gained a rich experience in business administration.

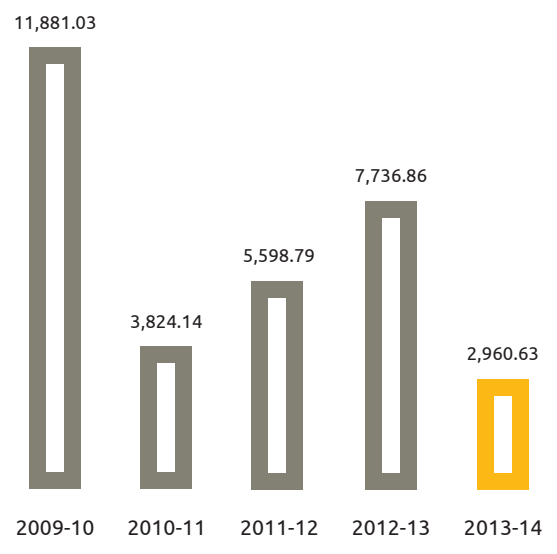


Our Performance

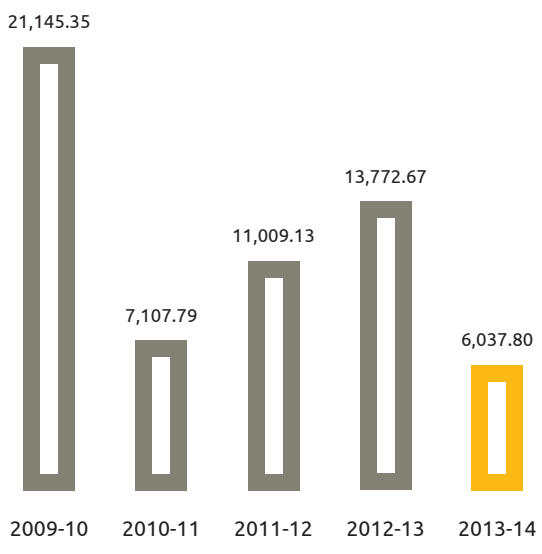
TOTAL REVENUE (₹ in lacs)



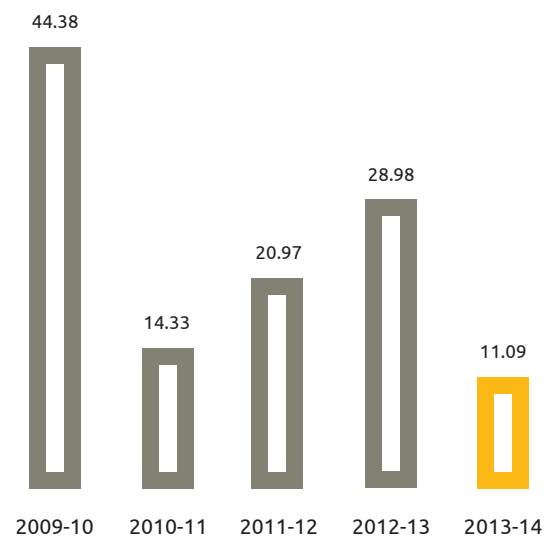
POST-TAX PROFIT (₹ in lacs)



EBIDTA (₹ in lacs)

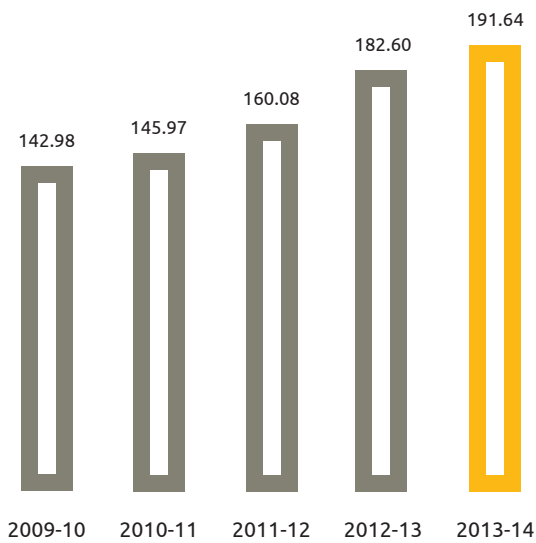


EARNINGS PER SHARE (BASIC) (₹)

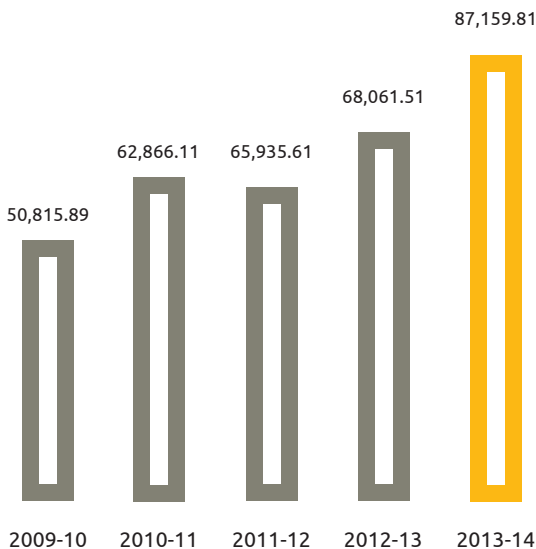


BOOK VALUE PER SHARE

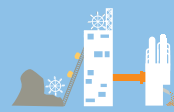
(₹)

**GROSS BLOCK
(FIXED ASSETS)**

(₹ in lacs)

**OPERATIONAL HIGHLIGHTS IN 2013-14**

17.98 lac tons
Cement production



13.85 lac tons
Clinker production



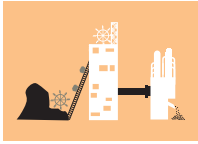
17.96 lac tons
Cement dispatch



121.80 lac Kwh
Captive green energy generation



1,532.21 lac Kwh
Captive thermal energy generation



More capacities. Greater preparedness.



▲ New facility commissioned at Aditya Nagar, Morak, Kota, Rajasthan

2.30 million TPA
Expanded clinker capacity

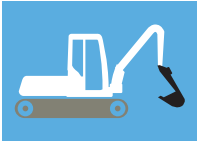
3.25 million TPA
Increased cement capacity

At Mangalam Cement, we enhanced capacities, and, in turn, our preparedness to leverage emerging opportunities in the cement sector. We successfully completed our expansion to increase manufacturing capacities of clinker by 0.5 million TPA and cement by 1.25 million TPA.

The increased capacities will facilitate our foray into high-growth markets. Besides, the government's focus on infrastructure revival will help strengthen cement demand and augur well for the industry.

Industry Opportunity

With USD 1 trillion estimated infrastructure spend as per the 12th Five Year Plan (2012-17), cement demand is poised to grow multifold. Besides, the new government with a development agenda is expected to provide an impetus to infrastructure creation.



Seamless operations. Sustainable value.



▲ Clinker transport to the cement mill by conveyor belt for seamless operations

Long term sustainable value can only be created through an ecosystem of seamless operations. At Mangalam Cement, we have put in place a robust architecture of advanced operations.

Better Operations

- We conduct preventive maintenance and part replacements for better operational efficiency.
- We have undertaken a timely shutdown of one of our kilns for refurbishment for more efficiency and productivity.

Best-in-class Mining Practices

- Deployed Heavy Earth-Moving Machinery (HEMM) for material handling, enabling cost and fuel savings;
- Increased per-hour meterage of drilling, resulting in more limestone output;
- Optimised hourly material transportation by dumpers, resulting in considerable cost savings;

- Implemented Global Positioning System (GPS) in the dumpers for better monitoring and higher productivity;
- Implemented automatic fire extinguishing system in mining equipment for better safety;
- Plan to invest in higher tonnage dumper and other advanced drilling equipment for increased limestone output to support our increased capacity

Raw Material Security

Raw material: We possess adequate limestone reserves to support our expanded capacity.

Power: We have 35 MW coal-based captive power plant and wind energy capacity of 13.65 MW; sufficient to support expanded capacities. We have also reduced power consumption for per ton of cement produced.

Long-term contract: We have put in place long-term contract for coal, pet coke, gypsum and fly ash.



Wider presence. Higher recall.



▲ Dealers' meet for a strong network

At Mangalam, we are strengthening our presence in the existing markets. At the same time, we are focusing on new markets and aiming at higher brand awareness.

Initiatives in 2013-14

- We expanded our network to 1,179 dealers and 3,415 retailers to deepen penetration across markets.
- We increased expenditure across various advertising platforms (radio and outdoor wall painting) in all our key markets to reinforce the brand.
- We organised several mason and dealer meets to strengthen brand awareness.
- Conducted foreign and other tours for our dealers to reward performance and enhance motivation.
- Our proportion of trade sales stood at 78% during the year.

In view of our increased capacity, we are creating

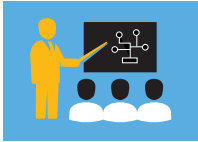


▲ Dealer engagement programme

new markets for our product across untapped regions in Delhi NCR, Rajasthan, Madhya Pradesh, Haryana, Uttar Pradesh and Punjab. We are opening new depots at strategic locations for better product availability and realisations.



▲ Dealer receiving awards from the Directors



Growing efficiency. Grooming talent.



To drive our long-term growth strategy, we are providing relevant training to our team. The objective is to build competencies in a competitive market scenario.

Enhancing Productivity

We celebrate productivity weeks to create awareness and capacity building among employees. Over 100 employees are trained on productivity enhancement techniques, principals and practices.

The objective of the programme is to help create a sustainable ecosystem of optimal utilisation of all resources. Such an approach will help us build a stronger business model to maximise profitability and conserve resources.

We also encourage our people to strengthen communication skills by organising competitions focusing on elocution, essay writing and quiz, among others.

Safer Workplace

We have taken a pledge to work safely and organise a Safety Meet on the first day of every month. Best performers on safety parameters are recognised and awarded.

Competency-building Intervention

We are consistently driving a culture of continuous learning at Mangalam. We promote multi-tasking through adequate Learning and Development intervention and job rotation. We also regularly organised training programmes through internal and external training experts to enhance people potential during the year.



▲ People at work



▲ Workshops for employees

Learning and Development Activities

Activities	Nos.
Total no of Programmes Organised	235
Total no of Participants	3,518
No of Technical Programmes	140
No of Functional Programmes	42
No of Behavioural Programmes	53
No of Summer Internship Training	43
No of Government Apprentice	21
No of External Programmes	59

Attrition Rate and Absenteeism

Our attrition rate and absenteeism are low compared to industry benchmarks, thanks to a dynamic and motivating work culture.



Greener business. Happier planet.



We are implementing measures to minimise our carbon footprint and help protect the environment. This is part of our sustainable business blueprint.

Green Cover

We have planted over 95,000 saplings to ensure a dense green belt around our plants and mines. Plants are developed at our own nurseries and distributed to residents of colonies, schools and villagers to encourage them to plant more trees. Moreover, environmental awareness programmes are conducted regularly for employees and their families.

Plantation Trend

Year	No. of Plants	Survival Rate
2009-10	32,354	70%
2010-11	23,480	70%
2011-12	25,232	70%
2012-13	29,661	85%
2013-14	31,026	90%



▲ Aerial view of the green belt around the plant



▲ Green energy capacity

Water Harvesting

We undertake water harvesting initiatives in mined-out regions (22 lacs cubic metres of stored water) through roof-top water storage, accumulation of rain water in mined-out pits and pits across our plant.

Pollution-free Plant Vicinity

We monitor the performance of our pollution-control equipment regularly. We have enhanced focus on ensuring dust-free surroundings, so all the transfer points of raw materials are provided with water mist dust suppression system. Besides, consistent water sprinkling (from harvested water) in the vicinity of the dust emission area is conducted to reduce dust levels. The effluent treatment plant ensures zero discharge.

Wind Energy

We have an aggregate wind turbine capacity of 13.65 MW at Jaisalmer, India. It helps reduce 22,700 MT equivalent of CO₂ emissions. We have replaced fossil fuel-based grid power with renewable wind energy-based green power. The project has been registered under the Clean Development Mechanism (CDM) with the United Nations Framework Conventions on Climate Change (UNFCCC). The CDM project will annually generate over 22,000 Certified Emission Reductions (CERs).



Community engagements. Conscientious approach.

In a developing country like India, education, healthcare and skill enhancement are critical to leverage the country's huge demographic advantage and unleash its hidden potential. At Mangalam, we are doing our part in a modest way. We are strengthening our community engagements and helping people realise their potential.

CSR Focus Areas



Education

Mangalam DAV School: A school with state-of-the-art facilities providing quality education to over 1,000 students.

Adoption of ITI- Kherabad under PPP (Public Private Partnership) Model: It facilitates quality technical education within the vicinity.

Higher Education Allowance to BPL students: We provided financial support for higher education to 107 students of BPL families.

Adoption of schools: We extended support for infrastructure, repair and maintenance of several schools in the adopted gram panchayats.



▲ Furniture donation to local schools



Skill Development Programme

We provide employable skills to rural youth by providing skill development programmes.

- Tailoring (148 beneficiaries)
- Computer Training Programme (137 beneficiaries)
- Vehicle Driving (81 beneficiaries)



▲ Promoting skill-building activities among women



▲ The Mangalam team meets doctors over better facilities for its health centre at Ramgang Mandi, Kota



▲ Donation of cheque for community development



Health

Village health camps: Periodic medical camps were organised in adjacent villages and free consultancy was provided. This was done as part of our commitment to ensure good health for the community.

Adoption of CHC Morak: Under the scheme of the Government of Rajasthan, we adopted CHC Morak for their maintenance and refurbishment, including supplies of equipment.

Financial assistance for a hospital: We provided financial assistance of ₹ 1 crore to Rajkiya Mangalam Hospital.

Medical treatment: Mangalam Mahila Mandal Welfare Society extended financial assistance for treatment of the underprivileged.

Blood donation camp: We organised a blood donation camp in collaboration with Kota blood bank; 312 units of blood were collected from Mangalam employees, family members and donors of adopted villages.

Particulars	Health Camps (2013-14)
Periodic medical check-up	1,998
First aid training	50
Eye check-up	481
Pulse Polio	2,851



Financial Assistance to Gram Panchayats

Development of rural infrastructure: We provided financial assistance to panchayats for vital infrastructure creation and maintenance.



Community Development Programme

Kalyan Mandapam: We constructed *Kalyan Mandapam* for the villagers for their social functions.

Widow pension: We provided pension to widows in the area.

Religious harmony: Extended financial assistance to local communities for the construction of temples and celebration of festivals.



Management Discussion and Analysis

Cement is one of the core industries and plays a vital role in the growth and development of a nation.



INDIAN ECONOMY AT A GLANCE

The growth slowdown in India is broadly in sync with trends in similar emerging economies. The sharp downturn in growth owes its origin to the interface of domestic factors with the global economic environment of uncertainties and slow growth in many advanced economies.

However, RBI took proactive measures that stabilised the currency, rebuilt foreign exchange reserves and saw current account deficit lowered to 1.7% of GDP by fiscal year ending. Fiscal deficit too was reduced to 4.5% as the year ended.

During 2013-14, India's Gross Domestic Product (GDP) grew by 4.7%, as compared to 4.5% in financial year 2013. Sustained economic growth is expected to occur with a release of structural bottlenecks and with the government's thrust on manufacturing, infrastructure development and revival of the investment cycle. The government envisages a PPP route towards 16 new port projects, airport construction and road building, all of which augur well for sustained growth ahead.

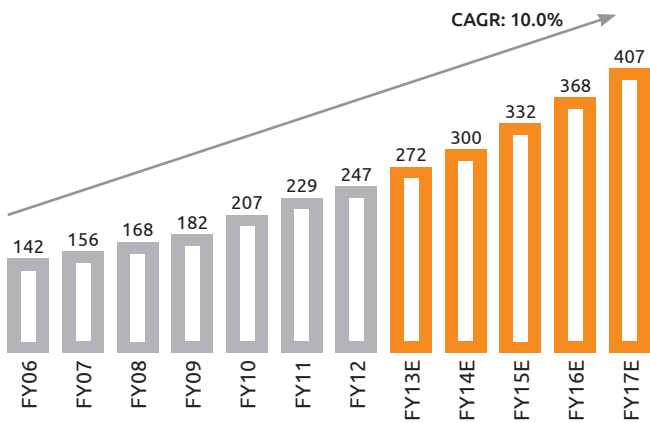
THE INDIAN CEMENT INDUSTRY

Cement is one of the core industries and plays a vital role in the growth and development of a nation. The Indian cement industry is the second largest market after China, accounting for about 8% of the total global production. Cement production increased at a CAGR of 9.7% to 272 million tons over FY 2006-13. Going forward, as per the 12th Five Year Plan, production is expected to reach 407 million tons by FY 2017.



Production of cement

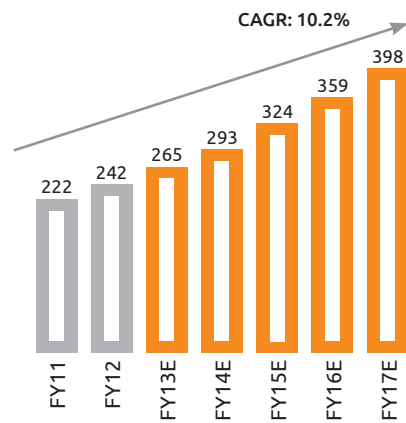
(million tons)



Source: Department of Industrial Policy and Promotion, Working group for 12th Five Year Plan, Aranca Research

Domestic cement consumption

(million tons)



Source: Working group for 12th Five Year Plan, Aranca Research

Cement Consumption Trend

India's cement consumption is expected to reach 265 million tons in FY 2013 from 222 million tons in FY 2011. The consumption is further expected to increase at a CAGR of 10.2% during FY 2011-17 and reach 398 million tons.

Emerging Trend in the Indian Cement Industry

Increasing presence of small and mid-size cement players

- Presence of small and mid-size cement players across regions is increasing, which helps to diminish market concentration of industry leaders
- Small and mid-size players have been constantly increasing their installed capacity to cater to increasing cement demand

Cost reduction through the use of alternate fuels

- Major cement manufacturers in India are increasingly using alternate fuels, especially bio-energy, to fire their kilns
- This is not only helping to reduce production costs of cement companies, but is also proving effective in reducing emissions

Increasing sale of blended cement

- The proportionate sales of blended varieties of cement—Portland Pozzolana Cement (PPC) and Portland Blast Furnace Slag Cement (PBFC)—has risen over the years

INDUSTRY OUTLOOK

Cement demand is closely linked to the overall economic growth, particularly the housing and the infrastructure sector. The long term growth prospects remain positive, given the huge untapped housing demand and positive demographics. By 2020, cement production will reach 550 million tons. Moreover, India has one of the lowest per capita consumption of cement at 185 kg, projected to rise to 385 kg in 2025.

