

**39<sup>th</sup>** Annual Report, 2014-15

**MANGALAM CEMENT LIMITED**



**B K BIRLA GROUP OF COMPANIES**



### 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.



📍 View of the plant lit up

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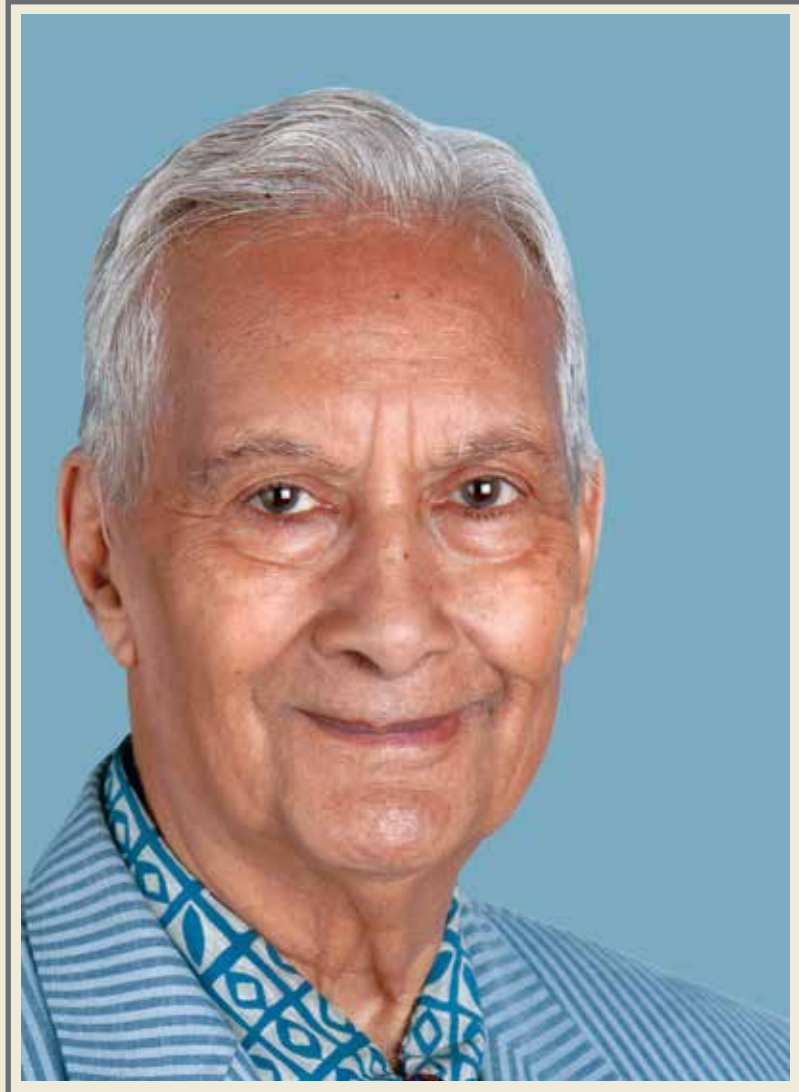
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**SHRI B.K. BIRLA**

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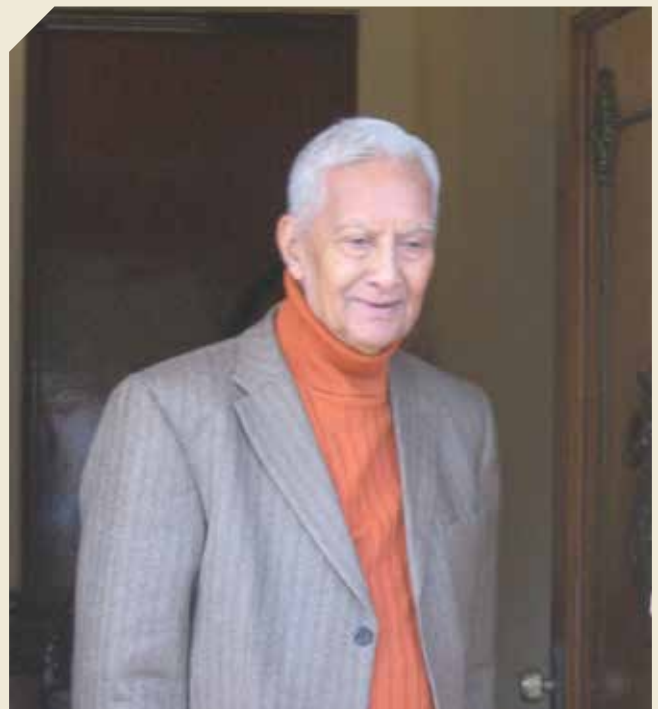


**LATE SMT.(DR.) SARALA BIRLA**

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## Memorable moments from visits of Shri & Smt. B.K. Birla to Mangalam Cement plant







## Board of Directors



### Shri 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 Government 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 and Acquisition, Restructuring and De-mergers. He has advised several large industrial houses and multinational corporations on multifarious legal matters.



### 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 overall activities. 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 49 years experience in the cement industry. He was a member of the Managing Committee of Cement Manufacturers' Association (CMA) for 35 years.

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### **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.

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### **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.

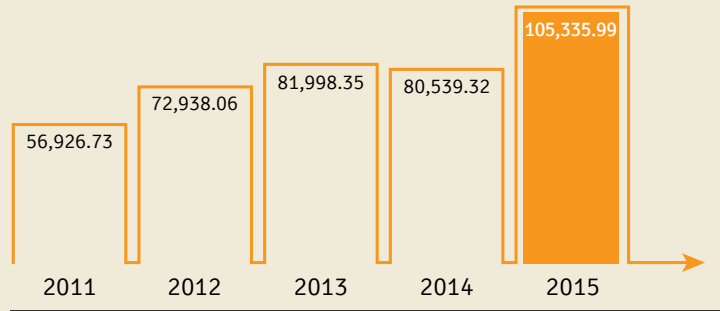
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# Performance Highlights

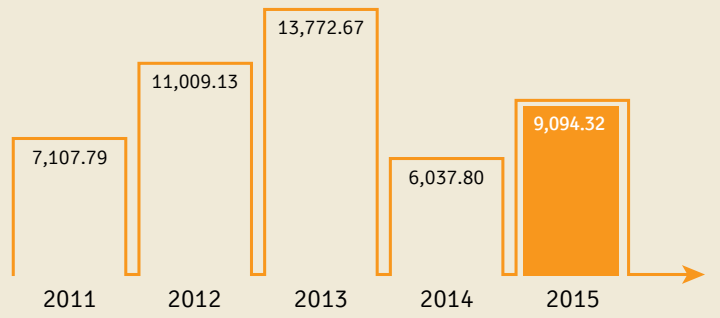
## TOTAL REVENUE

₹ in Lacs



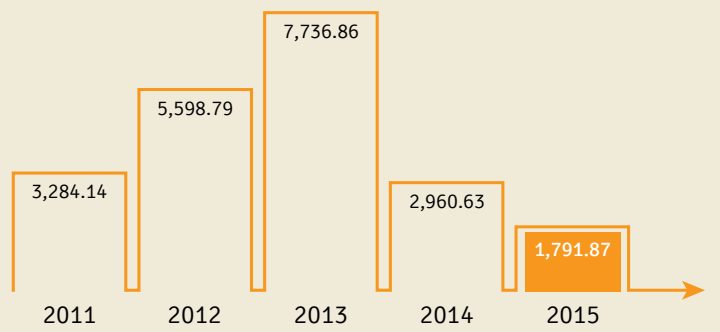
## EBIDTA

₹ in Lacs



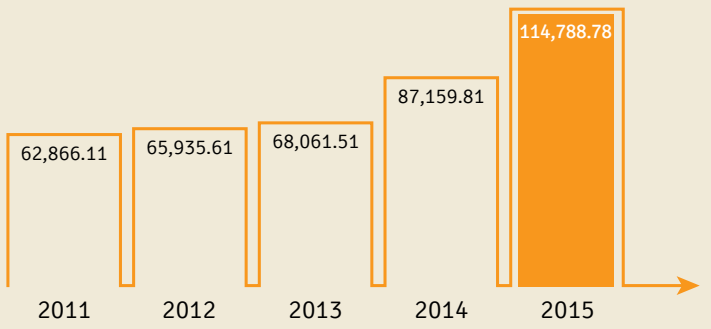
## POST-TAX PROFIT

₹ in Lacs



**GROSS BLOCK**

₹ in Lacs

**178.25** lac Kwh

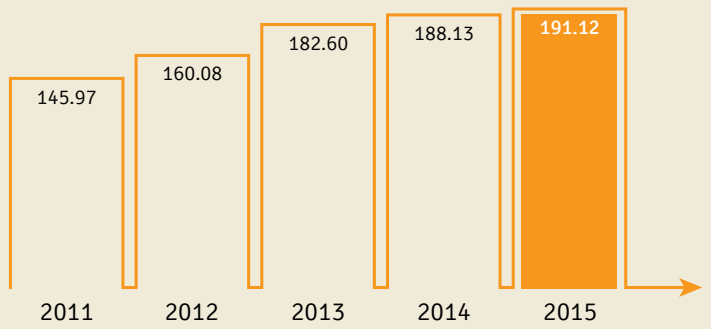
Captive green energy production

**1696.98** lac Kwh

Captive thermal energy production

**BOOK VALUE PER SHARE**

₹

**21.40** lac tonnes

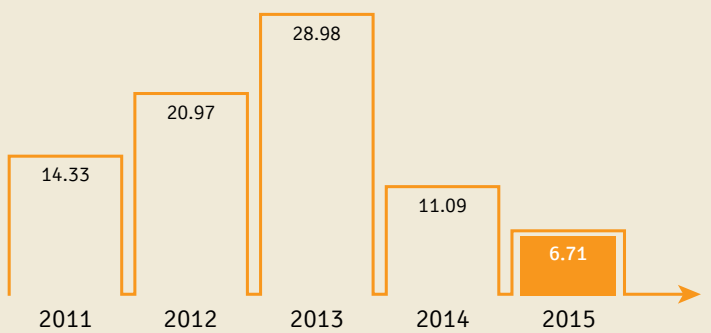
Highest cement production

**21.43** lac tonnes

Highest dispatch of cement

**EARNINGS PER SHARE**

₹

**19.66** lac tonnes

Highest clinker production

# Awards & Accolades



▲ National Safety Award received from Hon'ble President of India



▲ Energy Conservation Award 2014 in the cement sector by the Government of Rajasthan



▲ Fair Business Practices Award from Former President of India Dr. A.P.J. Abdul Kalam

- Awarded National Safety Award under the category of 'Minimum Accident Recurring Rate' at mines for the year 2011 by the Ministry of Labour department, Government of India. Honourable President of India Shri Pranab Mukherjee presented this award

- Awarded 2nd prize for Energy Conservation Award 2014 in the cement sector by the Government of Rajasthan
- Received third prize for overall performance in Rajasthan on the occasion of 25th Mines Environment and Mineral Conservation Week,

2014-15, celebrated under the aegis of the Indian Bureau of Mines, Government of India

- Awarded the Jamnalal Bajaj Award by Honourable former President of India Dr. A.P.J. Abdul Kalam for fair business practices, social welfare in nearby area, environment development and stakeholder satisfaction



▲ Jamnalal Bajaj Prize for Fair Business Practices, 2014



▲ National Safety Award (Mines)



▲ Awarded for overall performance in Rajasthan at 25th Mines Environment and Mineral Conservation Week, 2014-15



# From Stepping Stones to Milestones

**1981**

Commercial production of 0.40 Million Ton Per Annum (MTPA) cement commenced on 1st March, 1981.

**1993**

The Company started setting up a new plant at the existing site, in the name of Neer Shree Cement (Unit II). The annual capacity was of 6 Lac Tonnes.

**1994**

The commercial production of the new unit (Unit II) commenced. The capacity enhanced to 1.00 MTPA.

**2015**

A new grinding unit of 0.5 MTPA is under construction at Aligarh, Uttar Pradesh.

**2014**

A new cement grinding mill of 1.25 MTPA capacity was commissioned. The overall cement capacity enhanced from 2.00 MTPA to 3.25 MTPA.



Full View of the New Grinding Unit at Morak

**2005**

Clinker production increased by 700 MT per day and cement grinding capacity by 0.5 MTPA. The overall cement grinding capacity enhanced from 1.0 MTPA to 1.50 MTPA.

**2007**

Captive thermal power plant, with a capacity of 17.5 MW started commercial production.

**2008**

Seven wind turbines, with a total capacity of 6.15 MW were installed at Jaisalmer (four wind turbines of 0.6 MW each and three wind turbines of 1.25 MW capacity each).

**2013**

Clinker production further enhanced by 0.5 MTPA, taking total clinker capacity to 2.30 MTPA.

**2011**

The second captive thermal power plant, with 17.5 MW capacity was commissioned in February 2011.

**2009**

Clinker production increased by 750 MT per day and cement grinding capacity by 0.5 MTPA. The overall cement grinding capacity enhanced to 2.00 MTPA.





# Insight into Mangalam Cement

Ever since its inception, Mangalam Cement has grown on the strength of the trust of our customers and the wider stakeholder fraternity. We have always focused on reaching promising markets on the strength of our quality standards and brand recall. We are committed to live up to the expectations of our customers and stakeholders for today, tomorrow and beyond.

Part of the illustrious B. K. Birla Group, we are one of India’s trusted cement manufacturers with more than three decades of industry experience.

Our operations are cost-efficient and integrated (captive limestone mines and power).

Our brand Birla Uttam remains a preferred choice in Northern and Central India.

We optimise raw material utilisation, better product quality and higher input-output ratio through the intervention of contemporary technologies.

We operate across Delhi NCR, Rajasthan, Madhya Pradesh, Haryana and Uttar Pradesh through 1,126 dealers and 3,361 retailers.

Our talented workforce ensures the efficiency of our operations and drives our brand promise.

We maintain a green belt in the vicinity of our manufacturing plant. We have also invested in wind energy to minimise our carbon footprint.

We support healthcare, rural infrastructure, education and women empowerment in the areas of our operation.

## OPERATING LOCATIONS

- ◉ Corporate Office in Kolkata (West Bengal)
- ◉ Cement and coal-based power plant at Aditya Nagar, Kota district (Rajasthan)
- ◉ Wind power at Jaisalmer district (Rajasthan)
- ◉ Regional offices at Kota, Jaipur and Delhi
- ◉ Primarily caters to the markets of Delhi NCR, Rajasthan, Madhya Pradesh, Haryana and Western Uttar Pradesh, among others

## CAPACITIES

Cement	3.25 MTPA
Power	35 MW
Wind energy	13.65 MW

## CREDIT 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)

## MAJOR CERTIFICATIONS

- ◉ ISO 9001:2008 certification, ensuring stringent quality protocol
- ◉ ISO 14001:2004 certification, ensuring superior environmental management system
- ◉ IS 18001:2007 certification, ensuring advanced occupational health and safety management system
- ◉ ISO 50001:2011 certification, on energy management system ensuring improvement in energy performance



## PRODUCT BASKET- BIRLA UTTAM

Portland Pozzolana Cement (PPC)	Ordinary Portland Cement 43 Grade	Ordinary Portland Cement 53 Grade
<p>Special blended cement, produced by inter-grinding higher strength cement clinker with high quality processed fly ash - based on norms set by our R&amp;D division. This unique, value-added product has hydraulic binding properties, not found in ordinary cements.</p>	<p>Most commonly used cement in all constructions including plain and reinforced cement concrete, brick and stone masonry, floors and plastering. It is also used in finishing of all types of buildings, bridges, culverts, roads and water retaining structures, among others.</p>	<p>Produced from high-quality clinker, ground with high-purity gypsum. Provides high strength and durability to structures, because of its optimum particle size distribution, superior crystalline structure and balanced phase composition.</p>

## THE BRAND - BIRLA UTTAM

Birla Uttam Cement is a leading cement player and is one of the most trusted and preferred brand of engineers, builders, contractors and individual house builders.





# Enhancing Capacities, Improving Efficiency.



▲ Plant overview of Unit I & II at Morak

**27%**

Growth in cement volumes



▲ Mining operations

## UPGRADATION AND EXPANSION

During the year, the modernisation of Unit-1 and expansion of cement capacity to 3.25 MTPA was completed and stabilised.

The resultant recurring savings in power and fuel consumption as well as significantly enhanced dispatch capacities have put Mangalam Cement on a more solid footing in an increasingly competitive industry environment.

A new grinding unit is being set up at Aligarh, Uttar Pradesh, with a capacity of 0.5 MTPA to fully leverage the output capabilities and to enable the Company to reach and service its core markets more effectively, while optimising logistics.