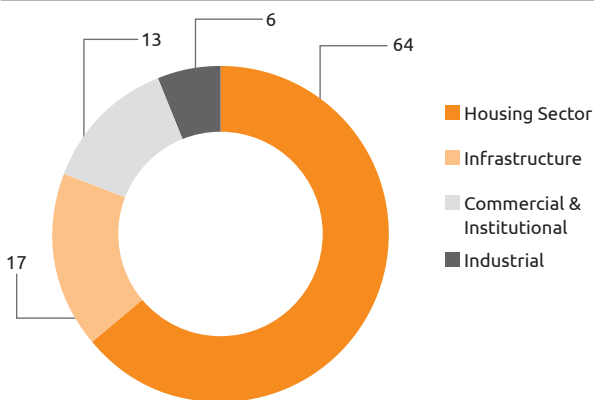
A strong infrastructure sector is vital to the development of the cement industry in India. Investment in infrastructure is the main growth driver for the cement industry. The Planning Commission estimates total infrastructure spending to be about 10% of the GDP during the 12th five-year Plan (2012–17), up from 7.6% during the previous five-year Plan (2007–12). India's investment in infrastructure is estimated to double to about USD1 trillion during the 12th Plan (2012–17) compared to the previous Plan.

The housing sector is another tremendous growth driver for the cement industry in India. We must take cognizance of the changed dynamics in the sector. Housing sector accounts for 64-67% of the total cement demand, which is highly correlated with cyclical activities like construction and development.

The rapidly increasing real estate industry in India is expected to push the demand for cement. Residential real estate demand is driven by rising population and growing urbanisation. The Indian real estate sector has come a long way and is today one of the fastest growing markets in the world. A boost in the commercial real estate will equally promote the cement industry in India.

Sectoral cement consumption

(%)



ABOUT MANGALAM CEMENT

Mangalam Cement Limited is a part of the B.K. Birla Group, and began its journey from 1978. Its superior product quality and excellent customer service makes it one of the leading integrated cement manufacturers of high-quality cement in North India.





Overall Performance

The year under report has seen depressed market conditions. Cement prices have remained weak through the country, especially in the markets that we service. This has been driven by lack of growth in the construction sector coupled with enhanced capacity of cement production. We are working at expanding our market presence, both in terms of geographical reach as well as deeper penetration in the markets we traditionally service. In addition, we are working on a number of initiatives on the cost front.

In line with the Company's plans the focus on production of fly ash-based cement is likely to strengthen. The Company plans to increase its blended cement production to 75% during FY2014-15 and finally to 90% in the coming years.

Highlights of Financial Performance

	₹ in lacs	
	2013-2014	2012-2013
1. Net Sales	68722.97	69869.47
2. Operating Profit before Interest, Dep. and Taxation	6037.80	13772.67
3. Less: Interest and Financial charges	870.52	483.58
4. Profit after Interest	5167.28	13289.09
5. Less: Depreciation	2773.83	2508.15
6. Profit before tax	2393.45	10780.94
7. Provision for Taxes	(567.18)	3044.08
8. Net Profit after tax	2960.63	7736.86

In order to optimise the existing clinker capacity of Unit I and synchronisation of the plant with cement mill the operations of the plant were stopped w.e.f. 5th May, 2013 till 15th September, 2013, which resulted in lesser production of clinker during the year. Accordingly, the despatches and sales were also impacted during the year.

With this optimisation, synchronisation and commencing of the new cement mill overall cement manufacturing capacity of the plant has increased to 3.5 MTPA from 2 MTPA.

Net Sales decreased by 1.65% from ₹ 698.69 crores in the previous year to ₹ 687.23 crores in the current year.

Gross Profit before interest, depreciation and tax was lower at ₹ 60.38 crores as against ₹ 137.73 crores in the previous year.

Net Profit After Tax was lower at ₹ 23.91 crores as against ₹ 77.37 crores in the previous year mainly because of lower sales realisation.

EPS is ₹ 11.09 per share as against ₹ 28.98 per share in the previous year.

Clinker Production

	2013-14 MT	2012-13 MT
Unit-I	244022*	569484
Unit-II	1036174	1131296
Total	1280196	1700780

*Excluding Trial Run Production 104479 MT

Cement Production

	2013-14 MT	2012-13 MT
Unit-I	644274	603627
Unit-II	1153675	1240816
Total	1797949	1844443

Power Consumption (Per MT on Cement)

	2013-14	2012-13
Unit-I	94Kwh	95 Kwh
Unit-II	75Kwh	71 Kwh



Coal Consumption (Per MT on Clinker)

	2013-14	2012-13
Unit-I	101.69Kg	108.90 Kg
Unit-II	110.24Kg	98.40 Kg

Power Generation (Kwh - In lacs)

	2013-14	2012-13
Captive Thermal Power Plant	1532.21	1637.65
Wind Mills	121.80	177.69

RISK MANAGEMENT

In today's rapidly changing economic environment, businesses face risks emanating from internal as well as external sources. Leading a business successfully involves proper identification and prudent management of the probable risks. Mangalam Cement Limited has proper enterprise risk management (ERM) policies in place to identify, manage and mitigate risks and emerge as a risk-focused organisation.

Volatile Economic Scenario

The global and domestic economic slowdown adversely impacted India's cement market, here demands dipped, affecting the topline of the cement companies.

Mitigating Factors

India's GDP growth is projected to be around 6% in 2013-14 (Source: Central Statistical Organisation). The country's cement industry is expected grow at around 7.5-8% in 2014-15.

Unavailability of Raw Materials

Inability to source key inputs at the right price and time, or in the right quantity and quality can create input risks for the Company.

Mitigating Factors

- The Company has sufficient limestone reserves to meet input requirements.
- Long-term relationships with raw material suppliers ensure consistent supply.
- Various initiatives have been undertaken to optimise raw material use and increase productivity.
- Initiatives undertaken to reduce fuel costs are in the right direction, and with modification are likely to get reduced considerably.

Realisations Below Expectations

Low realisations can affect the Company's profitability.

Mitigating Factors

- The Company witnesses higher realisation per ton of cement.
- More focus on high realisation markets
- Optimisation of overall lead distance
- It maintains a proper mix of retail and institutional sales.

Inexperienced Manpower

Lack of adequate experience of the employees to run the business in a challenging environment can expose the Company to risks.

Mitigating Factors

- Most of the Company's employees have over 16 years of industry experience.
- The Company provides specialised training to its employees.
- Qualified and well-experienced personnel occupy key positions in the Company.
- The Company maintains an attrition level much below industry standards.

Limited Geographic Reach

A limited geographic presence might impact the Company's growth

Mitigating Factors

- The Company has extensive network strength to ensure business growth.
- Proper connectivity through roads and railways helps in efficient dispatch of the Company's products.
- The Company enjoys strong brand recall value, as it ranks among the top five cement manufacturers in its operating region.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have an internal control system that is sound and well structured. We are always seeking ways to further strengthen the various subsystems that integrate into the internal control system. Our Internal Audit activity closely involves itself in this exercise by regularly reviewing the efficacy of the subsystems and improving on them.



HEALTH AND SAFETY MEASURE

The Company has health and workplace safety programmes in place and has established policies and procedures aimed at ensuring compliance with applicable legislative requirements. The manufacturing operations are conducted to ensure sensitivity towards the environment and to help minimise waste by encouraging “Green” practices. Efficient management and use of renewable resources is encouraged. Reduction, reuse and recycling of waste are facilitated.

The Company believes that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the workplace hazards for protection of all is of utmost importance.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

At Mangalam, measures for employee safety, training, welfare and development continue to get top priority at all levels and results are reflected in the improved quality and efficiency. The Company’s training programmes and value-based teaching

enhance motivational levels among its people. The Company’s industrial relations as well as public relations with all external agencies were cordial. The Company had 963 employees, as on 31st March, 2014.

CAUTIONARY STATEMENT

Statement in this report on Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security law or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, changes in Government regulations and tax structure, economic developments and other factors such as litigation and industrial relations.

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

Yours faithfully,

K.K. Mudgil, Director
 Amal Ganguli, Director
 Aruna Makhan, Director
 N.G. Khaitan, Director
 Gaurav Goel, Director
 K.C. Jain, Director
 Vidula Jalan, Executive Director
 A.V. Jalan, Executive Director

Place: Kolkata

Date: 13th May, 2014



Report of the Directors

for the Year Ended 31st March, 2014

Started commercial production of additional clinker manufacturing capacity by 0.5 MTPA and also commenced trial run of new cement mill of 1.25 MTPA from which commercial production is expected to start in the first quarter of financial year 2014-15.



Dear Members,

The Directors have the pleasure in presenting the 38th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2014. The summarised Financial Results are given below:

1. FINANCIAL RESULTS

(₹ in lacs)

	Current Year ended 31st March, 2014	Previous Year ended 31st March, 2013
Net Sales/ Income from operations	69730.73	70604.11
Operating Profit before Finance Costs, Depreciation and Tax	6037.80	13772.67
Less: Finance Costs	870.52	483.58
Gross Profit before Depreciation and Tax	5167.28	13289.09
Less: Depreciation (net of transfer from Revaluation Reserve)	2773.83	2508.15
Profit before Tax	2393.45	10780.94
Less: Provision for Tax:		
(a) Income Tax /MAT for current year (Net)	505.00	3220.00
(b) MAT Credit	(505.00)	-
(c) Income Tax for earlier years	(288.54)	21.08
(d) Deferred Tax	(278.64)	(197.00)
Net Profit After Tax	2960.63	7736.86
Profit brought forward from previous year	39318.06	34255.03
Profit available for appropriation	42278.69	41991.89
APPROPRIATIONS		
(a) Transfer to General Reserve	300.00	800.00
(b) Proposed Dividend on Equity Shares	800.81	1601.63
(c) Corporate Dividend Tax	136.10	272.20
(d) Balance carried forward to next year	41041.78	39318.06
Total	42278.69	41991.89



2. DIVIDEND

We recommend a dividend of ₹ 3.00 per equity share of ₹ 10/- each for the year ended 31st March, 2014. The total outgo in this respect will be ₹ 936.90 lacs including corporate dividend tax.

3. OVERALL PERFORMANCE

The Performance of the Company has been comprehensively covered in the Management Discussions and Analysis Report which forms part of the Directors' Report.

4. MANAGEMENT DISCUSSION AND ANALYSIS

In term of the provision of clause 49 of the Listing Agreement, the Management Discussion and Analysis is set out in this Annual Report.

5. RENEWABLE ENERGY

The Company owns 13 wind turbines with a total capacity of 13.65 MW generation per day. Total generation from all the turbines together during the year was 121.80 lacs Kwh.

6. CAPTIVE THERMAL POWER PLANT

With the increase in overall production capacity from 2 million TPA to 3.25 million TPA your Company has present requirement of 33 MW of power and is 100% self-sufficient through its own generation.

7. NEW PROJECTS

During the year your Company has successfully started commercial production of additional clinker manufacturing capacity by 0.5 MTPA and also commenced trial run of new cement mill of 1.25 MTPA from which commercial production is expected to start in the first quarter of financial year 2014-15.

8. FINANCE

To meet the fund requirement for the ongoing projects and capex, the Company has been collectively sanctioned financial assistance to the tune of ₹ 360 crores which has been disbursed in full to the Company. Till 31st March, 2014, the Company had utilised ₹ 340 crores.

9. CREDIT RATINGS

Your Directors are pleased to inform you that Credit Analysis & Research Ltd (CARE) reaffirmed the rating of 'CARE AA-' (Double A minus assigned for long term facilities. The 'CARE AA' rating is considered to offer a high degree of safety regarding timely servicing of financial obligations and indicates that such borrowings carry low credit risk. CARE assigns '+' or '-' signs to be shown after the assigned rating (wherever necessary) to indicate the relative position within the band covered by the rating symbol.

Further, CARE has re-affirmed its 'CARE A1 +' (A one Plus) rating assigned to the Company's short term facilities. This is the highest rating for short term facilities. ACARE A1 rating indicates a strong capacity for timely payment of short term debt obligations and carries the lowest credit risk.



10. INSURANCE

Adequate insurance cover has been taken for the properties of the Company including buildings, plant and machinery and inventories.

11. DIRECTORS

Shri K. C. Jain, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, it is proposed to appoint Shri K. K. Mudgil, Shri Amal Ganguli, Smt. ArunaMakhan, Shri N. G. Khaitan and Shri Gaurav Goel as Independent Directors of the Company for the period of 5 (Five) consecutive years commencing from the conclusion of the Company's 38th Annual General Meeting to the conclusion of Company's 43rd Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board of Directors at their meeting held on 13th May, 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting, considered and approved the re-appointment of Shri A V Jalan and Smt. Vidula Jalan as Whole-time Directors (designated as Executive Directors) of your Company for a further term of three (3) years commencing from 1st April, 2014 to 31st March, 2017.

Details of the proposal for appointment of Directors are given in the Notice of the Annual General Meeting.

12. AUDITORS' REPORT

The Auditors' Report to the shareholders does not contain any qualification, reservation or adverse remark.

13. STATUTORY AUDITORS

M/s. Jain Pramod Jain & Co., Chartered Accountants, (Firm Registration No. 016746N), the auditors of the Company are due for retirement in accordance with the provisions of the Companies Act, 1956 at the ensuing Annual General Meeting and are eligible for reappointment. Your Directors recommend their appointment for the ensuing year.

The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed as the Statutory Auditors of the Company.

14. COST AUDIT

In terms of the provisions of Section 233B of the Companies Act, 1956, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s. J. K. Kabra & Co., Cost Accountants, New Delhi as Cost Auditors, to conduct the cost audit of your Company.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and that no material departure has been made therefrom;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2014 and of the profit of the Company for that year ended on that date;
- (iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a "going concern" basis.

16. PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, in respect of the employees of the Company, is provided in the Annexure forming part of this Report.

In line with the provision of section 219(1)(b)(iv) of the Act, the Report and Accounts as set out therein, are being

sent to all Members of your Company and others entitled thereto, excluding the aforesaid information about the employees. Any Member who is interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A Statement containing the information, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is set out in the statement annexed hereto and form part of this Report.

18. CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the stock exchanges relating to corporate governance.

Report on Corporate Governance is enclosed as part of this Annual Report. The Auditors certificate on compliance with the provision of Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

19. PUBLIC DEPOSITS

Your Company has neither invited not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 during the year and as such, no amount of principal or interest on deposit was outstanding as of the balance sheet date.

20. CASH FLOW ANALYSIS

In conformity with the provision of clause 32 of the Listing Agreement(s), a cash flow statement for the financial year ended 31st March 2014 forms part of the audited accounts.

21. AWARDS

Your Directors are pleased to inform that the Company has received the following awards during the Mines Environmental and Mineral Conservation Week 2013-14 under the aegis of the Indian Bureau of Mines, Government of India, Ajmer:

- First prize for Reclamation and Rehabilitation of Land;
- First prize for Top Soil Management;
- First prize for Publicity and Propaganda; and
- Third prize for Sedimentation of Entrained Solids and SPM Before Discharging Mine Water into Water Courses

22. ACKNOWLEDGEMENTS

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

Yours faithfully,

K.K. Mudgil, Director
Amal Ganguli, Director
Aruna Makhan, Director
N.G. Khaitan, Director
Gaurav Goel, Director
K.C. Jain, Director

Vidula Jalan, Executive Director
A.V. Jalan, Executive Director

Place: Kolkata

Date: 13th May, 2014



Annexure to Directors' Report

Information as per section 217(1)(e) read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

1) Energy Conservation Measures Taken

- a. Modification of Inlet duct in VRM-I for increasing output rate and decreasing specific power consumption.
- b. Modification of recirculation duct in VRM-II. VRM recirculation duct was connected to VRM Fan outlet in place of Hybrid Baghouse fan outlet to reduce pressure drop.
- c. MV Drive was installed for Unit-I Kiln Hybrid bag house fan in place of GRR.
- d. Dust handling system operating hours for Unit-I Kiln was optimised.
- e. Optimisation of fly ash consumption in PPC Cement Production.
- f. Commissioning of Major upgradation job in Unit-I Kiln
 - i. Major upgradation was done in Unit-I by installation of new 6 stage preheater with precalciner and installation of new high efficiency clinker cooler with TA duct.
 - ii. Installation of latest technology and power efficient Vertical Roller Mill (VRM).

- iii. Installation of power efficient new cement grinding unit having roll press with ball mill alongwith most modern packing plant.
- g. Optimisation of Auxiliary power consumption of CPP I and II by various measures.

- h. Utilisation of renewable electrical energy for captive use:

We have utilised (net) 116.33 lacs Kwh of wind power electricity for captive use generated from 13 Nos. Wind Mills of 13.65 MW capacity installed at Jaisalmer.

2) Additional Investment and Proposals, if any, being Implemented for Reduction of Consumption of Energy

We are considering to install WHR based power plant in our Kiln-I and Kiln-II and expected power generation will be around 7 MW.

3) Impact of the Measures as above for the Reduction of Energy Consumption and Consequent Impact of the Cost of Production of Goods

By the efforts mentioned in SN 1(a to f) we are expecting to reduce specific Electrical Energy consumption on clinkerisation of Unit-I.



Annexure to Directors' Report

4) Total Energy Consumption and Energy Consumption Per Unit Of Production as Per Form - A of the Annexure to the Rules in Respect of Industries Specified in the Schedule

I. POWER AND FUEL CONSUMPTION

	2013-14	2012-13
1 ELECTRICITY		
a) Purchased (Net) (units in lacs)	22.61	17.64
Total amount (₹ in lacs)	341.12	334.22
Rate/Unit (₹)	15.09	18.94
b) Own Generation (net)		
i. Through Diesel Generators		
Units (in lacs)	--	0.06
Unit per Ltr. of Diesel oil	--	4.44
Cost/unit (₹)	--	12.64
ii. Through Steam Turbine/Generator		
a). Unit (Kwh in lacs)	1532.21	1637.66
b). Unit per Kg of coal	0.953	1.045
c). Cost/Unit (₹)	5.45	4.56
iii. Through Wind Mills		
Gross units (Kwh in lacs)	121.80	177.69
Net Units (Kwh in lacs)	116.33	169.73
2 COAL		
a. Used for Calcining of Raw Meal		
Quantity (MT)	149673*	173375
Total cost (₹ in lacs)	11084.39	12953.72
Average Rate (₹/MT)	7405.74	7471.51
*Including Trial Run		
b. Used in Steam Turbine/Generator		
Quantity (MT)	146016	156676
Total cost (₹ in lacs)	6006.78	5945.09
Average Rate (₹/MT)	4113.78	3794.51
3 FURNACE OIL	N.A.	N.A.

II. CONSUMPTION PER UNIT OF PRODUCTION

Products Unit	Industry Avg.	Cement MT	Cement MT
Electricity			
i) Unit-I	100-120 Kwh	94 Kwh	95 Kwh
ii) Unit-II	70-90 Kwh	75 Kwh	71 Kwh
Furnace oil		N.A.	N.A.
Coal per ton on Cement			
i) Unit-I		91 Kg	99 Kg
ii) Unit-II		82 Kg	70 Kg



B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption- as per Form 'B' given below

1. Research and Development (R & D)

(a) Specific areas in which R & D Carried out

Research and Development projects have been taken up for development of new and consistent quality of finished product of international standard level, by improving input raw materials, adopting new technique in analysis and development of new methods to increase proficiency of equipment's, maximum utilisation of available resources and developing pollution free environment. Following initiatives carried out successfully:

- i. Improvement in through put, quality of cement and power saving by controlling VRPM table feeder speed by VFD.
- ii. Additive addition in pile for obtaining consistency in quality and simultaneously corrective action also.
- iii. Development of drawing and feeding system for improved utilisation of Fly Ash having high moisture.
- iv. Beneficiation of limestone and its quality by modifying vibrating screen.
- v. Uses of imported Gypsum in order to get the consistency in improved quality of cement.
- vi. Modification in various fans for increasing efficiency.
- vii. Direct feeding of clinker through conveyor from Kiln-I to cement mill-I hopper to conserve power and environment pollution.

(b) Benefit derived as a result of above R & D.

- i. Improvement in output of mills and Kilns by modification in system.
- ii. Consistency and quality improvement for semi-finished and finished product by using alternative additives and methods.
- iii. Utilisation of hot gases and avoiding extra load to reduce power consumption and fuel saving.
- iv. Enhancement in Kiln life and production, PPC production, consistency in quality saving in power etc. by strengthening and modified supporting system.
- v. Saving in Energy, dust free environment and in controlling pollution.

(c) Future Plans of action

- i. Enhancement in PPC production to utilise hot gases in order to dry the wet materials effectively.
- ii. Modification in Tertiary Crusher of Raw Mill-I to improve efficiency.
- iii. Modification work in Cooler roof and duct lining pattern for longer life and better efficiency.
- iv. PA fan to be connected to ESP Cooler for power as well as fuel saving.
- v. Implementation of waste heat recovery project to utilise the waste heat from pre-heater unit to convert it into generation of power.

(d) Expenditure on R&D

	(₹ in lacs)	
	2013-14	2012-13
i Capital	14.92	40.06
ii Recurring Expenses	317.35	284.27
iii Total (i+ii)	332.27	324.32
iv Total R&D Expenditure as a percentage of Total Turnover	0.48%	0.40%

2. Technology Absorption, Adoption and Innovation

Efforts made in brief

- | | |
|--|--|
| a) Towards technology | <ol style="list-style-type: none"> 1. Continuous interaction with the main plant supplier and other for technical assistance, has helped to achieve optimum benefits of the advancement in technology such as plant optimisation, efficient use of energy etc. 2. Plant personnel were trained by experts, in-house and outside through Seminars and visits. |
| b) Benefits derived as a result of above efforts e.g. products improvement, cost reduction, product development, import substitution etc. | Improved quality and productivity throughput and cost reduction, due to thermal and electrical energy savings. |
| c) Incase of imported technology (imported during the last 5 years reckoned from the beginning of the Financial year) following information may be furnished | |
| (i) Technology imported | NIL |
| (ii) Year of import | N.A |
| (iii) Has Technology been fully absorbed | N.A |
| (iv) If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action | N.A |

C. FOREIGN EXCHANGE EARNING AND OUTGO

- | | |
|-----------------------------------|----------------|
| (a) Total foreign exchange earned | NIL |
| (b) Total foreign exchange used | ₹ 1059.78 lacs |

Yours faithfully,

K.K. Mudgil, Director
Amal Ganguli, Director
Aruna Makhan, Director
N.G. Khaitan, Director
Gaurav Goel, Director
K.C. Jain, Director

Vidula Jalan, Executive Director
A.V. Jalan, Executive Director

Place: Kolkata

Date: 13th May, 2014



Report on Corporate Governance

The Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices.



A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges

I. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance.

Integrity, accountability, transparency and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. Your Company has complied with the requirement of Corporate Governance as laid down under Clause 49 of the Listing Agreement with Stock Exchanges.

II. BOARD OF DIRECTORS

a) Composition of the Board

As on 31st March, 2014, the Board of Directors of the Company consists of eight Directors out of which six are Non-Executive and five are Independent Directors as against minimum requirement of 1/3 rd as per clause 49 of the Listing Agreement. The composition of the Board of Directors is as follows:-



S. No.	Name of the Director	Category	No. of other Directorship held (excluding*)	No. of other Board committee** (excluding*)	
				As Chairman	As Member
1.	Shri. K. K. Mudgil	Non-Executive Independent	-	-	-
2.	Shri Amal Ganguli	Non-Executive Independent	11	4	6
3.	Smt. Aruna Makhan	Non-Executive Independent	1	-	2
4.	Shri N. G. Khaitan	Non-Executive Independent	9	2	6
5.	Shri Gaurav Goel	Non-Executive Independent	3	-	-
6.	Shri K. C. Jain	Non-Executive	2	-	1
7.	Smt. Vidula Jalan	Executive	2	-	1
8.	Shri A. V. Jalan	Executive	2	-	1

* Mangalam Cement Limited, Private Companies, Companies under Section 25 of the Companies Act, 1956 ("the Act") and foreign companies

** Only two Committees viz., the Audit Committee and the Shareholders' / Investors' Grievance Committee have been considered for this purpose

Except, Shri A.V.Jalan and Smt Vidula Jalan, who are spouses, no Directors are related to any other Directors on the Board in terms of the provisions of the Companies Act, 1956. All the Directors who are on various Committees are holding the membership as the permissible limits of the Listing Agreement.

b) Board meetings and attendance of the Directors

- (i) The Company's Board of Directors play a primary role in ensuring good governance and functioning of the Company. All the relevant information (as mandated

by the regulations) is placed before the Board. The Board reviews from time to time compliance reports of all the laws applicable to the Company. The members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion.

During the year ended on 31st March, 2014 the Board of Directors had four (4) meetings – 2nd May 2013, 6th August, 2013, 8th November, 2013 and 3rd February, 2014.



- (ii) The attendance record of the Directors at the Board Meetings during the year ended 31st March, 2014 and the last Annual General Meeting (AGM) is as under:

S.No.	Name of the Director	No. of Board Meetings Attended	Attendance at the Last AGM
1.	Shri K.K.Mudgil	4 out of 4	No
2.	Shri Amal Ganguli	3 out of 4	No
3.	Smt. Aruna Makhan	4 out of 4	No
4.	Shri N G Khaitan	4 out of 4	No
5.	Shri Gaurav Goel	3 out of 4	No
6.	Shri K C Jain	4 out of 4	Yes
7.	Smt Vidula Jalan	4 out of 4	Yes
8.	Shri A.V.Jalan	4 out of 4	Yes

c) Remuneration

Details of the sitting fee, commission and remuneration paid to the Directors during the year ended 31st March, 2014 are as under:

S. No	Name of the Director	Salary	Commission Payable for the year	Perquisites	Sitting Fee paid during the year	Total
1.	Shri K.K.Mudgil	-	435000	-	390000	825000
2.	Shri Amal Ganguli	-	435000	-	60000	495000
3.	Smt. Aruna Makhan	-	435000	-	360000	795000
4.	Shri N G Khaitan	-	435000	-	130000	565000
5.	Shri Gaurav Goel	-	435000	-	90000	525000
6.	Shri K C Jain	-	435000	-	160000	595000
7.	Smt Vidula Jalan	29,04,000	2600000	2583856	-	8087856
8.	Shri A.V.Jalan	29,04,000	2600000	2722661	-	8226661

(In ₹)

- (i) Besides the sitting fee and traveling expenses to attend any meeting of the Board or any Committee thereof, Non-Executive Director (NED) are paid commission @1% of net profit of the Company subject to maximum of ₹ 5.5 lacs to each NED.
- (ii) Commission payable to the Executive Directors at the rate of not exceeding 1% of the net profits of the Company for a period of 3 years w.e.f. 1st April, 2011 as approved by the shareholders in their meeting held on 29th April, 2011.
- (iii) The Company does not have any stock option or any performance linked incentive that is paid to the Directors.

d) Code of Conduct

The Company has laid down a Code of Conduct applicable to all Board Members and senior management personnel for avoidance of conflicts of interest between each of the above individuals and the Company. All the Board Members and senior management personnel have affirmed compliance with the Code of Conduct as at the end of each Financial Year. The required declarations in respect of the

Financial Year 2013-14 have been received from all Board Members and senior management personnel. There were no materially significant transaction as defined in clause 49 of the Listing Agreement during the Financial Year with Board Members and senior management staff, including their relatives that had or could have had a potential conflict with the interest of the Company at large.

The Code of Conduct is available on the website of the Company.

III. COMMITTEES OF THE BOARD

a. Audit Committee

- (i) The Audit Committee was reconstituted on 2nd May, 2013 and consists of four Non-Executive among which three are Independent Directors. The terms of reference to the Audit Committee are as per the guidelines set out in the listing agreement with the Stock Exchanges read with section 292A of the Companies Act, 1956. These broadly include review of financial reporting systems, internal control systems, ensuring compliance with regulatory guidelines, discussions on quarterly/half yearly/annual financial

results, interaction with statutory, internal and cost auditors and appointment and removal of Internal Auditors.

- (ii) During the year ended 31st March, 2014, the Audit Committee held 4 meetings - 2nd May, 2013, 6th August, 2013, 8th November, 2013 and 3rd February, 2014.
- (iii) Details of the composition of the Audit Committee and the attendance at the Meetings held are as follows.

S. No.	Name of the Director	Position	Meetings attended
1.	Shri K. K. Mudgil	Chairman	4 out of 4
2.	Smt. Aruna Makhan	Member	4 out of 4
3.	Shri N. G. Khaitan	Member	4 out of 4
4.	Shri K. C. Jain	Member	4 out of 4

- (iv) At the invitation of the Committee, Internal Auditors, Cost Auditors, Statutory Auditors, Company Secretary who is acting as Secretary to the Audit Committee and the CFO of the Company also attends the Audit Committee meetings as and when required to respond to the queries raised at the Committee Meetings.

b. Remuneration Committee

The Remuneration Committee of the Directors was re-constituted on 2nd May, 2013 and the re-constituted committee comprises the following three Independent Directors.

S. No.	Name of the Director	Position	Meetings attended
1.	Shri K.K.Mudgil	Chairman	1 out of 1
2.	Shri N.G. Khaitan	Member	1 out of 1
3.	Shri Gaurav Goel	Member	1 out of 1

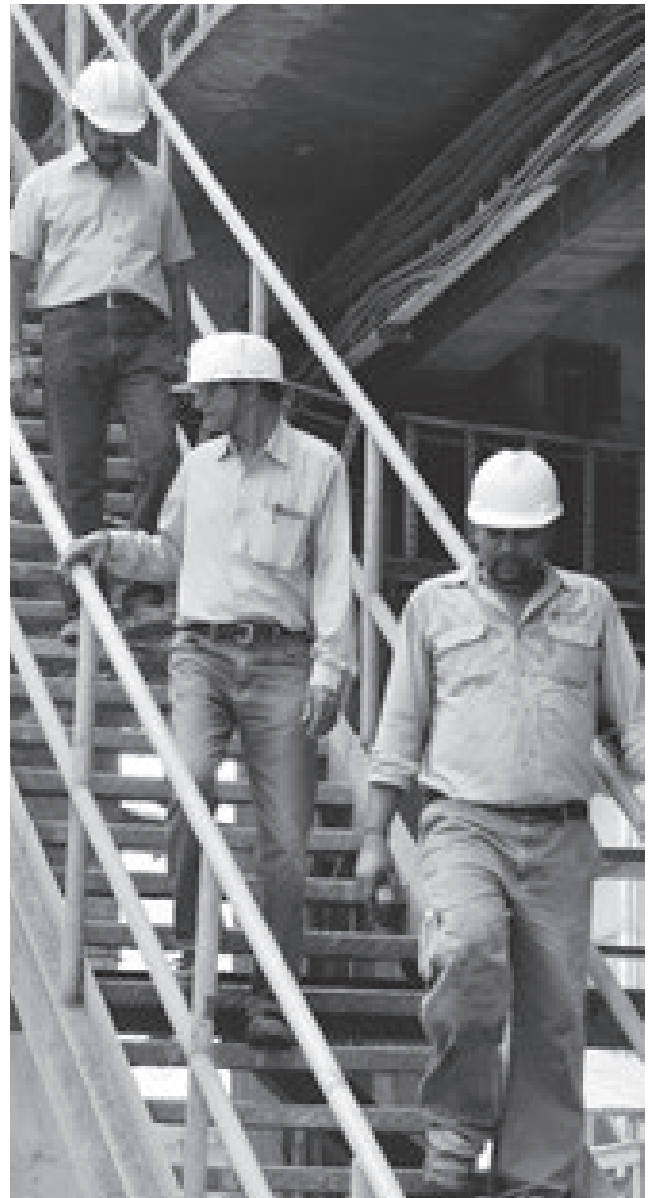
During the year ended 31st March, 2014, one meeting of the Remuneration Committee was held on 2nd May, 2013.

c. Shareholders/Investors Grievance Committee

The Shareholders/Investors' Grievance Committee of the Directors was re-constituted on 2nd May, 2013. The Committee consists of two Independent Directors and one Non-Executive Director. Details of the attendance at the meetings held are as follows:

S. No.	Name of the Director	Position	Meetings attended
1.	Shri K.K.Mudgil	Chairman	2 out of 2
2.	Shri Gaurav Goel	Member	2 out of 2
3.	Shri K C Jain	Member	2 out of 2

Shareholders'/Investors' Grievance Committee meetings were held on 2nd May, 2013 and 3rd February, 2014.





The position as on 31st March, 2014 of the shareholders' complaints received and redressed during the financial year as follows:

Nature of Complaint	Complaints received from			Total complaints Received During 2013-14	Total redressed	No. of grievances outstanding as on 31st March, 2014
	Investors Directly	Stock Exchanges & SEBI	ROC			
Non-receipt of Dividend warrant(s)	9	1	Nil	10	10	Nil
Non-receipt of Share Certificate(s) /after transfer/demat	1	Nil	Nil	1	1	Nil
Non-receipt of Duplicate Share certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Annual Report(s)	9	Nil	Nil	9	9	Nil
Total	19	1	Nil	20	20	Nil

d. Share Transfer Committee

Share Transfer Committee is in force since 10th November 1986. It was reconstituted on 2nd May, 2013 comprising Shri K.K.Mudgil, Smt. Aruna Makhan and Shri K.C.Jain, Directors of the Company. Shri K.K.Mudgil is the Chairman of the Committee. The Committee has been given the powers to deal with all the matters related to transfer, transmission, issuance of duplicate certificates, split and/or consolidation requests. In addition, the Company Secretary and certain officials of the Company have been given the powers to endorse registration of share transfers and transmission of share certificates. The Share Transfer Committee meets at frequent intervals as and when required.

The Company Secretary of the Company is Secretary to the Audit committee, Remuneration Committee, Shareholders' / Investors' Grievance Committee and Share Transfer committee.

e. Committee for Investments

The Committee was constituted on 18th October, 2008 to take decisions on investment of surplus funds of the Company. It was re-constituted on 27th October, 2009. The details of composition of the committee held are as under:

S. No.	Name of Director	Position
1.	Shri N.G.Khaitan	Chairman
2.	Shri A.V.Jalan	Member
3.	Smt. Vidula Jalan	Member

During the year ended 31st March, 2014, no meeting of the Committee was held.

IV. SHARES AND CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS

Details of Shareholding of Directors as on 31st March, 2014 in the Company are as under:

S. No.	Director	No. of Equity Shares
1.	Shri K.K.Mudgil	1,000
2.	Shri Amal Ganguli	Nil
3.	Smt. Aruna Makhan	Nil
4.	Shri N.G. Khaitan in HUF	440
5.	Shri Gaurav Goel	Nil
6.	Shri K.C.Jain	6840
7.	Smt Vidula Jalan	26000
8.	Shri A.V.Jalan	10000

The Company has no convertible instrument pending as on 31st March, 2014.

V. SUBSIDIARY COMPANY

The Company does not have any subsidiary company.

VI. CEO/CFO CERTIFICATION

The CEO and CFO certification of the financial statements and the cash flow statements for the year is enclosed at the end of the report.

VII. ANNUAL GENERAL MEETING

- a) Details of the AGMs held during the past 3 years are as under:

AGM No	Financial Year	Day, Date and time	Venue
35th	2010-11	Saturday, 06.08.2011 at 11.30 AM	At Regd Office, Adityanagar 326520, Morak, Dist. Kota, Rajasthan.
36th	2011-12	Monday, 06.08.2012 at 11.30 AM	-do-
37th	2012-13	Monday, 29.07.2013 at 11.30 AM	-do-

- b) All the resolutions, including Special Resolutions set out in the respective Notices were passed by shareholders in their General Meetings. section 293(1)(a) of the Companies Act, 1956, was passed by the Company's Shareholders through Postal Ballot:
- c) **Postal Ballot Resolutions**
Mr. Pradeep Pincha of M/s. P Pincha & Associates, Company Secretary in Whole-time practice, Scrutinizer appointed by the Board has submitted his report. Accordingly, the following result of the postal ballot (passed through physical as well as e-voting) was declared on 30th September, 2013.
- For the financial year ended 31st March, 2014, an ordinary resolutions to hypothecate, mortgage, create lien and/or other encumbrances in addition to the mortgages / charges on all or on any of the movable and/or immovable properties of the Company under

Particulars	No. of Postal Ballots			Ordinary Resolution	
	Physical	Electronic	Total No. of Postal Ballots	No. of Shares / Votes	% of total Voting
Total Postal Ballots forms / Votes received	478	37	515	10584622	100.00%
Less: Number of Invalid Postal ballot forms / Votes received	10	-	10	3398	0.03%
Net Valid Postal Ballot Forms / Votes received	468	37	505	10581224	99.97%
Total Postal Ballots forms / votes received with Assent for the Resolution	432	33	465	10574630	99.91%
Total Postal Ballots forms / votes received with Dissent for the Resolution	36	4	40	6594	0.06%

The procedure for postal ballot was as per the provisions contained in this behalf in the Companies Act, 1956 and rules made thereunder namely Companies (Passing of the Resolution by Postal Ballot) Rules, 2011

- d) Resolutions to be passed at the ensuing Annual General Meeting of the Company are not proposed to be put through postal ballot. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time. the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis.