↑ Cement packing unit

### OPERATIONAL EFFICIENCY

- ⊙ Focused on reducing power and fuel consumption and eliminate process losses
- ⊙ Reinforced multiple Kaizen projects for continuous operational improvement
- ⊙ Upgraded and re-engineered our manufacturing process through multiple initiatives, which resulted in reduced power and raw material consumption for per ton of cement produced
- ⊙ Completed the rehabilitation of our kiln one by replacing several key process components with the latest technology, facilitating higher cement output and better quality

### BEST-IN-CLASS MINING PRACTICES

- ⊙ Successfully completed a Kaizen project, bettering the fire extinguisher system in dumper and shovels, to prevent fire related accidents and machine damage
- ⊙ Increased per hour meterage of drilling, which resulted in more limestone output
- ⊙ Improved blasting techniques, which helped in increasing limestone output
- ⊙ Enhanced limestone screening efficiency through modification of screening equipment
- ⊙ Maintained Heavy Earth-Moving Machinery (HEMM) for material handling, enabling cost and fuel savings
- ⊙ Conducted training programmes for mine workers to increase their productivity and efficiency



## Developing a Strategic Network



▲ Dealer trip to Gold Coast, Australia



▲ Newly launched mobile concrete lab

At Manglam Cement, we believe that success in marketing lies not only in seizing opportunities but in methodically focussing on strategically strengthening our entire distribution network and ultimately delivering value to our customers through an efficient and motivated network chain. Thus, while we are entering select new geographies, our focus is on deepening our presence in existing markets.



▲ Addressing the network

## 19.32%

Increase in total dispatches on account of proactive forays into new markets and deeper penetration into existing markets

## 1,126

Dealers as on 31st March, 2015

## 3,361

Retailer base as on 31st March, 2015

### MARKETING ENDEAVOURS

- We took various steps to grow our sales volume in our key markets
- Strengthened our marketing team, restructured dealer network and expanded branding activities
- Organised multiple brand management activities across retail outlets for better brand positioning, enhancing brand recall
- Launched a technical marketing cell to educate dealers, masons and contractors
- Conducted dealer and mason meets to reinforce brand loyalty
- Launched various incentive schemes for dealers, motivating them to drive higher volumes
- Entered south Gujarat and penetrated deeper into our existing markets of western Uttar Pradesh, Delhi NCR, Punjab and Madhya Pradesh
- Introduced fully technically-equipped van to different villages to educate people on our product, and increase our product visibility



# Nurturing our Human Resources



▲ Central control room

A dynamic and dependable team is the biggest asset of an organisation. We groom our talent to enhance their skills and help them function more efficiently. We encourage a right work culture, supported by ethical work practices to facilitate good business.

## TEAM MANGALAM

Our human resource management attracts, nurtures and retains talent. With a 1050+ strong member team, as on 31st March, 2015, our priority is to focus on the growth and development of each employee, which reflects in our growing productivity and low attrition level.

We aim to build a work culture that recognises our employees' contributions, as well as attain maximum job satisfaction.

## EMPLOYEE MOTIVATION

We recognised the best performers of the month for their overall improvement in productivity, and also motivated others to follow their example. Over 155 employees have been awarded during this financial year.

## LEADERSHIP DEVELOPMENT

Leadership development programmes develop future leaders that give any business a competitive edge. We organised a three-day training programme on 'Leadership Development'. The programme was meant for our senior officers. It primarily focused on areas of vision building, teamwork and result-oriented approach through personal improvements.

## PRODUCTIVITY WEEK CELEBRATIONS

We celebrated National Productivity Week by organising a variety of competitions to create awareness on the significance of growth in today's competitive environment. The focus remained on 'zero defect' (effective quality management system in production, maintenance, material management, and man and money management).

## TRAINING ENDEAVOURS

Continual improvement is an integral part of working and is strongly supported at all levels in our organisation. We undertook several skill development and training initiatives throughout the year.

We provide essential training to our employees for enhancing effective use of technology. Such efforts in turn help improve productivity and profitability.

## Strengthening our Green Initiatives



▲ Green belt around the plant

### CLEAN AIR

We have installed electrostatic precipitators/bag filters at all transfer points and raw material handling areas for control of fugitive dust emissions. Regular water spray at plant roads, hoppers and raw material storage areas further control emission by vehicular movement.

Moreover, ambient air quality monitoring stations are provided at the periphery of our existing premises.

### GREEN BELT

We have planted over 125,000 saplings to ensure a dense green belt around the plant and mine areas. Over 90 hectares of land have been covered with plantations. We encourage our employees and their families to actively participate in our plantation drives.

### WATER HARVESTING

Water harvesting has helped us store 22 lac cubic metres of water in the mined-out areas. Accumulated rain water from the roof tops is used across various areas of the plant.

### ZERO DISCHARGE

We have an effluent treatment plant in place, ensuring zero discharge. Treated waste water is used in green belt development within the factory premises.

### CLEAN ENERGY

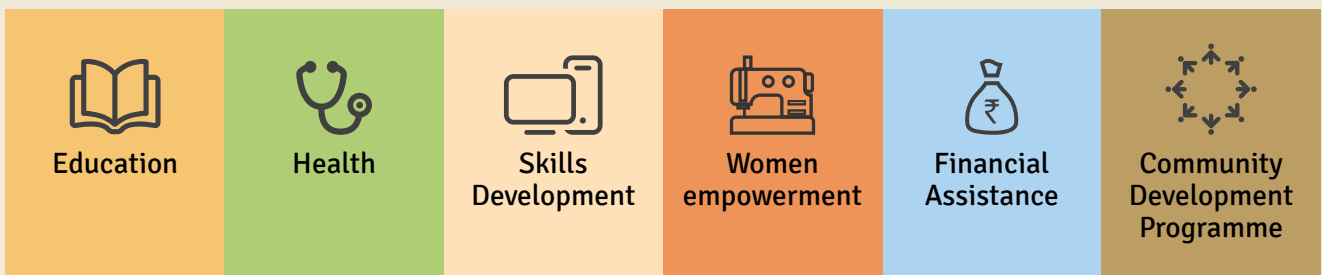
We operate a wind turbine of an aggregate capacity of 13.65 MW at Jaisalmer, Rajasthan. This has helped us mitigate 22,700 MT of equivalent CO<sub>2</sub> emissions annually. The project has been registered under the Clean Development Mechanism (CDM) with the United Nations Framework Conventions on Climate Change (UNFCCC).



# Embracing our Social Responsibilities

At Mangalam Cement, we try to touch the lives of our communities in a meaningful way. Our initiatives address some of the persistent challenges in the areas of education, healthcare and community development.

## CSR Agenda



▲ Medical check-up camp

### HEALTH CARE

We conducted regular health camps to monitor the health of farmers and educate them about disease prevention and care. We also provided financial assistance to several hospitals.

We adopted CHC Morak under a scheme of the Government of Rajasthan and assisted its maintenance and refurbishment.

We also organised healthcare camps for specially-abled people. A team of specialised doctors, in collaboration with the Government of Rajasthan made the event successful.



▲ Providing quality education at Mangalam DAV School

Activities	No. of patients
Periodic health check-up	1,868
Pulse Polio drive	2,796
ENT	60
Handicaped rehabilitation camp	89





◆ Skill development initiatives



◆ ITI-Khairabad - Empowering rural youth

## EDUCATION

We strive to provide quality education to the youth. The Mangalam DAV School imparts quality education to over 1000 students, under the CBSE Board. We also adopted ITI Kherabad under PPP (Public Private Partnership) model to deliver technical education to the rural youth in the vicinity. 'On-the-job' training courses are offered to the students for a duration of 15 days to enable them to become self-sufficient and independent.

Moreover, we also provide higher education allowance for BPL students, assisting them financially for further education. We adopted a few schools in the surrounding *gram panchayats* and are taking care of their infrastructure, repair and maintenance. Government Middle School, Mahaveer colony, Morak and Government Middle School, Chousla were benefited from this initiative.

## SKILL DEVELOPMENT PROGRAMME

We conduct skill-based training for the youth through various programmes to make them self-sufficient. Our ongoing computer training programmes at *gram panchayats* have already benefited more than 100+ students. We also sponsored computer training courses at ITI Kherabad. Driving classes were also organised by us, where we distributed driving licenses to over 100 people.

## WOMEN EMPOWERMENT

We focus on the provision of various training programmes for women living in these areas, to encourage women empowerment and help bring a sustainable change in society. We conducted tailoring training for 22 batches (approximately 300+ women), and also set up a tailoring centre at the Morak station.

## FINANCIAL ASSISTANCE

We provide regular financial assistance to *gram panchayats* for the development and maintenance of their infrastructure, to help improve the quality of living of the people.

## COMMUNITY DEVELOPMENT

We undertook various initiatives for holistic development of the community. We believe in communal equality and provide financial assistance for the construction of religious worship places and for the celebration of various religious festivals. We also constructed a community centre called Kalyan Mandapam for celebrating social events and gatherings.

We have also extensively promoted the Swachh Bharat Abhiyan campaign in *gram panchayats*, where we undertook cleanliness drives and planted saplings, simultaneously educating the people about the importance of a clean environment.



# Management Discussion and Analysis



## INDIAN ECONOMY

The Indian GDP registered a growth rate of 7.4% in 2014-15. The growth of Gross Value Added (GVA) at basic prices for agriculture and allied sectors, industry sector and services sector are estimated to be at 1.1%, 5.9% and 10.6% respectively in 2014-15. Overall growth in the Index of Industrial Production (IIP) was 2.1% during March 2015 as compared to a contraction of 0.5% in March 2014.

The Indian economy is likely to grow at over 8% in 2015-16, driven by strong consumer spending amid low inflation, infrastructure projects and the government's reform measures. The economy will see acceleration of infrastructure projects, growing consumer expenditure due to lower inflation and monetary easing and gradual changes in market sentiments.

## CEMENT INDUSTRY IN INDIA

**The Indian cement industry is the second largest in the world and forms a vital part of the Indian economy.**

During the year 2014-15, the Indian cement manufacturing industry pegged at 267.5 million tonnes (MT) and grew at a rate of 7.1% from previous year. This is a considerable increment as compared to the production growth of 3.8% reported in the preceding year. The momentum in production growth is expected to continue even in 2015-16 backed by a sustained, healthy rise in demand. The cement output is likely to increase by 8.2% to 289.4 MT during the current fiscal.

The Indian cement industry is marked with a trend of capacity underutilisation, having 23% of installed capacity stay idle during 2014-15.

## DEMAND DRIVERS

### Rising demand from the real estate sector

In India, the housing sector is the biggest demand driver of cement, accounting for about 67% of the total consumption. The sector is poised to witness a robust growth in investment during 2015-17.

In 2014-15, project commissioning is expected to be at ₹ 557.4 billion, which is over five times as compared to the preceding year. In the subsequent year, it is likely to increase to ₹ 726.4 billion. Besides, rising demand from the unorganised real estate segment (especially in rural housing and Tier I and II cities) is also likely to boost the demand prospects for cement. The hotel industry too is expected to see a strong growth in capacity addition in the near future.

### Housing shortage in the country

India has an estimated urban housing shortage of 18.8 million dwelling units. The housing shortage in rural India is estimated to be at 47.4 million units, in 2012. With rapid urbanisation and migration of the rural population to urban and semi-urban cities and towns, there is a huge necessity for residential constructions which implies a boost for the cement industry.

### Boost from the infrastructure industry

Among the infrastructure segments, roads account for the highest cement

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**Your Company's gross turnover crossed ₹ 1,000 crores mark this year registering a growth of 32.20% in revenue from operations over the previous year, inspite of depressed market conditions and weak prices.**

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consumption. An estimated 7,037 kilometres of road during the year is slated to be constructed by the infrastructure industry during 2015-16. Project completion in the railways, shipping and airport segments is likely to accelerate during 2015-17. All these factors are expected to lead to a healthy rise in demand for cement which currently accounts for 13% of the country's demands.

#### **Impetus on capacity addition and utilisation**

To meet the rise in demand, cement companies are expected to add 56 MT capacity over the next three years. The cement capacity in India may register a growth of 8% by next year end to 395 MT from the current level of 366 MT. It may increase further to 421 MT by the end of 2017. The country's per capita consumption stands at around 190 kg. The top 20 cement companies account for almost 70% of the total cement production of the country.

Assuming a demand growth of eight per cent over the next two years, the all-India cement capacity utilisation is likely to improve from 71% in 2014-15 to 72% in 2015-16 to 77% in 2016-17.

#### **Government Initiatives**

##### ⦿ **Swachh Bharat Abhiyan**

The programme launched by the Prime Minister of India aims at achieving measures of cleanliness across the country. The programme entails an investment of nearly ₹ 2 lac crores over the next five years to construct 12 crores toilets in India.

The programme will draw in cement demand as it is the basic construction ingredient.

##### ⦿ **Smart Cities**

The Government announced 100 smart cities to be built with the investment of ₹ 48,000 crores over the period of the next five year. The initiative is bound to keep cement demands afloat throughout the project implementation duration.

##### ⦿ **Housing for all by 2022**

The Government of India announced facilities of affordable housing for the urban poor that includes a total of 60 million housing units -- 20 million of which are in urban India and 40 million in rural India. These will be developed and provided at subsidised rates of borrowing interest to the lower income group.

##### ⦿ **Other provisions**

- ⦿ Budgetary allocation of ₹ 70,000 crores to infrastructure sector
- ⦿ PPP model for infrastructure development
- ⦿ Proposal for five ultra-mega power projects, each of 4000 MW
- ⦿ The CAPEX of the public sector units is expected to be ₹ 3, 17,889 crores, a 74% hike

#### **OVERALL PERFORMANCE REVIEW**

Your Company's gross turnover crossed ₹ 1,000 crores mark this year registering a growth of 32.20% in revenue from operations over the previous year, inspite of depressed market conditions and weak prices. During the year, our cement and clinker production stood at 21.40 lacs tonnes and 19.66 lacs tonnes respectively, which is our highest ever production.

With the benefits of capex incurred for upgradation and operational initiatives undertaken to improve efficiency of various equipment, your Company could achieve savings in power consumption of 3 kwh/t of cement production as well as substantial savings in specific fuel consumption. In line with our plans, production of blended Pozzolana cement is likely to increase further which will also reduce the carbon footprint per ton of cement.

The EBIDTA for the financial year ended 31st March, 2015 increased by 56.31% over the previous year. However, finance cost and depreciation & amortisation expenses have also increased substantially due to completion of 1.25 MTPA cement grinding capacity expansion and 0.5 MTPA additional clinker manufacturing capacity in previous year resulting in lower Net Profit. The capacity utilisation for the year 2014-15 was 67% as the new grinding unit was commissioned during the year. It is expected to increase during coming years.

Despite increases in railway freight and diesel prices during the year, the overall freight and distribution costs as a percentage of sales have reduced due to various initiatives undertaken for improvement of the supply chain's efficiency and continuous focus on optimisation of logistics.

With the completion of upgradation and expansions during the year, your Company's overall cement manufacturing capacity has increased to 3.25 MTPA. The Board has also approved the

setting up of a new cement grinding unit of 0.5 MTPA at Aligarh, Uttar Pradesh. The required land is already in possession of the Company and the main statutory approvals for setting up of the plant have been received. The commencement of construction is expected during 1st Quarter of the Financial Year 2015-16.

**HIGHLIGHTS OF FINANCIAL PERFORMANCE**

			(₹ in lacs)	
Sr. No.	Particulars	2014-2015	2013-2014	Change (%)
1.	Revenue from Operations	92184.74	69730.73	32.20
2.	Operating Profit before Interest, Dep. and Taxation	9437.53	6037.80	56.31
3.	Less: Interest and Financial charges	3833.41	870.52	340.36
4.	Profit after Interest	5604.12	5167.28	8.45
5.	Less: Depreciation	3362.25	2773.83	21.21
6.	Profit Before Tax & after Exceptional Items	1898.66	2393.45	(20.68)
7.	Net Profit after Tax	1791.87	2960.62	(39.48)

**Revenue from Operations** increased by 32.20% from ₹ 697.31 crores in the previous year to ₹ 921.85 crores in the current year.

**Gross Profit** before depreciation and tax was lower at ₹ 94.37 crores as against ₹ 60.38 crores in the previous year.

**Net Profit After Tax** was lower at ₹ 17.92 crores as against ₹ 29.61 crores in the previous year.

**EPS** is ₹ 6.71 per share as against ₹ 11.09 per share in the previous year.





**OPERATIONAL PERFORMANCE**

	2014-15 MT	2013-14 MT
<b>Clinker Production</b>	1966260	1280196*

\*Excluding Trial Run Production 104479 MT

	2014-15 MT	2013-14 MT
<b>Cement Production</b>	2140401*	1797949

\*Excluding Trial Run Production of 41567MT (Previous Year: 11366MT)

	2014-15 MT	2013-14 MT
<b>Cement Despatches</b>	2142973*	1796022

\*Excluding Trail Run Production of 30433MT (Previous Year: 9407MT)

	2014-15 MT	2013-14 MT
<b>Clinker Sold</b>	155874	72307

	2014-15	2013-14
<b>Power Consumption (Per MT on Cement)</b>	78 kwh	81 kwh

	2014-15	2013-14
<b>Coal Consumption (Per MT on Clinker)</b>	94.87 Kg	108.09 Kg

**Power Generation**

	2014-15 Kwh in lacs	2013-14 Kwh in lacs
Captive Thermal Power Plant	1696.98	1532.21
Wind Turbines	178.25	121.80

**RISK MANAGEMENT**

Risk is an expression of uncertainty about events and their possible outcomes that could have a material impact on the Company’s performance and prospects. Mangalam Cement is committed to ensure a secured business environment with proactive awareness, appraisal and mitigation measures. The Company has proper enterprise risk management (ERM) policies in place to identify, manage and mitigate risks and emerge as a risk-focused organisation.

**Economic volatility risk:** Macro-economic factors have always formed the fundamental baseline on which the economy’s industrial performance and slowdown may impact the Company’s performance. India’s new government is implementing favourable policies and regulations that have strengthened business sentiments. India’s GDP grew at 7.4%, compared to 6.9% in the previous year. With increased population, surged need for housing, moderating inflation, stabilising currency and improved disposable income, the Company expects the demand for cement to grow sustainably.

**Key input risk:** Procurement of key raw materials at the right time and right price is an essential requirement for maintaining the overall cost of production. Any unforeseen increase may impact the Company’s profitability. The Company has strategically averted this risk by maintaining sufficient limestone reserves to meet their captive requirements. It has also formed and maintained long-term relationships with the suppliers to ensure consistent supply. Besides, the Company has undertaken various technological initiatives to optimise raw materials usage and enhance productivity.

**Competition risk:** Increasing cement players within the industry may impact realisation on account of stiff competition. To mitigate this risk, the Company has marked its product quality as its primary strength. Very efficiently, the Company has witnessed higher realisations per ton of cement on account

of this uniqueness. It maintains a judicious mix of retail and institutional sales as well, which further strengthens its dealer base and retailer network. The Company also reinforced its marketing and sales team, enabling increased market penetration, retaining existing clients and acquiring potential customers, simultaneously.

**Human asset risk:** Human resource is one of the most important assets of any company. The lack of a judicious employee mix (experienced and new) may hinder the Company's overall growth. Therefore, to maintain a steady balance, utmost emphasis has been laid down on retaining experienced personnel and recruiting management trainees to create a robust team. The Company provides specialised training to its employees and is consistently building a leadership pipeline. It maintains an attrition level that is much below industry standards.

**Customer reach risk:** Inability to reach out to the demand pockets in key regions across India may affect business growth. The Company has developed extensive network strength, ensuring its business growth. Logistics and transportation facilities have been strengthened for efficient dispatch. The Company's marketing department closely works with dealers and institutional clients to cater to their demand requirements. Strategic positioning and strong brand recall have ranked the Company among the top five cement manufacturers in its operating region..

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal controls across multiple areas of its operations. The systems are operating properly by utilising the services of internal and external auditors periodically, and also its own competent and qualified personnel. The Audit Committee ensures proper compliance with the provisions of the Listing Agreement with the stock exchanges and relevant provision of the Companies Act.

#### HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company has integrated the belief of Human Resources Development in all its policies and strategies. The Company's human resource management function is aimed

at sole objective of achieving high engagement level of its people which in turn ensures both higher productivity and happy people and thereby improve the bottom line.

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 have been cordial. The Company had 1079 employees, as on 31st March, 2015.

#### CAUTIONARY STATEMENT

The statement in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, within the meaning of applicable security law or regulations. These statements are based on certain assumptions and expectations 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,

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

New Delhi

May 04, 2015



# Report of the Directors

For the Year Ended 31st March, 2015





Dear Members,

The Directors have pleasure in presenting the 39th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2015. The summarised Financial Results are given below:

### 1. FINANCIAL RESULTS

	(₹ in lacs)	
	Current Year ended 31st March, 2015	Previous Year ended 31st March, 2014
Revenue from Operations	92184.74	69730.73
Operating Profit before Finance Costs, Depreciation and Tax	9437.53	6037.80
Less: Finance Costs	3833.41	870.52
<b>Gross Profit before Depreciation and Tax</b>	<b>5604.12</b>	<b>5167.28</b>
Less: Depreciation (net of transfer from Revaluation Reserve)	3362.25	2773.83
<b>Profit before Tax &amp; Exceptional Items</b>	<b>2241.87</b>	<b>2393.45</b>
Less : Exceptional Item	343.21	-
<b>Profit before Tax</b>	<b>1898.66</b>	<b>2393.45</b>
Less: Provision for Tax:		
(a) Income Tax /MAT	400.00	505.00
(b) MAT Credit	(400.00)	(505.00)
(c) Income Tax for earlier years (Net)	24.45	(288.54)
(d) Deferred Tax	82.34	(278.64)
Net Profit After Tax	1791.87	2960.62
Profit brought forward from previous year	41041.78	39318.06
Profit available for appropriation	42833.65	42278.68
<b>APPROPRIATIONS</b>		
(a) Transfer to General Reserve	200.00	300.00
(b) Proposed Dividend on Equity Shares	533.88	800.81
(c) Corporate Dividend Tax	108.68	136.09
(d) Transitional effect on revision of depreciation on useful life of assets in accordance with Schedule II of the Companies Act, 2013 (See Note no. 29-B(1)(a)(i))	84.77	-
(e) Balance carried forward to next year	41906.32	41041.78
<b>TOTAL</b>	<b>42833.65</b>	<b>42278.68</b>

### 2. DIVIDEND

We recommend a dividend of ₹ 2/- (Rupees Two Only) per equity share of ₹ 10/- each for the year ended 31st March, 2015. The total outgo in this respect will be ₹ 642.56 lacs including corporate dividend tax.

### 3. OVERALL PERFORMANCE

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



#### 4. MANAGEMENT DISCUSSION & 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. Total Generation from all the turbines together during the year was 178.25 lacs Kwh.

#### 6. CAPTIVE THERMAL POWER PLANT

With the increase in overall production capacity from 2 MTPA to 3.25 MTPA your Company has a present requirement of 33 MW of power and is 100% self-sufficient through its own generation. Total generation during the year was 1696.98 lacs Kwh.

#### 7. NEW PROJECTS

During the year, the Board of Directors approved the setting up of a New Grinding Unit at Aligarh with a capacity of 0.5 MTPA.

#### 8. FINANCE

To meet the fund requirements for the Aligarh projects, the Company has made arrangement for borrowing from banks amounting to ₹ 70.00 crores and the balance will be funded by internal accruals of the Company.

#### 9. RISK MANAGEMENT

Pursuant to the provisions of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee, the details of which are given in the Corporate Governance Report. The Company has developed a risk management policy and identified risks and taken appropriate steps for their mitigation For more details, please refer to the Management Discussion and Analysis set out in this Annual Report.

#### 10. 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 and indicates a strong capacity for timely payment of short term debt obligations and carries the lowest credit risk.

#### 11. INSURANCE

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

#### 12. EXTRACT OF THE ANNUAL RETURN

The Extract of Annual Return as required under Section 134(3)(a) of the Companies Act, 2013 is set out at Annexure-1 which forms part of this report.

#### 13. DETAILS OF BOARD MEETINGS

The Board of Directors met 4 times in the year 2014-15. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

#### 14. DIRECTORS

Shri K. K. Mudgil, Independent Director of the Company passed away on 20th February, 2015. We place on record our deep appreciation for the valuable contributions made by him during his tenure.

In accordance with the provision of Section 152 (6) and pursuant to the Article of Association of the Company, Shri A. V. Jalan, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being

eligible, offers himself for re-appointment. The Board recommends his re-appointment. Details of the proposal for his appointment are given in the Notice of the Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates and other related matters are put on the website of the Company at the link: [http://www.mangalamcement.com/pdf/familiarisation\\_programme.pdf](http://www.mangalamcement.com/pdf/familiarisation_programme.pdf)

**15. DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134 of the Companies Act, 2013 and to the best of their knowledge & belief and according to the information and explanations obtained your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year and of the profit of the Company for that period;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls were followed by the Company and they are adequate and are operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**16. KEY MANAGERIAL PERSONNEL**

The following employees were designated as whole-time key managerial personnel by the Board of Directors during the year under review:

- (i) Smt. Vidula Jalan, Executive Director
- (ii) Shri Anshuman Vikram Jalan, Executive Director
- (iii) Shri Anil Kumar Mandot, Chief Financial Officer; and
- (iv) Shri Swadesh Agrawal, Company Secretary

**17. REMUNERATION TO DIRECTORS & KEY MANAGERIAL PERSONNEL**

(i) The ratio of the remuneration of each Director to the median remuneration of employees of the Company for the year ended 31st March, 2015 are:-

Sr. No.	Name of Director/CEO/CFO/ Company Secretary	Designation	Ratio of remuneration to median remuneration of the Employee of the Company	Percentage increase in the remuneration for the Financial Year 2014-15
1	Shri K. K. Mudgil	Independent and Non-Executive Director	2.31	(7%)
2	Smt. Aruna Makhan	Independent and Non-Executive Director	1.71	15%
3	Shri Amal Ganguli	Independent and Non-Executive Director	2.34	(2%)
4	Shri N. G. Khaitan	Independent and Non-Executive Director	1.47	(13%)
5	Shri Gaurav Goel	Independent and Non-Executive Director	1.32	(16%)
6	Shri K. C. Jain	Non-Executive Director	1.50	(16%)
7	Smt. Vidula Jalan	Executive Director	29.26	21%
8	Shri Anshuman Vikram Jalan	Executive Director	29.41	19%
9	Shri Anil Kumar Mandot	Chief Financial Officer	NA	26%
10	Shri Swadesh Agrawal	Company Secretary	NA	47%

\* Median remuneration of the Employees of the Company assumed to be ₹ 3.34 lacs.



- (ii) Percentage increase in the median remuneration of employees in the financial year 2014-15 is 1.54%.
- (iii) There are 1079 permanent employees on the rolls of the Company as on 31st March, 2015.
- (iv) Explanation w.r.t average increase in remuneration and Company's performance:
- EBIDTA for the financial year ended 31st March, 2015 increased by 56.31% whereas the increase in median remuneration was 1.54%. The average increase in median remuneration was in line with the performance of the Company. Finance cost and Depreciation & Amortisation expenses has been increased in current financial year due to completion of 1.25 MTPA cement grinding capacity expansion.
- (v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 22.97% from ₹ 225.47 lacs in 2013-14 to ₹ 277.25 lacs in 2014-15 whereas the EBIDTA increased by 56.31% to ₹ 9,437.53 lacs in 2014-15 (₹ 6,037.80 in 2013-14).
- (vi) Variations in the market Capitalisation of the Company and PE Ratio:
- The market capitalisation as on 31st March, 2015 was ₹ 705 crores (₹ 329 crores as on 31st March, 2014).
  - Price Earnings ratio of the Company was 39.34 as at 31st March, 2015 and was 11.10 as at 31st March, 2014
  - Percent increase over / decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year. The company has not made any public issue or rights issue of securities in the recent past, so comparison have not been made of current share price with public offer price. The Company's shares are listed on Bombay and National Stock Exchanges.
- (vii) Average percentage increase in the salaries of the employees other than Managerial Personnel in financial year 2014-15 is 11.39% as compared to 22.97% increase in the Managerial Remuneration for the same period.
- (viii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the performance of the Company, recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (ix) The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is 80.25%; and,
- (x) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## 18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 (4) and Rule 8 of the Companies (Corporate Social Responsibility Policy), Rules, 2014, a report on CSR containing particulars in the specified format is attached at Annexure-2.

The Composition of the Corporate Social Committee (CSR) is as under:

Name of the Member	Category
Smt. Vidula Jalan, Chairperson	Executive Director
Shri A. V. Jalan	Executive Director
Shri Gaurav Goel	Independent & Non-Executive Director

## 19. AUDITORS' REPORT

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

## 20. 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, 2013 at the ensuing Annual General Meeting and are eligible for reappointment. Your Directors recommend their re-appointment for the ensuing year.

The Company has received a confirmation 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

## 21. COST AUDIT

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit)

Rules, 2014, 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.

**22. SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Company had appointed M/s. P. Pincha & Associates, Company Secretaries, Jaipur as Secretarial Auditor of the Company for the Year 2014-15. In accordance with the section 204 of the Act they have submitted their report in prescribed format and the same has been attached at Annexure-3.

The report so submitted is self-explanatory and does not call for any further explanation(s) / comment(s).

**23. LOANS, GUARANTEES OR INVESTMENT**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes forming part of the financial statements.

**24. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES**

All the related party transactions are entered into at arm’s length in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Agreement. There are no material significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have a potential conflict with the interests of the Company.

The Related Party Transaction Policy as approved by the Board is uploaded on the Company’s website at the web link: [http://www.mangalamcement.com/pdf/policy/related\\_party\\_transaction\\_policy.pdf](http://www.mangalamcement.com/pdf/policy/related_party_transaction_policy.pdf)

**25. PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the name and other particulars of employees are to be set out in the Directors’ Report as an addendum or annexure thereto.

However, in line with the provisions of Section 136(1) 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.

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

A Statement containing the information required by Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, is set out in the statement at Annexure-4 hereto and forms part of this Report.

**27. 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.

A report on Corporate Governance is enclosed at Annexure-5 hereto and forms 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.

**28. COMPOSITION OF AUDIT COMMITTEE**

In line with the provisions of Section 177 (8) of the Companies Act, 2013, the composition of the Committee is as below:

Name of Member	Category
Shri K. K. Mudgil – Chairman *	Independent & Non-Executive Director
Smt. Aruna Makhan	Independent & Non-Executive Director
Shri N. G. Khaitan	Independent & Non-Executive Director
Shri K. C. Jain	Non-Executive Director

\* Shri K. K. Mudgil, Independent Non Executive Director of the Company passed away on 20th February, 2015. Shri N. G. Khaitan, Independent & Non Executive Director has been appointed as Chairman of the committee with effect from 4th May, 2015.

**29. VIGIL MECHANISM**

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. The mechanism under the policy has been appropriately communicated within the organisation. The Whistle Blower Policy is available on the website of the Company.

**30. PERFORMANCE EVALUATION**

Pursuant to Clause 49 of the Listing Agreement read with provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance and that of the individual Directors. The evaluation criteria, inter-



alia, covered various aspects of the Board's functioning including its composition, execution and performance of specific duties, obligations and governance.

The performance of individual directors was evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, time devoted, etc. The Directors expressed their satisfaction with the evaluation process.

### 31. KEY PARAMETERS FOR APPOINTMENT OF DIRECTORS KEY MANAGERIAL PERSONNEL

The Nomination and Remuneration Committee has formulated a detailed policy for appointment of directors and key managerial personnel which is designed to attract, motivate and retain best talent.

This policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company. The compensation strategy revolves around getting the "best talent in the market". The remuneration of the Executive Directors and KMPs of the Company is recommended by the Nomination and Remuneration Committee based on the Company's remuneration structure taking into account factors such as level of experience, qualification and suitability. The Company generally pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components).

Remuneration by way of commission to the Non-Executive Directors is decided by the Board as permitted by the Companies Act, 2013 in line with the approval granted by shareholders.

### 32. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 4,91,770/- during the financial year 2014-15 to the Investor Education and Protection Fund established by the Central Government for the unclaimed dividends for the financial year 2006-07, in compliance with section 125 of the Companies Act, 2013. The said unclaimed dividends were lying with the Company for a period of 7 years from their respective due dates of payment.

### 33. PUBLIC DEPOSITS

Your Company has neither invited not accepted any deposits from the public within the meaning of section

2(32) and 74 of the Companies Act, 2013 during the year and as such, no amount of principal or interest on deposit was outstanding as of the balance sheet date.

### 34. 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, 2015 forms part of the audited accounts.

### 35. AWARDS

Your Directors are pleased to inform that the Company has received the following awards during the year 2014-15;

- ⊙ National Safety Award (Mines) 2011[1st Prize] given by the Hon'ble President of India on lowest injury frequency rate.
- ⊙ 25th Mines Environment and Mineral Conservation Week 2014-15 – Our Company has won the following prizes in various categories as follows :

SN	Category	Prize
1.	Overall performance	Third
2.	Afforestation	First
3.	Top soil management	Third

- ⊙ Rajasthan State Energy Conservation Award (2nd Prize in Cement Sector) - Awarded the Second prize in Cement Sector for improvement in Energy Efficiency
- ⊙ CFBP (Council for Fair Business Practices) Jamnalal Bajaj Uchit Vyavahar Puraskar – Awarded by Former Hon'ble President of India Dr. A. P. J Abdul Kalam, for excellent work done in the field of CSR activities, Customer Satisfaction, Customer Communication, Employees motivation and Environmental Protection etc.

### 36. 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.

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

## ANNEXURE 1

## FORM NO. MGT - 9

## Extract of Annual Return

as on financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 & Rule 12(1) of the Companies  
(Management and Administration) Rule, 2014]

## I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L26943RJ1976PLC001705
2.	Registration Date	27th October,1976
3.	Name of the Company	Mangalam Cement Ltd.
4.	Category / Sub-Category of the Company:	Public Company limited by shares
5.	Whether listed company Yes / No	Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAS Services Ltd., T-34; 2nd floor, Okhla Industrial Area, Phase- 2ND, New Delhi- 110020

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1	CEMENT	2394	100%

\*As per National Industrial Classification- Ministry of Statistics Programme Implementation.