VIII. DISCLOSURES

- a) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transaction with related parties which were not in the normal course of business required to be placed before
- b) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- c) A well defined Risk Management Policy covering assessment, management, monitoring and review, has been approved by the Board.



- d) No money was raised by the Company through public issue, rights issue, preferential issues etc in the last financial year and hence, provisions contained in this behalf in Clause 49 of the Listing Agreement are not applicable for Compliance by the Company.
- e) (i) All pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company have been disclosed in item II(c) of this Report.
- (ii) The Company has two Executive Directors on the Board whose appointment and remuneration has been fixed by the Board in terms of resolution passed by the members. The remuneration paid/payable to them is mentioned in item II(c) of this report.
- (iii) The number of shares held by each Director is mentioned in item IV of this report.
- f) (i) Management Discussion and Analysis forms part of the Annual Report to the Shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the Listing Agreement with Stock Exchanges.
- (ii) There were no material financial and commercial transactions by Senior Management as defined in Clause 49 of the listing agreement where they have personal interests that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- g) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

IX. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code is applicable to all the Directors/Officers and Designated Employees. The Code also aims to prevent dealing in the shares by persons having access to unpublished information.

X. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These financial results are normally published in one Financial Newspaper and one local news paper.

XI. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is attached and forms part of the Directors' Report.

XII. APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

The resume and other details of the Directors seeking appointment-re-appointment as required to be disclosed under clause 49(IV)(G)(i) of the Listing Agreement is provided in the AGM Notice attached with this Annual Report.

XIII. GENERAL SHAREHOLDERS' INFORMATION

(a) Registered Office and Plant Location

Adityanagar 326520, Morak
Dist. Kota (Rajasthan)
Tel. No. 07459-232262/ 232227/ 232236
Fax: 07459-232036
Website: www.mangalamcement.com
CIN: L26943RJ1976PLC001705
E.mail: shares@mangalamcement.com

(b) Corporate Office

Birla Building, 10th Floor
9/1, R.N.Mukherjee Road,
Tel. No. 033 2243 8706/07
Fax: 033 22438709
Kolkata - 700001
E-mail: kolkata@mangalamcement.com

(c) Share Transfer Agents

MAS Services Ltd, T-34, 2nd Floor,
Okhla Industrial Area, Phase II,
New Delhi - 110020
Tel.No. 011-26387281 / 82 / 83
Fax No.011-26387384
E-mail: mas_serv@yahoo.com
Website: www.masserve.com

(d) Annual General Meeting

Date, Time and Venue
Day and Date: Saturday and 13th September, 2014
Time: 11:30 AM
Venue: Club Hall, Basant Vihar,
Mangalam Cement Ltd,
Adityanagar 326520,
Morak, Dist. Kota (Rajasthan)

(e) Book Closure

From 6th September, 2014 to 13th September, 2014, both the days inclusive.

(f) Dividend Payment Date

On approval by the Shareholders in the Annual General Meeting, the dividend will be paid to the shareholders in the month of September, 2014 but within the statutory time limit.

(g) Listing of Securities

Equity shares of the Company are listed at the following Stock Exchanges:

S. No.	Name of the Stock Exchange	Stock Code
1.	BSE Ltd, Phiroze Jeejeebhoy towers, Dalal Street, Mumbai 400001	502157
2.	National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051	MANGLMCEM

ISIN No of the Company Equity Shares in Demat Form: INE 347A01017





(h) Listing Fee

Company has paid the listing fee for the year 2014-15 to all the Stock Exchanges where the securities are listed. There are no arrears in payment of Listing Fees.

(i) Custodial Fees to Depositories

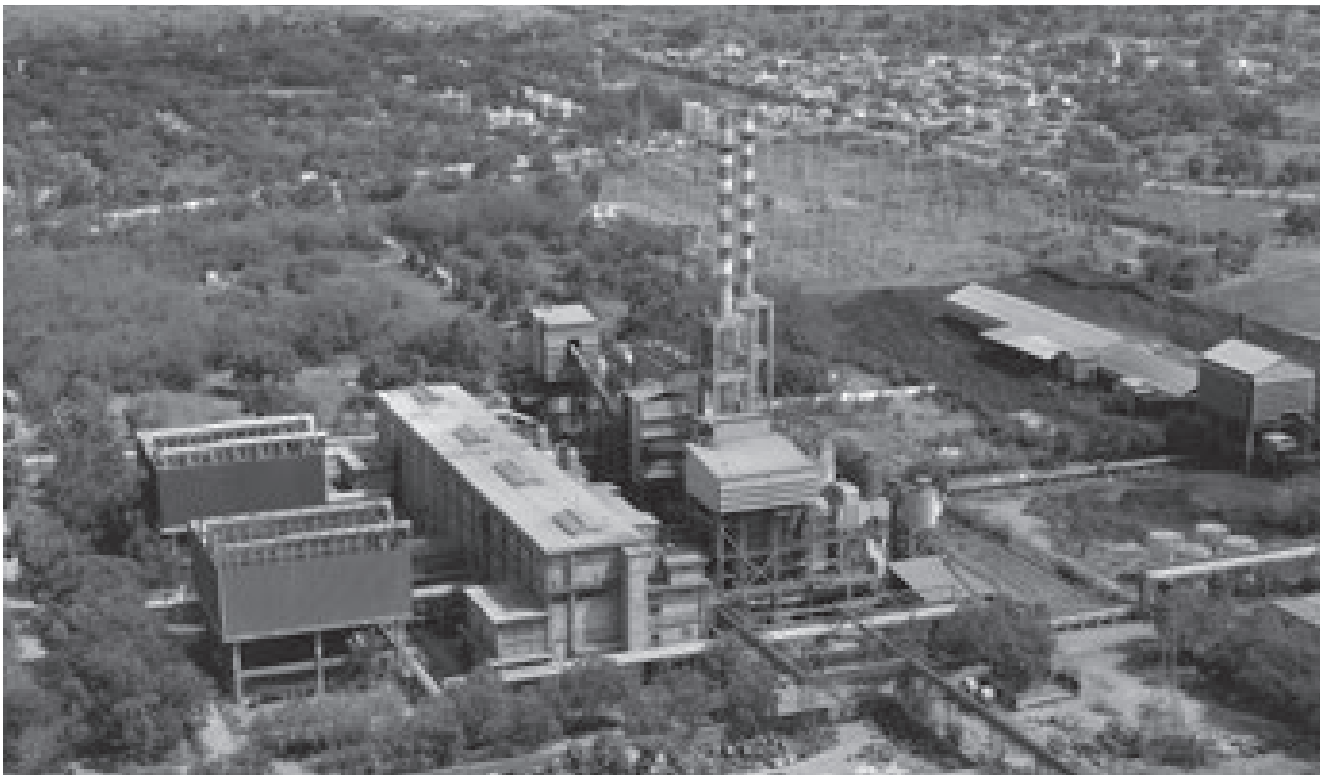
Custodial fee for the year 2014-15 has been paid to National Securities Depository Ltd and to Central Depository Services (India) Ltd.

(j) Market Price Data

The high/low market price of the Equity Shares during the year 2013-14 at the BSE Ltd, Mumbai and at National Stock Exchange of India Ltd, were as under:

(In ₹ per Share)

Month	BSE Ltd.		National Stock Exchange of India Ltd. (NSE)	
	High	Low	High	Low
April, 2013	145.00	122.10	144.55	122.00
May, 2013	145.95	118.20	146.00	118.10
June, 2013	124.00	113.00	125.00	113.75
July, 2013	131.50	96.00	146.25	95.50
August, 2013	103.50	88.00	104.70	87.60
September, 2013	115.00	93.10	114.70	92.20
October, 2013	107.00	97.30	107.30	97.20
November, 2013	110.00	97.95	110.20	98.00
December, 2013	115.80	101.30	115.60	101.20
January, 2014	116.00	99.50	115.40	99.10
February, 2014	106.90	95.35	107.00	95.55
March, 2014	125.00	99.65	125.20	99.00



(k) Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2014 is given below.

S.No.	No. of Equity Shares	No. of shareholders	No. of shares	Percentage of Shareholding
1.	1 to 500	20433	2652748	9.94
2.	501 to 1000	1360	1086566	4.07
3.	1001 to 2000	595	917947	3.44
4.	2001 to 3000	167	437192	1.64
5.	3001 to 4000	105	378036	1.41
6.	4001 to 5000	81	383389	1.44
7.	5001 to 10,000	141	1053126	3.94
8.	10001 and above	150	19784776	74.12
	Total	23,032	26693780	100%

(l) Shareholding Pattern as at 31st March, 2014

S.No.	Category	No. of Equity shares	Percentage
1.	Promoters	7316603	27.41
2.	Resident Individuals/HUFs	9129610	34.20
3.	Body Corporate/Trusts/Partnerships	9070436	33.98
4.	Mutual Funds, Banks, Financial and Govt. Institutions/ Insurance Companies	493181	1.84
5.	FII, NRIs, OCBs	683950	2.57
	Total	26693780	100%

(m) Dematerialisation of Shares

As on 31st March, 2014, 98.03% of the Company's total equity shares representing 2,61,68,062 shares were held in dematerialised form and balance 1.97% representing 5,25,718 shares were held in physical form.

All share transfers etc. are approved by Committee of Directors which meets periodically.

In the case of Shares held in Electronic Form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

(n) Reconciliation of Share Capital Audit

As stipulated by the Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out Reconciliation of Share Capital Audit. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors.

(q) Financial Calendar 2014-2015

- (i) Financial Year
1st April, 2014 to 31st March, 2015
- (ii) First Quarterly Results for Quarter ending
30th June, 2014
On or before 14th August, 2014
- (iii) Second Quarterly Results for the quarter
ending 30th Sept, 2014
On or before 14th November, 2014
- (iv) Third Quarterly Results for the Quarter ending
31st December, 2014
on or before 14th February, 2015
- (v) Annual Results for the Year ending 31st March,
2015
On or before 30th May, 2015

(o) Convertible Instruments

The Company has not issued any GDRs/ ADRs/ warrants or any convertible instruments.

(p) Share Transfer System

Share transfer work of physical segment is attended to by the Company's Registrar and Share Transfer Agents within the prescribed period under the law and the Listing Agreement with the Stock Exchanges.



(r) Compliance Officer

Shri Swadesh Agrawal, Company Secretary of the Company is the Compliance Officer.

XIV. COMPLIANCE CERTIFICATE FROM AUDITOR

The Company has obtained a certificate from the Auditor of the Company confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

XV. ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49

The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

a. The Board

- i. An office for the use of the Chairman is made available whenever required
- ii. At present there is no policy for fixing the tenure of Independent Directors.

b. Remuneration Committee

The Company has a remuneration committee consisting of three Independent Directors namely Shri K.K.Mudgil, Shri N.G. Khaitan and Shri Gaurav Goel as stated in item no III (b) above.

c. Shareholders' Rights

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.

d. Audit Qualifications

During the year under report, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

e. Training of Board Member

There is no formal policy at present for training of the Board Members of the Company as the members of the Board are eminent and experienced professional persons.

f. Mechanism for evaluating Non-Executive Board Member

There is no formal mechanism existing at present for performance evaluation of Non-Executive Directors.

g. Whistle Blower Policy

The Company does not presently have a formal Whistle Blower policy. However, no employee is denied access to the Audit Committee should a specific request to this effect be received.

Yours faithfully,

K.K. Mudgil, Director
Amal Ganguli, Director
Aruna Makhan, Director
N.G. Khaitan, Director
Gaurav Goel, Director
K.C. Jain, Director

Vidula Jalan, Executive Director
A.V. Jalan, Executive Director

Place: Kolkata
Date: 13th May, 2014

CEO and CFO Certification

To,
The Board of Directors,
Mangalam Cement Ltd

We, to the best of our knowledge and belief, certify that;

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 and that of the best of our knowledge and belief;
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, pertaining to financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the audit committee;
 - (i) significant changes in internal controls for financial reporting, during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements, and;
 - (iii) instances of significant fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 13th May, 2014

A.V. Jalan
Executive Director

Anil Kumar Mandot
Chief Financial Officer &
Sr. Joint President (Comml.)



Auditors' Certificate on Compliance with the Conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,
The Members of
Mangalam Cement Ltd

We have examined the compliance of conditions of Corporate Governance by Mangalam Cement Ltd, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **JAIN PRAMOD JAIN & CO.**
Firm Registration No. 016746N
Chartered Accountants,

Place: Kolkata
Date: 13th May, 2014

P.K.JAIN
Partner
Membership No.10479

Declaration by the CEO Pursuant to Clause 49 of the Listing Agreement containing Corporate Governance

This is to confirm that the code of conduct for all board members and senior management personnel of the Company has been circulated to the concerned persons of the Company and the Company has received affirmation of compliance with the code of conduct from the members of the Board of Directors and the senior management personnel of the Company.

Place: Kolkata
Date: 13th May, 2014

A. V. Jalan
Executive Director

Independent Auditors' Report

To

The Members of Mangalam Cement Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Mangalam Cement Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956

("The Act") 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Jain Pramod Jain & Co.**

Chartered Accountants

Firm's Registration Number: 016746 N

(P.K. Jain)

Partner

Place : Kolkata

Date : 13th May, 2014

Membership No. 010479



Annexure to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification;
- (c) The Company has not disposed off any substantial part of its fixed assets;
- ii. (a) As explained to us, the inventories of the Company at all its locations (except stocks lying with third parties and in transit) have been physically verified by the management at reasonable intervals;
- (b) The procedures for 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) On the basis of our examination, we are of the opinion that, the Company is maintaining proper records of inventory. The discrepancies which were noticed on physical verification of inventory as compared to book records were not material;
- iii. (a) As informed to us, the Company has given unsecured loan to a Company covered in the Register maintained under section 301 of the Companies Act, 1956. The year end balance of such loan is ₹ 360 lacs (maximum balance outstanding during the year ₹ 360 lacs).
- (b) Rate of interest and other terms and conditions of the loan given by the Company are not prima facie prejudicial to the interest of the Company.
- (c) The parties have repaid the principal amount and have also been regular in the payment of interest to the Company.
- (d) No amount of such loan is overdue for recovery.
- (e) The Company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act, hence our comments on para iii(a) to iii(d) of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for 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 of the Company.
- v. (a) On the basis of the audit procedures performed by us, and according to the information and explanations and representations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of ₹ 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at that relevant time;
- vi. In our opinion and according to the information and explanations given to us, the Company has not taken any deposit from public as referred in section 58A and 58AA of the Companies Act 1956 and the rules framed thereunder;
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete;
- ix. (a) According to the information and explanations and records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date it became payable as on 31st March, 2014;
- (b) According the records and information and explanations given to us, there are no dues in respect of custom duty and wealth tax that have not been deposited on account of any dispute. In our opinion and according to the information and explanations given to us, the dues in respect of sales tax, service tax, cess, excise duty and income tax that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:

Annexure to Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹ in lacs)	Period to which the amount related	Forum where matter is pending
Central Excise Act	Cenvat	1.40	Various matters, from 1995 to 1997	Rajasthan High Court
		234.24	Various matters, from 1997 to 2009	CESTAT.New Delhi
		28.18	Various matters, from 2006 to 2010	Commissioner (Appeals)
		226.40	Various matters, from 2013	Commissioner
	Excise Duty	7.20	Various matters, from 1997 to 2001	Rajasthan High Court
		216.16	Various matters, from 1999 to 2009	CESTAT.New Delhi
		68.15	Various matters, from 2010 to 2013	Chief Commissioner
		21.74	October 2011 to March 2012	Addl. Commissioner
		6.42	Various matters, from 2008 to 2010	Asst.Commissioner
		2472.69	Various matters, from 2008 to 2013	Commissioner
Income Tax Act	Income Tax	1.14	A.Y. 1992-93	High Court, Jaipur (appeal filed by Department)
		798.68	Various matters, from A.Y. 2008-2009 to 2011-2012	CIT (Appeals)
Sales Tax (M.P.)	Disallowance of credit notes	0.24	Various matters, from 2001 to 2003	Tax Board, M.P.
Sales Tax (Rajasthan)	Sales Tax	4852.98	Various matters, from 2003 to 2008	Assessing Authority
Central Sales Tax Act	Central Sales Tax	1021.91	2003-2008	Assessing Authority
Service Tax	Service Tax	48.79	November 1997 to June 1998	Rajasthan High Court
		678.98	Various matters, from 2005 to 2012	CESTAT.New Delhi
		805.55	2012-2013	Commissioner
		10.46	Various matters, from 2007 to 2012	Commissioner (Appeals)
		14.61	2013	Addl. Commissioner
		0.23	2012-2013	Superintendent
Entry Tax (U.P.)	Entry Tax	157.83	Various matters, from 2007 to 2010	Supreme Court
Land Tax (Rajasthan)	Land tax	1495.41	Various matters, from 2006 to 2013	Supreme Court (appeal filed by Federation of mining association of Rajasthan)
Government of Rajasthan	Environment and Health Cess	507.78	2008 to 2014	Rajasthan High Court
Government of Rajasthan	Entry Tax	564.47	2010 to 2014	Rajasthan High Court

- x. There was no accumulated loss at the end of year. The Company has not incurred cash losses during current financial year and immediately preceding financial year;
- xi. The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders;
- xii. According to information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and any other securities;
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, clause 4(xiii) of the Order is not applicable to the Company;
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions;
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised;
- xvii. According to the information and explanations given to us and on overall examination of the Balance Sheet of the

- Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act;
- xix. On the basis of the records made available to us, the Company has not issued any debentures during the period;
- xx. The Company has not raised any money by public issue, during the year;
- xxi. Based upon the audit procedure performed and the information and explanations given to us, we report that no fraud on or by the Company, has been noticed or reported during the course of our audit.

For Jain Pramod Jain & Co.
Chartered Accountants
Firm's Registration Number: 016746 N

(P.K. Jain)

Place : Kolkata
Date : 13th May, 2014

Partner
Membership No. 010479



Balance Sheet as at 31st March, 2014

(₹ in lacs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	2669.38	2669.38
(b) Reserves and surplus	2	48030.97	46562.80
(2) Non-current liabilities			
(a) Long-term borrowings	3	34345.70	21100.42
(b) Deferred tax liabilities (Net)	4	6103.07	5835.07
(c) Other Long term liabilities	5	7973.54	7757.88
(d) Long-term provisions	6	587.30	482.80
(3) Current liabilities			
(a) Short-term borrowings	7	1327.13	-
(b) Trade payables	8	6885.11	5662.29
(c) Other current liabilities	9	5173.07	4689.53
(d) Short-term provisions	10	1137.03	2108.40
Total		114232.30	96868.57
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		50337.99	33606.30
(ii) Intangible assets		1162.61	1309.19
(iii) Capital work-in-progress		25503.82	21409.49
(b) Non-current investments	12	3557.02	3557.02
(c) Long-term loans and advances	13	2034.95	2284.28
(d) Other non-current assets	14	3063.41	2133.66
(2) Current assets			
(a) Inventories	15	11593.12	13660.46
(b) Trade receivables	16	2273.19	3015.46
(c) Cash and Bank balances	17	4635.21	9232.90
(d) Short-term loans and advances	18	9391.92	5974.59
(e) Other current assets	19	679.06	685.22
Total		114232.30	96868.57
Accounting Policies and Notes to Accounts	28		

The Notes 1 to 19 and Note 28 referred to above form an integral part of the Balance Sheet

As per our Report of even date

FOR JAIN PRAMOD JAIN & CO.

Chartered Accountants

FRN 016746 N

(P.K.JAIN)

Partner

M.No.10479

Kolkata

13th May, 2014

Anil Kumar Mandot

CFO & Sr. Jt. President (Commercial)

Swadesh Agrawal

Company Secretary

K. K. Mudgil, Director

Amal Ganguli, Director

Aruna Makhan, Director

N.G. Khaitan, Director

Gaurav Goel, Director

K.C. Jain, Director

Vidula Jalan, Executive Director

A.V. Jalan, Executive Director

Statement of Profit and Loss

for the Year ended 31st March, 2014

(₹ in lacs)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
I. Revenue from operations	20	69730.73	70604.11
II. Other income	21	463.29	709.77
III. Total Revenue (I + II)		70194.02	71313.88
IV. Expenses:			
Cost of materials consumed	22	11663.30	11250.27
Purchases of Stock-in-Trade	23	1501.73	-
Changes in inventories of finished goods and material in process	24	2713.46	(3624.69)
Employee benefits expense	25	4257.94	3812.43
Finance costs	26	870.52	483.58
Depreciation and amortisation expense	11	2782.74	2517.06
Less: Recouped From Revaluation Reserve		(8.91)	(8.91)
Other expenses	27	44019.79	46103.20
Total expenses		67800.57	60532.94
V. Profit before exceptional and extraordinary items and tax (III-IV)		2393.45	10780.94
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2393.45	10780.94
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		2393.45	10780.94
X. Tax expense:			
Current tax/MAT		505.00	3220.00
MAT Credit		(505.00)	-
Income Tax Expenditure For Earlier Year (Net)		(288.54)	21.08
Deferred tax		(278.64)	(197.00)
XI. Profit for the year (IX-X)		2960.63	7736.86
XII. Earnings per equity share:			
Basic		11.09	28.98
Diluted		11.09	28.98
Accounting Policies and Notes to Accounts	28		

The Notes 20 to 27 and Note 28 referred to above form an integral part of the Statement of Profit and Loss.

As per our Report of even date
FOR JAIN PRAMOD JAIN & CO.
Chartered Accountants
FRN 016746 N
(P.K.JAIN)
Partner
M.No.10479
Kolkata
13th May, 2014

Anil Kumar Mandot
CFO & Sr. Jt. President (Commercial)

Swadesh Agrawal
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N.G. Khaitan, Director
Gaurav Goel, Director
K.C. Jain, Director
Vidula Jalan, Executive Director
A.V. Jalan, Executive Director



Cash Flow Statement for the Year ended 31st March, 2014

(₹ in lacs)

	31st March, 2014	31st March, 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation and extraordinary items	2393.45	10780.94
Adjustments for:		
1. Depreciation / Amortisation	2773.83	2508.15
2. Interest expense	870.52	483.58
3. Interest income	(463.29)	(708.89)
4. Loss on sale of fixed assets (Net)	0.00	11.90
5. Wealth tax	32.68	9.40
6. Foreign exchange fluctuation	1.14	(0.88)
7. Liabilities no longer required written back	(217.55)	-
Operating profit before working capital Changes	5390.78	13084.20
Adjustments for:		
1. Trade & other receivables	(1138.90)	3770.77
2. Inventories	2067.34	(7837.71)
3. Trade payables	999.22	4038.94
Cash generated from operations	7318.44	13056.20
Direct taxes paid	(1021.23)	(2424.98)
Net Cash from operating activities	6297.21	10631.22
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(23059.58)	(21653.94)
Sale of fixed assets	38.01	83.39
Interest received	469.35	866.70
Purchase of non current investments	-	(3447.00)
Net cash used in investing activities	(22552.22)	(24150.85)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest and financial charges	(822.89)	(445.61)
Dividend paid (including corporate dividend tax)	(1859.47)	(1849.44)
Proceeds from long /short term borrowings	14327.14	21007.50
Net cash used in financing activities	11644.78	18712.45
Net increase/(decrease) in cash and cash equivalents	(4610.23)	5192.82
Cash and cash equivalents as at 31.03.2013 (Opening balance)	8886.18	3693.36
Cash and Cash equivalents as at 31.03.2014 (Closing balance)	4275.95	8886.18

Cash Flow Statement

for the Year ended 31st March, 2014

(₹ in lacs)

	31st March, 2014	31st March, 2013
Notes		
1. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.		
2. Figure in brackets indicates cash outgo		
3. Cash and Cash equivalents include		
Cash in hand	3.85	6.25
Bank Balances		
Current account	290.78	554.61
Cheques/Drafts in hand	881.32	325.32
Short term deposit	3100.00	8000.00
	4275.95	8886.18

As per our Report of even date
FOR JAIN PRAMOD JAIN & CO.
Chartered Accountants
FRN 016746 N
(P.K.JAIN)
Partner
M.No.10479
Kolkata
13th May, 2014

Anil Kumar Mandot
CFO & Sr. Jt. President (Commercial)

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Aruna Makhan, Director
N.G. Khaitan, Director
Gaurav Goel, Director
K.C. Jain, Director
Vidula Jalan, Executive Director
A.V. Jalan, Executive Director



Notes forming part of the Financial Statements

(₹ in lacs)

		31st March, 2014	31st March, 2013
NOTE NO. 1			
Share Capital			
Authorised			
200000	Redeemable Cumulative Preference Shares of ₹ 100 each	200.00	200.00
40000000	Equity Shares of ₹ 10 each	4000.00	4000.00
18000000	Optionally Convertible Cumulative Redeemable Preference Share (OCCPS) of ₹ 10/- each	1800.00	1800.00
		6000.00	6000.00
Issued, Subscribed and Paid up			
26693780	Equity Shares of ₹ 10/- each (Previous Year 26693780 shares)	2669.38	2669.38
		2669.38	2669.38

Note :-

1 Reconciliation of the number of Equity Shares Outstanding (In lacs)

	31st March, 2014	31st March, 2013
Number of Equity Shares Outstanding at the beginning of the year	266.94	266.94
Number of Equity Shares Outstanding at the end of the year	266.94	266.94

2 Shares held by each shareholder holding more than 5 percent shares (In lacs)

Name of shareholders	No. of Shares	%	No. of Shares	%
Kesoram Industries Ltd.	38.20	14.31	38.20	14.31
Century Textiles & Industries Ltd.	22.21	8.32	22.21	8.32

3 Details of the aggregate number and class of shares bought back in the five years immediately preceding the 31.03.2014

(In lacs)

Year	Class of share	No. of Shares
2008-2009	Equity	2.14
2009-2010	Equity	13.39

4 Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of one equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes forming part of the Financial Statements

(₹ in lacs)

	31st March, 2013	Additions	Transfer/ Allocation/ Appropriation	31st March, 2014
NOTE NO. 2				
Reserves & Surplus				
Capital Reserves	20.22	-	-	20.22
Capital Redemption Reserve	155.30	-	-	155.30
Preference Share Capital Redemption Reserve	20.00	-	-	20.00
Securities Premium Account	546.64	-	546.64 a	-
Revaluation Reserve	489.43	-	8.91 b	480.52
General Reserve	6013.15	300.00	-	6313.15
Surplus	39318.06	2960.63	1236.91 c	41041.78
	46562.80	3260.63	1792.46	48030.97
Previous year	40559.73	8685.82	2682.75	46562.80

Note:

- Represents utilisation of Deferred Tax Liabilities for the year ended 31.03.2014 (Note No. 4)
- Depreciation on revalued fixed assets recouped from Revaluation Reserve transferred to Statement of Profit & Loss ₹ 8.91 lacs (Previous year ₹ 8.91 lacs)
- Transfer / Allocation / Appropriation

(₹ in lacs)

	2013 - 2014	2012 - 2013
General Reserve	300.00	800.00
Proposed Dividend on Equity Shares	800.81	1601.63
Corporate Dividend Tax	136.10	272.20
	1236.91	2673.82

(₹ in lacs)

	Non Current		Current	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
NOTE NO. 3				
Long-term borrowings				
Secured:-				
From banks				
Indian rupee loan From HDFC Bank Ltd.	11875.00	7500.00	625.00	-
Indian rupee loan From State Bank of India.	7500.00	-	500.00	-
Foreign currency loan from DBS Bank Ltd.	14970.70	13600.42	-	-
	34345.70	21100.42	1125.00	-
Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 9)	-	-	1125.00	-
	34345.70	21100.42	-	-



Notes forming part of the Financial Statements

Note :-

(1) Rupee loan from HDFC Bank	
Secured by:	A first pari passu charge on entire fixed assets (both movable and immovable, present and future). A second pari passu charge on entire current assets of the Company (present and future).
Repayment Terms:	20 equal quarterly installments starting from 31st March, 2015
Rate of interest:	HDFC Bank Base Rate plus spread equivalent to difference between 11% p.a. and HDFC Base Rate at the time of first drawdown.
(2) Rupee loan from State Bank of India	
Secured by:	A first pari passu charge on all fixed assets. A second pari passu charge on current assets (present & future)
Repayment Terms:	20 equal quarterly installments starting from 31st March, 2015
Rate of interest:	1.30% per annum above base rate.
(3) Foreign Currency Loan from DBS Bank Ltd.	
Secured by:	A first pari passu charge over fixed assets. A second pari passu charge over current assets.
Repayment Terms:	18 quarterly installments starting from 27th November, 2015
Rate of interest:	For USD 15 Million Libor+2.60% For USD 10 Million 1.8850%+2.60%

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 4		
Deferred tax liabilities (Net)		
(a) Deferred tax liability being tax impact on -		
(i) Difference between written down value of block of assets as per Income tax laws and book written down value of the fixed assets	9982.41	6564.42
(ii) Others	209.36	255.23
Total (a)	10191.77	6819.65
(b) Deferred tax assets being tax impact on -		
(i) Expenses charged in the books but allowance thereof deferred under income tax laws	1146.52	984.58
(ii) Unabsorbed depreciation and unabsorbed business losses.	2942.18	-
Total (b)	4088.70	984.58
(c) Net Deferred Tax Liabilities (a) - (b)	6103.07	5835.07

Pursuant to the order dated 30th November, 2007 of the Hon'ble Rajasthan High Court, the deferred tax liability for the year, ₹ 546.64 lacs has been debited to Securities Premium Account (previous year reversal of ₹ 148.96 lacs).

Notes forming part of the Financial Statements

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 5		
Other Long- term liabilities		
Unsecured:-		
(a) Trade payables	2187.37	2011.49
(b) Others :		
Deposits from stockist and others	3557.50	3205.23
Liability for option premium	1638.64	2127.49
Statutory liabilities	541.28	379.02
Retention money	48.75	34.65
	7973.54	7757.88

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 6		
Long-term provisions		
Provision for Employee Benefits	587.30	482.80
	587.30	482.80

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 7		
Short-term borrowings (Secured)		
Working Capital Loan from bank secured by 1st charge of hypothecation of entire current assets of the Company, both present and future and 2nd charge on the present and future fixed assets of the Company.	1327.13	-
	1327.13	-

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 8		
Trade payables		
Micro and Small Enterprises	13.76	15.18
Others	6871.35	5647.11
	6885.11	5662.29



Notes forming part of the Financial Statements

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 9		
Other current liabilities		
Current maturities of long term borrowings	1125.00	-
Interest accrued but not due on loans	85.59	37.97
Advances from customers	1474.06	1057.96
Unpaid dividends	85.97	71.61
Security deposit and retention money	1168.26	1359.68
Liability for option premium	536.55	581.25
Liabilities for capital goods	71.09	677.00
Other statutory liabilities	626.55	904.06
	5173.07	4689.53

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 10		
Short-term provisions		
Employee benefits	166.23	224.09
Others:		
Wealth tax	33.89	10.48
Proposed equity dividend	800.81	1601.63
Corporate dividend tax	136.10	272.20
	1137.03	2108.40

Notes

forming part of the Financial Statements

	COST/BOOK VALUE			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 31st March, 2013	Additions March, 2013	Deduction/ Adjustment March, 2014	As at 31st March, 2013	For the year March, 2013	On sales/ Adjustment March, 2013	As at 31st March, 2014	As at 31st March, 2013
NOTE NO. 11								
FIXED ASSETS								
A. TANGIBLE ASSETS								
Land	1176.18	-	-	-	-	-	1176.18	1176.18
Leasehold land	1990.50	-	25.16	1.28	-	-	1964.06	1989.22
Buildings	3787.38	109.27	-	1031.36	85.77	-	2779.52	2756.02
Plant & machinery	57168.46	19020.79	278.33	30175.92	2349.61	266.74	43652.13	26992.54
Furniture & fittings	195.57	53.51	2.05	108.87	16.26	0.96	122.86	86.70
Vehicles	433.79	84.12	2.06	57.03	45.16	1.95	415.61	376.76
Office equipments	42.11	7.40	0.09	20.69	1.48	0.02	27.27	21.42
Railway siding	494.72	-	-	287.26	7.10	-	200.36	207.46
Total A	65288.71	19275.09	307.69	31682.41	2505.38	269.67	50337.99	33606.30
B. INTANGIBLE ASSETS								
Computer software	188.40	56.17	-	94.39	35.49	-	114.69	94.01
Mining right	2584.40	74.73	-	1369.22	241.99	-	1047.92	1215.18
Total B	2772.80	130.90	-	1463.61	277.48	-	1162.61	1309.19
G. Total (A+B)	68061.51	19405.99	307.69	33146.02	2782.86	269.67	51500.60	34915.49
Previous Year	65935.61	2279.18	153.28	30686.94	2517.06	57.98	25503.82	21409.49
C. CAPITAL WORK IN PROGRESS								
							77004.42	56324.98



Notes forming part of the Financial Statements

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 12		
Non-current investments		
Non Trade:		
Quoted		
Investments in Equity instruments		
6,50,000 Fully paid up Equity shares of ₹10/- each of Mangalam Timber Products Ltd. (Related party)	110.02	110.02
Unquoted		
Investments in Preference shares		
34,47,000- 7.5% Non-Cumulative Redeemable Preference shares of ₹ 100/- each of Mangalam Timber Products Ltd. (Related party)*	3447.00	3447.00
	3557.02	3557.02
Aggregate amount of Quoted Investments	110.02	110.02
Aggregate Market Value of Quoted Investments	59.80	84.83
Aggregate amount of unquoted Investments	3447.00	3447.00

* Redeemable at par within a period not exceeding nine years from date of allotment i.e. 10th October 2012. In the event of liquidation the preference shareholders are eligible to receive the paid up value of the preference share, if any, out of the remaining assets of the Company in preference to equity shareholders.