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NOT APPLICABLE





Category of Shareholders	No. of Shares held at the beginning of the year 1st April, 2014			No. of Shares held at the end of the year 31st March, 2015			% Change during the year	
	Demat	Physical	Total	Demat	Physical	Total	No. of Shares	% of Changes
<b>2. Non-Institutions</b>								
a) Bodies Corp.	7895558	7158	7902716	5381484	5235	5386719	(2516024)	(9.43)
<b>i) Indian</b>								
ii) Overseas								
b) Individuals								
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	5531371	518533	6049904	5352381	497945	5850326	(199578)	(0.74)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	3070826	NIL	3070826	3481887	NIL	3481887	411061	1.54
c) Others								
i) Directors and Their Relatives	8880	NIL	8880	8880	NIL	8880	NIL	NIL
ii) Non Resident Indians/ Overseas Corporate Bodies	489454	NIL	489454	658279	NIL	658279	168825	0.64
iii) Clearing Members	287077	NIL	287077	74132	NIL	74132	NIL	NIL
iv) Foreign Companies								
v) Trusts	880616	NIL	880616	877616	NIL	877616	3000	0.01
<b>Sub-total (B)(2):-</b>	<b>18163782</b>	<b>525691</b>	<b>18689473</b>	<b>15834659</b>	<b>503180</b>	<b>16337839</b>	<b>(2351661)</b>	<b>(8.80)</b>
<b>Total Public Shareholding</b>								
(B)=(B)(1)+(B)(2)	13873259	525691	8590393	18873997	503180	19377177	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>26168062</b>	<b>525748</b>	<b>26693780</b>	<b>26190600</b>	<b>503180</b>	<b>26693780</b>	<b>NIL</b>	<b>NIL</b>



**B. Shareholding of Promoter**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year-1st April, 2014			Share holding at the end of the year -31st March, 2015			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Kesoram Industries Ltd.	3819563	14.31	14.31	3819563	14.31	14.31	-
2.	Century Textiles and Industries Ltd.	2220500	8.32	-	2220500	8.32	-	-
3.	Pilani Investment and Industries Corporation Ltd.	1120000	4.20	-	1120000	4.20	-	-
4.	B. K. Birla Foundation	110000	0.42	-	110000	0.42	-	-
5.	Smt. Vidula Jalan	26000	0.10	-	26000	0.10	-	-
6.	Shri Anshuman Vikram Jalan	10000	0.04	-	10000	0.04	-	-
7.	Shri Basant Kumar Birla	7040	0.03	-	7040	0.03	-	-
8.	Smt. Sarala Devi Birla	3500	0.01	-	3500	0.01	-	-
	<b>Total</b>	<b>7316603</b>	<b>27.41</b>	<b>14.31</b>	<b>7316603</b>	<b>27.41</b>	<b>14.31</b>	

**C. Change in Promoters' Shareholding : NOT APPLICABLE**

**D. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year- 1st April, 2014		Shareholding at the end of the year- 31st March, 2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	India Capital Fund Ltd.	-	-	1397596	5.24
2.	Aditya Marketing & Manufacturing Ltd.	969200	3.63	969200	3.63
3.	Kesoram Welfare Society	877500	3.29	877500	3.29
4.	Umang Commercial Company Ltd.	801600	3.00	778000	2.92
5.	Praveen Kumar Bansal	250000	0.94	-	-
6.	Max Life Insurance co. Ltd. Shares	294888	1.11	-	-
7.	Birla Sunlife Insurance Co. Ltd	1288986	4.83	-	-
8.	SBI Magnum Comma Fund	-	-	764548	2.87
9.	Manav Investment & Trading Co. Ltd.	603797	2.26	603797	2.26
10.	Tata Investment Corporation Ltd.	414317	1.55	414317	1.55
11.	Tata Trustee Co. Ltd. A/c Tata Mutual Fund	-	-	343000	1.29
12.	Fidelity Funds- Asian Smaller Companies P.O.	-	-	308889	1.16
13.	Optimum Stock Trading Co.	-	-	250000	0.94
14.	Gagandeep Credit Capital Pvt. Ltd.	500000	1.87	-	-
15.	Teen Lok Advisory Services Pvt. Ltd.	625000	2.34	-	-

**E. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year- 1st April, 2014		Shareholding at the end of the year- 31st March, 2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Shri K. K. Mudgil, Non Executive Independent Director	1000	0.01	1000	0.01
2.	Smt. Aruna Makhan, Non Executive Independent Director	Nil	-	Nil	-
3.	Shri Amal Ganguli, Non Executive Independent Director	Nil	-	Nil	-
4.	Shri N. G. Khaitan HUF, Non Executive Independent Director	440	0.00	440	0.00
5.	Shri Gaurav Goel, Non Executive Independent Director	Nil	-	Nil	-
6.	Shri K. C. Jain, Non Executive Director	6840	0.03	6840	0.03
7.	Smt. Vidula Jalan, Executive Director	26000	0.10	26000	0.10
8.	Shri A. V. Jalan, Executive Director	10000	0.04	10000	0.04
9.	Shri Anil Kumar Mandot, Chief Financial Officer	5	0.00	5	0.00
10.	Shri Swadesh Agrawal, Company Secretary	Nil	-	Nil	-

**V. Indebtedness**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ in lacs) Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2014)</b>				
i) Principal Amount	36797.83	-	-	36797.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	85.60	-	-	85.60
<b>Total (i+ii+iii)</b>	<b>36883.43</b>	<b>-</b>	<b>-</b>	<b>36883.43</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	4711.70	-	-	4711.70
Reduction	1125.00	-	-	1125.00
Net Change	3586.70	-	-	3586.70
<b>Indebtedness at the end of the financial year (31.03.2015)</b>				
i) Principal Amount	40321.60	-	-	40321.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	148.53	-	-	148.53
<b>Total (i+ii+iii)</b>	<b>40470.13</b>	<b>-</b>	<b>-</b>	<b>40470.13</b>

**VI. Remuneration of Directors and Key Managerial Personnel**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. no.	Particulars of Remuneration	(in ₹)		
		Smt. Vidula Jalan Executive Director	Shri A. V. Jalan Executive Director	Total
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6000000	6000000	12000000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	923272	974498	1897770
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	2000000	2000000	4000000
<b>5</b>	<b>Others, please specify</b>			
	Provident Fund	720000	720000	1440000
	Superannuation Fund (To the extend not taxable u/s 17 (2))	100000	100000	200000
	Others (To the extend not taxable u/s 17 (2))	15000	15000	30000
<b>Total (A)</b>		<b>9758272</b>	<b>9809498</b>	<b>19567770</b>



**B. Remuneration to other directors:**

Particulars							(in ₹)
	Shri K. K. Mudgil	Shri Amal Ganguli	Smt. Aruna Makhan	Shri N. G. Khaitan	Shri Gaurav Goel	Shri K. C. Jain	Total
<b>1. Independent Directors</b>							
Fee for attending board / committee meetings	430000	230000	440000	150000	100000	-	1350000
Commission	340000	340000	340000	340000	340000	-	1700000
Others, please specify	-	-	-	-	-	-	-
<b>Sub Total (1)</b>	<b>770000</b>	<b>570000</b>	<b>780000</b>	<b>490000</b>	<b>440000</b>	<b>-</b>	<b>3050000</b>
<b>2. Other Non-Executive Directors</b>							
Fee for attending board / committee meetings	-	-	-	-	-	160000	160000
Commission	-	-	-	-	-	340000	340000
Others, please specify	-	-	-	-	-	-	-
<b>Sub Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500000</b>	<b>500000</b>
<b>Grand Total = (1+2)</b>	<b>770000</b>	<b>570000</b>	<b>780000</b>	<b>490000</b>	<b>440000</b>	<b>500000</b>	<b>3550000</b>

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		(in ₹)
		Shri Anil Kumar Mandot	Shri Swadesh Agrawal	Total
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4510098	1760633	6270731
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	957673	252233	1209906
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
<b>5</b>	<b>Others, please specify</b>			
	Provident Fund	348768	98003	446771
	Superannuation Fund (To the extend not taxable u/s 17 (2))	100000	100000	200000
	Others (To the extend not taxable u/s 17 (2))	15000	15000	30000
	<b>Total</b>	<b>5931539</b>	<b>2225869</b>	<b>8157408</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): None**

**ANNEXURE 2**

**CSR REPORT**

The Composition of CSR Committee	Mentioned in Board Report and Corporate Governance Report
Average net profit of the Company for last three financial year.	72.31 crores
Prescribed CSR Expenditure (two percent of the amount as mentioned above).	1.45 crores
Details of CSR spent during the financial year	
(a) The amount to be spent for the FY	Details mentioned below.
(b) Amount up-spent, if any	
(c) Manner in which the amount spent during the financial year	
Reason for not spending the prescribed amount	The Commitment has been made by the Company in excess of the eligible amount, but the payment shall be made on completion of the actual work.

**Details of CSR spent during the financial year**

Details of CSR spent during the financial year							
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other  (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program- wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through impletment-ing agency
1.	Overall development of the local area surrounding the plant	<ul style="list-style-type: none"> <li>• Education</li> <li>• Women Empowerment</li> <li>• Health &amp; Medical Facilities</li> <li>• Environment Sustainability</li> <li>• Rural Sports</li> <li>• Rural development project</li> </ul>	Local Area i.e. Area surrounded by the Plant.	₹ 1.45 crores	₹ 0.73 crores	₹ 0.73 crores	Amount spent directly.

The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objective and Policy of the Company

**Vidula Jalan**  
Executive Director &  
Chairperson – CSR Committee

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015**

{Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014}

To  
The Members,  
Mangalam Cement Limited  
Aditya Nagar, Morak,  
Dist. Kota

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mangalam Cement Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Mangalam Cement Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during Audit Period)**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during Audit Period) &
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during Audit Period)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not Notified hence not applicable to the Company during Audit Period)

- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except to the extent as mentioned below:

- As per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company was required to spend during the financial year, at least two per cent (2%) of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy. In order to undertake the CSR Activities, the Company had decided to undertake various activities as prescribed under Schedule VII of the Companies Act, 2013 including contribution for rural development in the construction of Railway Over-Bridge in Morak, Rajasthan, a project initiated by the Government of Rajasthan, subject to completion of work which was supposed to be completed by the end of the Financial Year 2014-2015. However, all such activities have been completed successfully but due to unavoidable circumstances, the Railway Over-Bridge work could not be completed in the Financial Year 2014-2015. Therefore, payment for the same could not be released by the Company during the Financial Year 2014-2015. And, therefore, the Company was unable to spend the prescribed amount of 2% towards its CSR Activities during the Financial Year 2014-2015 which it had planned to spend in the project initiated by the Government of Rajasthan.

**I further report that,** having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company

- The Mines Act 1952, and Rules made thereunder and other related Acts and their respective Rules

**I further report that,** during the year under review: The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,**

- (a) during the audit period, the Company has obtained approval of members under section 180(1)(a) creation of mortgages/charges/hypothecation and/or other encumbrances on its immovable and movable properties up to ₹ 1,000.00 crores and Under Section 180(1)(c) for borrowing in excess of its paid up capital and free reserves up to ₹ 1,000.00 crores.
- (b) during the audit period, the Company has established a new Cement Mill of 1.25 MTPA at Aditya Nagar - 326520, Morak, Dist. Kota, Rajasthan. Now the overall capacity is enhanced from 2.0 MTPA to 3.25 MTPA.

**For P. Pincha & Associates**

Company Secretaries

**Pradeep Pincha**

Proprietor

M.N. No. 5369

C. P. No.:4426

Dated: May 04, 2015

Place: Jaipur



**(THIS REPORT IS TO BE READ WITH OUR LETTER OF EVEN DATE WHICH IS ANNEXED AS ANNEXURE-A WHICH FORMS AN INTEGRAL PART OF THIS REPORT.)**

**Annexure-A**

To  
The Members,  
Mangalam Cement Limited  
Aditya Nagar, Morak  
Dist. Kota

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P. Pincha & Associates  
Company Secretaries

**Pradeep Pincha**  
Proprietor  
M.N. No. 5369  
C. P. No.:4426

Dated: May 04, 2015  
Place: Jaipur



**ANNEXURE 4**

**INFORMATION AS PER SECTION 134(3)(m) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2015**

**A. CONSERVATION OF ENERGY:**

**1. ENERGY CONSERVATION MEASURES TAKEN**

- a) Stabilisation of Unit-I Pyro system, Vertical Raw Mill, Vertical Coal Mill after rehabilitation of Unit-I and commissioning of latest Cement Mill-III with Roll Press.
- b) Modification of Cyclone in VRM-1 by providing in house made D-D cyclone for increasing output rate and decreasing specific power consumption.
- c) Optimisation of Fly ash consumption in PPC Cement Production.
- d) Utilisation of renewable electrical energy for captive use:

We have utilised (net) 170.638 lacs Kwh of wind power electricity for captive use generated from 13 nos. wind turbines having aggregate capacity of 13.65 MW installed at Jaisalmer.

**2. ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.**

- a) We are considering to install Waste Heat Recovery (WHR) based power plant in our Kiln-I & Kiln-II and expected power generation will be around 7 MW.
- b) We are installing Scada System for wind turbines to improve their operating efficiency.
- c) We are planning replacement of old LT motors of plant having low efficiency with very high efficiency LT Motors for improvement in energy efficiency.
- d) Replacement of old chain type bucket elevators by energy efficient belt bucket elevators in Unit-I Kiln feed section.

**3. IMPACT OF THE MEASURES AS ABOVE FOR THE REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT OF THE COST OF PRODUCTION OF GOODS.**

The measure stated in SN 1 & 2 above have resulted/ will result in saving of energy used in both thermal and electrical as well as improvement of quality of cement and overall productivity.

**B. TECHNOLOGY ABSORPTION**

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

**1. Research & Development (R& D)**

**I. Specific areas in which R&D carried out-**

Research & Development activities of the organisation are done through in-house R& D. The areas of R & D focus are product development, energy efficiency (both power & fuel), optimisation of raw material resources, increasing inputs of blending component particularly Fly Ash in PPC and improving quality of all the products made by the company to international level, maximum utilisation of available resources and developing pollution free environment. During the year the company has completed the various projects like-

- 1) Use of quality raw materials to get consistency by replacing the mix of additive for further improvement in the quality.
- 2) Modification in cyclones of VRM to improve the efficiency thereby saving in power consumption.
- 3) Modification in Tertiary crusher of Raw Mill to improve efficiency.

**II. Benefit derived as a result of above R & D-**

- 1) Improvement in quality and output of mills and Kilns by modification in system.
- 2) Consistency & quality improvement for raw mix & finished product by using alternative additives and corrective action.
- 3) Utilisation of hot gases and avoiding extra load to reduce power consumption and fuel saving. Saving in energy, dust free environment etc.

**III. Future plans of action-**

- 1) Modification in Cooler roof and TAD duct lining pattern along with replacement of bricks for longer life & better efficiency.
- 2) Implementation of waste heat recovery project to utilise the waste heat from pre-heater unit to convert it into steam for generation of power.

**IV. Expenditure on R&D**

	(₹ in lacs)	
	2014-15	2013-14
I Capital	-	14.92
ii Recurring Expenses	105.60	317.35
iii Total (i+ii)	105.60	332.27
iv Total R&D Expenditure as a percentage of Total Turnover	0.12%	0.48%

**V. Technology absorption, adoption and innovation:**

Efforts made in brief		
a) Towards technology absorption		<ol style="list-style-type: none"> <li>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.</li> <li>2. Plant personnel were trained by experts, in-house and outside through Seminars and visits.</li> </ol>
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) In case 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	₹ 1,431.37 lacs

Date: May 04, 2015

Place: New Delhi

# Corporate Governance Report

## ANNEXURE 4

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 ON THE 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, 2015, the Board of Directors of the Company consists of seven Directors out of which five are Non-Executive and four are Independent Directors as against minimum requirement of 1/3 rd as per clause 49 of the Listing Agreement. The composition of Board of Directors is as follows:-

Sr. 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	7	5	2
3.	Smt. Aruna Makhan	Non-Executive Independent	1	-	2
4.	Shri N. G. Khaitan	Non-Executive Independent	6	2	5
5.	Shri Gaurav Goel	Non-Executive Independent	4	-	-
6.	Shri K. C. Jain	Non-Executive	1	-	1
7.	Smt. Vidula Jalan	Executive	2	-	-
8.	Shri A. V. Jalan	Executive	2	-	1

\*Mangalam Cement Limited, Private Companies, Companies under Section 8 of the Companies Act, 2013 ("the Act") and foreign Companies

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

\*\*\* Shri K. K. Mudgil, Non Executive Independent Director of the Company passed away on 20th February, 2015.

Except, Shri A.V.Jalan and Smt. Vidula Jalan, who are spouses, no Director are related to any other Directors on the Board in terms of the provisions of the Companies Act, 2013. 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 required information 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, 2015 the Board of Directors had four (4) meetings – 13th May 2014, 14th August, 2014, 28th October, 2014 and 9th February, 2015

(ii) The attendance record of the Directors at the Board Meetings during the year ended 31st March, 2015 and the last Annual General Meeting (AGM) is as under:

Sr. No.	Name of the Director	No. of Board Meetings	Attendance at the Last AGM
1.	Shri K.K.Mudgil	4 out of 4	No
2.	Shri Amal Ganguli	1 out of 4	No
3.	Smt. Aruna Makhan	4 out of 4	No



Sr. No.	Name of the Director	No. of Board Meetings	Attendance at the Last AGM
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	3 out of 4	Yes
8.	Shri A V Jalan	4 out of 4	Yes

### c) 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 2014-15 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 consists of four Non-Executive Directors 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 177 of the Companies Act, 2013. 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, 2015, the Audit Committee held 4 meetings 13th May, 2014, 14th August, 2014, 28th October, 2014 and 09th February, 2015.
- (iii) Details of the composition of the Audit Committee and the attendance at the Meetings held are as follows.

Sr. 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

\* Shri K. K. Mudgil, Non Executive Independent Director passed away on 20th February, 2015.

- (iv) At the invitation of the Committee, Internal Auditors, Cost Auditors, Statutory Auditors, the Chief Financial Officer and the Company Secretary who as the Secretary to the Audit Committee also attends the meetings as and when required to respond to the queries raised at the Committee Meetings.
- (v) Terms & Reference of Audit Committee  
The following are the terms of reference for the Audit Committee which cover the powers, role and responsibility of the Audit Committee
  - i) Overview of the Company's financial reporting process and financial information disclosures;
  - ii) Review with the Management, of the annual and quarterly financial statements before submission to the Board;
  - iii) Review with the Management, of the internal and external Audit Reports and the adequacy of internal control systems over financial reporting and the effectiveness of its operations
  - iv) Review of the adequacy and effectiveness of accounting and financial controls of the Company compliance with the Company's policies and applicable laws and regulations;
  - v) Recommending the appointment and removal of internal and statutory Auditors and their remuneration;
  - vi) Review and monitoring of the auditors' independence and performance, and effectiveness of the audit process;
  - vii) Approval of transactions of the Company with related parties and any subsequent modification of such transactions;
  - viii) Evaluation of internal financial controls and the process of evaluation of enterprise-wide risk and its mitigation.

- ix) Review the functioning of the whistle blower mechanism.
- x) Approval of appointment of the Chief Financial Officer and other Key Managerial Personnel after assessing the qualifications, experience and background, etc. of the candidate
- xi) Review of utilisation of proceeds raised from public/rights issues, if any.

#### B. Nomination and Remuneration Committee:

During the year under review the nomenclature of the Remuneration Committee was changed to Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 and the

revised Clause 49 of the listing agreement. The Nomination and Remuneration Committee consists of the members stated below. During the year ended 31st March, 2015, two meeting of the Nomination and Remuneration Committee were held.

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

\* Shri K. K. Mudgil, Non Executive Independent Director passed away on 20th February, 2015.

Details of the sitting fee, commission and remuneration paid to the Directors during the year ended 31st March, 2015 are as under:

Sr. No	Name of the Director	Salary	Commission Payable for the year	Perquisites	Sitting Fee paid during the year	Total
1.	Shri K. K. Mudgil	-	3,40,000	-	4,30,000	7,70,000
2.	Shri Amal Ganguli	-	3,40,000	-	2,30,000	5,70,000
3.	Smt. Aruna Makhan	-	3,40,000	-	4,40,000	7,80,000
4.	Shri N G Khaitan	-	3,40,000	-	1,50,000	4,90,000
5.	Shri Gaurav Goel	-	3,40,000	-	1,00,000	4,40,000
6.	Shri K. C. Jain	-	3,40,000	-	1,60,000	5,00,000
7.	Smt Vidula Jalan	60,00,000	20,00,000	17,58,272	-	97,58,272
8.	Shri A.V. Jalan	60,00,000	20,00,000	18,09,498	-	98,09,498

#### Terms & Reference of the Committee:

- i. Formulation of the criteria for determining qualification, positive attributes and independence of Directors.
- ii. Recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees in accordance with the provisions of the Section 178(4) of the Companies Act, 2013.
- iii. Formulation of criteria for evaluation of the Independent Directors and the Board and carry out an evaluation of every Director's performance;
- iv. Devising a policy on Board diversity;
- v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

#### C. Stakeholder Relationship Committee:

During the year under view the nomenclature of the Shareholder / Investor Committee was changed to Stakeholder Relationship Committee pursuant to Section 178 of the Companies Act, 2013. The Stakeholder Relationship Committee of the Directors consists of two Independent Directors and one Non-Executive Director. Stakeholder Relationship Committee meetings were held on 14th August, 2014 and 09th February, 2014. Details of the attendance at the meetings held are as follows:

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

\* Shri K. K. Mudgil, Non Executive Independent Director passed away on 20th February, 2015.

Shri Swadesh Agrawal, Company Secretary is designated as the Compliance Officer for the redressal of the shareholders' grievances.



The position as on 31st March, 2015 of the shareholders' complaints received and redressed during the financial year:

Nature of Complaint	Complaints received from			Total complaints Received During 2014-15	Total redressed	No. of grievances outstanding as on 31.3.2015
	Investors Directly	Stock Exchanges & SEBI	ROC			
Non-receipt of Dividend warrant(s)	13	1	Nil	14	14	Nil
Non-receipt of Share Certificate(s) /after transfer/ demat	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Duplicate Share certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Annual Report(s)	3	Nil	Nil	3	3	Nil
<b>TOTAL</b>	<b>16</b>	<b>1</b>	<b>Nil</b>	<b>17</b>	<b>17</b>	<b>Nil</b>

#### D. Share Transfer Committee:

The Committee comprising Shri K.K.Mudgil(\*), Smt. Aruna Makhan, Shri Amal Ganguli and Shri K.C.Jain, Directors of the Company. Shri K.K.Mudgil was 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 Committee meets at frequent intervals as and when required.

\*Shri K. K. Mudgil, Non Executive Independent Director passed away on 20th February, 2015.

#### E. Corporate Social Responsibility (CSR) Committee

The Board of Directors at its Meeting held on 13th May, 2014 constituted a "Corporate Social Responsibility (CSR) Committee" as required under Section 135 of the Companies Act, 2013. The Committee comprises of 3 Members.

The Corporate Social Responsibility Committee consists of the following members:-

Sr. No.	Name of the Director	Position	Meetings attended
1.	Smt. Vidula Jalan	Chairperson	1 of 1
2.	Shri A.V.Jalan	Member	1 of 1
3.	Shri Gaurav Goel	Member	1 of 1

The Committee is primarily responsible for formulating and recommending to the Board a Corporate Social Responsibility (CSR) Policy and monitoring from time to time, the expenditure required to be incurred on the activities of CSR and monitoring the related projects undertaken.

Shri Swadesh Agrawal, Company Secretary acts as the Secretary to the Audit committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Share Transfer committee and CSR Committee.

#### F. Risk Management Committee

During the period under review, a Risk Management Committee was constituted on 13th May, 2014 by the Board pursuant to the revised Clause 49 of the Listing Agreement. The key responsibilities of the Risk Management Committee are:

- ⊙ Preparation of a charter/policy on the assessment and minimisation of enterprise wide risk and mitigation process;
- ⊙ Preparation and review of a risk library; and
- ⊙ Monitoring and reviewing the implementation of the risk management and mitigation plan.

The Risk Management Committee comprises the following member:-

Sr. No.	Name of the Director	Position
1.	Shri A.V.Jalan	Chairman
2.	Smt. Vidula Jalan	Member
3.	Shri N. K. Khaitan	Member
4.	Shri K. C. Jain	Member
5.	Shri Yaswant Mishra *	Member

\* Shri Yaswant Mishra is the President (Corporate) of the Company.

#### G. Committee for Investments

The Committee was constituted to take decisions on investment of surplus funds of the Company. The details of composition and of the meetings held are as under:

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

**IV. SHARES AND CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS**

Details of Shareholding of Directors as on 31st March, 2015 in the Company are as under:

Sr. No.	Director	No. of 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	6,840
7.	Smt Vidula Jalan	26,000
8.	Shri A.V.Jalan	10,000

\* Shri K.K. Mudgil, Non Executive Independent Director passed away on 20th February, 2015.

The Company has no convertible instrument pending as on 31st March, 2015.

**V. SUBSIDIARY COMPANY**

The Company does not have any subsidiary company.

**VI. CEO/CFO CERTIFICATION**

The CEO and the CFO of the Company have certified to the Board with regard to the compliance by them in terms of Clause 49 (IX) of the Listing Agreement and a certificate forms part of Annual Report.

**VII. ANNUAL GENERAL MEETING:**

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

AGM	Financial Year	Day, Date and time	Venue
36th	2011-12	Monday, 06.08.2012 at 11.30 AM	Club Hall, Mangalam Cement Ltd. Adityanagar 326520, Morak, Dist. Kota, Rajasthan.
37th	2012-13	Monday, 29.07.2013 at 11.30 AM	-do-
38th	2013-14	Saturday, 13.09.2014 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.
- c) Postal Ballot Resolutions: No resolution was passed through Postal Ballot during the year.
- 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.

- e) Presently there is no proposal for passing any Resolution through Postal Ballot in the ensuing AGM.

**VIII. DISCLOSURES:**

- a) All related party transactions have been entered into in the ordinary course of business and were also 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 the audit committee nor were there any transaction that may have had a potential conflict with the interests of the Company. All individual transactions with related parties or others were at arm’s length.
- b) All mandatory accounting standards have been followed in the preparation of financial statements and no deviation has taken place.
- c) A well defined Risk Management Policy covering assessment, mitigation, monitoring and review of enterprise-wide risk, has been approved by the Board.
- d) No money was raised by the Company through any public issue, rights issue, preferential issue etc in the last financial year.
- 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 whose appointment and remuneration have been approved by the Board in terms of resolution passed by the shareholders. 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) The Management Discussion and Analysis Report forms part of the Annual Report to the Shareholders and it includes discussion on matters stated in Clause 49 of the Listing Agreement with the 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 interest that may have a potential conflict with the interests of the



Company any requiring disclosure by them to the Board of Directors.

- g) No penalties or strictures have been imposed on the Company by the 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. The code is available on the Company's website at [www.mangalamcement.com](http://www.mangalamcement.com).

#### X. WHISTLE BLOWER POLICY

The Board of Directors has adopted a Whistle Blower Policy and is available on the Company's website at [www.mangalamcement.com](http://www.mangalamcement.com)

#### XI. 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 Business Standard & Dainik Bhasker / Rajasthan Patrika. These results are also available on the website of the Company, BSE Limited and National Stock Exchange of India Limited. The Company also holds conference calls for investors from time to time.

#### XII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### XIII. GENERAL SHAREHOLDERS' INFORMATION:

##### (a) 39th Annual General Meeting:

Date, Time and Venue	
Day and Date	Monday, the 17th August, 2015
Time	11.30 AM
Venue	Club Hall, Basant Vihar, Mangalam Cement Ltd, Adityanagar 326520, Morak, Dist. Kota (Rajasthan)

##### (b) Book Closure:

From 10th August, 2015 to 17th August, 2015, both the days inclusive.

##### (c) Dividend Payment Date

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

##### (d) Financial Calendar 2015-2016:

- (i) Financial Year  
1st April, 2015 to 31st March, 2016
- (ii) First Quarterly Results for Quarter ending 30th June, 2015  
On or before 14th August 2015
- (iii) Second Quarterly Results for the quarter ending 30th September, 2015  
On or before 14th November, 2015
- (iv) Third Quarterly Results for Quarter ending 31st December, 2015  
On or before 14th February, 2016
- (v) Annual Results for the Year ending 31st March, 2016  
On or before 30th May, 2016

##### (e) Listing of Securities:

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

Sr. 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

##### (f) Listing Fee:

Company has paid the listing fee for the year 2015-16 to all the Stock Exchanges where the securities are listed. There are no arrears in payment of Listing Fees.

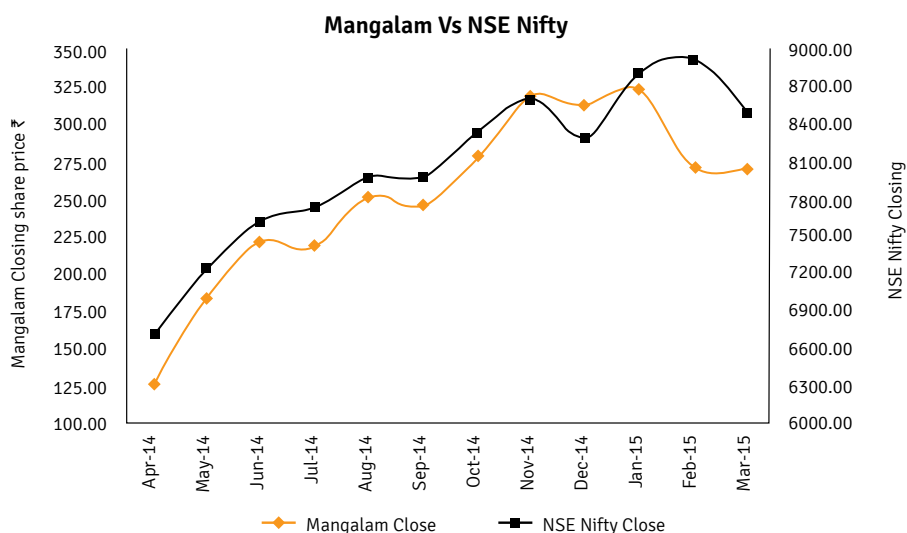
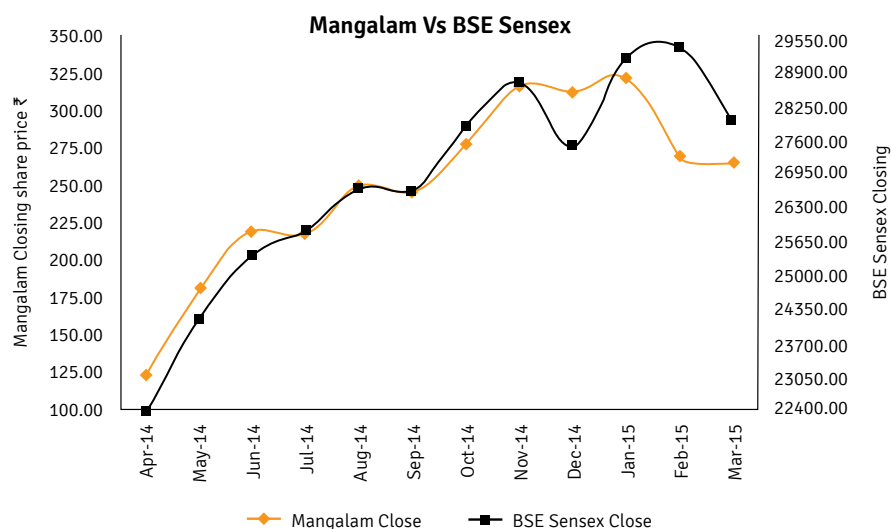


**(g) Market Price Data:**

The high/low market price of the Equity Shares during the year 2014-15 at the BSE Ltd, Mumbai and at National Stock Exchange of India Ltd, were as under:

Month	In ₹ per Share			
	BSE Ltd		National Stock Exchange of India Ltd	
	High	Low	High	Low
April, 2014	150.90	119.00	149.90	118.55
May, 2014	189.00	126.25	189.40	125.00
June, 2014	228.00	177.50	227.10	179.00
July, 2014	233.40	197.65	232.70	197.00
August, 2014	267.90	214.00	268.25	212.50
September, 2014	265.80	231.00	266.00	231.25
October, 2014	280.00	227.00	280.00	226.55
November, 2014	354.00	280.30	351.00	282.00
December, 2014	330.00	260.00	336.00	262.85
January, 2015	348.00	312.55	348.80	312.05
February, 2015	325.00	265.50	324.95	262.40
March, 2015	309.40	267.60	310.00	249.00

**(h) The Company’s closing share price movement during the Financial Year 2014-15 on BSE and NSE vis-à-vis respective indices:**



**(i) 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  
Email: mas\_serv@yahoo.com  
Website: www.masserv.com

**(j) Share Transfer System:**

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

**(k) Distribution of shareholding:**

The shareholding distribution of equity shares as on 31st March, 2015 is given below.

Sr. No.	No. of Equity Shares	No. of shareholders	No. of shares	Percentage of Shareholding
1.	1 to 500	24723	2771000	10.38
2.	501 to 1000	1240	992787	3.72
3.	1001 to 2000	563	862654	3.23
4.	2001 to 3000	157	410692	1.54
5.	3001 to 4000	113	408919	1.53
6.	4001 to 5000	61	288948	1.08
7.	5001 to 10,000	131	983195	3.69
8.	10001 and above	153	19975585	74.83
	<b>Total</b>	<b>27141</b>	<b>26693780</b>	<b>100.00</b>

**(l) Shareholding Pattern as at 31st March, 2015:**

Sr. No.	Category	No. of Equity shares	Percentage
1.	Promoters	7316603	27.41
2.	Resident Individuals/HUF's	9341093	34.99
3.	Body Corporate/Trusts/Partnerships	6338467	23.74
4.	Mutual Funds, Banks, Financial and Govt Institutions/ Insurance Companies	1256097	4.71
5.	FII's, NRIs, OCBs	2441520	9.15
	<b>Total</b>	<b>26693780</b>	<b>100.00</b>

**(m) Dematerialisation of Shares**

As on 31st March, 2015, 98.11% of the Company's total equity shares representing 2,61,90,600 shares were held in dematerialised form and balance 1.89% representing 5,03,180 shares were held in physical form.