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 13		
Long term loans & advances		
Unsecured, considered good:		
Capital advances	1307.83	1622.22
Prepaid expenses	39.52	5.84
Advance against supply of goods or services	11.32	13.83
Deposits with government department and others	676.28	642.39
	2034.95	2284.28

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 14		
Other Non Current Assets		
Unamortised premium on forward contracts	1593.40	2127.49
Exchange fluctuation recoverable (Hedging)	1463.20	-
Interest accrued on fixed deposits with bank	1.39	0.76
Balances with bank on margin money accounts	5.42	5.41
	3063.41	2133.66

Notes

forming part of the Financial Statements

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 15		
Inventories		
(As taken, valued and certified by the Management)		
At Cost or Net Realisable Value, whichever is lower		
Raw materials	928.36	1158.31
Material in process	2272.04	4157.00
Finished goods (Including goods in transit ₹ 822.38 lacs, previous year ₹ 779.79 lacs)	1358.01	1167.92
Stores and spare (Including goods in transit ₹ 2629.35 lacs, previous year ₹ 1513.81 lacs)	6898.33	7089.54
Scrap & waste (at net realisable value)	136.38	87.69
	11593.12	13660.46

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 16		
Trade receivables		
More than six months from the date they are due for payment		
Secured, considered good	1.08	-
Unsecured, considered good	32.65	-
Other debts		
Secured, considered good	866.11	828.29
Unsecured, considered good	1373.35	2187.17
	2273.19	3015.46

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 17		
Cash and bank Balances		
Cash and Cash equivalent		
Balances with banks -		
On Short term deposit	3100.00	8000.00
On Current accounts	290.78	554.61
Cheques, drafts in hand	881.32	325.32
Cash on hand	3.84	6.24
Stamps/ Postages in hand	0.01	0.01
Other Bank Balances:		
Balances with banks -		
On Margin money accounts	273.29	275.11
On Unpaid dividend accounts	85.97	71.61
	4635.21	9232.90



Notes forming part of the Financial Statements

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 18		
Short-term loans and advances		
Unsecured, Considered Good		
Loans and Advances to related parties:		
Intercorporate deposit to Mangalam Timber Products Limited	360.00	-
Advances recoverable in cash or in kind or for value to be received	5270.43	3462.19
Inter corporate deposits	1270.00	1320.00
Advance Income tax (net of provision for taxation/MAT ₹ 5325.00 lacs, previous year ₹ 5717.84 lacs)	1181.15	383.53
MAT Credit Entitlement	1307.88	805.00
Deposits with government department and others	2.46	3.87
	9391.92	5974.59

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 19		
Other current assets		
Unamortised premium on forward contracts	533.54	533.01
Interest accrued on fixed deposits & others	124.31	152.21
Interest accrued on ICD to related party	21.21	-
	679.06	685.22

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 20		
Revenue from operations		
Sale of products		
Cement	77699.19	79223.48
Clinker	1862.37	2040.23
Other operating revenues	977.76	734.64
	80539.32	81998.35
Less:- Excise duty	10808.59	11394.24
	69730.73	70604.11

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 21		
Other income		
Interest Income on fixed deposits and others (TDS ₹ 36.69 lacs; previous year ₹ 70.90 lacs)	463.29	708.89
Foreign exchange fluctuation (net)	-	0.88
	463.29	709.77

Notes

forming part of the Financial Statements

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 22		
Cost of materials consumed		
Limestone	7097.09	6840.67
Gypsum	1810.63	1891.12
Fly Ash	1407.99	986.33
Red Ochre	1107.36	1516.67
Others	240.23	15.48
	11663.30	11250.27

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 23		
Purchase of Stock -in- trade		
Cement	1501.73	-
	1501.73	-

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 24		
Changes in inventories of finished goods work-in-progress		
Opening Stock		
Material-in-Process		
Raw meal	84.18	37.94
Clinker	3805.87	741.38
Crushed lime stone	266.95	326.80
Finished Goods-Cement	1167.92	563.01
Scrap & waste	87.69	118.79
	5412.61	1787.92
Add: Material in Process transferred at the end of Trial Run	2036.73	-
Deduct: Transfer of Stock in process for trial run	1091.82	-
Less: Closing Stock		
Material-in-Process		
Raw meal	179.30	84.18
Clinker	1599.03	3805.87
Crushed lime stone	447.27	266.95
Finished Goods-Cement	1282.08	1167.92
Scrap & waste	136.38	87.69
	3644.06	5412.61
	2713.46	(3624.69)



Notes forming part of the Financial Statements

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 25		
Employee benefits expense		
Salaries, Wages, Bonus and Allowances	3489.59	3116.59
Contribution to Provident, gratuity and other funds	566.82	528.95
Workmen and staff welfare	201.53	166.89
	4257.94	3812.43

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 26		
Finance costs		
Interest expenses	716.14	376.23
Interest paid to Income tax department	2.56	30.45
Other borrowing costs	151.82	76.90
	870.52	483.58

(₹ in lacs)

	31st March, 2014	31st March, 2013
NOTE NO. 27		
Other expenses		
Stores and spares consumed	1971.46	2418.18
Power and fuel	17152.26	20067.17
Rent	645.13	176.58
Repairs and Maintenance		
Plant and Machinery	800.18	676.29
Buildings	243.51	233.38
Others	72.01	48.89
	1115.70	958.56
Insurance	57.95	91.80
Rates and taxes	227.29	216.45
Research & development expenses	317.35	284.27
Packing, forwarding and distribution Expenses	18680.28	17944.73
Commission & brokerage to selling agents	2243.32	2418.29
Wealth tax	32.68	9.40
Prior period adjustments (net)	4.54	120.11
Foreign exchange fluctuation	1.14	-
Miscellaneous expenses	1462.56	1124.85
Directors commission	81.32	235.83
Directors fees	13.35	13.59
Payments to Auditors:		
(a) Statutory Auditors		
Audit fees	8.00	7.15
Tax audit fees	1.61	1.47
Other services	2.65	1.88
Reimbursement of expenses	0.43	0.22
(b) Cost Auditors		
Audit fees	0.77	0.77
Loss on sale of fixed assets (net)	-	11.90
	44019.79	46103.20

Notes forming part of the Financial Statements

NOTE 28

Accounting Policies and Notes on Accounts for the year ended 31st March 2014.

A. Significant Accounting Policies

1. Accounting Concepts

The financial statements have been prepared in compliance in all material respects with the accounting standards notified by the Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. These accounts are prepared on the historical cost basis and applying the principles of accounting for a going concern. The accounting policies are consistent with those used in the previous year.

2. Recognition of Income And Expenditure

Expenses and income are accounted for on an accrual basis. Insurance and other claims raised by the Company are accounted for when received and are not material by reference to the total operations.

3. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost for the purpose of valuation of Raw Materials and Stores and Spare Parts has been computed on the weighted average method. Cost for the purpose of valuation of Finished Goods and Material-in-Process has been computed on the basis of cost of material, labour and other costs incurred in bringing the inventories to their present location and condition. Scrap and Waste have been valued at net realisable value.

4. Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary in the value of such investments and for this purpose, the investee company's assets and estimated future cash flows are used to determine whether any diminution other than temporary has taken place. Current Investments are stated at cost or fair value, whichever is lower, computed category wise.

5. Fixed Assets

- (a) Fixed assets are stated at their original cost of acquisition/installation net of accumulated depreciation, amortisation and impairment losses, except freehold land which is carried at cost. Leasehold land is amortised over the lease period.
- (b) Capital work in progress is stated at cost (including borrowing cost where applicable

and adjustment for exchange differences) incurred during the construction/ installation/ preoperative period relating to items or projects in progress.

- (c) Expenditure during Construction Period is included under Capital Work-In Progress and allocated to the respective fixed assets on commencement of commercial production.

6. Impairment of Assets

The Management periodically assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of the cash flow expected to arise from the continuing use of the asset and its eventual disposal. A provision for impairment loss is made when the recoverable amount of the asset is lower than the carrying amount.

7. Depreciation

I. Tangible Assets

Depreciation is provided on the straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. The useful lives of continuous process plants as defined therein have been assessed technically and depreciation is provided accordingly. Depreciation on the increase in the value of fixed assets due to revaluation is computed on the basis of remaining useful life as estimated by the valuer on the straight line method. Depreciation of Fixed Assets on the land, which ownership belongs to Kota Super Thermal Power Station, Kota is amortised over the period of agreement for extraction of fly ash between the Company and Kota Super Thermal Power Station.

II. Intangible Assets

- (a) Mining rights are amortised over the period of the leases.
- (b) Computer software is amortised over a period of 5 years.

8. Employee Benefits

- (i) Defined Contribution Plan : Employee benefits in the form of superannuation fund and the state governed provident fund are defined contribution plan. The contribution under the scheme is recognised during the period in which the employee renders the related services.



Notes forming part of the Financial Statements

- (ii) Defined Benefit Plan: The employees' gratuity fund and leave encashment schemes are the Company's defined benefit plans. The present value of the obligations under such defined benefit plans is determined based on actuarial valuations using the Projected Unit Credit Method.

9. Foreign Currency Transactions

All transactions in foreign currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities in foreign currency outstanding at the close of the year are converted to Indian currency at exchange rates prevailing at the year end. The resulting gain or loss (other than for capital assets) is recognised in the statement of Profit and Loss. The gain or loss relating to long term monetary items for financing acquisition of capital assets is adjusted to the acquisition cost of such assets and depreciated over their remaining useful lives.

Foreign exchange contracts used to hedge foreign currency transactions are initially recognised at exchange rates prevailing on the date of the contracts. Foreign currency contracts pertaining to acquisition of capital asset remaining unsettled at the end of the year are translated at the year end rate and differences between the rates of the contract and year end rates are added to or deducted from the cost of the assets and depreciated over the balances of the useful life of the assets and the premium arising at the inception of such forward contract is amortised over the life of the contract.

10. Government Grants

Government Grants are accounted for where there is reasonable certainty that the ultimate collection will be made. Government Grants of the nature of Project Subsidies are credited to Capital Reserve. Grants related to specific fixed assets are deducted from the gross value of the concerned assets in arriving at their book values. Revenue Grants are credited to Statement of Profit & Loss or deducted from the related expenses.

11. Borrowing Costs

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/ construction of qualifying fixed assets are capitalised up to the date when such assets are ready for their intended use and other borrowing costs are charged to the Statement of Profit & Loss.

12. Research & Development Expenditure

Revenue expenditure on Research and Development is charged as expenses under the head "Research and Development" in the year in which it is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and depreciated according to the policy followed by the Company.

13. Provisions and Contingent Liabilities/Assets

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amounts of the obligations. Contingent liabilities, if material, are disclosed by way of notes to the accounts. Contingent assets are not recognised in the financial statements as they are dependent on the outcome of legal or other processes.

14 Taxation

Provision for current tax is made in accordance with the provisions of the Income tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognised as income and carried forward only to the extent that there is virtual certainty that the assets will be adjusted in future. Pursuant to the approval of the shareholders and the Hon'ble Rajasthan High Court's order dated 30th November, 2007 deferred tax liabilities from the year 2007-08 and onwards are met from Securities Premium Account as disclosed in note no. 4.

B. Notes on Accounts

1. Depreciation for the year includes ₹ 8.91 lacs (Previous year ₹ 8.91 lacs) being depreciation on the increased amount of assets due to revaluation and an equivalent amount has been transferred from the Revaluation Reserve to the Statement of Profit & Loss.

2. Contingent Liabilities and Commitments (to the extent not provided for) -

i. Contingent Liabilities:

- (a) Claims against the Company not acknowledged as debts -

Particulars	₹ (in lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Taxation Matters		
- Direct tax	1120.69	1628.55
- Indirect tax	6520.85	2683.03
Others	344.23	211.64

Notes forming part of the Financial Statements

- (b) The Jute Packaging (Compulsory use in Packing Commodities) Act 1987 was stayed by the Rajasthan High Court in 1997. However, the Jute Commissioner issued a show cause notice on 14.08.2002 for non-use of Jute Packaging Material. This has been challenged by the Company and the amount involved is not quantifiable.

(₹ In lacs)

(c) Particulars	As at 31.03.2014	As at 31.03.2013
The Company has received notice from Sales Tax Department, Jaipur, Rajasthan in respect of the Sales Tax incentive availed of in excess of 25% of the tax payable for the period from 2003-04 to 2007-08 on the basis of a Supreme Court Judgment against Binani Cement Limited. The Company has represented before the Sales Tax Department and Government that no amount is payable in view of the direction dated 31.05.2007 given by BIFR delinking Mangalam Cement Limited from the case of Binani Cement Limited	5874.89	-
The Company has engaged competent professional advisors to defend its positions against all disputed claims/notices and based on advice received no liabilities are expected to materialise.		

ii. Commitments

(₹ in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Estimated Capital Commitments (Net of advances)	3171.00	10715.00
b. Other Commitments		
- Commitment for Social Welfare (Outstanding Contribution for "Over Bridge" Construction)	125.00	125.00

3. The Board of Directors has proposed a dividend of ₹ 3 per equity shares of ₹ 10 each for the year ended 31st Mar 2014 and the total proposed dividend amounts to ₹ 800.81 lacs and corporate dividend tax to be ₹ 136.10 lacs.
4. Revenue expenditure on Research and Development amounting to ₹ 317.35 lacs (Previous year ₹ 284.27 lacs) is shown in the Statement of Profit & Loss. Capital expenditure relating to Research and Development amounting to ₹ 14.92 lacs (Previous year ₹ 40.06 lacs) has been included in fixed assets.



Notes forming part of the Financial Statements

5. Capital work-in progress includes Machinery in Stock/under installation and building and other assets under erection. It also includes the following pre-operative expenses pending allocation:

(₹ in lacs)

Particulars	31st March, 2014	31st March, 2013
Raw materials consumed	58.01	-
Inter unit transfer of Stock-in Process	1091.82	-
Salaries & wages, bonus & other allowance	351.37	177.78
Contribution to provident fund & other funds	51.02	25.64
Staff welfare	6.84	0.23
Interest & financial charges	1956.88	994.11
Insurance premium	7.35	68.76
Electricity charges	3.49	2.92
Power & fuel	1183.02	-
Repair to Machinery	279.15	-
Site development & other expenses	470.64	-
Rates & taxes	4.73	3.26
Excise duty on Finished goods at the year end	12.39	-
Packing/forwarding/distribution	105.12	-
Stores and spares consumed	68.20	-
Consultancy fees	115.80	-
Depreciation	0.12	-
Other expenses	11.32	811.65
Total expenditure during construction period	5777.27	2084.35
Add: Brought forward from the previous year	2198.91	183.36
Less: Sales during trial run (net of excise duty of ₹ 55.94 lacs)	376.30	-
Less: Interest received on bank deposits	108.82	68.80
Less: Inter unit transfer of stock in process of upgradation at the end of trial run of upgradation	2036.73	-
Less: Closing stock of finished goods of trial run production	75.93	-
Less: Closing stock of stock in process of trial run production	46.43	-
Total	5331.97	2198.91
Less: Allocated to fixed assets	1599.04	-
Total	3732.93	2198.91

Notes forming part of the Financial Statements

6. Details of dues to Micro and Small Enterprise as per MSMED Act, 2006 as per the information available with the Company:

(₹ in lacs)

S.No.	Particulars	31st March, 2014	31st March, 2013
(a)	(i) Principal amount remaining unpaid at the end of the accounting year	13.76	15.18
	(ii) Interest due thereon	Nil	Nil
(b)	Interest paid by the buyer in terms of section 16 of MSMED Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed date	Nil	Nil
(c)	Interest due and payable for the period of delay in making the payments (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	Nil	Nil
(d)	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil
(e)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil

7. (a) Hedging Commitments outstanding:

(₹ in lacs)

Particulars	31st March, 2014		31st March, 2013	
	Currency	Amount hedged	Currency	Amount hedged
DBS Loan	USD	250	USD	250

(b) The year end Foreign currency exposure that have not been hedged are given below:

(₹ in lacs)

Particulars	31st March, 2014		31st March, 2013	
	Currency	Amount hedged	Currency	Amount hedged
Interest	USD	0.65	USD	0.70
Professional fees	Euro	0.52	USD	0.10
Professional fees			GBP	0.01

8. Employee Defined Benefits:

(a) Defined Contribution Plans

The Company has Recognised expenses towards the defined contribution plans as under:

(₹ in lacs)

Particulars	31st March, 2014	31st March, 2013
Contribution to Superannuation fund	220.56	175.28
Contribution to Provident fund (Government)	317.21	264.53
Others	39.85	34.68
	577.62	474.49



Notes forming part of the Financial Statements

- (b) Defined Benefit Plans as per actuarial valuation on 31st March, 2014 and recognised in the financial statements in respect of Employee Benefit Schemes:

(₹ in lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Non-funded)	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
I Reconciliation of Defined Benefit Obligations (DBO) during the year ended 31st March, 2014				
1 Present value of DBO at the beginning of period	1392.99	1213.93	538.00	448.53
2 Current service cost	97.08	84.02	75.88	64.57
3 Interest cost	111.44	97.11	43.04	35.88
4 Actuarial (Gains)/Losses	73.43	96.38	92.03	92.84
5 Benefits paid	(106.09)	(98.45)	(102.80)	(103.82)
6 Present value of DBO at the end of period	1568.85	1392.99	646.15	538.00
II Reconciliation of Fair Value of plan assets during the year ended 31st March, 2014				
1 Plan assets at the beginning of period	1224.10	1136.29		
2 Expected return on plan assets	115.07	106.81		
3 Actuarial Gains/(Losses)	0.66	1.81		
4 Company contribution	168.89	77.64		
5 Benefits paid	(106.09)	(98.45)		
6 Plan assets at the end of period	1402.63	1224.10		
III Reconciliation of fair value of assets and obligation as at 31st March, 2014				
1 Present value of Defined Benefit Obligation	1568.85	1392.99	646.15	538.00
2 Fair value on plan assets	1402.63	1224.10	-	-
3 Status[Surplus/(Deficit)]	(166.22)	(168.89)	(646.15)	(538.00)
4 Net asset/(liability) recognised in the Balance Sheet	(166.22)	(168.89)	(646.15)	(538.00)
IV Expenses recognised during the year				
1 Current service cost	97.08	84.02	75.88	64.57
2 Interest cost	111.44	97.11	43.04	35.88
3 Expected return on plan assets	(115.07)	(106.81)	-	-
4 Actuarial Losses/(Gains)	72.77	94.57	92.03	92.84
5 Total expenses recognised in the Statement of Profit & Loss [includes ₹ 1.87 lacs (Previous year ₹ 1.15 lacs) for Gratuity and ₹ 9.29 lacs (Previous year ₹ 13.38 lacs) for leave encashment charged as preoperative expenses]	166.22	168.89	210.95	193.29

Notes forming part of the Financial Statements

(₹ in lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Non-funded)	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
V Major category of plan assets as a % of the total plan assets as at 31st March 2014				
1 Government securities/ Special deposit with RBI	0%	0%		
2 High quality Corporate bonds	0%	0%		
3 Insurance companies	100%	100%		
4 Mutual funds	0%	0%		
5 Cash and cash equivalents	0%	0%		
VI Actuarial assumptions				
1 Discount rate (%)	8.75	8.00	8.75	8.00
2 Expected return on plan assets (%)	9.40	9.40	-	-
3 Rate of escalation in salary (per annum) (%)	6.25	6.0	6.25	6.0
4 Mortality table (IALM)	2006-08	1994-96	2006-08	1994-96

9. The Company is engaged only in the cement business and there are no separate reportable segments.

10. Related party information:

Particulars	31st March, 2014	31st March, 2013
I. List of related parties		
(a) Key Management Personnel	(1) Shri A.V. Jalan (2) Smt.Vidula Jalan	(1) Shri A.V. Jalan (2) Smt.Vidula Jalan
(b) Enterprise in which Key Management Personnel is able to exercise significant influence	(1) Pilani Investment & Industrial Corporation Ltd. (2) Vidula Consultancy Service Ltd. (3) Mangalam Timber Products Ltd. (4) Aditya Marketing & Manufacturing Ltd.	(1) Pilani Investment & Industrial Corporation Ltd. (2) Vidula Consultancy Service Ltd. (3) Mangalam Timber Products Ltd. (4) Aditya Marketing & Manufacturing Ltd.