**(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.

**(o) Convertible Instruments:**

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

**(p) Registered Office and Plant Location**

Adityanagar 326520,  
Morak  
Dist. Kota (Rajasthan)  
Tel. No. 07459-233127  
Fax: 07459-232036  
Website: www.mangalamcement.com  
CIN: L26943RJ1976PLC001705  
Email: shares@mangalamcement.com

**(q) Corporate Office:**

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

**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. NON- MANDATORY REQUIREMENTS**

- a. The Board  
An office for the use of the Chairman is made available whenever required
- b. 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.
- c. 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.
- d. Separate post of Chairman & CEO  
At present there is no separate post of Chairman but the Board of Directors appoints a Chairman among themselves pursuant to the Article of Association of the Company and the Companies Act, 2013. The Company have already appointed two Executive Directors of the Company.
- e. Reporting of Internal Auditors  
The Internal auditor periodically reports to the Audit Committee.



## 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, 2015 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) that there are no significant changes in internal controls for financial reporting, during the year;
  - (ii) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements, and;
  - (iii) that there are no 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: New Delhi  
Date: May 04, 2015

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

**A.V.Jalan**  
Executive Director

## DECLARATION BY THE CEO PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

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 and there is no non compliance thereof during the year ended 31st March, 2015

Place: New Delhi  
Date: May 04, 2015

**A. V. Jalan**  
Executive Director

## 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, 2015, 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: New Delhi  
Date: May 04, 2015

**P.K.JAIN**  
Partner  
Membership No.10479



# Independent Auditors' Report

To  
The Members of Mangalam Cement Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Mangalam Cement Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 29 (B3) to the financial statements).
- ii. The Company has made provision as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Jain Pramod Jain & Co.**

Chartered Accountants

(Firm's Registration Number 016746 N)

**(P.K. Jain)**

Partner

Membership No. 010479

Place: New Delhi

Date : May 04, 2015

## 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)

1. (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;
- 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 granted unsecured loan to a Company covered in the Register maintained under section 189 of the Companies Act, 2013 and there is no overdue amount in respect of principal, but interest thereon is in arrear.



- (b) As informed to us, there is no overdue amount in respect of such loans granted by the Company and the Company has taken reasonable steps for recovery of interest.
- 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 and fixed assets and for the 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.
- v. In our opinion and according to the information and explanations given to us, the Company has not taken any deposit from public.
- vi. 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 148(1) of the Companies Act, 2013 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.
- vii. (a) According to the information and explanations and records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable as on 31st March, 2015;
- (b) According to 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 income tax, sales tax, service tax, excise duty, value added tax or cess that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:

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	
		229.98	Various matters, from 1997 to 2009	CESTAT. New Delhi	
		28.18	Various matters, from 2006 to 2011	Commissioner (Appeals)	
		856.08	Various matters, 2012-13	Commissioner	
		37.11	2013-14	Joint Commissioner	
		9.52	Nov 2013	Deputy Commissioner	
		0.52	2013-14	Superintendent, Kota	
		Excise Duty	6.31	Various matters, from 1999 to 2009	CESTAT. New Delhi
			196.83	2013-14	Commissioner (A)
			68.16	Various matters, from 2010	Chief Commissioner
			1800.91	Various matters, from 2008 to 2013	Commissioner
			17.72	2013-2014	Joint Commissioner
			33.07	2011-12	Addl. Commissioner
			6.42	Various matters, from 2008 to 2010	Asst. Commissioner
Income Tax Act	Income Tax	1.06	AY 2009-10	CIT (Appeals)	
		516.54	AY 2012-13	CIT (Appeals)	



Name of Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount related	Forum where matter is pending
Sales Tax (M.P.)	Disallowance of credit notes	0.24	2002-03	Tax Board, M.P.
	Disallowance of credit notes	4.80	2012-13	Tax Board, M.P.
Sales Tax (Rajasthan)	Rajasthan incentive	4161.84	2003-08	RTB, Ajmer
	RVAT	2.00	2006-08	RTB, Ajmer
	RVAT	11.28	2012-13	Appellate Authority, Jaipur
Sales Tax (U.P.)	U.P. VAT/CST	0.88	2010-11	Appellate Authority, GZB.
Service Tax	Service Tax	48.79	1997-98	Rajasthan High Court
		341.82	Various matters, from 2005 to 2013	CESTAT. New Delhi
		1065.02	2012-13	Commissioner, Udaipur
		10.05	Various matters, from 2007 to 2012	Commissioner (Appeals)
		14.61	2013	Addl. Commissioner
		4.39	2011-12	Asst. Commissioner
		0.39	2012-13	Superintendent, Kota
Entry Tax (U.P.)	Entry Tax	157.83	Various matters, from 2007 to 2010	Supreme Court
		137.29	Various matters, from 2007 to 2009	Appellate Authority, GZB
Land Tax (Rajasthan)	Land tax	1255.31	Various matters, from 2006 to 2013	Supreme Court (appeal filed by Federation of mining association of Rajasthan)
Government of Rajasthan	Environment and Health Cess	756.22	2008 to 2015	Rajasthan High Court
Government of Rajasthan	Entry Tax	503.83	2010 to 2015	Supreme Court
		85.67	2012-13	Appellate Authority, Jaipur

- (c) According to the records and information and explanation given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.
- viii. 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.
- ix. The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders.
- x. 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.
- xi. In our opinion, the term loans have been applied for the purpose for which the loans were obtained.
- xii. 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)

Partner  
Membership No. 010479

Place: New Delhi  
Date : May 04, 2015



# Balance Sheet

as at 31st March, 2015

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	1	2669.38	2669.38
(b) Reserves and surplus	2	49086.60	48030.97
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	3	31149.30	34345.70
(b) Deferred tax liabilities (Net)	4	6141.76	6103.07
(c) Other Long term liabilities	5	8029.24	7973.54
(d) Long-term provisions	6	733.02	587.30
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	7	3321.60	1327.13
(b) Trade payables	8	10403.94	6885.11
(c) Other current liabilities	9	10884.29	5173.07
(d) Short-term provisions	10	850.84	1137.03
<b>Total</b>		<b>123269.97</b>	<b>114232.30</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		74750.40	50337.99
(ii) Intangible assets		914.34	1162.61
(iii) Capital work-in-progress		3077.43	25503.82
(b) Non-current investments	12	3557.02	3557.02
(c) Long-term loans and advances	13	2656.23	2034.95
(d) Other non-current assets	14	3181.49	3063.41
<b>(2) Current assets</b>			
(a) Current investments	15	22.94	-
(b) Inventories	16	15851.64	11593.12
(c) Trade receivables	17	2882.91	2273.19
(d) Cash and Bank balances	18	2868.46	4635.21
(e) Short-term loans and advances	19	12679.28	9391.92
(f) Other current assets	20	827.83	679.06
<b>Total</b>		<b>123269.97</b>	<b>114232.30</b>
Accounting Policies and Notes to Accounts	29		

The Notes 1 to 20 and Note 29 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

New Delhi

May 04, 2015

Anil Kumar Mandot

CFO & Sr. Jt. President (Commercial)

Swadesh Agrawal

Company Secretary

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, 2015

		(₹ in Lacs)	
Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
I. Revenue from operations	21	92184.74	69730.73
II. Other income	22	392.98	463.29
<b>III. Total Revenue (I + II)</b>		<b>92577.72</b>	<b>70194.02</b>
IV. Expenses:			
Cost of materials consumed	23	15681.86	11663.30
Purchases of Stock-in-Trade	24	6431.39	1501.73
Changes in inventories of finished goods and material in process	25	(3155.14)	2713.46
Employee benefits expense	26	5772.97	4257.94
Finance costs	27	3833.41	870.52
Depreciation and amortisation expense	11	3371.16	2782.74
Less: Recouped From Revaluation Reserve		(8.91)	(8.91)
Other expenses	28	58409.11	44019.79
<b>Total expenses</b>		<b>90335.85</b>	<b>67800.57</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		2241.87	2393.45
VI. Exceptional items		(343.21)	-
VII. Profit before extraordinary items and tax (V - VI)		1898.66	2393.45
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		1898.66	2393.45
<b>X Tax expense:</b>			
Current tax/MAT		400.00	505.00
MAT Credit		(400.00)	(505.00)
Income Tax Expenditure For Earlier Year (Net)		24.45	(288.54)
Deferred tax		82.34	(278.64)
XI. Profit for the year (IX-X)		<b>1791.87</b>	<b>2960.63</b>
XII. Earnings per equity share:			
Basic		6.71	11.09
Diluted		6.71	11.09
Accounting Policies and Notes to Accounts	29		

The Notes 21 to 28 and Note 29 referred to above form an integral part of the Statement of Profit & 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

New Delhi

May 04, 2015

Anil Kumar Mandot

CFO & Sr. Jt. President (Commercial)

Swadesh Agrawal

Company Secretary

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



# Cash Flow Statement

for the Year ended 31st March, 2015

₹ in Lacs

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net profit before taxation and extraordinary items</b>	2241.87	2393.45
<b>Adjustments for:</b>		
1. Depreciation / Amortisation	3362.25	2773.83
2. Interest expense	3833.41	870.52
3. Interest income	(282.88)	(463.29)
4. Loss on sale of fixed assets (Net)	2.53	0.00
5. Wealth tax	44.80	32.68
6. Foreign exchange fluctuation	(0.94)	1.14
7. Profit on sale of Investment	(109.16)	-
<b>Operating profit before working capital Changes</b>	<b>9091.88</b>	<b>5608.33</b>
<b>Adjustments for:</b>		
1. Trade & other receivables	(5211.93)	(1138.90)
2. Inventories	(4258.52)	2067.34
3. Trade payables	5175.64	781.67
Cash generated from operations	4797.07	7318.44
Direct taxes paid	379.78	(1021.23)
Exceptional Items-	(343.21)	-
<b>Net Cash from operating activities</b>	<b>4833.64</b>	<b>6297.21</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(5268.54)	(23059.58)
Sale of fixed assets	28.68	38.01
Purchase of investments	(4000.00)	-
Sale of investments	4086.22	-
Interest received	131.37	469.35
<b>Net cash used in investing activities</b>	<b>(5022.27)</b>	<b>(22552.22)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest and financial charges	(3770.48)	(822.89)
Dividend paid (including corporate dividend tax)	(936.19)	(1859.47)
Proceeds from long /short term borrowings	2869.47	14327.14
<b>Net cash used in financing activities</b>	<b>(1837.20)</b>	<b>11644.78</b>
Net increase/(decrease) in cash and cash equivalents	(2025.83)	(4610.23)
Cash and cash equivalents as at 31.03.2014 (Opening balance)	4275.95	8886.18
Cash and Cash equivalents as at 31.03.2015 (Closing balance)	<b>2250.12</b>	<b>4275.95</b>

# Cash Flow Statement

for the Year ended 31st March, 2015

		₹ in Lacs	
		31st March, 2015	31st March, 2014
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	5.40
			3.85
		<b>Bank balances</b>	
		Current account	355.79
		Cheques/Drafts in hand	1388.93
		Short term deposit	500.00
			3100.00
			<b>2250.12</b>
			<b>4275.95</b>

As per our Report of even date  
FOR JAIN PRAMOD JAIN & CO.  
Chartered Accountants  
FRN 016746 N  
**(P.K.JAIN)**  
Partner  
M.No.10479  
New Delhi  
May 04, 2015

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

**Swadesh Agrawal**  
Company Secretary

**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



# Notes

forming part of the Financial Statements

		(₹ in Lacs)	
		31st March, 2015	31st March, 2014
<b>NOTE NO. 1</b>			
<b>Share Capital</b>			
<b>Authorised</b>			
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
		<b>6000.00</b>	<b>6000.00</b>
<b>Issued, Subscribed and Paid up</b>			
26693780	Equity Shares of ₹ 10/- each (Previous Year 26693780 shares) -, fully paid up	2669.38	2669.38
		<b>2669.38</b>	<b>2669.38</b>

Note :-

**1 Reconciliation of the number of Equity Shares Outstanding**

		(in Lacs)	
		31st March, 2015	31st March, 2014
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**

Name of shareholders			(in Lacs)	
	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
India Capital Fund Ltd.	13.98	5.24	-	-

**3 Details of the aggregate number and class of shares bought back in the five years immediately preceding the 31.03.2015**

		(In Lacs)	
Year	Class of share	No. of Shares	
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, 2014	Additions	Transfer/ Allocation/ Appropriation	31st March, 2015
<b>NOTE NO. 2</b>				
<b>Reserves &amp; Surplus</b>				
Capital Reserves	20.22	-	-	20.22
Capital Redemption Reserve	155.30	-	-	155.30
Preference Share Capital Redemption Reserve	20.00	-	-	20.00
Security Premium Account	-	-	-	-
	(546.64)	-	(546.64)	-
Revaluation Reserve	480.52	-	8.91 <sup>a</sup>	471.61
	(489.43)	-	(8.91)	(480.52)
General Reserve	6313.15	200.00	0	6513.15
	(6013.15)	(300.00)	-	(6313.15)
Surplus	41041.78	1791.87	927.33 <sup>b,c</sup>	41906.32
	(39318.06)	(2960.63)	(1236.91)	(41041.78)
	<b>48030.97</b>	<b>1991.87</b>	<b>936.24</b>	<b>49086.60</b>
Previous year	<b>46562.80</b>	<b>3260.63</b>	<b>1792.46</b>	<b>48030.97</b>

## Note:

- Depreciation on revalued fixed assets recouped from Revaluation Reserve transferred to Statement of Profit & Loss ₹ 8.91 Lacs (Previous year ₹8.91 Lacs)
- Represents depreciation of ₹ 128.42 Lacs and deferred tax thereon ₹ 43.65 Lacs on fixed Assets whose residual life as on 1.4.2014 is Nil
- Transfer / Allocation / Appropriation

	(₹ in Lacs)	
	2014 - 2015	2013 - 2014
General Reserve	200.00	300.00
Proposed Dividend on Equity Shares	533.88	800.81
Corporate Dividend Tax	108.68	136.10
	<b>842.56</b>	<b>1236.91</b>

- Figures in bracket represent figures of previous year.

	(₹ in Lacs)			
	Non Current		Current	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
<b>NOTE NO. 3</b>				
<b>Long-term borrowings</b>				
<b>Secured:-</b>				
<b>From banks</b>				
Indian rupee loan From HDFC Bank Ltd.	9375.00	11875.00	2500.00	625.00
Indian rupee loan From State Bank of India.	7500.00	7500.00	2000.00	500.00
Foreign currency loan from DBS Bank Ltd.	14274.30	14970.70	1350.70	-
	<b>31149.30</b>	<b>34345.70</b>	<b>5850.70</b>	<b>1125.00</b>
Less: Amount disclosed under the head "Other Current Liabilities" (Note No. 9)	-	-	5850.70	1125.00
	<b>31149.30</b>	<b>34345.70</b>	<b>-</b>	<b>-</b>



# Notes

forming part of the Financial Statements

**Note :-**

<b>(1) Rupee loan from HDFC Bank</b>	
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 instalments started from 9th February, 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.
<b>(2) Rupee loan from State Bank of India</b>	
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 instalments started from 31st March, 2015
Rate of interest:	1.30% per annum above base rate.
<b>(3) Foreign Currency Loan from DBS Bank Ltd.</b>	
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:	18 quarterly instalments 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, 2015	31st March, 2014
<b>NOTE NO. 4</b>		
<b>Deferred tax liabilities (Net)</b>		
(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	11944.79	9982.41
(ii) Others	1712.26	209.36
<b>Total (a)</b>	<b>13657.05</b>	<b>10191.77</b>
(b) Deferred tax assets being tax impact on -		
(i) Expenses charged in the books but allowance thereof deferred under income tax laws	1219.81	1146.52
(ii) Unabsorbed depreciation and unabsorbed business losses.	6295.48	2942.18
<b>Total (b)</b>	<b>7515.29</b>	<b>4088.70</b>
(c) Net Deferred Tax Liabilities (a) – (b)	<b>6141.76</b>	<b>6103.07</b>

Pursuant to the order dated 30th November, 2007 of the Hon'ble Rajasthan High Court the deferred tax liability for the year -Nil (Previous Year ₹546.64 Lacs) has been debited to Securities Premium Account.