Notes forming part of the Financial Statements

II. Transactions with related parties:

(₹ in lacs)

Particulars	Related Parties	
	Referred in 1(a) above	Referred in 1(b) above
Expenses:		
Consultancy		
Vidula Consultancy Service Limited	-	NIL (2.79)
Social welfare expenses		
Aditya Marketing & Manufacturing Limited	-	3.72 (NIL)
Remuneration	Refer note No.13 (a) of Notes to the Accounts	Refer note No.13 (a) of Notes to the Accounts
Income:		
Interest income		
Mangalam Timber Products Limited	-	23.56 (197.26)
Dividend paid		
Pilani Investment & Industrial Corporation Ltd.	-	67.20 (67.20)
Aditya Marketing and Mfg. Co.	-	58.15 (58.15)
Shri A.V. Jalan	0.60 (0.30)	-
Smt. Vidula Jalan	1.56 (1.07)	-
Investment:		
Mangalam Timber Products Limited	-	NIL (3447.00)
Loan given		
Mangalam Timber Products Limited	-	360 (NIL)
Outstanding:		
(a) Consultancy		
Vidula Consultancy Service Limited	-	NIL (0.76)
(b) Director commission		
Shri A.V. Jalan	17.97 (69.10)	-
Smt. Vidula Jalan	17.97 (69.10)	-
(c) Salary, allowance and other benefit		
Shri A.V. Jalan	14.38 (0.66)	-
Smt. Vidula Jalan	12.95 (0.06)	-
(d) Interest (accrued but not due)		
Mangalam Timber Products Limited	-	21.21 (NIL)
(e) Loan given		
Mangalam Timber Products Limited	-	360 (NIL)

*Previous year figures are given in bracket

Notes forming part of the Financial Statements

11. Earning Per Share (EPS):

Particulars	31st March, 2014	31st March, 2013
Net profit attributable to equity share holders (₹ in lacs)	2960.63	7736.86
Weighted average of equity shares (Nos.)	26693780	26693780
Nominal value of equity shares (in ₹)	10	10
Basic/Diluted EPS (in ₹)	11.09	28.98

12. (a) The expenses directly charged to Raw Material (Limestone) account during the year include:

(₹ in lacs)

Particulars	31st March, 2014	31st March, 2013
Salaries, wages, bonus and allowances	293.83	181.57
Contribution to provident and other fund	83.72	51.20
Workmen and staff welfare	7.64	2.66
Power and fuel	591.22	409.40
Stores and spare consumed	366.12	445.50
Insurance	4.12	3.11
Transportation of Raw materials	1130.66	1186.28
Repairs to Machinery	133.35	109.08
Repairs to Building	13.19	5.14
Royalty	1049.54	1329.66
Rates and taxes	182.64	421.74
Other expenses	63.28	25.56

(b) The expenses directly charged to Power & fuel include:

(₹ in lacs)

Particulars	31st March, 2014	31st March, 2013
Salaries, wages, bonus and allowances	296.32	273.10
Contribution to Provident fund	39.24	34.19
Electricity / Diesel	22.24	18.22
Stores & spares consumed	191.69	145.37
D G Running	0.31	0.75
Insurance	17.78	11.04
Repairs to Plant & machinery	284.74	239.17
Rates & taxes	21.83	21.02
Misc. expenses	21.58	18.03

13. (a) Remuneration to Executive Directors:

(₹ in lacs)

Particulars	31st March, 2014	31st March, 2013
Salary	58.08	52.80
Contribution to:		
Provident fund	6.97	6.34
Superannuation fund	8.71	7.92
Medical expenses	9.62	1.80
Commission	52.00	200.00
Other benefit/perquisites	27.76	-

Note: the amounts related to gratuity cannot be ascertained separately since they are included in the contribution in this respect made to the insurance company on a group basis for all the employees together.



Notes forming part of the Financial Statements

(₹ in lacs)

(b) Particulars	31st March, 2014	31st March, 2013
Commission to Non-Executive Directors*	29.33	35.83

*Inclusive of service tax amounting to Current year ₹ 3.23 lacs, (Previous year ₹ 4.33 lacs)

14. (a) All Raw Materials consumed are indigenous.

(b) Stores and spare parts consumed:

Particulars	31st March, 2014 (₹ in lacs)*	Percentage	31st March, 2013 (₹ in lacs)	Percentage
Indigenous	2529.82	98	3126.55	91
Imported	60.38	2	291.13	9
* includes ₹ 60.62 lacs under Expenses during construction period				
(c) C.I.F. value of imports in respect of:				
i. Stores and spares	297.89		158.83	
ii. Capital goods	247.56		3854.92	
(d) Expenditure in foreign currency:				
i. Interest and financial charges (Included ₹ 374.60 lacs in Expenses during construction period)	447.51		37.96	
ii. Professional fees/Consultancy fees (Included in Expenses during construction period)	42.96		6.17	
iii. Travelling expenses	19.82		16.85	
iv. Sales promotion expenses	3.65		4.53	
v. Seminar fees	0.39		-	
(e) Earnings in foreign currency				
i. FOB value of export	-		525.71	

15. Previous year's figures have been regrouped and rearranged wherever necessary.

As per our Report of even date
FOR JAIN PRAMOD JAIN & CO.
Chartered Accountants
FRN 016746 N
(P.K.JAIN)
Partner
M.No.10479
Kolkata
13th May, 2014

Anil Kumar Mandot
CFO & Sr. Jt. President (Commercial)

Swadesh Agrawal
Company Secretary

K. K. Mudgil, Director
Amal Ganguli, Director
Aruna Makhan, Director
N.G. Khaitan, Director
Gaurav Goel, Director
K.C. Jain, Director
Vidula Jalan, Executive Director
A.V. Jalan, Executive Director

Corporate Information

BOARD OF DIRECTORS

Shri K. K. Mudgil	
Shri Amal Ganguli	
Smt. Aruna Makhan	
Shri N.G.Khaitan	
Shri Gaurav Goel	
Shri K.C.Jain	
Smt. Vidula Jalan	<i>Executive Director</i>
Shri A.V.Jalan	<i>Executive Director</i>

CHIEF FINANCIAL OFFICER

Shri Anil Kumar Mandot

COMPANY SECRETARY

Shri Swadesh Agrawal

TEAM OF EXECUTIVES

Shri Yaswant Mishra	<i>President (Corporate)</i>
Shri S.S.Jain	<i>President</i>
Shri A.K.Uppal	<i>President (Sales & Marketing)</i>
Shri Kaushlesh Maheswari	<i>Additional President (Sales & Marketing)</i>
Shri Anil Kumar Mandot	<i>Sr. Jt. President (Commercial)</i>
Shri S. K. Pokharna	<i>Jt. President (Technical)</i>

REGISTERED OFFICE & PLANT

P.O. Aditya Nagar-326520
Morak
Dist.Kota (Rajasthan)
Phone No: 07459 232231
Fax:07459 232036
CIN: L26943RJ1976PLC001705
Website: www.mangalamcement.com
E-Mail:communication@mangalamcement.com

CORPORATE OFFICE

Birla Building, 10th Floor
9/1, R.N. Mukherjee Road
Kolkata -700 001
Phone No: 0332243 8706/07
Fax:03322438709
CIN: L26943RJ1976PLC001705
E-mail : kolkata@mangalamcement.com

AUDITORS

Jain Pramod Jain & Co.
Chartered Accountants
New Delhi

BANKERS

State Bank of India
State Bank of Bikaner & Jaipur
ICICI Bank Limited
HDFC Bank Limited
IDBI Bank Limited
DBS Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

M/s Mas Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area, Phase-II,
New Delhi-110020
Tel. No. 011-26387281/82/83
Fax No. 011-26387384
E-mail- info@masserv.com
Website- www.masserv.com



MANGALAM CEMENT LTD.

CIN: L26943RJ1976PLC001705

Regd. Office: P.O. Aditya Nagar-326520, Morak, Distt. Kota (Rajasthan)

Phone: 07459-232262; Fax: 07459-232036

E.mail: communication@mangalamcement.com

Website: www.mangalamcement.com

NOTICE OF ANNUAL GENERAL MEETING

To The Members

NOTICE is hereby given that the 38th Annual General Meeting of Mangalam Cement Limited (CIN: L26943RJ1976PLC001705) will be held on Saturday, the 13th September, 2014, at 11.30 A.M. at the Club Hall of Mangalam Cement Ltd, Basant Vihar, Adityanagar 326520, Morak, Dist. Kota (Rajasthan) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2014 and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2014.
3. To appoint a Director in place of Shri K. C. Jain (DIN: 00029985) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

“RESOLVED THAT subject to provisions of Section 139 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. Jain Pramod Jain & Co., Chartered Accountants, New Delhi (Firm Registration Number: 016746N), be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. To appoint Shri K.K. Mudgil (DIN: 00025700) as an Independent Director and in this regard to consider and if

thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri K.K. Mudgil (DIN: 00025700), Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed, as an Independent Director of the Company for a term of five consecutive years from the conclusion of the Company’s 38th Annual General Meeting to the conclusion of Company’s 43rd Annual General Meeting.”

6. To appoint Shri Amal Ganguli (DIN:00013808) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Amal Ganguli (DIN: 00013808), Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed, as an Independent Director of the Company for a term of five consecutive years from the conclusion of the Company’s 38th Annual General Meeting to the conclusion of Company’s 43rd Annual General Meeting.”

7. To appoint Smt. Aruna Makhan (DIN: 00025727) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other



applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Aruna Makhan (DIN: 00025727), Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed, as an Independent Director of the Company for a term of five consecutive years from the conclusion of the Company's 38th Annual General Meeting to the conclusion of Company's 43rd Annual General Meeting."

8. To appoint Shri N. G. Khaitan (DIN: 00020588) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri N. G. Khaitan (DIN: 00020588), Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed, as an Independent Director of the Company for a term of five consecutive years from the conclusion of the Company's 38th Annual General Meeting to the conclusion of Company's 43rd Annual General Meeting."

9. To appoint Shri Gaurav Goel (DIN: 00076111) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Gaurav Goel (DIN: 00076111), Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed, as an Independent Director of the Company for a term of five consecutive years from the conclusion of the Company's 38th Annual General Meeting to the conclusion of Company's 43rd Annual General Meeting."

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including or any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such other permission(s), consent(s) and/or approvals from the authorities as may be required and subject to such conditions, if any that may be imposed by any such authority while granting its permission(s), consent(s) and approvals which the Board of Directors (hereinafter referred to, the 'Board' which expression shall be deemed to include any committee of the Board), is hereby authorised to accept, the Board hereby accords its consent and approval to the re-appointment of Smt Vidula Jalan as Whole-time Director to be designated as Executive Director of the Company for a period of three (3) years w.e.f. 1st April, 2014, on the following terms and conditions:

A. Remuneration

(a) Salary

₹ 5,00,000/- (Rupees Five Lacs only) per month with such revision as the Board may approve from time to time in the salary grade of ₹ 5,00,000 to ₹ 8,00,000.

The first increase in salary shall be effective from 1st April, 2015.

She will not be paid any sitting fee for the meetings of the Board of Directors and committees thereof.

(b) Commission

Not exceeding 1% of the net profit of the Company computed u/s 197 of the Companies Act, 2013, as may be determined by the Board from time to time.

(c) Perquisites

i) Provident Fund and Superannuation Funds

Company's contribution to Provident Fund and Superannuation Fund as per the applicable laws and in accordance with the rules of the Company.

ii) Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

iii) Leave

Entitlement for leave with full pay as per the rules of the Company and encashment of leave

at the end of the tenure as per the rules of the Company.

iv) Leave Travel Concession

Reimbursement of all the expenses incurred for self and family during the leave/ holiday travel periods, whenever undertaken as per company's rule for an amount not exceeding basic salary of one month.

v) Medical Reimbursement

All medical expenses incurred for self, spouse and children shall be reimbursed at actual including cost of medical insurance.

vi) Personal Accidental Policy

All expenses incurred in relation to the personal accidental policy shall be reimbursed as per the Company's rule.

vii) Club Facilities

Reimbursement of amount incurred for two club facilities including admission fees as per the applicable rules of the Company.

viii) Car Facility

Company car with chauffeur shall be provided.

ix) Other Perquisites

Subject to overall ceiling on remuneration mentioned herein above, she may be given any other allowances, benefits and perquisites as the Board of Directors of the Company may, from time to time, decide.

Explanation

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

(d) Amenities

She may be given amenities such as conveyance facilities, telephone etc. as the Board of Directors of the Company may, from time to time, decide.

B. Overall Remuneration

The aggregate of salary, allowances and perquisites, in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modification(s) or re-enactment(s), thereof, for the time being in force.

C. Minimum Remuneration

In the event of loss or inadequacy of profits of the Company in any financial year during the currency of her tenure, the payment of salary, perquisites and other allowances so approved, shall be considered as minimum remuneration which shall be subject to the provisions as prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 as may for the time being be in force.

“RESOLVED FURTHER THAT as Whole-time Director, she shall be liable to retire by rotation u/s 152(6) of the Companies Act, 2013, however, if re-appointed as Director immediately on retirement by rotation, she shall continue to hold her office of Whole-time Director and such re-appointment as Director shall not be deemed to constitute a break in her appointment as Whole-time Director.

RESOLVED FURTHER THAT the Board of the Company, be and is hereby authorised to alter and vary the aforesaid terms of appointment and remuneration as may be agreed to the Board and Smt. Vidula Jalan, subject to the compliances as may be required under Schedule V of the Companies Act, 2013 (or any amendment or statutory modification(s) thereof).

RESOLVED FURTHER THAT the Secretary of the Company, be and is hereby authorised to take such steps as he may consider necessary or expedient to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including or any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such other permission(s), consent(s) and/or approvals from the authorities as may be required and subject to such conditions, if any that may be imposed by any such authority while granting its permission(s), consent(s) and approvals which the Board of Directors (hereinafter referred to, the ‘Board’ which expression shall be deemed to include any committee of the Board), is hereby authorised to accept, the Board hereby accords its consent and approval to the re-appointment of Shri Anshuman Vikram Jalan as Whole-time Director to be designated as Executive Director of the Company for a period of 3 years w.e.f. 1st April, 2014, on the following terms and conditions:

**D. Remuneration****(a) Salary**

₹ 5,00,000/- (Rupees Five Lacs only) per month with such revision as the Board may approve from time to time in the salary grade of ₹ 5,00,000 to ₹ 8,00,000.

The first increase in salary shall be effective from 1st April, 2015.

He will not be paid any sitting fee for the meetings of the Board of Directors and committees thereof.

(b) Commission

Not exceeding 1% of the net profit of the Company computed u/s 197 of the Companies Act, 2013, as may be determined by the Board from time to time.

(c) Perquisites**i. Provident Fund and Superannuation Funds**

Company's contribution to Provident Fund and Superannuation Fund as per the applicable laws and in accordance with the rules of the Company.

ii. Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

iii. Leave

Entitlement for leave with full pay as per the rules of the Company and encashment of leave at the end of the tenure as per the rules of the Company.

iv. Leave Travel Concession

Reimbursement of all the expenses incurred for self and family during the leave/ holiday travel periods, whenever undertaken as per company's rule for an amount not exceeding basic salary of one month.

v. Medical Reimbursement

All medical expenses incurred for self, spouse and children shall be reimbursed at actual including cost of medical insurance.

vi. Personal Accidental Policy

All expenses incurred in relation to the personal accidental policy shall be reimbursed as per the Company's rule.

vii. Club Facilities

Reimbursement of amount incurred for two club facilities including admission fees as per the applicable rules of the Company.

viii. Car Facility

Company car with chauffeur shall be provided.

ix. Other Perquisites

Subject to overall ceiling on remuneration mentioned herein above, he may be given any other allowances, benefits and perquisites as the Board of Directors of the Company may, from time to time, decide.

Explanation

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

(d) Amenities

He may be given amenities such as conveyance facilities, telephone etc. as the Board of Directors of the Company may, from time to time, decide.

E. Overall Remuneration

The aggregate of salary, allowances and perquisites, in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modification(s) or re-enactment(s), thereof, for the time being in force.

F. Minimum Remuneration

In the event of loss or inadequacy of profits of the Company in any financial year during the currency of his tenure, the payment of salary, perquisites and other allowances so approved, shall be considered as minimum remuneration which shall be subject to the provisions as prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 as may for the time being be in force.

"RESOLVED FURTHER THAT as Whole-time Director, he shall be liable to retire by rotation under section 152(6) of the Companies Act, 2013, however, if re-appointed as Director immediately on retirement by rotation, he shall continue to hold his office of Whole-time Director and such re-appointment as Director shall not be deemed to constitute a break in his appointment as Whole-time Director.

RESOLVED FURTHER THAT the Board of the Company, be and is hereby authorised to alter and vary the aforesaid terms of appointment and remuneration as may be agreed to the Board and Shri. Anshuman Vikram Jalan, subject to the compliances as may be required under Schedule V of the Companies Act, 2013 (or any amendment or statutory modification(s) thereof).

RESOLVED FURTHER THAT the Secretary of the Company, be and is hereby authorised to take such steps as he may consider necessary or expedient to give effect to this Resolution."

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

“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s J. K. Kabra & Co., the Cost Auditors appointed by the Board of Directors of the Company for the financial year ending 31st March, 2015, be paid the remuneration as set out in the statement annexed to the Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary to give effect to this resolution.”

13. To consider and if thought fit to pass, with or without modification(s) the following Resolution to be moved as Special Resolution.

“RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956, at the 37th Annual General Meeting of the Company held on 29th July, 2013 and pursuant to Section 180 (1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Article 57 of the Articles of Association of the Company and all other enabling provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of monies in any manner from time to time as may be required for the purpose of businesses of the Company, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 1000 crores (Rupees One Thousand Crore only) over and above the aggregate of the paid- up share capital of the Company and its free reserves”.

14. To consider and if thought fit to pass, with or without modification(s) the following Resolution to be moved as Special Resolution.

“RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956, through Postal Ballot on 30th September, 2013 and pursuant to the provisions of Section 180 (1)(a) and all other applicable provisions, if

any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution and that the power to delegate such authority to any person(s)) to create such charges and/or mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company’s moveable and immoveable properties and assets, present and future, comprised in any undertaking or undertakings of the Company, as the case may be, in favour of the Lenders viz. Financial/Investment Institutions, Bank or Banks and Trustees for the holders of debentures/bonds/ other instruments to secure the repayment of loans/ borrowings sanctioned and/or to be sanctioned by them from time to time for a sum not exceeding ₹ 1000 crores (Rupees One Thousand Crore only) over and above the aggregate of the paid-up share capital of the Company and its free reserves and apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business as per the approval of the shareholders under section 180(1)(c) of the Companies Act, 2013 and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of such loans/ borrowings as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to

- (i) finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgage(s) and/or charge(s), hypothecation(s) as aforesaid, and to accept any modification(s) to, or modify, alter or vary, the terms and conditions of the aforesaid documents, and;
- (ii) do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental to and/or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company.”

By Order of the Board,

Registered Office:
P.O. Adityanagar 326520,
Morak, Dist. Kota (Rajasthan)

Swadesh Agrawal
Company Secretary

Date : 13th May, 2014

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of members and Share Transfer Books of the Company shall remain closed from 6th September, 2014 to 13th September, 2014 both the days inclusive on account of Annual General Meeting and dividend payment.
4. The payment of dividend, if declared at the said meeting, will be made to those shareholders whose names shall appear on the Company's Register of Members on 13th September, 2014 or to their nominees. In respect of shareholding in dematerialised form, dividend will be paid to the beneficial owners as per details to be furnished by the Depositories for the purpose. Dividend Warrants will be dispatched or credit will be given under National Electronic Clearing Services (NECS) as the case may be, on or after 26th September, 2014.
5. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owner's bank account directly through NECS subject to availability of bank account details and 9 digits code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.