(₹ in Lacs)

	31st March, 2015	31st March, 2014
<b>NOTE NO. 5</b>		
<b>Other Long- term liabilities</b>		
<b>Unsecured:-</b>		
(a) Trade payables	2332.99	2187.37
(b) Others :		
Deposits from stockist and others	4037.04	3557.50
Liability for option premium	1112.04	1638.64
Statutory liabilities	492.08	541.28
Retention money	55.09	48.75
	<b>8029.24</b>	<b>7973.54</b>



# Notes

forming part of the Financial Statements

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 6</b>		
<b>Long-term provisions</b>		
Provision for Employee Benefits	733.02	587.30
	<b>733.02</b>	<b>587.30</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 7</b>		
<b>Short-term borrowings (Secured)</b>		
Working Capital Loan from bank secured against a first pari passu charge over the entire Current Assets, both present and future and second pari passu charge over the entire Fixed Assets, both present and future.	3321.60	1327.13
	<b>3321.60</b>	<b>1327.13</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 8</b>		
<b>Trade payables</b>		
Micro and Small Enterprises	51.82	13.76
Others	10352.12	6871.35
	<b>10403.94</b>	<b>6885.11</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 9</b>		
<b>Other current liabilities</b>		
Current maturities of long term borrowings	5850.70	1125.00
Interest accrued but not due on loans	148.53	85.59
Advances from customers	1495.53	1474.06
Unpaid dividends	86.68	85.97
Security deposit and retention money	1375.47	1168.26
Liability for option premium	529.60	536.55
Liabilities for capital goods	344.74	71.09
Other statutory liabilities	1053.04	626.55
	<b>10884.29</b>	<b>5173.07</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 10</b>		
<b>Short-term provisions</b>		
Employee benefits	166.20	166.23
<b>Others:</b>		
Wealth tax	42.08	33.89
Proposed equity dividend	533.88	800.81
Corporate dividend tax	108.68	136.10
	<b>850.84</b>	<b>1137.03</b>



# Notes

forming part of the Financial Statements

	COST/BOOK VALUE			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 31st March, 2014	Additions	Deduction/ Adjustment	As at 31st March, 2014	For the year	On sales/ Adjustment	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE NO. 11</b>								
<b>FIXED ASSETS</b>								
<b>A. TANGIBLE ASSETS</b>								
Land	1176.18	208.65	-	-	-	-	1384.83	1176.18
Leasehold land	1965.34	-	25.17	1.28	-	-	1938.89	1964.06
Buildings	3896.65	105.70	-	1117.13	214.11	-	2671.11	2779.52
Plant & machinery	75910.92	24131.39	37.25	32258.79	2722.47	33.29	65057.09	43652.13
Furniture & fittings	247.03	6.74	3.63	124.17	16.73	1.55	110.79	122.86
Vehicles	515.85	46.95	0.06	100.24	68.74	0.05	393.81	415.61
Office equipments	49.42	0.30	-	22.15	17.62	-	9.95	27.27
Railway siding	494.72	3156.87	-	294.36	173.30	-	3183.93	200.36
<b>Total A</b>	<b>84256.11</b>	<b>27656.60</b>	<b>66.11</b>	<b>33918.12</b>	<b>3212.97</b>	<b>34.89</b>	<b>74750.40</b>	<b>50337.99</b>
<b>B. INTANGIBLE ASSETS</b>								
Computer software	244.57	5.10	-	129.88	39.62	-	80.17	114.69
Mining right	2659.13	33.38	-	1611.21	247.13	-	834.17	1047.92
<b>Total B</b>	<b>2903.70</b>	<b>38.48</b>	<b>-</b>	<b>1741.09</b>	<b>286.75</b>	<b>-</b>	<b>914.34</b>	<b>1162.61</b>
<b>G. Total (A+B)</b>	<b>87159.81</b>	<b>27695.08</b>	<b>66.11</b>	<b>35659.21</b>	<b>3499.72*</b>	<b>34.89</b>	<b>75664.74</b>	<b>51500.60</b>
Previous Year	68061.51	19405.99	307.69	33146.02	2782.86	269.67	3077.43	25503.82
<b>C. CAPITAL WORK IN PROGRESS</b>								
							78742.17	77004.42

\* Includes depreciation for fixed assets having nil residual life as on 01.04.2014 ₹ 128.42 Lacs, adjusted with retained earning and ₹0.14 Lacs included in preoperative expenses.

# Notes

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	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 12</b>		
<b>Non-current investments</b>		
<b>Non Trade:</b>		
<b>Quoted</b>		
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
<b>Unquoted</b>		
Investments in Preference shares		
34,47,000- 7.5% Non-Cumulative Redeemable Preference shares of ₹100/-each of Mangalam Timber Products Ltd. *	3447.00	3447.00
	<b>3557.02</b>	<b>3557.02</b>
Aggregate amount of Quoted Investments	110.02	110.02
Aggregate Market Value of Quoted Investments	58.50	59.80
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, 2015	31st March, 2014
<b>NOTE NO. 13</b>		
<b>Long term loans &amp; advances</b>		
<b>Unsecured, considered good:</b>		
Capital advances	1931.23	1307.83
Prepaid expenses	24.21	39.52
Advance against supply of goods or services	0.65	11.32
Deposits with government department and others	700.14	676.28
	<b>2656.23</b>	<b>2034.95</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 14</b>		
<b>Other Non Current Assets</b>		
Unamortised premium on forward contracts	1063.80	1593.40
Exchange fluctuation recoverable (Hedging)	2117.50	1463.20
Interest accrued on fixed deposits with bank	0.19	1.39
Balances with bank on margin money accounts	-	5.42
	<b>3181.49</b>	<b>3063.41</b>



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	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 15</b>		
<b>Current Investments</b>		
<b>Unquoted-Mutual -Funds</b>		
SBI Premier Liquid Fund	22.94	-
	<b>22.94</b>	<b>-</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 16</b>		
<b>Inventories</b>		
<b>At Cost or Net Realisable Value, whichever is lower</b>		
Raw materials	1672.23	928.36
Material in process	5107.91	2272.04
Finished goods (Including goods in transit ₹592.60 Lacs (Previous Year ₹822.38 Lacs))	1365.68	1358.01
Stores and spare (Including goods in transit ₹2212.81 Lacs (Previous Year ₹2629.35 Lacs))	7597.73	6898.33
Scrap & waste (at net realisable value)	108.09	136.38
	<b>15851.64</b>	<b>11593.12</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 17</b>		
<b>Trade receivables</b>		
<b>More than six months from the date they are due for payment</b>		
Secured, considered good	-	1.08
Unsecured, considered good	70.72	32.65
<b>Other debts</b>		
Secured, considered good	871.55	866.11
Unsecured, considered good	1940.64	1373.35
	<b>2882.91</b>	<b>2273.19</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 18</b>		
<b>Cash and bank Balances</b>		
<b>Cash and Cash equivalent</b>		
Balances with banks -		
On Short term deposit	500.00	3100.00
On Current accounts	355.79	290.78
Cheques, drafts in hand	1388.93	881.32
Cash on hand	5.40	3.85
<b>Other Bank Balances:</b>		
Balances with banks -		
On Margin money accounts	531.66	273.29
On Unpaid dividend accounts	86.68	85.97
	<b>2868.46</b>	<b>4635.21</b>

# Notes

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	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 19</b>		
<b>Short-term loans and advances</b>		
<b>Unsecured, Considered Good</b>		
Loans and Advances to related parties:		
Intercorporate deposit to Mangalam Timber Products Limited	460.00	360.00
Advances recoverable in cash or in kind or for value to be received	9392.65	5270.43
Inter corporate deposits	770.00	1270.00
Advance Income tax (net of provision for taxation/MAT ₹4125 Lacs (Previous Year ₹5325 Lacs))	463.83	1181.15
MAT Credit Entitlement	1584.35	1307.88
Deposits with government department and others	8.45	2.46
	<b>12679.28</b>	<b>9391.92</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 20</b>		
<b>Other current assets</b>		
Unamortised premium on forward contracts	529.60	533.54
Interest accrued on fixed deposits & others	244.44	124.31
Interest accrued on ICD to related party (Mangalam Timber Products Ltd)	53.79	21.21
	<b>827.83</b>	<b>679.06</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 21</b>		
<b>Revenue from operations</b>		
Sale of products		
Cement	100114.61	77699.19
Clinker	3879.82	1862.37
Other operating revenues	1341.56	977.76
	105335.99	80539.32
Less:- Excise duty	13151.25	10808.59
	<b>92184.74</b>	<b>69730.73</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 22</b>		
<b>Other income</b>		
Interest Income on fixed deposits and others (TDS ₹28.76 Lacs (Previous Year ₹36.69 Lacs))	282.88	463.29
Profit on sale of current Investment	109.16	-
Foreign exchange fluctuation (net)	0.94	-
	<b>392.98</b>	<b>463.29</b>



# Notes

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	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 23</b>		
<b>Cost of materials consumed</b>		
Limestone	8727.05	7097.09
Gypsum	2074.35	1810.63
Fly Ash	2197.56	1407.99
Red Ochre	814.67	1107.36
Others	1868.23	240.23
	<b>15681.86</b>	<b>11663.30</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 24</b>		
<b>Purchase of Stock -in- trade</b>		
Cement	6431.39	1501.73
	<b>6431.39</b>	<b>1501.73</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 25</b>		
<b>Changes in inventories of finished goods work-in-progress</b>		
<b>Opening Stock</b>		
<b>Material-in-Process</b>		
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
	<b>3644.06</b>	<b>5412.61</b>
<b>Less: Transfer of stock in process for trial run</b>	723.52	1091.82
<b>Add: Finished goods /Stock in process transferred at end of trial run</b>	506.00	2036.73
<b>Less: Closing Stock</b>		
<b>Material-in-Process</b>		
Raw meal	124.57	179.30
Clinker	4386.12	1599.03
Crushed lime stone	597.22	447.27
Finished Goods-Cement	1365.68	1282.08
Scrap & waste	108.09	136.38
	6581.68	3644.06
	<b>(3155.14)</b>	<b>2713.46</b>

# Notes

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	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 26</b>		
<b>Employee benefits expense</b>		
Salaries, Wages, Bonus and Allowances	4780.63	3489.59
Contribution to Provident, gratuity and other funds	774.77	566.82
Workmen and staff welfare	217.57	201.53
	<b>5772.97</b>	<b>4257.94</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 27</b>		
<b>Finance costs</b>		
Interest expenses	3260.95	716.14
Other borrowing costs	572.46	154.38
	<b>3833.41</b>	<b>870.52</b>

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
<b>NOTE NO. 28</b>		
<b>Other expenses</b>		
Stores and spares consumed	2600.26	1971.46
Power and fuel	25839.97	17152.26
Rent	887.95	645.13
Repairs and Maintenance		
Plant and Machinery	975.76	800.18
Buildings	188.61	243.51
Others	67.32	72.01
	1231.69	1115.70
Insurance	77.91	57.95
Rates and taxes	370.74	227.29
Research & development expenses	105.60	317.35
Packing, forwarding and distribution expenses	23654.72	18680.28
Commission & brokerage to selling agents	1977.82	2243.32
Wealth tax	44.80	32.68
Prior period adjustments (net)	19.39	4.54
Foreign exchange fluctuation	0.00	1.14
Corporate Social Responsibility expenditure	73.34	56.57
Miscellaneous expenses	1426.52	1405.99
Directors commission	63.66	81.32
Directors fees	16.99	13.35
<b>Payments to Auditors:</b>		
<b>(a) Statutory Auditors</b>		
Audit fees	9.00	8.00
Tax audit fees	1.80	1.61
Other services	3.14	2.65
Reimbursement of expenses	0.43	0.43
<b>(b) Cost Auditors</b>		
Audit fees	0.85	0.77
Loss on sale of fixed assets (net)	2.53	-
	<b>58409.11</b>	<b>44019.79</b>



# Notes

forming part of the Financial Statements

## NOTE 29

### Accounting Policies and Notes on Accounts for the year ended 31st March 2015.

#### 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, 2013. 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 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 by depreciating carrying amount of fixed assets as on 1st April 2014 over remaining useful life of the assets as per schedule II of the Companies Act 2013. 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, belonging to Kota Super Thermal Power Station, Kota is amortised over the period of the 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 year

##### 8. Employee Benefits

(i) Defined Contribution Plan : Employee benefits in the form of superannuation fund and the



# Notes

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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.

- (ii) Defined Benefit Plan: The employee's 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 connected with borrowings for 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. (a) Pursuant to the enactment of Company Act 2013, the Company revised its policy of providing depreciation in fixed assets effective from April 1, 2014 by depreciating carrying amount of fixed assets as on April 1, 2014 over the remaining useful life of the assets as per Schedule II as against at the rate and in



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the manner specified in Schedule XIV to the Companies Act 1956. Consequently,-

(i) Where the useful life is nil as on 1st April 2014 depreciation of ₹ 128.42 Lacs (₹ 84.77 Lacs net of deffered tax) has been deducted from retained earnings.

(ii) Depreciation for the year is lower by ₹ 917.23 Lacs

(b) 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. Exceptional items of ₹ 343.21 Lacs represent interest on disputed U.P. entry tax for earlier year charged and collected by the commercial taxes department, U.P.

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

i. Contingent Liabilities:

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

	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
Taxation Matters		
- Direct tax	1949.26	1120.69
- Indirect tax	6360.44	6520.85
Others	1013.39	344.23

(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)	
	31st March, 2015	31st March, 2014
(c) The Company had received demand notices for ₹ 3890.17 Lacs towards tax and ₹ 4246.48 Lacs toward interest from the Rajasthan Sales Tax Authorities against sales tax incentive claimed by the Company in earlier years. It has made a payment of ₹ 3974.82 Lacs under protest and interest thereon has been stayed by the Hon'ble Rajasthan High Court on furnishing of Bank Guarantee and Bond in lieu of security as directed by Hon'able Rajasthan Tax Board, Ajmer. On the basis of the facts of case and a legal opinion obtained, the Company has a strong case in favour in view of direction of BIFR dated 31.05.2007. Accordingly, no provision in the financial statements has been made, as the matter is pending before the appropriate authority.  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.	8136.65	5874.89

#### ii. Commitments:

	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
(a) Estimated Capital Commitments (Net of advances)	1583.00	3171.00
(b) Other Commitments	125.00	125.00
- Commitment for Social Welfare (outstanding contribution for "Over Bridge" Construction)		

4. The Board of Directors has proposed a dividend of ₹ 2 per equity shares of ₹ 10 each for the year ended 31st March 2015 and the total proposed dividend amounts to ₹ 533.88 Lacs and corporate dividend tax to be ₹ 108.68 Lacs.

5. Revenue expenditure on Research and Development amounting to ₹ 105.60 Lacs (Previous Year ₹ 317.35 Lacs) is shown in the Statement of Profit & Loss. Capital expenditure relating to Research and Development amounting to ₹ Nil (Previous Year ₹ 14.92 Lacs) has been included in fixed assets.

## Notes

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6. Capital work-in progress includes Machinery in Stock/under installation and building and other assets under erection. Addition to Fixed Assets include the following pre-operative expenses:

Particulars	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
Raw materials consumed	70.59	58.01
Inter unit transfer of Stock-in Process	723.52	1091.82
Salaries, wages, bonus & other allowance	55.67	351.37
Contribution to provident & other funds	8.59	51.02
Staff welfare	-	6.84
Interest & financial charges	297.97	1956.88
Insurance premium	1.62	7.35
Electricity charges	-	3.49
Power & fuel	114.46	1183.02
Repair to Machinery	18.56	279.15
Site development & other expenses	18.18	470.64
Rates & taxes	2.69	4.73
Excise duty on Finished goods at the year end	-	12.39
Packing/forwarding/distribution	253.40	105.12
Stores and spares consumed	0.99	68.20
Consultancy fees	27.64	115.80
Depreciation	0.14	0.12
Other expenses	14.37	11.32
<b>Total expenditure during construction period</b>	<b>1608.39</b>	<b>5777.27</b>
Add: Brought forward from the previous year	3732.93	2198.91
Add: Opening Stock of finished goods of trial run production (net of excise duty of ₹ 12.39 Lacs)	63.54	-
Add: Opening Stock of stock in process of trial run production	46.43	-
Less: Sales during trial run (net of excise duty of ₹ 17.92 Lacs, Previous Year ₹ 55.94 Lacs)	1066.63	376.30
Less: Interest received on bank deposits	11.09	108.82
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	506.00	75.93
Less: Closing stock of stock in process of trial run production	-	46.43
<b>Total</b>	<b>3867.57</b>	<b>5331.97</b>
Less: Allocated to fixed assets	3867.57	1599.04
<b>Total</b>	<b>-</b>	<b>3732.93</b>



# Notes

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## 7. 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, 2015	31st March, 2014
(a)	(i) Principal amount remaining unpaid at the end of the accounting year	51.82	13.76
	(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

## 8. (a) Hedging Commitments outstanding:

Particulars	31st March, 2015		31st March, 2014	
	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

Particulars	31st March, 2015				31st March, 2014		
	Currency	Foreign Currency (in Lacs)	Exchange rate	Amount In ₹ (in Lacs)	Foreign Currency (in Lacs)	Exchange rate	Amount In ₹ (in Lacs)
Interest	USD	0.66	62.50	40.98	0.65	59.88	38.86
Professional Fees	Euro	-	-	-	0.52	82.58	42.96

## 9. Employee Defined Benefits:

### (a) Defined Contribution Plans

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

Particulars	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
Contribution to Superannuation fund	275.44	220.56
Contribution to Provident fund (Government)	395.97	317.21
Others	55.10	39.85
	<b>726.51</b>	<b>577.62</b>

# Notes

forming part of the Financial Statements

- (b) Defined Benefit Plans as per actuarial valuation on 31st March, 2015 and recognised in the financial statements in respect of Employee Benefit Schemes:

		(₹ in Lacs)			
Particulars	Gratuity (Funded)		Leave Encashment (Non-funded)		
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	
<b>I Reconciliation of Defined Benefit Obligations (DBO) during the year ended 31st March, 2015</b>					
1 Present value of DBO at the beginning of period	1568.85	1392.99	646.15	538.00	
2 Current service cost	113.59	97.08	92.02	75.88	
3 Interest cost	137.28	111.44	56.54	43.04	
4 Actuarial (Gains)/Losses	35.63	73.43	100.48	92.03	
5 Benefits paid	(106.99)	(106.09)	(102.20)	(102.80)	
6 Present value of DBO at the end of period	1748.36	1568.85	792.99	646.15	
<b>II Reconciliation of Fair Value of plan assets during the year ended 31st March, 2015</b>					
1 Plan assets at the beginning of period	1402.63	1224.10			
2 Expected return on plan assets	124.13	115.07			
3 Actuarial Gains/(Losses)	(3.93)	0.66			
4 Company contribution	166.32	168.89			
5 Benefits paid	(106.99)	(106.09)			
6 Plan assets at the end of period	1582.16	1402.63			
<b>III Reconciliation of fair value of assets and obligation as at 31st March, 2015</b>					
1 Present value of Defined Benefit Obligation	1748.36	1568.85	792.99	646.15	
2 Fair value on plan assets	1582.16	1402.63	-	-	
3 Status[Surplus/(Deficit)]	(166.20)	(166.22)	(792.99)	(646.15)	
4 Net asset/(liability) recognised in the Balance Sheet	(166.20)	(166.22)	(792.99)	(646.15)	
<b>IV Expenses recognised during the year</b>					
1 Current service cost	113.59	97.08	92.02	75.88	
2 Interest cost	137.28	111.44	56.54	43.04	
3 Expected return on plan assets	(124.13)	(115.07)	-	-	
4 Actuarial Losses/(Gains)	39.56	72.77	100.48	92.03	



## Notes

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		(₹ in Lacs)			
Particulars	Gratuity (Funded)		Leave Encashment (Non-funded)		
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	
5	Total expenses recognised in the Statement of Profit & Loss [includes ₹0.31 Lacs (Previous Year ₹ 1.87 Lacs) for Gratuity and ₹0.24 Lacs (Previous Year ₹ 9.29 Lacs) for leave encashment charged as preoperative expenses ]	166.30	166.22	249.04	210.95
<b>V</b>	<b>Major category of plan assets as a % of the total plan assets as at 31st March 2015</b>				
1	Insurance companies	100%	100%		
<b>VI</b>	<b>Actuarial assumptions</b>				
1	Discount rate (%)	8.75	8.75	8.75	8.75
2	Expected return on plan assets (%)	8.85	9.40	-	-
3	Rate of escalation in salary (per annum) (%)	6.25	6.25	6.25	6.25
4	Mortality table (IALM)	2006-08	2006-08	2006-08	2006-08

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

11. Related Party Information As Per Accounting Standard- 18:

Particulars	31st March, 2015	31st March, 2014
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.	(1) Pilani Investment & Industrial Corporation Ltd. (2) Vidula Consultancy Service Ltd. (3) Mangalam Timber Products Ltd.

# Notes

forming part of the Financial Statements

## II. Transactions with related parties:

(₹ in Lacs)

Particulars	Related Parties	
	Referred in I (a) above	Referred in I (b) above
<b>Expenses:</b>		
<b>Remuneration</b>		
Shri A.V. Jalan	98.09 (82.27)	-
Smt. Vidula Jalan	97.58 (80.87)	-
<b>Rent Paid</b>		
Mangalam Timber Products Limited	-	9.00 (Nil)
<b>Income:</b>		
<b>Interest income</b>	-	
Mangalam Timber Products Limited		36.20 (23.56)
<b>Dividend paid</b>		
Pilani Investment & Industrial Corporation Ltd.		33.60 (67.20)
Shri A.V. Jalan	0.30 (0.60)	-
Smt. Vidula Jalan	0.78 (1.56)	-
<b>I.C.D. Given</b>		
Mangalam Timber Products Limited		100 (360)
<b>Outstanding:</b>		
<b>(a) Director commission</b>		
Shri A.V. Jalan	20.00 (17.97)	-
Smt. Vidula Jalan	20.00 (17.97)	-
<b>(b) Salary, allowance and other benefit</b>		
Shri A.V. Jalan	Nil (14.38)	-
Smt. Vidula Jalan	Nil (12.95)	-
<b>(c) Interest accrued</b>		
Mangalam Timber Products Limited		53.79 (21.21)
<b>(d) I.C.D. given</b>		
Mangalam Timber Products Limited		460 (360)

\*Previous year figures are given in bracket



# Notes

forming part of the Financial Statements

## 12. Earning Per Share (EPS):

Particulars	31st March, 2015	31st March, 2014
Net profit attributable to equity share holders (₹ in Lacs)	1791.87	2960.63
Weighted average of equity shares (Nos.)	26693780	26693780
Nominal value of equity shares (in ₹)	10	10
Basic/Diluted EPS (in ₹)	6.71	11.09

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

Particulars	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
Salaries, wages, bonus and allowances	324.24	293.83
Contribution to provident and other fund	89.81	83.72
Workmen and staff welfare	4.56	7.64
Power and fuel	489.05	591.22
Stores and spare consumed	413.37	366.12
Insurance	6.10	4.12
Transportation of Raw materials	1746.16	1130.66
Repairs to Machinery	105.01	133.35
Repairs to Building	6.73	13.19
Royalty	1832.15	1049.54
Rates and taxes	274.06	182.64
Other expenses	57.71	63.28

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

Particulars	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
Salaries, wages, bonus and allowances	337.45	296.32
Contribution to Provident fund	46.41	39.24
Electricity / Diesel	25.99	22.24
Stores & spares consumed	135.51	191.69
D G Running	0.57	0.31
Insurance	17.30	17.78
Repairs to Plant & machinery	228.38	284.74
Rates & taxes	38.31	21.83
Misc. expenses	36.87	21.58

## 14. (a) Remuneration to Executive Directors:

Particulars	(₹ in Lacs)	
	31st March, 2015	31st March, 2014
Salary	120.00	58.08
Contribution to:		
Provident fund	14.40	6.97
Superannuation fund	18.00	8.71
Medical expenses	3.17	9.62
Commission	40.00	52.00
Other benefit/perquisites	0.11	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)

Particulars	31st March, 2015	31st March, 2014
(b) Commission to Non-Executive Directors*	23.66	29.33

\*Inclusive of service tax amounting to ₹ 3.26 Lacs, (Previous year ₹ 3.23 Lacs)

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

(b) Stores and spare parts consumed:

Particulars	31st March, 2015 (₹ in Lacs)*	Percentage	31st March, 2014 (₹ in Lacs)	Percentage
Indigenous	2224.65	70	2529.82	98
Imported	932.25	30	60.38	2
* includes ₹ 0.99 Lacs under Expenses during construction period				
(c) C.I.F. value of imports in respect of:				
i. Stores and spares	939.92		297.89	
ii. Capital goods	-		247.56	
(d) Expenditure in foreign currency:				
i. Interest and Financial Charges (Included Current Year ₹34.79 Lacs in Expenses during construction period)	463.50		447.51	
ii. Professional fees/Consultancy fees (Included in expenses during construction period/capital work in progress)	21.57		42.96	
iii. Travelling expenses	6.38		19.82	
iv. Sales promotion expenses	-		3.65	
v. Seminar fees	-		0.39	

16. 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  
New Delhi  
May 04, 2015

Anil Kumar Mandot  
CFO & Sr. Jt. President (Commercial)  
  
Swadesh Agrawal  
Company Secretary

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 Amal Ganguli

Smt. Aruna Makhan

Shri N.G.Khaitan

Shri Gaurav Goel

Shri K.C.Jain

Smt. Vidula Jalan

Shri A.V.Jalan

*Executive Director*

*Executive Director*

## CHIEF FINANCIAL OFFICER AND SR. JT. PRESIDENT (COMMERCIAL)

Shri Anil Kumar Mandot

## COMPANY SECRETARY

Shri Swadesh Agrawal

## TEAM OF EXECUTIVES

Shri Yaswant Mishra

*President (Corporate)*

Shri S.S.Jain

*President*

Shri Kaushlesh Maheswari

*President (Sales & Marketing)*

## 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](http://www.mangalamcement.com)

E-mail:[communication@mangalamcement.com](mailto: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](mailto: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 AGENT

**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](mailto:info@masserv.com)

Website- [www.masserv.com](http://www.masserv.com)



## **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**



B K BIRLA GROUP OF COMPANIES

**बिरला**<sup>®</sup>  
**उत्तम**  
**सीमेन्ट**

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Tel No. - 07459-232812  
For Details visit - [www.mangalamcement.com](http://www.mangalamcement.com)



[www.mangalamcement.com](http://www.mangalamcement.com)



## MANGALAM CEMENT LTD.

CIN: L26943RJ1976PLC001705

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

Phone: 07459-233127; Fax: 07459-232036

E.mail: sares@mangalamcement.com

Website: www.mangalamcement.com

### NOTICE

#### To The Members

NOTICE is hereby given that the 39th Annual General Meeting of Mangalam Cement Limited (CIN: L26943RJ1976PLC001705) will be held on Monday, the 17th August, 2015, 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, 2015 and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2015.
3. To appoint a Director in place of Shri A. V. Jalan (DIN: 01455782) 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, 142 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 consider and if thought fit, to pass, with or without modification(s) the following Resolution to be moved as **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and all other applicable provisions of the

Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company be and is hereby authorized to pay remuneration in such amounts or proportions and in such manner and in all respects as the Board of Directors may from time to time determine, to its Non-Executive Directors (i.e. Directors other than Managing Directors and/or the Wholtime Directors) @ 1% of the net profit of the Company but not exceeding ₹ 7.00 Lacs (Rupees Seven Lacs Only) to each of the Non-Executive Director (NED) for a period of three years w.e.f. 1st April, 2015 in every financial year computed in the manner referred to in Section 198 of the said Act, in addition to the sitting fee for attending the meeting of the Board of Directors or Committees thereof."

6. 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, 2016, 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."

By Order of the Board,

#### Registered Office:

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

**Swadesh Agrawal**  
Company Secretary

Date : May 04, 2015

## 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 10th August, 2015 to 17th August, 2015 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 9th August, 2015 or to their nominees. In respect of shareholding in dematerialized 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 within the statutory time limit.

5. Dividend in respect of shares held in dematerialized 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. Members are informed that the dividend amount of the year ended 31st March, 2008 remaining unclaimed shall

become due for transfer on or before 20th August, 2015 to the Investor Education and Protection Fund established by the Central Government in terms of Section 205C(2)(a) of the Companies Act, 1956 on the expiry of 7 years from the date of declaration.

Members are requested to note that no claim shall lie against the Company or the aforesaid fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of 7 years from the date they became due for payment. Any member, who has not claimed dividend in respect of the financial year ended 31st March, 2008 onwards is requested to approach the Company / the Registrar and Share Transfer Agent of the Company for claiming the same as early as possible.

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 dematerialized 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 hereinabove 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 hereinabove in Note 7 quoting their folio number. Shareholders holding shares in dematerialized 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, as amended by the Companies (Management and Administration) Amendment Rules, 2015, 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 from a place other than venue of AGM (remote e-voting) under an arrangement with National Securities Depository Limited (“NSDL”) 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 Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, 11th August, 2015, i.e. the cut-off date are entitled to vote on the Resolutions set forth in this Notice. The Remote e-voting period will commence at 10.00 a.m. on Friday, August 14, 2015 and will end at 5.00 p.m. on Sunday, August 16, 2015. The Notice of the

Meeting will also be available on the Company's website: [www.mangalamcement.com](http://www.mangalamcement.com) and the website of NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

11. The procedure and instructions for e-voting are as under:

**I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**

- a. Open e-mail and open PDF file viz. "MCL-remote e-Voting. pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- c. Click on Shareholder-Login.
- d. Put user ID and password as initial password noted in step (i) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "EVEN" of "Mangalam Cement Limited".
- h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [ppincha@gmail.com](mailto:ppincha@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. In case of Members receiving Physical copy of Notice of 39th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**

- a. Initial password is provided above the attendance slip for the AGM.
- b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. 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 future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 11th August, 2015.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 11th August, 2015, will be provided the notice through mail or by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. Shri Pradeep Pincha, Practicing Company Secretary (Membership No. FCS-5369 & CP No. 4426), Proprietor M/s. P Pincha & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- J. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a

consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- K. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.mangalamcement.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately communicated to the BSE Limited and the National Stock Exchange of India Limited.

**12. Reappointment of Shri Anshuman Vikram Jalan, Director Retiring by Rotation**

**Information about the Appointees pursuant to clause 49 of the Listing Agreement**

**Shri Anshuman Vikram Jalan**, (DIN: 01455782) aged about 38 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. The public Companies in which he holds directorship are M/s Pilani Investment and Industries Corporation Ltd. and M/s Vidula Consultancy Services Ltd. He is also the Member of Audit Committee of M/s Pilani Investment and Industries Corp. Ltd.

Shares held in the Company : 10,000 Equity Shares

Relation with other Directors, if any : Smt. Vidula Jalan, Executive Director – Husband.

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## Annexure to the Notice

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

#### Item No. 05

Section 197 of the Companies Act, 2013 provides that in the case of Director who are neither managing director nor whole-time director/executive director may by way of special resolution, authorise payment of commission in addition to the fee for attending the meetings of the Board where such Directors are rendering useful advice to the Company. To retain such Non Executive Director, it is desirable that they should be paid commission @ 1% of the net profit of the Company not exceeding 7.00 Lacs (Rupees Seven Lacs Only) to each of the Director in any financial year, except the Managing Director and Executive Directors. The shareholders in their Annual General Meeting held on 29th July, 2013 had approved payment of commission @ 1% of the net profits of the Company but not exceeding 5.5 Lacs to each of the Non Executive Directors of the Company for a period of two years. This period of two years completes on 31st March, 2015. Hence the proposed resolution seeks authority for such payment to the Non Executive Directors for a period of three years effective from 01st April, 2015.

Therefore, the board of directors in the best interest of the Company, recommended before members the resolution for payment of commission to non executives directors.

All the Directors of the Company (except Smt. Vidula Jalan & Shri Anshuman Vikram Jalan, Executive Directors and the Key Managerial Personnel and their relatives) are interested in the Resolution to the extent the remuneration is payable to them in accordance with the proposed resolution.

#### Item No. 06

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, 2016 pursuant to Section 148 of the Companies Act, 2013 on a remuneration of ₹ 93,000/- (Rupees Ninety Three Thousand only) plus service tax as applicable and out of pocket expenses.

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 their relatives are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

By Order of the Board,

#### Registered Office:

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

**Swadesh Agrawal**  
Company Secretary

Date : May 04, 2015





# MANGALAM CEMENT LTD.

CIN : L26943RJ1976PLC001705  
 Regd. Office : P.O. Aditya Nagar - 326520, Morak, Distt. Kota (Raj.)  
 Phone : 07459-233127, Fax : 07459-232036  
 Email : shares@mangalamcement.com  
 Website : www.mangalamcement.com

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## ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN	NO. OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 10.00 a.m. (IST) on August 14, 2015
End of e-voting	Upto 05.00 p.m. (IST) on August 16, 2015

- The cut-off date (i.e. the record date) for the purpose of e-voting is 11th August, 2015.
- Please refer to the attached AGM Notice for instructions on E-Voting.

----- TEAR HERE -----



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## ATTENDANCE SLIP

Regd. Folio No. / DP ID - Client ID : \_\_\_\_\_

Name & Address of First/Sole Shareholder : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 39<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 17<sup>th</sup> day of August, 2015 at 11.30 a.m. at the Club Hall of Mangalam Cement Ltd, Basant Vihar, Adityanagar 326520, Morak, Dist. Kota (Rajasthan).

\_\_\_\_\_  
Signature of Member/Proxy

### Notes:

- a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- b) Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.



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## PROXY FORM AGM 2015

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)  
 of the Companies (Management and Administration) Rules, 2014]  
**MGT 11**

Folio / DP ID-Client ID No. :
Name of the Member(s) & Address :

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint

- (1) Name :  
 Address:  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him;
- (2) Name :  
 Address:  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him;
- (3) Name :  
 Address:  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_

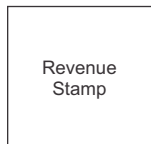
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, the 17<sup>th</sup> August, 2015 at 11.30 a.m. at the Club Hall of Mangalam Cement Ltd, Basant Vihar, Adityanagar-326520, Morak, Dist. Kota (Rajasthan)., and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description
1.	To consider and adopt Financial Statements and Reports of Board of Directors and Auditors thereon for the year ended 31st March, 2015.
2.	To Declare Dividend on Equity Shares.
3.	To appoint Shri Anshuman Vikram Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
4.	To re-appoint M/s Jain Pramod Jain & Co., Chartered Accountants, as the Statutory Auditors of the Company and fixation of their remuneration.
5.	To approve payment of remuneration by way of commission to Non Executive Directors of the Company.
6.	To ratify the remuneration of M/s. J K Kabra & Co. Cost Auditors of the Company for the year ending 31st March, 2016.

Signed this----- day of----- 2015

Signature of Shareholder-----

Signature of Proxy holder(s) -----



**Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**