Shareholders holding shares in physical form and desirous of availing NECS facility, should provide the bank details and 9 digits code number in NECS Mandate Proforma. Shareholders who have already given their Bank details to avail the NECS facility should furnish the same only if there is any change.

The NECS Mandate Proforma can be obtained from the Company's Share Transfer Agents, M/s. MAS Services Ltd at the address mentioned herein below in Note 7.
6. a. Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed/ Unpaid dividends upto the financial year ended 31st March 1995, have been transferred to the General Revenue Account of the Central Government. Those shareholders who have so far not claimed or collected their dividend for the said period may claim their dividend directly from the Registrar of Companies, Rajasthan, Jaipur, by submitting an application in the prescribed form.
- b. (i) Pursuant to Section 205A of the Companies Act, 1956, read together with 205C of the Act, as amended, Dividend for the financial years ended 31st March, 1996 and 31st March 1997, which remained unpaid or unclaimed for 7 years, has been transferred to the Investor Education and Protection Fund constituted by the Central Government.
- (ii) It may be noted that as per Companies Act, once the unclaimed dividend is transferred to the Government as above, no claim shall lie in respect of such amounts.
- c. Shareholders who have not claimed their dividend for the financial years 2006-07 to 2011-12 may produce their unclaimed dividend warrants alongwith necessary documents to the Company. The said dividend will remain in unpaid dividend account with the Company for a period of 7 years.
7. In terms of provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. The shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's Share Transfer Agents, M/s.MAS Services Ltd, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi 110020, for nomination form quoting their folio number. Shareholders holding shares in dematerialised form should write to their Depository Participant for the purpose.
8. Members who are holding shares in identical order of names in more than one folio, are requested to write to the Company's Share Transfer Agents at the address mentioned herein above in Note 7 to consolidate their holding in one folio.
9. Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share Transfer Agents at the address mentioned herein above in Note 7 quoting their folio number. Shareholders holding shares in dematerialised form, should intimate change of their address, if any, to the Depository participant.
10. As per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting votes through the electronic voting system ("e-Voting") under an arrangement with The Central Depository Services Limited ("CSDL") as specified more fully in the instructions hereunder provided that once the vote on

a Resolution is cast, a Member shall not be allowed to change it subsequently. The Notice of the Meeting will also be available on the Company's website <http://www.mangalamcement.com> and the website of The Central Depository Services Limited ("CDSL") at <http://www.evotingindia.com>. Voting shall be reckoned in relation to a Member's holding of the Paid-up Equity Share Capital of the Company as at close of business on 1st August, 2014 ("Cut-off Date").

11. For those Members opting for e-Voting, the process and manner of e-Voting will be as follows:

iv. Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT".

I. In case of members receiving e-mail:

- i. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii. Log on to the e-voting website www.evotingindia.com.
- iii. Click on "Shareholders" tab to cast your votes.

Now, fill up the following details in the appropriate boxes:	For members holding shares in Demat Form	For members holding shares in Physical Form
User-ID	a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID	Folio Number registered with the Company
Password	<ul style="list-style-type: none"> ■ Enter your existing password in case you have voted before on CDSL's e-voting system. ■ Enter the unique password mentioned in the email vide which the Notice of Annual General Meeting alongwith 38th Annual Report of the Company has been emailed to you in case you are using the CDSL's e-voting system for the first time 	Enter the unique password mentioned in the email vide which the Notice of Annual General Meeting alongwith 38th Annual Report of the Company has been emailed to you
<ul style="list-style-type: none"> ■ For members whose email addresses are registered with the Company / Depository Participants ■ For members whose email addresses are not registered with the Company / Depository Participants 	<ul style="list-style-type: none"> ■ Enter your existing password in case you have voted before on CDSL's e-voting system. ■ Enter the unique password sent with the Notice of the Annual General Meeting in case you are using the CDSL's e-voting system for the first time. 	Enter the unique password sent with the Notice of the Annual General Meeting.
PAN Number *	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.	

v. After entering these details appropriately, click on "SUBMIT".

vi. Members holding shares in Physical form will then reach directly to the voting screen.

vii. Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly

recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

ix. On the voting page, you will see Resolution's Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.



- x. Click on the 'Resolutions File Link' if you wish to view the entire Resolutions.
 - xi. After selecting the resolutions you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xii. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
12. Any query relating to the Resolutions proposed to be passed at the ensuing Annual General Meeting (AGM) and e-Voting may be addressed to the Company Secretary of the Company.
 13. Voting can be exercised only by the concerned Member or his/her duly constituted attorney or, in case of bodies corporate, its duly authorised person. A Member need not use all his/her votes.
 14. Members who do not have access to the e-voting facility will be entitled to vote at the AGM as per the extant law. The results of the voting shall be placed on the website of the Company and on the website of the CDSL within two days of passing of the Resolutions at the AGM and communicated to the Stock Exchanges where the Company's shares are listed. The results of the voting process will also be displayed on the Company's website www.mangalamcement.com

II. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company/ depository participant(s) or requesting physical copy]:

- i. Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
 - ii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
 - iii. The voting period begins on 5th September, 2014 at 10.00 AM and ends on 6th September, 2014 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - iv. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
15. The Company has appointed Shri Manoj Maheshwari (Membership No 3355), Practicing Company Secretary, as a Scrutinizer for conducting the entire polling process (including e-Voting) in a fair and transparent manner.
 16. The Scrutinizer shall not later than three (3) working days from the conclusion of the e-voting period, unblock the votes and submit his Report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014.
 17. Reappointment of Shri K C Jain, Director Retiring by Rotation

Shri K. C. Jain, a qualified Chartered Accountant, has a rich 48 years' experience in the cement industry. He has been a member of the managing committee of Cement Manufacturer's Association (CMA) for the past 35 years. He was the Managing Director of the Company from 1996 to 2012. He has Directorship and Committee membership in the following companies: Kesoram Industries Ltd. Member - Shareholders'/Investors' Grievance Committee. He is a Director in the Company since 5th May, 2012 and holds 6840 shares of the Company.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)

Item Nos. 5 to 9:

Pursuant to the provisions of section 149,150,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, it is proposed to appoint Shri K.K. Mudgil, Shri Amal Ganguli, Smt. Aruna Makhan, Shri N.G. Khaitan and Shri Gaurav Goel as Independent Directors of the Company for a period of 5 (Five) consecutive years from the conclusion of the Company’s 38th Annual General Meeting to the conclusion of Company’s 43rd Annual General Meeting. .

The Company has received notices in writing under Section 160 of the Companies Act, 2013 from member’s alongwith the requisite deposits proposing the candidatures of each of the appointees for the office of Director of the Company.

Further none of them are disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

A brief profile along with other details of the Independent Directors are as follows:

a) SHRI K.K. MUDGIL

Shri K.K. Mudgil (DIN: 00025700) is B.A. (Hons.) in Economics and also pursued an advanced course in Organisation, Management and Financing of Small Scale Village Industries. He rose to the position of Chief General Manager of the Reserve Bank of India (RBI). On November 30, 1997, he retired as the Executive Director (on deputation from RBI) of National Housing Bank. Till

2012, he was holding the position of Secretary General, Council of State Industrial Development and Investment Corporations of India, New Delhi. He does not hold directorship in any other Company. He is Director in the Company since 18th January, 2005 and holds 1000 shares of the Company.

b) SHRI AMAL GANGULI

Shri Amal Ganguli (DIN:00013808) is a fellow member of The Institute of Chartered Accountants of India and the Institute of Chartered Accountant in England and Wales. He is also a member of the New Delhi Chapter of The Institute of Internal Auditors, Florida, USA. Shri Ganguli spent 40 years of his professional career in Price Waterhouse/ Price Waterhouse Coopers, UK/India. He served as the Chairman and Senior Partner of Price Waterhouse Coopers (PwC), India, for seven years before retiring in 2003. Subsequent to his retirement, Shri Ganguli’s membership in boards of various companies as an Independent Director has helped him gain board-level experience. He has directorship and committee membership in following companies: Maruti Suzuki India Ltd. Chairman- Audit Committee, Tata Telecommunications Ltd. Chairman- Audit Committee, Century Textiles and Industries Ltd. Member- Audit Committee, ICRA Ltd. Member- Audit Committee, HCL Technologies Ltd. Member- Audit Committee, New Delhi Television Ltd. Chairman- Audit Committee, Triveni Turbine Ltd. Member- Audit Committee, AVTEC Ltd., Hughes Communications India Ltd. Member- Audit Committee, Aricent Technologies (Holdings) Ltd. Member- Audit Committee, Tata Teleservices Maharashtra Ltd. Member- Audit Committee. He is Director in the Company since 11th February, 2013 and does not hold any shares of the Company.

c) SMT. ARUNA MAKHAN

Smt. Aruna Makhan (DIN: 00025727) joined the Indian Audit & Accounts Service in 1967 and held the prestigious position of Controller General of Accounts before retirement. During her 37 years of service, Smt. Makhan attained a rich and versatile experience in the field of public financial management. She held various senior level positions in different departments. She has directorship and committee membership in following



companies: Nirlon Limited Member- Audit Committee and Shareholders Grievance Committee. She is a Director in the Company since 5th May, 2012 and does not hold any shares of the Company.

d) SHRI N.G. KHAITAN

Shri N.G. Khaitan (DIN: 00020588) is a Senior Partner of Khaitan & Co. based in Kolkata. He passed his Attorney-ship Examination from the Calcutta High Court in the year 1974 and stood first in the Preliminary, Intermediate and Final Examinations and was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, High Court, Calcutta. He is a Notary Public appointed by the Govt. of India. He has rich experience in all aspects of laws and more particularly, Real Estate, Corporate laws and has handled important Litigations covering different branches of laws including Mergers & Acquisition, Restructuring and De-mergers. He has advised several large industrial houses and multinational corporations on multifarious legal matters. He has also been a lead speaker in different seminars and symposiums on varied legal issues. He is a Committee member of the Federation of Indian Chambers of Commerce and Industry, New Delhi; President, Indian Council of Arbitration, New Delhi; Vice- President of Bharat Chamber of Commerce, Executive Committee member of The Agri-Horticultural Society of India, Executive Committee member of a leading school in Kolkata and had been President of two leading Social Clubs in Kolkata. He has directorship and committee membership in following companies: Chase Bright Steel Ltd.; HSIL Ltd. Member - Audit Committee & Chairman- Shareholder/Investor Grievance Committee; J K Lakshmi Cement Ltd. Member - Audit Committee and Shareholder/Investor Grievance Committee; Mangalam Timber Products Ltd. Chairman - Audit Committee; Naga Dhunseri Group Ltd.; Reliance Chemotex Inds. Ltd. Member - Audit Committee; Rasoi Ltd; India Power Corpn Ltd. Member - Audit Committee; Warren Tea Limited. He is a Director in the Company since 23rd October, 2000 and does not hold any shares of the Company.

e) SHRI GAURAV GOEL

Shri Gaurav Goel (DIN: 00076111) is the Managing Director and Promoter Director of Dhampur Sugar Mills Ltd., one of the premier integrated sugarcane processing companies in India. His academic credentials include a business

management graduation degree from the United Kingdom. He has been associated with Dhampur Sugar Mills since 1994 and is responsible for the smooth functioning of its financial aspects. He was the President of Entrepreneurs Organisation (EO), Delhi chapter, for 2006-2007. He is a Director in Dhampur Sugar Mills Ltd., Goel Investments Ltd., and Sudh Edible Products Ltd. He is a Director in the Company since 5th May, 2012 and does not hold any shares of the Company.

Note: Directorships and Committee memberships in Mangalam Cement Limited and its Committees are not included in the aforesaid disclosure. Committee positions only of Audit Committee and Shareholders'/Investors' Grievance Committee in Public Companies have been considered. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded.

Other than the Independent Directors of the Company and their relatives, to the extent of their shareholding, if any, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in item nos. 5 to 9 of this Notice.

Item No. 10 and 11

The members of the Company at its Extra Ordinary General Meeting held on 29th April, 2011 appointed Shri Anshuman Vikram Jalan and Smt. Vidula Jalan as Whole-time Directors of the Company for a period of three years effective from 1st April, 2011.

The Nomination and Remuneration Committee at its meeting held on 13th May, 2014 had recommended appointment of Shri Anshuman Vikram Jalan and Smt. Vidula as a Whole Time Director designated as Executive Directors of Company for a further period of three years from 1st April, 2014 to 31st March, 2017, (both days inclusive) on such remuneration and other terms as stated in Resolution No. 10&11 respectively of the accompanying Notice. The Board of Directors, at their meeting held on 13th May, 2014 had approved the recommendations subject to the approval by the members at the ensuing Annual General Meeting by way of Ordinary Resolutions.

The Board is of the opinion that considering their background, qualifications and expertise that Shri Anshuman Vikram Jalan

and Smt. Vidula Jalan brings to the Company, the remuneration offered to them is reasonable and in line with present corporate practice.

Information about the Appointees

Shri Anshuman Vikram Jalan, (DIN:01455782) aged about 37 years, is a B.Com (Hons.) from St. Xavier's College, Kolkata. Besides, he has completed a management course in marketing and corporate finance from the London School of Economics, UK. Being involved in the management of manufacturing companies since 1998, he has gained a rich experience in business administration. He joined the board of Mangalam Cement Ltd. on 30th July, 2009. He has directorship and committee membership in following companies: Pilani Investment and Industries Corp. Ltd. Member- Audit Committee and Vidula Consultancy Services Ltd. He holds 10, 000 shares of the Company.

Smt. Vidula Jalan, (DIN:01474162), aged 34 years, is MBA in Strategic Marketing, Leadership and Change Management from the Indian School of Business, Hyderabad. Moreover, she also has an Accounting and Finance degree from The University of Manchester, U.K. She is also managing the affairs of reputed schools and charitable trusts of the B. K. Birla Group (the "Group"). She joined the board of Mangalam Cement Ltd. on 30th July, 2009. She also holds Directorship in Vidula Consultancy Services Limited and Mangalam Timber Products Limited. She holds 26,000 shares of the Company.

Except the remuneration proposed, the Whole-time Directors designated Executive Directors do not have any pecuniary relationship with the Company and they are not related to any managerial personnel. However, they are related to each other as spouses.

The Board of Directors recommends passing of the Special Resolution at item No. 10 & 11 of the Notice.

None of the Directors other than Shri Anshuman Vikram Jalan and Smt. Vidula Jalan for themselves as well as the spouse of each other, may be deemed to be concerned or interested in the aforesaid resolutions.

Item No. 12

The Board on the recommendation of the Audit Committee has approved the re-appointment of M/s. J. K. Kabra & Co., Cost Accountants, New Delhi as Cost Auditors to conduct the audit

of the cost records of the Company for the financial year ending 31st March, 2015 pursuant to Section 148 of the Companies Act, 2013 on a remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand only) plus service tax as applicable.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

Item No. 13 & 14

The Shareholders at the 37th Annual General Meeting of the Company held on 29th July, 2013 had accorded their consent to the Board of Directors by way of an Ordinary Resolution under erstwhile Section 293(1)(d) of the Companies Act, 1956 borrowing in excess of the aggregate of the Company's paid-up capital and free reserves, subject to limit of ₹ 1000 crores (Rupees One Thousand Crore only) over and above the aggregate of the paid-up share capital of the Company and its free reserves.

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors of a Company shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the Ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution. Further, since the Company is expanding and will continue to expand its manufacturing and marketing capacities, there may be need to increase the Company's aggregate borrowings. Hence, the Board of Directors feels that it will be necessary for the Company to raise further moneys from various sources which may exceed the existing borrowing limit as stated above. The consent of the Shareholders is therefore, sought by way of a Special Resolution in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013 to enable the Board of Directors to borrow monies subject to a limit of ₹ 1000 crores (Rupees One Thousand Crore only) in addition to the aggregate of the Company's paid-up share capital and its free reserves as mentioned in the resolution. The Resolution under item No.13 of the accompanying Notice is to obtain fresh consent of the



shareholders for this purpose. Since the proposed borrowing will be in a phased manner, it is expected that even with the proposed increase in borrowings, the debt equity ratio of the Company should be within reasonable limits.

The proposed borrowings of the Company, may, if necessary, have to be secured by way of mortgage/charge on immoveable properties and/or hypothecation of the moveable properties of the Company both present and future, as may be agreed to with the concerned financial/investment institutions, bank or banks or the relevant party concerned.

Since the mortgage and/or charge/hypothecation to be created as aforesaid may attract the provision of Section 180(1)(a) of the Companies Act, 2013, it is deemed advisable to obtain the

approval of the members by way of a Special Resolution under the provisions of the above Section of the said Act. The Directors accordingly commend the resolutions in item nos. 13 & 14 of the accompanying notice for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at item nos. 13 & 14.

By Order of the Board,

Registered Office:
P.O. Adityanagar 326520,
Morak, Dist.Kota (Rajasthan)

Swadesh Agrawal
Company Secretary

Date : 13th May, 2014



B K BIRLA GROUP OF COMPANIES

The Group Logo – As represented by the 21st Century Atlas

Atlas, the Titan - Collective Strength

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

The Sun - Enlightenment and Growth

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments - Diversified Activities

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe - Global Vision

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base - Solid Foundations

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

The Symmetry - The Resilience, Versatility and Stability

Seen in its entirety, each of the elements - Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

Strong Foundation • Sustained Growth • Proven Leadership



www.mangalamcement.com



BIRLA GROUP OF COMPANIES

Telefax : 07459-232156

Website : www.mangalamcement.com

CIN: L26943 RJ 1976 PLC 001705

MANGALAM CEMENT LTD.



REGD. OFFICE & WORKS : P.O. ADITYA NAGAR-326520. MORAK, DISTT. KOTA (RAJ.)

FORM- A

1.	Name of the Company	Mangalam Cement Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un qualified
4.	Frequency of observation	Not Applicable

Your's faithfully

A.V. Jalan, Executive Director



K.K.Mudgil Chairman, Audit committee

Anil Kumar Mandot, CFO
& Sr. Joint President (Commercial)



P.K.Jain, M/s Jain Pramod Jain & Co.

Auditor, M.No. 10479

Kota Office : "Mangalam" 93, Dashera Scheme, P.O. Dadabari, KOTA - 324 009 (Rajasthan)
Tel. No. : 0744 - 2500266, 3098600, Fax : 0744 - 2500178, E-mail : mclcta@kappa.net.in

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